**USEPA Comments on CARB Proposed Compliance Offset Protocol for MMC Projects**

* **3.4.1 Legal Requirements Test:** Removal of the language in italics “Emission reductions achieved by an MMC project must exceed those required by any law, regulation, or legally binding mandate *at the time of offset project commencement*” makes it unclear when exactly emission reductions would be impacted. For example, if a law or requirement were passed but didn’t go into effect for three years, would the project retain its’ eligibility for those three years or would it become ineligible immediately? It is important to clarify the exact impact of this Legal Requirements Test, as the proposed language change increases the risk for project developers and therefore may result in fewer emission reduction projects.
* **Figure 4.2 and 3.8 Regulatory Compliance:** A strict reading of the protocol limits the regulatory compliance requirement to the Offset Project itself. However, gas drainage projects could face challenges because the drainage system (including gas gathering and collection) are within the project boundary as defined by box SSR2 in Figure 4.2. In many cases, the operator of the Offset Project does not control the gas drainage system. That is normally operated by the mine or a 3rd party (similar to SSR 10 “well drilling and gas well completion”). The inclusion of “mine gas collection” within the project boundary (box SSR2) may increase the risk for the project developer.
* **5.2.2(k) UG Mines Quantifying Project Emissions**: The impact of the new paragraph “Project emissions from un-combusted methane must include emissions from all MG from pre-mining surface wells sent to destruction devices during the reporting period, regardless of whether or not the well is mined through by the end of the reporting period” could be significant, depending on the number of pre-mine drainage wells. This requirement appears to be in contradiction with Figure 4.2, which shows well drilling and gas well completion to be outside of the project boundary (box SSR10). As well drilling and completions are normally carried out by the mine or a 3rd party, this would penalize the Offset Project operator for activities outside of their control.