

## **FINANCE: Panel at Copenhagen proposes methane fund** (12/11/2009)

**Annie Jia, E&E reporter**

Cutting carbon dioxide emissions will have a gradual effect on reducing warming, as historical emissions will stay in the atmosphere for decades, or centuries, to come.

But targeting methane, a short-lived greenhouse gas, will create more immediate reductions in warming, scientists say.

An independent panel of scientists, government officials, and investors is expected to propose a new financial entity, the Global Methane Fund, today. It focuses on supporting projects that reduce methane emissions. The scientists are scheduled to speak at a side event at the international climate negotiations in Copenhagen.

"You have to stabilize the patient before you can do surgery, and I think this is one of those stabilizing efforts, hopefully move things towards a standstill for a while," said Armond Cohen, executive director of the advocacy group Clean Air Task Force, which helped advise the panel.

Christian Langaard, an investor who is scheduled to speak on the panel, said that such a fund is the most effective way to get hundreds, and perhaps thousands, of methane reduction projects going that have been stuck in the pipeline.

"These are all pretty cheap low-tech fixes, and I think that that's very promising [and] exciting, given methane's leverage," Cohen explained.

### **A promise of faster and cheaper impacts on warming**

On a 20-year time scale, methane traps more than 70 times as much heat as a carbon dioxide on a per-weight basis, according to a report about the panel's work. Over the span of a century, its potency is still 25 to 32 times stronger, the report says.

That's why cutting methane can have large, near-term impacts.

Cutting carbon dioxide emissions remains the "backbone" of mitigating climate change in the long term, the report says. But even if fossil fuel-based carbon dioxide was "phased out rapidly over the next few decades, the reduction in global warming would not occur quickly enough to prevent significant impacts on the Arctic and land glaciers," the report said.

Many projects for cutting methane emissions use well-known technologies -- for example, capturing methane from landfills and wastewater, and even sealing leaky natural gas pipelines.

Furthermore, methane abatement projects often have a second benefit of being a source of power, which can then replace other, often dirtier sources of energy, such as wood stoves, Langaard said.

"You can use this as a valuable energy resource to leapfrog economic development," said Mark Grobmyer, a lawyer who has worked extensively on renewable energy in developing countries, who is also scheduled to speak on the panel.

### **Pushing projects through the 'bottleneck'**

Despite being ready technologies, many projects have been stuck in a "bottleneck," the report says.

The credit crunch has slowed investment. Furthermore, investors are hesitant to fund projects because of uncertainty about the price of emissions credits, Langaard said.

The Global Methane Fund could provide price guarantees for emission credits, which would remove this uncertainty, he said.

Under the Kyoto Protocol's Clean Development Mechanism, another barrier is that project funders must pay large costs up front just to get a project approved, said Pam Pearson, director of the European office of the nonprofit group Clean Air-Cool Planet and of the panel. The fund could help front these costs, she said.

Money for the fund would come from governments as well as private entities, Langaard said. He added that the team has gotten "conceptual support" from several governments. He and Cohen expressed confidence that the concept would gain support.

"To me, it's a no-brainer," Langaard said. "I can't see how a government that is basically confronted with the expectation that it will send billions of dollars to CO2 abatement ... how can there be disagreement of committing a few million dollars?"

Government representatives from Brazil, Mexico, Norway and the United States are also scheduled to speak at the event.