Concept of stakeholder group

- Stakeholder groups developing in other international partnerships/initiatives such as CSLF

- Goal is to develop a more organized and structured forum for dialogue among the Project Network members which in turn will lead to a more productive channel of communication with member countries

- Four European-based PN members came together to see if concept works

- Not exclusive - all PN members are most welcome to participate in future activities of stakeholder group if concept is productive

- We hope other PN members put ideas on the table
Objectives of presentation

- Consider the best role(s) for M2M in recognizing that the market dynamics for CMM and other carbon mitigation projects have changed significantly since M2M was announced almost two years ago
  - M2M Objectives, Action Plan, and Accomplishments
  - Reality that carbon markets driving many CMM projects
  - PN expectations for the M2M Partnership
  - Recommendations for Concrete Activities
M2M goals

- Provide network and information
  - Create attractive commercial environments
    - Support project development

→ Reduce methane emissions
M2M accomplishments

- Aggregated first data from member countries
- Provides network and contacts
- First technology transfers through network
- Raised interest in methane emission reduction
Realities of today’s CH4 mkts

• Carbon markets driving activity: price signals are critical

• Many new “developers / credit traders” are hungry for projects – “gold rush” mentality - but often lack understanding of technologies, execution risks, and mine’s needs (coal mines writing contracts for carbon credits at low price levels)

• Even though money is there everybody looks only for the best projects (raising money for projects with insufficient background information / unprepared)

• **Consequence is less can be realized than with better market information and commercial environment**
Remaining barriers to progress

- Reliable, credible and accurate mine-specific data still difficult to obtain
- Incomplete understanding of the CMM Project value chain
- JI/CDM Process
- Non-transparent legal & policy frameworks
- Mining sector remains rather unsophisticated on the range of financial instruments
- Flaring instead of utilization raises questions regarding sustainability
Flaring vs utilization

• As an interim option, for poor quality methane, significant fluctuations in flow, and downtime, flaring is likely the suitable solution for greenhouse gas reduction

• But if utilization is feasible, flaring has the following disadvantages:
  – Wastes finite energy sources and therefore deters more sustainable uses of energy
  – Provides fewer net greenhouse gas reductions and lower net present value leading to less benefit to project owners and the local economy

• If feasible: utilization of methane should prevail above flaring
Expectations

• Further expedite promising projects

• Commitment for action on the side of the project network as well as on the side of the member countries

• Pay greater attention to smaller or more marginal projects

• Lobby to improve legal / regulatory / commercial frameworks at national and regional levels

• Active participation by all M2M member countries with CMM interests
Recommendations

• Link M2M meetings to commercially oriented events to allow more exposure

• Central M2M website with comprehensive info about all member countries rather than single websites in each country

• Encourage flaring if no other commercial option is available

• Continue pushing consistent standards & terminology

• Representatives of member countries should initiate, facilitate and support policy reforms for improved commercial environment for CMM projects
Recommendations

• Provide additional mine specific details about all viable mines

• Prepare CMM market analysis incl recommendations for policy changes

• Provide fact sheet on the full CMM value chain to facilitate greater understanding

• Regular work shops on project finance incl. Carbobn utilization educating mining community and government officials
Thank you

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