

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

From: David MacDonald and Charlotte Griffiths

Conference Calls of the Bureau of the Expert Group on Resource Classification (EGRC) 25 August 2015 MINUTES
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Present on 9am BST 25 August Call:

1. David MacDonald (Chair)
2. Tunde Arisekola (NGSA)
3. Karin Ask
4. Roger Dixon (CRIRSCO)
5. Nathan Frisbee *representing* Fatih Birol (IEA)
6. Kjell Reidar Knudsen (NPD)
7. Jim Ross (petroleum sector)
8. Charlotte Griffiths (UNECE)

Present on 3pm BST 25 August Call:

1. David MacDonald (Chair)
2. Paul Bankes *representing* Roger Dixon (CRIRSCO)
3. Dan Diluzio (SPE)
4. David Elliott (financial reporting sector)
5. Gioia Falcone (geothermal sector and academia)
6. Michael Lynch-Bell (Chair ex-officio)
7. Jim Ross (petroleum sector)
8. Brad Van Gosen (USGS)
9. Narendra Verma (petroleum sector)
10. Charlotte Griffiths (UNECE)

Observer:

1. John Etherington (Chair, Technical Advisory Group)

Apologies:

1. Fatih Birol (IEA)
2. Mucella Ersoy (Turkish Coal Enterprises)
3. John Ritter (SPEE)
4. Igor Shpurov (First Vice Chair, GKZ Russian Federation)
5. Slavko Solar (European Commission)
6. Adichat Surinkum (CCOP)
7. Danny Trotman (financial reporting sector)
8. Hari Tulsidas (IAEA)

**Draft Agenda**

1. Approval of draft agenda (attachment 1)
2. Draft minutes of Bureau call 8 June 2015 (attachment 2)
3. Bureau feedback on TAG nominations
4. Progress on Bureau action items from EGRC Sixth Session
  - Guidance note on competent person
  - Guidance note on definition of a project in relation to UNFC-2009
  - White paper on application and use of the G axis (attachment 3)
  - Resourcing strategy
5. Technical Advisory Group update (attachment 5)

6. Update on application of UNFC-2009 to nuclear fuel resources
7. Update on application of UNFC-2009 to injection projects
8. Update on application of UNFC-2009 to renewable energy resources
9. Update on E-axis Sub-Group
10. Education and outreach (attachment 4)
11. Date of next Bureau call
12. Any other business

**Documentation:**

1. Draft agenda for Bureau Calls on 25 August 2015
2. Draft Minutes of 8 June 2015 Bureau Meeting
3. ToR for G Axis Review Working Group
4. List of events in 2015-2016 promoting UNFC *as at 17 August 2015*
5. TAG Review Flow Chart

**Item 1. Approval of Draft Agenda**

Documentation: Draft agenda for Bureau Calls of 8 June 2015

1. The agenda was adopted without amendment

**Item 2. Draft minutes of Bureau calls of 2015**

Documentation: Draft minutes of Bureau Calls 8 June 2015

2. It was agreed to delete paragraph 17 from the draft minutes since the wording related to the opinion of a Bureau member.
3. The draft minutes were adopted subject to the above amendment.

**Item 3. Bureau feedback on TAG nominations**

4. On 2 July, the Bureau was asked to support or otherwise the nominations of Andrew Barrett (Geoscience Australia) and Jan Bygdevoll (NPD) to the Technical Advisory Group. Andrew was nominated to replace Leesa Carson. Jan was nominated to replace Per Blystad who is retiring from NPD. The Chair advised that full support was received from Bureau members for both nominations. Bureau members were thanked for responding.

**Item 4. Progress on Bureau action items from EGRC Sixth Session**

Documentation: Terms of Reference for G Axis Review Working Group

(a) Guidance note on competent person

5. The Chair advised that he anticipated circulating a draft note over the coming weeks.
6. The professional organization in Alberta, Canada, with responsibility for regulating the professions of engineering and geoscience, is looking at the topic of competent person as part of a current review of professional practice standards but the work is not yet finalized.
7. The representative of SPE advised that the SPE is working on a revision of the qualified reserves evaluator in PRMS and this will be incorporated in the next PRMS update. A draft text has been circulated for initial comment and once feedback has been incorporated he will

send to the EGRC Chair. The SPE representative underlined the desire of SPE to work with the EGRC on this issue.

