



Solvay Chemicals, Inc.
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Ms. Rajinder Sahota
Chief, Climate Change Program Evaluation Branch
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Solvay Chemicals, Inc. (SCI) Comments on the Proposed Compliance Offset Protocol for Mine Methane Capture Projects, 15 day comment period – April 2014

Dear Ms. Sahota,

Solvay Chemicals, Inc. (SCI) appreciates the opportunity to comment on the “Proposed Compliance Offset Protocol - Mine Methane Capture Projects: Capturing and Destroying Methane from U.S. Coal and Trona Mines”, and accompanying economic analysis.

SCI operates an active, underground trona mine in Southwest Wyoming. Our Trona is processed into soda ash, a key ingredient in everyday products such as glass and baking soda. Our products are also used in the treatment of flue gas emissions and waste water.

SCI believes that market driven cap and trade systems when properly deployed on a global scale will significantly reduce greenhouse gas emissions while at the same time preserving economic stability. In the case of mine methane emissions, SCI believes that a well run cap and trade system in California will provide mine operators in the USA an economic incentive to invest capital in projects to reduce methane emissions. In return, the mine methane capture (MMC) projects will be able to supply very high quality and verifiable offsets to the California Cap and Trade Market.

Methane is a potent greenhouse gas having over 20 times the greenhouse effect in the atmosphere than carbon dioxide. The net effect of combusting one metric ton of methane will be to prevent an equivalent of over 18 metric tons of carbon dioxide from entering the atmosphere. There is little doubt that MMC projects will indeed reduce global greenhouse emissions.

Solvay Chemicals, Inc. is proud to have pioneered one of the very first mine methane capture and destruction systems in the United States. We have gone on to further reduce greenhouse gas emissions and improve our energy efficiency by using the captured mine methane in our refining processes. Our project has been listed with the Climate Action

Reserve since 2009 and has prevented approximately 380,000 tonnes of CO₂e from entering the atmosphere so far. If adopted by ARB, the SCI project would be covered by the proposed protocol for MMC projects. SCI is in the process of expanding the system to double the methane destruction capacity. Potential acceptance of the project into the ARB carbon offset program has been a key factor in this significant investment decision.

SCI does want to clarify one aspect of the MMC Compliance Offset Protocol. Pages 21 - 22 of the Protocol state, with respect to underground mine methane, “[p]ipeline injection of mine methane extracted from mine drainage systems at active underground mines is common practice and considered business as usual.” Given that captured mine methane at an active mine must necessarily be transported by **on-site** pipelines to **on-site** facilities in order to destroy the methane at a central location or to combust the methane in **on-site** appliances, SCI assumes that the deletion of “off-site consumption” found in early versions of the Protocol was in error. SCI also notes that the Summary of Proposed Modifications on pages 26-27 talks about this change with respect to pipeline injection “after abandonment” – an inconsistency with the language in the protocol that refers to “active underground mines.”

As to the ARB staff economic analysis, SCI finds it clearly and logically demonstrates that the MMC protocol will not be a factor in any future increase in US coal production. Coal production is driven entirely by demand. As much coal will be mined in the US as there is a demand for the product and no more. Economic incentives to reduce coal mine methane emissions will have no effect on this relationship and will not increase domestic coal mining activity. To the contrary, the opposite is likely to be true since capital invested by coal companies to reduce methane emissions will not be available for investments to increase coal production capacity or improve mining productivity.

Respectfully submitted on behalf of Solvay Chemicals, Inc.