Poland Coal Sector Update to the 18th Session of the Global Methane Initiative (GMI) Coal Subcommittee

Geneve, 19-20 November 2013

Central Mining Institute, Katowice, Poland
Experimental Mine „Barbara”
# Poland Coal Sector Update

Any new trends in the coal sector
Increase/decrease in coal production

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>6 months of 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output</strong></td>
<td>75.7 mln tones</td>
<td>79.2 mln tones</td>
<td>36.0 mln tones</td>
</tr>
<tr>
<td><strong>Sale</strong></td>
<td>70.5 mln tones</td>
<td>72.0 mln tones</td>
<td>36.1 mln tones</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td>5.8 mln tones</td>
<td>7.4 mln tones</td>
<td>5.9 mln tones</td>
</tr>
<tr>
<td><strong>Import</strong></td>
<td>14.5 mln tones</td>
<td>10.1 mln tones</td>
<td>4.7 mln tones</td>
</tr>
</tbody>
</table>

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TOTAL GAS RELEASED DURING MINING OPERATIONS (about 821.9 mln m³) 834.9 mln m³ in 2011

Drainage gas 22%

Ventilation Air
Methane (VAM) 78%
Changes of absolute gasiness versus decrease of active gassy coalmines' number

- Number of coalmines exploiting gassy coal seams
- Absolute gasiness in mln m$^3$/year


- Number of coalmines: Decrease from 50 in 1989 to 20 in 2005
- Absolute gasiness: Decrease from 1200 mln m$^3$/year in 1989 to 600 mln m$^3$/year in 2005

Exploring the changes over the years, there is a notable decrease in both the number of coalmines and the absolute gasiness, indicating a trend towards safer and more efficient mining practices.
Poland Coal Sector Update

- New trends in the energy sector

Support system for CBM & CMM in Poland

Since March 11th, 2010 there is a support system for electricity produced from high efficiency cogeneration (Primary Energy Saving > 10%) from CBM and CMM.

This system is a real financial support for the efficient utilisation of CBM and CMM.

According to the energy law records, this system, will be valid until the year 2018
Challenges to emission reduction projects in Poland

- Lack of clear incentives for methane capture and utilisation e.g. production of electricity from VAM, CMM, CBM

- Concern that it could have impact on renewable energy prices (analysis needed?)
CMM Project Outlook (2)

- Approaches to overcoming challenges
  - Legislation and regulation
  - Policies and incentives
  - Energy pricing reform
  - Capacity building
    - Technology transfer (surface and underground directional drilling technology)
    - Training and workshops (surface and underground directional drilling technology)
  - Agreements and/or partnerships

Polish Mining is open for cooperation and investors

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Anticipated or planned projects

Ministry of Environment Project:
methane drainage ahead of mining using surface directional drilling wells

Individual talks of Drilling Companies with mining operators …
Announcements

- December 11th, 2013 – symposium
  Central Mining Institute (Katowice)
  „Directional Drilling Technology – all its aspects, worldwide experience”
Status of Coal Sector Methane Action Plan development (under construction…)

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