



Blue Source

October 23, 2013

Ms. Mary Nichols
Chairman, California Air Resource Board
1001 I Street
Sacramento, CA 95814

Blue Source, LLC. Statement of Support and Comments to the “Proposed Compliance Offset Protocol - Mine Methane Capture Projects”

Dear Madam Chair:

Thank you for the opportunity to comment in support of ARB’s adoption of the Proposed Compliance Offset Protocol for Mine Methane Capture (MMC) Projects. Blue Source, LLC has been a carbon offset developer and marketer in North America for the last 12 years, having developed and participated in over 200 offset projects, including forestry, coalmine methane, wastewater methane, landfill methane, ODS, transportation and many others. Blue Source fully supports the development of new compliance offset protocols that provide real, permanent and verifiable greenhouse gas emission reductions.

Blue Source urges ARB to adopt the Proposed Protocol for MMC Projects. Through its approval, ARB will enable voluntary participation in GHG emission reduction activities that, void of traditional economic viability and absent participation in California’s Cap and Trade Program, would not otherwise occur. The protocol will establish a framework to allow companies to address the millions of tons of GHG emissions released from coal mining each year, without incentivizing additional mining activity. Adoption of this protocol will serve to encourage and promote the development and implementation of cleaner and more environmentally responsible practices in the industry, and will result in the ultimate goal: Reduced GHG emissions.

In addition to our support of the adoption of the MMC Projects Protocol, Blue Source respectfully submits the following comments:

§ 3.3 (d) Offset Project Operator

As it is currently drafted, the express designation of the OPO as a Mine Operator (any owner, lessee or other person who operates, controls or supervises a coal or other mine or any independent contractor performing services or construction at such mine) may be unnecessarily limiting and problematic in administering the project. Blue Source suggests that the definition be expanded to include the scope of parties likely to be directly and critically involved in the design, financing, construction and operation of the project,



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namely those entities responsible for the direct operation of the destruction equipment and/or the owners of the physical assets.

§ 6.2 (a) (1) Instrument QA/QC

While Blue Source understands and appreciates the motive for requesting “quarterly cleaning & inspections” to ensure valid and accurate recording of data, the simple inclusion of “cleaning” has proven to be overly cumbersome and in some cases impossible in practice in the field for existing offset projects. This is primarily due to equipment design and various requirements of equipment manufactures. Many manufacturers warn that removal of the equipment for cleaning could cause inaccurate or improper readings, and in some cases the warranties for the devices are voided in the event of their removal. This is a challenge that has been encountered on a number of methane abatement projects. Therefore, it is recommended that the word “cleaning” be struck from the language entirely, as relying on a quarterly inspection alone meets ARB’s requirement to ensure that the equipment is operating properly.

Thank you for your consideration of these issues. Blue Source reiterates its full support for the MMC protocol and looks forward to a prompt implementation.

Respectfully submitted,

Eric Townsend
Chief Executive Officer
Blue Source LLC