

14 February 2014

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted electronically

Re: Comments on the California Air Resources Board Discussion Draft – January 31, 2014 Potential Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms and Compliance Offset Protocol Mine Methane Capture Projects, Discussion Draft 1/31/2014

The Verified Carbon Standard Association (VCS) welcomes the opportunity to offer comments in support of the potential amendments to the California Cap-and-Trade Regulation and the proposed offset protocol for mine methane capture.

Acknowledgement of changes made to the September 4, 2013 Proposed Amendments to the Cap-and-Trade Regulation.

The VCS appreciates ARB staff's actions to address the two changes recommended in our comments regarding the September 4, 2013 proposed changes to the regulation. In the first case, this involved correcting the inaccurate and incomplete references to the approved VCS methodologies VMR0001 and VMR0002 in Section 95990(c)(5)(F) and Section 95990(i)(1)(F).

In the second case, it involved the inclusion of a provision (Section 95990(i)(1)(F)2) that enables early action projects which follow the referenced VCS-approved methodologies and include emission reductions from both the destruction of methane and the displacement of CO₂ emissions from fossil fuel consumption as a result of the productive use of the captured methane to earn ARB offset credits for the emission reductions associated with methane destruction so long as the emissions displaced from the productive use of methane have been netted out.¹ In our view, this change will result in an even-playing field for all developers of coal mine methane projects eligible for early action recognition without compromising the environmental integrity of ARB's program.

Statement in support of adopting the proposed mine methane offset protocol.

The VCS reiterates its support for Air Resources Board adoption of the Mine Methane Capture (MMC) protocol that has been developed by staff. The protocol represents a significant opportunity to take immediate action to reduce GHG emissions in the mining sector which accounts for nearly 12 percent of anthropogenic methane emissions in the United States. Absent the financing available through the purchase and retirement of a carbon offset credit, there is no financial incentive to capture methane from coal mines, especially from abandoned

¹ The September 4, 2013 version of the regulation would have excluded all projects that included emission reductions in any given reporting period from both the destruction of methane and the displacement of CO₂ emissions from fossil fuel consumption as a result of the productive use of the captured methane.

coal mines. Adoption of the MMC protocol is therefore an important step in addressing a significant source of GHG emissions.

Thank you for the opportunity to provide input to these important changes to the Cap-and-Trade Program. Should you have any questions, please do not hesitate to contact me by telephone (+1 202 470 5661) or email (wferretti@v-c-s.org).

Sincerely,

A handwritten signature in cursive script, appearing to read "William M. Ferretti".

William M. Ferretti
Chief Operating and Financial Officer