

To: Members of the Bureau of the UNECE Expert Group on Resource Classification

From: David MacDonald, Jim Ross and Charlotte Griffiths

Conference Calls of the Bureau of the Expert Group on Resource Classification (EGRC)
8 October 2014
FINAL MINUTES

Present on 10am BST 8 October Call:

1. David MacDonald (Chair)
2. Karin Ask (petroleum sector)
3. Simplicio Caluyong *representing* Adichat Surinkum (CCOP)
4. Jim Ross (petroleum sector)
5. Danny Trotman (financial reporting sector)
6. Claudia Wulz (EC)
7. Charlotte Griffiths (UNECE)

Observer:

1. Slavko Solar (EC, *supporting* Claudia Wulz)

Present on 3pm BST 8 October Call:

1. Jim Ross (Chair)
2. Michael Lynch-Bell (Chair ex-officio)
3. Dan Diluzio (SPE)
4. Roger Dixon (CRIRSCO)
5. David Elliott (financial reporting sector)
6. Gioia Falcone (geothermal sector and academia)
7. Kjell Reidar Knudsen (NPD)
8. Hari Tulsidas (IAEA)
9. Brad Van Gosen (USGS)
10. Charlotte Griffiths (UNECE)

Observer:

1. Paul Bankes

Apologies:

1. Fatih Birol (IEA)
2. Tunde Arisekola (NGSA)
3. Mucella Ersoy (Turkish Coal Enterprises)
4. John Ritter (SPEE)
5. Igor Shpurov (First Vice Chair, GKZ Russian Federation)
6. Adichat Surinkum (CCOP)
7. Narendra Verma (petroleum sector)

Draft Agenda for Bureau Calls 8 October 2014

1. Approval of draft agenda
2. Draft minutes of Bureau calls 19 & 21 August 2014
3. Definition of consensus as it applies to EGRC Bureau
4. EGRC sixth session documentation
5. Update on guidance on environmental and social considerations
6. Technical Advisory Group update

7. Update on application of UNFC-2009 to nuclear fuel resources
8. Update on application of UNFC-2009 to renewable energy resources
9. Update on application of UNFC-2009 to injection projects
10. EGRC resourcing strategy
11. Education and outreach
12. Any other business
13. Timing of next meeting

Documentation:

1. Draft agenda for Bureau Calls on 8 October 2014
2. Draft Minutes of 19 & 21 August 2014 Bureau Calls
3. Draft definition of consensus as it applies to EGRC Bureau
4. EGRC sixth session list of documentation
5. List of Conferences Promoting UNFC in 2014 and 2015 (as at 1 October 2014)

1. As the Chair was unable to participate in the afternoon call, there was agreement for Jim Ross to Chair that call.

Item 1: Adoption of the Agenda

Documentation: Draft agenda for Bureau Calls

2. The agenda was adopted without amendment.

Item 2: Draft Minutes of Bureau Calls of 19 & 21 August 2014

Documentation: Draft Minutes of Bureau Calls of 19 & 21 August 2014

3. The draft minutes as circulated on 27 August were approved without amendment.

Item 3: Definition of consensus as it applies to EGRC Bureau

4. There was agreement on the following definition of consensus as it should apply to the EGRC Bureau:

“The Bureau works on consensus. There are no procedures for voting. Consensus in relation to the functioning of the Bureau is defined to mean general agreement, characterized by the absence of sustained opposition to substantial issues by any Bureau member and by a process that involves seeking to take into account the views of all members and to reconcile any conflicting arguments. Consensus need not imply unanimity.”

5. Whilst a member questioned the need for inclusion of the words “There are no procedures for voting.”, there was no agreement to remove or amend this wording.

6. Members noted that should it not be possible to arrive at consensus on an issue within the Bureau then the matter would need to be brought to the attention of the Expert Group.

Item 4: EGRC sixth session documentation

7. There was agreement on the draft list of official documentation for the sixth EGRC meeting in 2015 that was circulated to the Bureau for comment on 23 September 2014.