(b) Guidance note on definition of a project in relation to UNFC-2009

8. Jim Ross advised that he was progressing with the first draft of the guidance note and hopes to circulate a text for comment later towards the end of September. The input of CRIRSCO will be sought.

9. David Elliott noted that this guidance note may not be as simple to prepare as may appear at first glance. His current thinking is that a definition needs to be at a high enough level to accommodate anything that could be considered a “project” for any of the resources covered by UNFC and by any users, with functional sub-projects (e.g. exploration project, recovery project, waterflood project, etc.) and also a hierarchy of projects. He noted this is a current topic of lively discussion in the oil sector in Calgary with regard to reporting with “interesting” debates between geologists and engineers.

10. It was proposed that the guidance note on projects and also the one on Competent Person would be best presented, once approved by the Bureau, as FAQ responses which should then be published alongside UNFC on the website.

(c) White paper on application and use of G axis

11. A Working Group (WG) on application and use of the G axis has been formed, consisting of five members:

- James Primrose (Bioenergy representative)
- Jim Ross (PRMS representative)
- Gioia Falcone (Geothermal representative)
- Paul Bankes (CRIRSCO representative) and
- Norbert Dolle (Renewable Energy and Oil & Gas representative).

12. The Group held its kick-off meeting on 23 July, during which the methods of working for the WG were established. The next meeting of the WG will be on 3 September and every 3 weeks thereafter. There is general consensus in the WG that the task should be relatively straight-forward. The terms of reference for the WG, which was circulated with the documentation for the call, has been finalized and agreed upon by the WG members. Bureau members were invited to provide comments on the ToR to the UNECE secretariat by cob 1 September.

13. The Bureau discussed the use of the G axis for managing risk and whether this is the appropriate place. There was consensus that the G axis is about uncertainty and not risk and care needs to be taken to not mix the two issues.

14. The Bureau thanked James Primrose for establishing the Working Group and all the members for their efforts to date.

(d) Resourcing strategy

15. The resourcing strategy paper has yet to be started.

## **Item 5. Technical Advisory Group update**

Documentation: TAG Review Flow Chart

16. An update was provided by the Chair of the Technical Advisory Group (TAG):

(i) TAG Meetings: A TAG teleconference originally scheduled for mid-August was cancelled due to a lack of a quorum; it has been re-scheduled for 14 September 2015.

(ii) Membership: Per Blystad (NPD) resigned from the TAG effective July 2015. The nominations of Jan Bygdevoll (NPD) and Andrew Barrett (Geoscience Australia) to join the TAG were approved by the Bureau on 21 July 2015; this brings the TAG membership to the originally approved level of eleven members.

(iii) Uranium Guidelines Review: Jean-René Blaise, an expert in uranium projects, volunteered to assist the TAG in its review of the uranium guidelines and case studies posted issued for public comment. The comment period ended 20 August 2015. The TAG received a copy of Mr. Blaise's report on 17 August 2015. The TAG will review the report together with a summary of all public comments received and any resulting amendments by the Uranium Task Force prior to submitting a final recommendation to the Bureau.

(iv) TAG Review Flow Chart: The "flow diagram" (circulated to the Bureau on 20 August) was developed to clarify the TAG's interface with the EGRC project teams regarding the development of UNFC bridging documents, specifications and guidelines, and the subsequent public review process now being implemented on all major UNFC projects. The TAG has identified TAG members to act as its contact point for the following ongoing EGRC projects:

- Uranium – Hari Tulsidas
- Injection – Jan Bygdevoll
- Geothermal – Alistair Jones
- Bioenergy – Alistair Jones
- Russia Petroleum – John Etherington
- Chinese Petroleum – Dom Salacz
- Chinese Solid Minerals – Roger Dixon
- G-axis Task Force – Dom. Salacz
- E-Axis Task Force – John Etherington.

