

Montreal, April 19, 2013

Ms. Jessica Bede Coal Mine Methane Protocol Contact California Air Resources Board

Object: Comments_Offsets Workshop

Dear Ms. Bede,

Biothermica would first like to thank the California Air Resources Board (ARB) for the opportunity to provide comments in the context of the offsets workshop held in Sacramento on March 28, 2013.

Our comments are provided from the perspective of a coal mine ventilation air methane (VAM) carbon project developer and technology owner, having developed and implemented the first VAM destruction project at an active coal mine in America. This project is currently registered with the Climate Action Reserve (CAR), and follows the guidance of CAR's Coal Mine Methane (CMM) Project Protocol.

Biothermica strongly supports ARB in its efforts to bridge the expected gap between the supply and demand for high quality and additional offsets over the cap and trade program's compliance periods. We do believe that CMM offsets can significantly contribute to these efforts and help maintain the cost of compliance at a reasonable level for covered entities.

Based on our expertise in this field, we remain fully available to share our experience with ARB and ensure that the CMM Protocol is in accordance with the reality experienced by CMM project developers.

We have also acknowledged the planned adoption schedule, which mentions Board consideration in Fall 2013 and a Protocol effective date in Spring 2014. While we understand and respect ARB's administrative constraints, we do wish to underline the importance of not delaying this schedule in order to ensure CMM projects will be able to deliver offsets in time for the second compliance period.

Indeed, in order to fully move forward with these projects, developers and investors need framework certainty, which will only be achieved following the final adoption of the CMM Protocol by ARB. Following this adoption, several activities must take place before new CMM projects can ultimately start supplying offsets to the system. These activities, typically spread out over fifteen months, include construction, commissioning, monitoring, verification and final offset issuance by ARB.

In this context, we also strongly support ARB with regard to the recognition of rigorous early action programs such as CAR and the Verified Carbon Standard (VCS). This will indeed provide covered entities with a quicker access to high quality offsets generated under these programs.

Sincerely,

Raphaël Bruneau Director – Carbon Markets

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