8. One of the three case study slots was allocated to the Norwegian Petroleum Directorate.
9. It was noted that whilst no additions can be made to the list, the documentation can be amended up until 14 weeks before the sixth session i.e. 19 January 2015.
10. Attention was drawn to the draft provisional agenda for the EGRC sixth session which needs to be submitted by 2 February 2015. Bureau members were requested to submit to the Chair and secretariat any topics they wish to be placed on the agenda. Similarly, members were requested to review the current work plan for the EGRC for 2013-2014 and submit proposals for the work plan for 2015-2016 to the Chair and secretariat. The secretariat was requested to circulate a copy of the 2013-2014 work plan following the calls.

Item 5: Update on guidance on environmental and social considerations

11. The list of experts invited to join the E-axis sub-group Phase One was noted:

• David Elliott (Chair)	Accepted
• Kathryn Campbell	Accepted
• Thomas Schneider	Accepted
• Slavko Solar	Accepted
• Roberto Villas-Boas	Accepted
• Claudia Wulz	Accepted
• Carolina Coll	Invited
• Naresh Kumar	Invited
<i>Vibeke Levi</i>	<i>Declined</i>
12. Michael Lynch-Bell also volunteered to join the Sub-group and this was accepted.
13. The Chair of the Sub-group noted that although still under consideration, the objective of the Sub-group could include any or all (and there may be more) of:
 - A limited general review of the E-axis criteria and a recommendation on more detailed work.
 - Develop a more specific list of the factors that would be included on the E-axis.
 - Provide definitions of these factors.
 - Provide guidance on the use of these factors for classification in UNFC.
14. The work of the Sub-Group will be in two Phases. Phase 1 is a limited exercise to develop Terms of Reference for Phase 2, to be submitted for approval by the Bureau. The major part of the work will take place in Phase 2. Initial material was sent to the Sub-group members on 26 August, consisting of: the initial draft of Terms of Reference for Phase 2; and discussion material including a summary of what various sources (PRMS, CRIRSCO, COGEH, IAEA, etc) say about Socio-Economic factors.
15. The initial view is that economic factors will probably require little additional work and most of the attention is likely to be on the social factors.
16. Economic, environmental and social factors are generally not commodity-specific (although some may be) and there is no significant guidance in PRMS or CRIRSCO. In this

regard it was noted that consideration should be given to the following:

- whether detailed guidelines should be developed as part of an EGRC exercise or in the supporting relevant commodity-specific systems (PRMS, CRIRSCO or any others that may be included in future). If the latter, a member expressed some concern about ensuring consistency between them.
- if undertaken under the aegis of the EGRC, whether the development of any detailed guidelines will be carried out by the Sub-group or as an extension of its work, possibly a Task Force.

17. The Chair noted with appreciation that under David Elliott's leadership the work of the Sub-group is progressing well with significant email correspondence. The Bureau thanked the Chair of the Sub-group and the other members for their time and efforts.

Item 6: Technical Advisory Group update

18. The Technical Advisory Group (TAG) met on 8 October.

19. The TAG is continuing to review the Minerals Case Study undertaken by Steve Henley and plans to prepare recommendations. There has been significant discussion on the relationship between the F axis and the G axis for solid minerals, particularly with respect to exploration target.

20. Communication has started with GKZ to start work on the Bridging Document between the new Russian Federation classification for oil and gas reserves and resources and UNFC-2009. An English version of the classification has been promised by GKZ by end-October. It was noted that the First International Conference "Subsoil use and regulation in Russia", Moscow, Russian Federation, 29–30 October has been cancelled.

21. Members discussed the preferred approach to bridging to the Russian Federation system. There was consensus that in the first instance this should be to UNFC-2009 since this is the objective or role of the system and then subsequently with PRMS as a secondary "test" to confirm comparability. Mapping first to PRMS is not viewed as a primary requirement due to possible differences in granularity.

22. The TAG is also looking at its action items arising from the Evaluation of UNFC undertaken by the secretariat earlier this year e.g. to develop a simplified UNFC case study.

23. The representative of CCOP advised that the "CCOP system" for petroleum which is based on the earlier SPE/WPC system of 1997 will be mapped to UNFC-2009 in the near future.

