



SUBMISSION OF COMMENTS - COAL MINE METHANE PROJECT PROTOCOL, DRAFT VERSION 1.0

TO: RACHEL TORNEK , CLIMATE ACTION RESERVE (CAR)
FROM: CRAIG HAIRFIELD, MARSHALL MILLER & ASSOCIATES (MM&A)
SUBJECT: SUBMISSION OF COMMENTS ON THE "COAL MINE METHANE PROJECT PROTOCOL"
DATE: 9/11/2009
CC:

Dear Ms. Tornek:

MM&A appreciates the opportunity to comment on the *Coal Mine Methane Project Protocol, Public Draft Version 1.0 (August 17, 2009)*. We feel the Protocol is successful in achieving the difficult task of serving as a detailed guideline for quantifying, monitoring and verifying greenhouse gas emissions from Ventilation Air Methane (VAM) and Non-Pipeline Drainage projects. We would like to take this opportunity to briefly list some comments/concerns that are shared by ourselves and our coal industry clients:

- There is wide concern in the industry about the risk put upon project developers due to the possibility of regulation change. For example, a VAM project's viability may rely upon receiving revenue from credits for capturing methane above and beyond that which is required by regulation. If regulatory requirements become more stringent, the projects may receive fewer (or no) credits for methane capture, rendering the projects uneconomical. This can present a large amount of risk and uncertainty, as projects can last as long as 10 years.
- There is also some concern about the maximum 10-year project life period, as that may not be long enough for some projects to recoup capital costs. We would encourage the Climate Action Reserve (CAR) to continue to look into options to be flexible to this issue, such as the possibility of a renewal policy.
- We have heard some industry comments implying concern that the VAM projects focus on and incentivize methane destruction and not the use of methane for energy purposes. We would simply like to suggest the CAR keep this message in mind and continue to strive to find an optimum balance in policy and associated incentives.
- We would suggest that more clarity be added to the definition of a "Mine Plan," as it is listed in Section 7.1 as required documentation to submit to CAR. A suggested possible alternative for this line in the documentation list is, "Mine Plan/Map, illustrating a

general layout of projected mine workings, including locations of gas wells/boreholes for coal mine methane projects.” Per your inquiry in the Public Workshop in Philadelphia (8/25/09), a “mine plan” is a loose term that can have different meanings. Information of this type is not publicly available, as it is typically proprietary. It can be noted that mining operations are required to submit a “mine ventilation plan” to MSHA (Mine Safety and Health Administration) every 6-months. This type of submission would most likely have the type of information CAR desires to collect (mine maps including locations of wells, etc.). The requirements for this type of submission is detailed in MSHA’s Code of Federal Regulations Title 30 (30 CFR) document, sections 75.370-75.372, which can be found on the MSHA website (www.msha.gov).

Thank you again for the opportunity to provide comment on your Protocol. We look forward to working with the Climate Action Reserve in the future. If you have any questions or comments on our submission, please feel free to contact me.

Regards,

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