

The Perspectives of Coal Bed Methane Extracting in Ukraine

The industrial extracting and usage of coal bed methane play positive role for economic situation of Ukraine, condition of mining industry and environment.

For many countries coal bed methane is the main alternative resource for power supply industry. Ukraine occupies the eighth place according to coal bed methane reserves. The Ukrainian government has developed the national program for coal bed methane extraction and utilization till 2020.

But it is almost impossible to increase the volumes of extracted natural gas in Ukraine because of economic and geological reasons. All accessible natural gas and oil deposits have been already extracted. And for further development of this industry sector it needs the huge capital costs.

From the other hand the coal bed methane is the only source of fuel, which is possible to capture and utilize without large volume of investments. But as far as these deposits are the state property the legislation demands special license for their development. According to Ukraine law the license for exploration work and industrial development of gas and oil reservoir is given for five years. After it is necessary to get license for gas and oil extracting.

According to the Ministry of Coal Industry statistics in Ukraine during mining operations were recycled only 10 % of mining gas. Target program for this sector of mining industry plan to use five times more mining gas in 2014, disposed of 500 million cubic meters of methane. Only 10% of the coal mine gas which is extracted, ventilated or burned is suitable for production and utilization. That is the main reason the Ministry of Coal is interested in attracting partners for the development and implementation of new technologies mine degassing, decontamination network reconstruction, building installations drainage and utilization of coal bed methane.

Implementation of the complex program of the coal bed methane reserves development will result in:

- growth of alternative fuel usage that will reduce Ukraine dependence on imported energy, especially natural gas from Russia and other countries of the CIS
- reduction of methane emissions (one of the most aggressive greenhouse gas) into the atmosphere of Ukraine;
- more productive and safe extracting of coal in mines.

The main challenges of the domestic policy of Ukraine should be to create the necessary infrastructure for the implementation of flexible economic mechanisms of methane extraction and utilization and solving the set of problems - the determination of regulating greenhouse gas emissions approaches, the system of accounting and control of emissions, legislative field of “carbon market” , the system of certification and licensing in this area, the formation of appropriate regulatory bodies and creation of positive investment environment.