24. The Bureau thanked the TAG Chair and the other members for their time and hard work.

Item 7: Update on application of UNFC-2009 to nuclear fuel resources

25. The Uranium Bridging Document has been submitted as an official document for consideration by the Committee on Sustainable Energy at its 23rd meeting, 19-21 November 2014.

26. An update was provided on the development of the Guidelines for application of UNFC-2009 to uranium and thorium projects. A number of case studies have been prepared, including from Brazil, India, Malawi and USA among others. The glossary of terms will be included in the guidelines.

27. The timeline for review and submission of the Guidelines to the EGRC sixth session was discussed. The goal would be to submit a draft to the TAG in January and then to the Bureau in February. The TAG should be advised of this timing.

28. The Bureau thanked the Task Force Chair and the other members of the Task Force for their continued time and input.

Item 8: Update on application of UNFC-2009 to renewable energy resources

29. An MoU related to the development of geothermal-specific specifications for UNFC-2009 was signed on 19 September 2014 between UNECE and the International Geothermal Association (IGA). The MoU was accompanied by a press release. Under this MoU, the IGA will work towards providing technology-specific rules ('specifications') for the application of UNFC to geothermal resources. This work will be overseen by the EGRC.

30. IGA has received financial support (USD 100,000) from the Energy Sector Management Assistance Program (ESMAP) of the World Bank. Some of this funding will be used for the development of the geothermal specifications for UNFC. IGA is organizing a workshop at the offices of the International Renewable Energy Agency (IRENA) in Bonn, Germany, 8–9 December 2014. One of the goals of the workshop is to recruit volunteers to assist with writing the specifications.

31. The Task Force is reviewing the feedback received during the public comment period on the generic renewables specifications. A number of areas of confusion or misunderstanding have been identified, including: between the generic classifications of "potentials" and the project-based concept of UNFC, and the role of the G axis versus that of the F and E axes. Additionally, most comments appear to have been made on the basis of the renewable specifications in isolation from the UNFC, without appreciating that these specifications are meant to complement the UNFC.

32. The Task Force met in The Hague on 4 September and discussed in detail the contents of the renewable commodity specific specifications. The Task Force agreed that the commodity specifications should best include examples to support their usability and will hence essentially be manuals (i.e. "rules" plus "examples" = "manual"). It was emphasized that the specifications and examples will need to be clearly separated in the documents to avoid confusion and misinterpretation. The level of detail of the examples may be different for each of the commodities. The starting point for each of the commodity specifications will be the same Table of Contents that the Task Force also discussed at the meeting. The proposal for the Table of Contents was based on a comparison of UNFC-2009, the generic specifications, the draft Bioenergy Specifications, the Geothermal Reporting Code and the Geothermal Lexicon for Resources and Reserves Definition and Reporting.

33. The Task Force has not yet agreed on how much of UNFC-2009 and the generic specifications should/could be repeated in the commodity specifications. The preferred approach is to start working on the documents and to review this as part of subsequent

reviews and editing. Bureau members agreed on the need for the commodity specifications to be user friendly but expressed reservations about how much of UNFC and the generic specifications should be repeated.

34. A Workshop on UNFC and Renewables is being organized in Geneva during the UNECE Sustainable Energy Week (17-21 November). The workshop will be held on the afternoon of 17 November and the morning of 18 November – the timing was chosen so that the workshop is immediately before the first meeting of the UNECE Group of Experts on Renewable Energy.

35. The possibility for cooperation between the E axis sub-group and the Renewables Task Force was raised and it was agreed this should be pursued.

36. The Bureau thanked the Task Force Chair and the other members of the Task Force for their continued time and input.

Item 9: Update on application of UNFC-2009 to injection projects

37. The Chair of the Task Force reported on the progress made on development of the draft specifications. The Task Force has decided to follow the same approach as that taken by the Renewables Task Force i.e. development of specifications. The Task Force met via conference call on 9 September with the next call planned for the second half of October. The Task Force is looking to align its glossary with terminology used by the IPCC and is also aware that any documentation needs to be in line with the EU Directive on CCS.

38. The Task Force is working to have a draft available for the EGRC sixth session and will involve the TAG and Bureau during the development process.

