



Montreal, May 12, 2010

Mr Tim Lesiuk
Offsets Committee
Western Climate Initiative (WCI)

Object: Comments on WCI Draft Offset System Essential Elements and Offset Protocol Report

Dear Mr Lesiuk,

Biothermica would first like to thank the WCI for the opportunity to provide comments on its Draft Offset System Essential Elements and Offset Protocol Review Report. 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.

Currently listed with the Climate Action Reserve, this project has been fully operational since March 2009 using Biothermica's VAMOX[®] system, of which you will also find a picture attached to this letter.

The purpose of this letter is to express our support to the WCI in establishing as soon as possible a schedule with regard to:

- (1) Evaluating coal mine methane destruction as an eligible WCI offset project activity;
- (2) Evaluating Carbon Reduction Tons (CRTs) generated within the Reserve framework as offset credits eligible for compliance within the WCI framework.

1. Coal mine methane destruction as an eligible offset project activity

Biothermica recommends the consideration of coal mine methane destruction as an eligible WCI offset project activity. This recommendation is notably based on the existence of rigorous coal mine methane methodologies and protocols since November 2005.

As documented by the United States Environmental Protection Agency, "coal mine methane refers to methane released from the coal and rock strata due to mining activities. In underground mines, it can create an explosive hazard to coal miners, so it is removed through ventilation systems. In some instances, it is necessary to supplement the ventilation with a degasification system consisting of a network of boreholes and gas pipelines".

Since November 2005, high quality offset protocols and methodologies have been adopted with regard to the monitoring and quantification of emission reductions resulting from the destruction of the following sources of coal mine methane:

- Ventilation air from active underground mines, which contains dilute concentrations of methane (VAM);
- Degasification systems at active underground mines, also referred to as drainage systems.

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The United Nations **Clean Development Mechanism** Executive Board (CDM EB) for instance adopted the first version of its coal mine methane methodology on November 28, 2005. Since then, several revisions of this methodology, entitled “ACM0008”, have been adopted, the latest being ACM0008 version 06, adopted in March 2009.

In October 2009, the **Climate Action Reserve** also adopted Version 01 of its Coal Mine Methane Project Protocol, notably inspired by the CDM EB’s ACM0008. Version 01 “provides guidance to quantify, monitor, and verify GHG emission reductions associated with destroying methane that would have otherwise been vented to the atmosphere from active underground coal and Category III gassy trona mines in the United States and its territories” (Climate Action Reserve).

It should finally be noted that **Greenhouse Gas Services** and the **Chicago Climate Exchange**, included as methodology authors in the WCI’s Offset Protocol Review Report, have also published coal mine methane protocols.

In conclusion of this first point, the above methodologies should provide the WCI with the necessary base to adopt a coal mine methane protocol applicable within the WCI geographical limits. We recommend that this adoption take place as soon as possible in order to send a strong signal to project developers and further encourage the destruction of methane which is currently being vented to the atmosphere.

2. Carbon Reduction Tons eligible for compliance within the WCI framework

Biothermica recommends that Carbon Reductions Tons (CRTs) generated under the Climate Action Reserve be considered eligible for compliance within the WCI framework.

As of today, carbon project developers in North-America can develop their projects within the framework of the voluntary market, where voluntary standards strive to establish rules and methodologies in order to preserve environmental integrity. In this context, a “pre-compliance” market has been slowly developing over the past few years, notably driven by expectations that emission reductions generated under high-quality voluntary programs will be accepted for compliance within up-coming regulatory frameworks.

Project developers are however facing significant uncertainty with regard to emission reductions registered under these programs, however stringent they may be. The Climate Action Reserve is for instance one of the most rigorous programs in North America, but there currently is no clear signal that CRTs will be eligible for compliance within the WCI. This in turn has a detrimental impact on carbon credit prices, thereby preventing many significant emission reduction projects from going forward.

Therefore, Biothermica strongly recommends that the WCI Offset committee proceed as soon as possible with Task 2 of its work plan, which has notably identified the following actions:

- Perform an analysis on the standards which could be used to evaluate and, if appropriate, accept tradable units from programs other than the WCI (initially planned for 2009 Q3);
- Recommend standards for evaluating and, if appropriate, accepting tradable units from programs other than the WCI (initially planned for 2009 Q4).



In conclusion, Biothermica welcomes the publication by the WCI of its Draft Offset System Essential Elements and strongly supports the WCI in establishing a rigorous offset program. We however recommend that coal mine methane be included as soon as possible as an eligible project type and that Carbon Reduction Tons (CRTs) be considered eligible for compliance within the WCI framework, in order to provide project developers with the certainty required to proceed with the destruction of methane currently being vented to the atmosphere.

Sincerely,



Guy Drouin, Eng., MBA
President

Attached: Picture of VAMOX[®] system

**Picture of Biothermica VAMOX[®] system
(Shows mine shaft, inlet duct and VAMOX[®] system)**

