

# United States Coal Sector Update to the 27th Session of the Global Methane Initiative (GMI) Coal Subcommittee

---

**24 September 2018**

**U.S. Environmental Protection Agency**



# United States Coal Sector Update

- Trends in the coal sector
  - 2017 coal production = 702,268 metric tons (+ 6% over 2016; Q1 2018 +14% over Q1 2017)<sup>1</sup>
- 2016 CMM emissions (GHGRP): 38 MMtCO<sub>2</sub>; -13% from 2015<sup>2</sup> (2017 emissions to be published in October)
- Currently 16 CMM projects at active U.S. mines<sup>3</sup>
- New trends in the energy sector
  - Natural gas prices remain low; coal production has stabilized & new mines opening
- Regulatory Update
  - California cap-and-trade program extension to 2030; regulations in development

<sup>1</sup> U.S. EIA, “Quarterly Coal Report”, July 2018

<sup>2</sup> U.S. EPA, “Facility Level Information on Greenhouse Gases Tool.” accessed September 2018

<sup>3</sup> U.S. EPA. “Inventory of U.S. Greenhouse Gas Emissions & Sinks: 1990-2016.” April 2018

# United States CMM Project Outlook

- Growing demand for gas drainage services
- Strong and stable offset price in CA Cap-and-Trade (~USD 14/tCO<sub>2</sub>e) driving interest in CMM, AMM and VAM<sup>1</sup>
  - Several AMM projects came on-line in 2017 or are in development
  - CMM and VAM projects at active mines in development or in planning
- Challenges to U.S. emission reduction projects:
  - Low power and natural gas prices in coal producing regions
  - Low price in voluntary CO<sub>2</sub> markets: US\$1-3/tCO<sub>2</sub>e
  - Uncertainty over the reduction in out-of-state offsets allowed into CA Cap-and-Trade market after 2020
  - CA Cap-and-Trade continues to exclude gas pipeline sales projects at active mines – largest share of CMM utilization in U.S.

<sup>1</sup> California Carbon Info <http://californiacarbon.info/>

# Highlights: U.S. Activities in Support of GMI in 2018

- Co-Chairing the Coal Subcommittee
- Coal technical sessions and Subcommittee meeting at the 2018 Global Methane Forum, April 2018
- Updating key GMI coal sector documents
- Collaboration with and support for UNECE
  - Supporting work of the GOE on CMM that furthers the dissemination of best practices, through 2019
  - Collaborating on development of AMM Best Practices Guidance Document
  - Support for new UNECE Centres of Excellence on CMM
    - Pre-feasibility training program with ICE-CMM in China
  - Session at the World Mining Congress, Astana, June 2018
  - UNECE/GMI Workshop in Bogota, Colombia, July 2018

# Contact Information

---

Ms. Felicia A. Ruiz

Manager, Coalbed Methane Outreach Program

U.S. Environmental Protection Agency

Co-Chair, GMI Coal Subcommittee

+1 (202) 343-9129

[Ruiz.Felicia@epa.gov](mailto:Ruiz.Felicia@epa.gov)

[www.globalmethane.org](http://www.globalmethane.org)

[www.epa.gov/cmop](http://www.epa.gov/cmop)