39. The Task Force Chair noted that “recipient reservoirs” is terminology that tends to be used by the fisheries and water management sectors and that the use of “injection projects” going forwards might be preferable.

40. The Chair of the Bureau noted the challenging nature of this work and, on behalf of the Bureau, thanked the Task Force Chair and the other members of the Task Force for their continued time and efforts.

Item 10: EGRC resourcing strategy

41. The Chair advised that the work on this issue has not yet progressed as hoped. A proposal will be developed before the EGRC sixth session.

42. The secretariat noted that the new Executive Secretary of UNECE is supportive of the work of the EGRC and has offered to lend any support that might be needed should member States need to be approached for assistance at any stage.

Item 11: Education and outreach

Documentation: List of Conferences Promoting UNFC in 2014 and 2015 (as at 1 October 2014)

43. A summary of the key issues and events was provided.

(i) Jim Ross has finalized drafts of all the standard UNFC presentations and they will be submitted to the Communications Sub-Committee and then the TAG for comment. Jim was thanked for his efforts.

(ii) The 23rd Session Committee on Sustainable Energy will take place in Geneva, 19-21 November as part of UNECE Energy Week. The work of the EGRC will be presented by Michael Lynch-Bell during the Committee session on the afternoon of 20 November. A one page background paper summarizing status of implementation of the EGRC work plan for 2013-2014 and any challenges/difficulties will be prepared for circulation to the Committee. The afternoon session on 20 November is largely devoted to UNECE's work relating to fossil fuels and entitled "From source to use: the role of fossil fuels in delivering a sustainable energy future". Michael will speak on "Resource management and energy sustainability". Other topics include: methane management to enhance economic growth; carbon capture and storage; gas as a transition fuel; and unconventional fuel sources. The Committee will be asked to extend the EGRC work plan for 2013-2014 (the work plan finishes at the end of 2014 and the new draft work plan for 2015-2016 will only be discussed at the sixth EGRC session in April), as well as to endorse the Uranium Bridging Document.

(iii) The International Seabed Authority and Indian Ministry of Earth Sciences Workshop on Polymetallic Nodules Resource Classification will be held in Goa, India, 13-17 October. UNFC will be presented by the Chair and the secretariat.

(iv) A Workshop on Application of UNFC 2009: Classification and Reporting of Energy Resources/Reserves and CO₂ Injection Projects will be held in Bangkok, 8-11 December 2014. The event is organized by the CCOP Technical Secretariat in cooperation with the Department of Mineral Fuels (DMF), Ministry of Energy of Thailand and the Norwegian Ministry of Foreign Affairs. The workshop is organized as part of the new CCOP-DMF Energy Resources/Reserves Classification and Reporting Project. The project will conduct a series of capacity building workshops, field work and form a Working Group to facilitate development of oil and gas reserves reporting guidelines and implementation of the reporting standard in CCOP region. The objectives of the workshop are to enhance the capacities of DMF and similar organizations in CCOP member countries on classification and reporting of oil and gas resources and reserves, and CO₂ injection and storage projects, based on internationally recognized standards. Per Blystad from NPD will attend. Funding is available (economy air fare) to support the travel and DSA of one additional EGRC expert with petroleum and PRMS expertise. The representative of SPE offered to identify a suitable expert.

Item 12: Any other business

44. The EC representative drew attention to the EuroGeoSurveys MREG meeting held in Dublin on 29 September and recommended the need to strengthen cooperation with EuroGeoSurveys. He further noted that the Minventory Project will be finalized this year with end of project conference at the end of November. It was recommended that the EGRC be represented at this event. A potential further development of the Project would be an EU-level reporting system for solid minerals that could be based on UNFC for reporting by Governments and on the CRIRSCO Template/PERC for public reporting.

45. The Chair advised that a draft MoU between UNECE and CRIRSCO is currently under consideration by CRIRSCO.

Item 13: Timing of next meeting

46. The next Bureau call will be held during the period 1–12 December. An availability message will be circulated as per usual practice.

47. The intent is to review first drafts of the EGRC sixth session agenda and work plan for 2015-2016 at the next Bureau call.
