

September 26, 2013

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

RE: Proposed Compliance Offset Protocol Mine Methane Capture Projects

Dear Mary D. Nichols, Chairwoman, California Air Resources Board:

On behalf of Food & Water Watch (FWW),¹ I write to express our organization's opposition to the September 4, 2013 "Proposed Compliance Offset Protocol Mine Methane Capture Projects."

Offsets are counterproductive and do not lead to real, additional, or permanent emissions reductions. Even worse, offsets generated from coalmine methane capture operations would further promote an emissions intensive and highly polluting fossil fuel.

Addressing climate change requires direct pollution reductions, as well as the use of sustainable and renewable energy sources. The use of offsets, and the possible allowance of offsets from coalmines, is completely counterproductive to any real progress in reversing the root causes of climate change.

Offsets Are A Slippery Slope

Offsets do not offer a reliable solution to emissions reductions, and are in fact a significant liability and loophole to achieving real, additional, and permanent reductions. The primary interest in offsets is their potential to make it *easier* and *cheaper* for polluters to meet emissions reduction requirements. This is because they cost less per credit than emissions credits.

However, even though they cost less than an emissions credit, the non-monetary costs are not reflected in the price. Offsets allow pollution to continue at the source, creating pollution hot spots that cause significant public health and environmental costs for nearby communities. The point of reducing emissions is not to cater to polluters, but rather to reduce emissions and deter future emissions—offsets achieve neither.

In reality offsets are not comparable to direct emissions reductions. They actually allow companies to pay to continue polluting at the source, while an emissions reduction supposedly occurs elsewhere.

Allowing companies to pay to pollute does very little to discourage or decrease emissions in the present and in future generations. Even the U.S. Government Accountability Office (GAO) points out that, "In theory, offsets allow regulated entities to emit more while maintaining the emissions levels set by a cap and trade program or other program to limit emissions."²

Offsets also risk causing increased emissions. Several verification requirements must be met for an offset to be valid, but it is very hard to meet all of the requirements. This creates opportunities for fraud, corruption and minimal emissions reductions—if not increased emissions—because of illegitimate offsets that are still released into the market.³ A company in California could purchase an offset elsewhere that might not create an emissions reduction, leading to a net increase in emissions because the company continues to pollute at the source.

Offsets can also take a long time to create, but the credits for offsets are in demand now. The remedy to this has been to create systems of forward crediting and forward selling. Forward crediting requires allocating an offset before it can have produced the expected emissions reduction.⁴ This form of “I-owe-you” offset is another liability and leaves the door open to the possibility of no emissions reduction and even increased emissions.

The societal and environmental impacts of offsets are not to be overlooked either. They allow emissions to continue at the source of pollution instead of reducing it directly, creating toxic hot-spots—something California is not new to, considering their experience with hot spots in Los Angeles from Rule 1610 in the early 1990’s. However, unlike what happened with Rule 1610, the hot spots from offsets would not be limited to just Los Angeles, they would become a statewide problem.

Environmental justice is a serious concern for the communities subjected to hot spots. Often times the areas burdened with these high concentrations of pollution are made up of low-income populations and people of color.⁵ In addition, hot spots create public health impacts and are linked with respiratory and cardiovascular health problems. Not to mention that the persistent pollution in these areas continues to degrade the environment, especially air and water quality.

Offsets Do Not Make Coal Clean

As if offsets alone were not problematic enough, California’s new initiative to generate offsets from coalmine methane capture projects creates additional specific problems. Supporting these offsets supports coal mining and ultimately coal burning power plants—a chain of processes that is highly polluting, degrades the environment, and adds significant amounts of greenhouse gases (GHGs) into the atmosphere. The point of an emissions reduction initiative is to *reduce* emissions, not support a process that creates additional emissions.

Coal is a fossil fuel, it is not renewable and it is one of the most highly polluting fossil fuels. It doesn’t just cause methane emissions, it also emits carbon dioxide (CO₂), sulfur dioxide (SO₂), nitrogen oxides (NO_x), particulate matter, mercury, and several other harmful pollutants and GHGs.⁶

The negative impacts of coal are numerous and extensive. Coal mining is energy intensive and labor intensive, and depending on the type of mine (surface or underground) it results in a great deal of environmental damage. Significant deforestation is a direct result of surface mining, as is mountaintop removal.⁷ This in turn has drastic impacts on water resources through destruction and contamination.⁸

“In West Virginia, more than 300,000 acres of hardwood forests (half the size of Rhode Island) and 1,000 miles of streams have been destroyed” by mining.⁹ In addition, underground mining is especially hazardous for workers, with many risking death and serious injury as well as chronic lung diseases and other health problems.

The destruction doesn't stop there. Coal burning power plants emit so much carbon dioxide that they are the greatest source of CO₂ emissions in the United States.¹⁰ “In 2011, utility coal plants in the United States emitted a total of 1.7 billion tons of CO₂.”¹¹ Burning coal also causes smog, acid rain, and toxic air pollution.¹²

Two Wrongs Don't Make a Right

The concept of offsets from coalmine methane capture is so backwards that it's astonishing it is even under consideration. Not only will emissions continue at the source in California, but methane would be reduced while other GHGs are released from flaring the methane as well as from coal mining and coal burning power plants.

