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CNX Resources Corporation (“CNX”) is a premier, low-carbon intensive natural gas development, production, midstream, and technology company with primary operations within Pennsylvania, West Virginia, Ohio, Kentucky, and southwest Virginia. CNX develops and operates coal mine methane capture systems to collect and utilize fugitive methane emitted from sources such as active and abandoned mines.

CNX supports CARB’s intention to update the Mine Methane Capture (MMC) Protocol as part of the effort to improve the implementation of the Compliance Offsets Program. In addition to the initial concepts outlined in the April 23rd workshop, CNX encourages CARB to draft revisions that “remove or modify the prohibition on natural gas pipeline projects at active mines,” as recommended in the March 2021 report by the Compliance Offsets Protocol Task Force.¹ Changes to a few key areas of the MMC Protocol would expand the positive climate impacts of compliance projects and promote the beneficial use of coal mine methane (CMM) over flaring activities.

CNX is requesting CARB’s consideration of the following topics during the MMC Protocol update process:

1. Inclusion of natural gas pipeline injection as an eligible end-use management option.
 - Due to the expiration of the Section 29 tax credit and the plentiful supply of natural gas from shale, the revenue associated with operating a MMC to natural gas pipeline injection project has lowered drastically. For example, since the original development of the MMC protocol, the number of CMM pipeline injection projects on active mines in the US has decreased from 15 in 2010 to just 3 today.²
 - Pipeline supply chain costs have increased and natural gas prices have decreased over the past 15 years. Injecting CMM into common carrier pipelines is no longer economically viable without the recognition of project’s environmental benefit.
 - Given current incentives under the Compliance Offset Program and the lower capital and operational expenditure, operators are incentivized to combust CMM in mobile flares rather than put it to beneficial use and displace natural gas.
2. Classification of existing natural gas pipeline as a qualifying destruction device.
 - As mining progresses, new boreholes are drilled and significant up-front capital is deployed to build infrastructure for CMM injection. This can include pipelines, compression processing, dehydration, transmission, and interconnection.
 - Construction of a new pipeline to serve as a qualifying destruction device is not feasible for offset project operators. The destruction of CMM in an existing common carrier pipeline prior to a potential project’s start date should not render it ineligible as a destruction device for future projects on new boreholes.
 - Active mining operations are constantly expanding, requiring new and ongoing methane capture infrastructure development. Qualification of the destruction device could be tied to the deployment of this infrastructure rather than the common carrier pipeline.

CNX appreciates the opportunity to provide comments on CARB’s proposed updates to the Compliance Offset Program. The expansion of the MMC Protocol will improve the efficacy of compliance offsets as a cost-control mechanism in the Cap-and-Trade Program and CNX is looking forward to submitting detailed comments once the protocol update is underway.

Respectfully,

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¹ https://ww2.arb.ca.gov/sites/default/files/2021-03/offsets_task_force_final_report_030221.pdf

² U.S. EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2020; EPA CMOP