Current and Potential Policy Impetus for CMM Recovery and Use Projects

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Context

• CH₄ in the fossil fuel life cycle
• Potency and new international focus
• Trade, process and production methods
• Coal mine methane (CMM) and the world’s love-hate relationship to coal
• Policy impetus for CMM recovery and use
Global Impetus: Paris Agreement

• Article 6
  • 6.2 – internationally transferred mitigation outcomes (ITMOs)
  • 6.4 – sustainable development mechanism (SDM)
  • 6.8 – non-market mechanisms (including direct regulation)
Global Impetus: Trade

• China/US trade war
• Recent chess move on border carbon adjustments
• Life cycle of fossil fuels
  • CMM
  • Bitumen – more important
Global Impetus: National Carbon Pricing and Ancillary Regulation

- Federal backstop announced; legislation proposed Jan. 15, 2018:
  - Backstop to be applied in provinces deemed not equally stringent
  - Levy equal to $10/tCO$_2$e in 2018, increasing by $10 annually to $50/tCO$_2$e
  - Output-based pricing system for industrial facilities in some sectors > 50 ktCO$_2$e/year; carbon price on emissions in excess of output-based emissions limit
  - Flexible compliance: surplus credits, offsets
  - Annual assessment of provincial performance by feds

- CH$_4$ regulations
- Offsets
Global Impetus: Energy Regulation

• Greening of natural gas as a heating fuel
• What is “renewable natural gas”? “Recovered” = renewable”?
• Ontario Energy Board proceeding: Enbridge Renewable Natural Gas Enabling Program (EB-2017-0319)
• Saskatchewan: *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy*
• Alberta initiatives
Conclusion

• Many new policy drivers for CMM recovery and use
• Current coal and trade politics may push greater mandate to recover and use CMM
Thank you.

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