Linking Policy to Changing Conditions: Framework for Stimulating Investment

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A framework for functionally categorizing policies...

- When the underlying policy framework and conditions are favorable, CMM-specific policies might not be needed.

**More targeted policy support needed**

- More specific CMM policies
  - Subsidies
  - Feed-in tariffs and obligations
  - Tax incentives
  - Strong institutional support
  - Environmental taxes

**Underlying policy framework and conditions**

- Strict safety requirements and implementation
- Access to energy markets
- Cost-reflective prices for natural gas and electricity
- Clearly defined property rights
- Composition of gas flows
- Mine gassiness

**Less targeted policy support needed**
The policy attention cycle—25 years later, where do we go with CMM emissions policy?

1. Methane liberated by coal mines (CMM) is a mining hazard

2. Alarm! Methane liberated by coal mines is a powerful GHG. Coal miners need to take action

3. Globally reducing coal mine methane emissions is an immense undertaking and expensive

4. Govern growth in emissions with policy and regulation. Finance via fungible emission reduction credits

5. Uncertainty in the global economy and low energy prices prevail. We need new CMM policy ideas to spur new projects

After Anthony Downs, 1972, The issue attention cycle and the political economy of improving our environment.
Policy wish list: a framework to provide certainty for business

- Change the perception that coal mine methane is only a liability and hazard.
- Promote its capture and use and facilitate its transformation into an asset which can provide revenue and contribute to operational certainty, while protecting the global environment
- Policies should do two things:
  - Clarify the legal rights and obligations related to gases associated with coal:
    - Laws and regulations should protect the safety of the miner
    - Provide clear paths to ownership and responsibility for the gas that is liberated during mining
  - Provide mechanisms for monetization of coal-associated gases that are captured and used by mining companies
Discussion questions

- What kind of policies can be effective given the current financial stress of the coal industry?

- How can countries best develop a comprehensive CMM policy, recognizing Nationally-Determined Contributions (NDCs) and the differing legal and economic conditions?