Allowing offsets from coalmine methane capture projects is just another pay to pollute scheme in which coalmines are *paid* money for capturing their methane emissions rather than let them escape into the atmosphere—the same coalmines that are responsible for emitting a host of other GHGs and are part of the larger process of burning coal for energy, which is the leading source of CO₂ emissions in the United States.

What's more is that through such an offset scheme, not only will an offset be sold to a company in California and a coalmine elsewhere will receive payment for the offset, but the coalmine being paid for the offset could also make additional profit from selling the captured methane for various end-use options outlined in the “Proposed Compliance Offset Protocol Mine Methane Capture Projects”.¹³

Of the eight options for destruction or end-use of captured methane, only two—open flare and enclosed flare—involve the actual destruction of methane. However, when methane is flared CO₂ is released into the atmosphere. There isn't much benefit from an offset, which is supposed to *remove* emissions in place of those not removed in California, that just replaces one type of emission (methane) with another or even many other types of emissions (carbon dioxide and the several other GHGs released from mining and burning coal).

The other six options for disposing of captured methane are all end-use options that involve using the captured methane to generate heat, electricity, other forms of power, and fuel. This means that coalmines stand to profit from both the offset and the potential sale of captured methane.

The coalmines involved in mine methane capture projects would then receive a financial incentive from offsets, and possibly an additional incentive from selling their captured methane, further supporting the production of a fossil fuel that emits many serious GHGs in high amounts. This could even cause an increase in coal production.

Offsets from coalmine methane capture would also run into many of the same problems that other types of offsets face—issues with ensuring additionality, achieving real reductions, risks of fraud, and pollution would continue at its source in California.

Looking specifically at the requirement of additionality, some serious concerns arise. It is clearly stated in the “Proposed Compliance Offset Protocol Mine Methane Capture Projects” that additionality must be met—any methane capture project under consideration must be in addition to the status quo or business as usual. However, it is also stated in the draft protocol that “compliance offset projects must have an offset project commencement date after December 31, 2006”—meaning that any project that commenced in the last six years is eligible for offsets and considered “additional”, even though it’s already in effect and technically not additional.¹⁴ This built in “additionality” makes the integrity of the California Air Resources Board highly suspect.

Furthermore, not only would mine methane offsets perpetuate hot spots in California by allowing pollution to continue at the source, they would also perpetuate hot-spots surrounding coalmines. Social, environmental, and health costs would continue where pollution occurs in California and at coalmine sites, all for the benefit of giving polluters in California another *option* in meeting their emissions reductions.

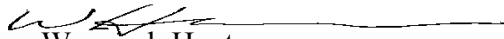
Do the supposed benefits of offsets, especially from coalmine methane capture projects, really justify the extensive costs that will burden not only the people of California but also communities across the United States?

Conclusion

On behalf of Food & Water Watch, I urge you to reject offsets from coalmine methane capture. Offsets do not lead to real, additional, or permanent emissions reductions, and offsets from coalmine methane capture would be completely counterproductive to any emissions reductions.

The point of addressing emissions is to reduce them for the sake of current and future generations, not to make the process easier for those causing the emissions.

Sincerely,



Wenonah Hauter
Executive Director
Food & Water Watch

Endnotes

¹ Food & Water Watch (FWW) is a nonprofit consumer advocacy organization headquartered in Washington, DC that runs cutting-edge campaigns to help ensure clean water and safe food. We work with various community outreach groups around the world to create an economically and environmentally viable future. We advocate for safe, wholesome food produced in a humane and sustainable manner, and public rather than private control of water resources, including oceans, rivers and groundwater.

² Gilbertson, Tamra and Oscar Reyes. Dag Hammarskjöld Foundation. “Carbon Trading: How it works and why it fails.” *Critical Currents*, no. 7. November 2009 at 11.

³ U.S. Government Accountability Office (GAO). “Climate Change Issues: Options for Addressing Challenges to Carbon Offset Quality.” (GAO-11-345). February 2011 at 8.

⁴ Pew Center on Global Climate Change. “Greenhouse Gas Offsets in a Domestic Cap-and-Trade Program.” Fall 2008 at 10.

⁵ Drury, Richard Toshiyuki, et. al. “Pollution Trading and Environmental Injustice: Los Angeles’ Failed Experiment in Air Quality Policy.” *Duke Environmental Law & Policy Forum*, Vol. 9 Issue 231. Spring 1999 at 251.

⁶ Union of Concerned Scientists. “Environmental impacts of coal power: air pollution.” 2012 at 1.

⁷ Union of Concerned Scientists. “Environmental impacts of coal power: fuel supply.” 2012 at 1.

⁸ *Ibid at 1.*

⁹ *Ibid at 1.*

¹⁰ Union of Concerned Scientists. “Environmental impacts of coal power: air pollution.” 2012 at 1.

¹¹ *Ibid at 1.*

¹² *Ibid at 1.*

¹³ California Air Resources Board, California Environmental Protection Agency. “Proposed Compliance Offset Protocol Mine Methane Capture Projects.” September 4, 2013 at 129.

¹⁴ *Ibid at 21.*