

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/tCO₂e in 2018, increasing by \$10 annually to \$50/tCO₂e
 - Output-based pricing system for industrial facilities in some sectors > 50 ktCO₂e/year; carbon price on emissions in excess of output-based emissions limit
 - Flexible compliance: surplus credits, offsets
 - Annual assessment of provincial performance by feds
- CH₄ 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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