The Bureau noted that the flow chart should be consistent with agreed UNFC terminology and hence the term "applications document" should be replaced by specifications and guidelines.

(v) Simplified Classification Example for Petroleum: The TAG completed a review of this document submitted on behalf of the Renewables Task Force. Comments and suggested modifications of the final document were submitted on 16 July 2015. This document supports one of the EGRC's goals to improve internal and external communications.

(vi) Russian Petroleum Classification Bridging Document: Following the meeting in Geneva on 28 April 2015, the GKZ has committed to providing the TAG with supplemental guidelines to the new Russian oil and gas classification of 2013 by late August 2015. A meeting between the TAG and GKZ representatives is scheduled for 12 October 2015 in the UK to review the draft bridging document. The Chair noted that an article in the Ryder Scott newsletter Reservoir

Solutions of July – September 2015 (Vol. 18, No. 3) included an article on the new Russian reserves classification system which made positive reference to the UNECE mapping work.

(vii) Chinese Petroleum and Solid Minerals Classification Bridging Documents: The TAG is awaiting an English translation of the current Chinese classification systems. Preliminary plans are being discussed regarding meetings between Chinese and TAG representatives in early 2016 to progress these initiatives. The Bureau noted the mapping between the Chinese systems and UNFC included in the uranium case studies that were issued for public comment.

17. The Chair of the TAG and the members were thanked for their continued efforts.

#### **Item 6. Update on application of UNFC to nuclear fuel resources**

18. The Uranium guidelines public comment closed on 20 August after two months. The Task Force is now working on reviewing the comments (some 10 experts have submitted comments). The majority of the comments arise from not properly understanding the UNFC principles and the generic specifications. To address this, the Task Force is considering adding some explanatory text in the relevant sections. A number of comments also relate to competent person and underline the need for the guidance note being prepared. A comment was submitted by the Ministry of Mining and Energy of the Republic of Serbia which could be addressed by development of a case study or mapping document.

19. The Task Force will make any revisions to the guidelines and case studies it deems necessary and then send the revised texts to the TAG for comment, however it is not envisaged that major changes to the text will be needed.

20. The guidelines will be issued as a document for the Committee on Sustainable Energy to review and consider endorsing at its meeting in November 2015. The case studies will be issued as a UNECE electronic publication.

21. The Chair and other members of the Nuclear Fuels Task Force were thanked for their hard work.

#### **Item 7. Update on application of UNFC-2009 to injection projects**

22. The draft specifications for application of UNFC to injection projects were issued for public comment on 7 July. The comment period closes on 15 September. Whilst very few comments have been received to date more are anticipated during the period 1-15 September when European-based experts return from summer leave. The Task Force plans to hold a teleconference shortly after the comment period ends.

23. Neil Wildgust, Principal Manger for Storage, Global CCS Institute, joined the Task Force mid-August. The Task Force Chair noted that both she and Neil Wildgust have joined the SPE Committee for Geological Resource Management, which Scott Frailey (one of the Task Force members) is working to reinvigorate. The Task Force Chair advised that she will ensure that the work of both groups is aligned. She noted that the work should result in making both UNFC and PRMS stronger.

24. The Task Force thanked the Chair and the other Task Force members for their hard work

## **Item 8. Update on application of UNFC-2009 to renewable energy resources**

25. The Minutes of the Renewables Task Force meeting held in Geneva on 29 April 2015, as well as the minutes of the Task Force teleconference held on 1 June were circulated on 18 June.

26. In the Task Force membership, Benoit Charpentier from Total has replaced Jean-Alain Taupy who has retired.

27. The Geothermal Working Group will meet in Reno, Nevada, 23-25 September. The meeting will be hosted by the Geothermal Resources Council (GRC) and sponsored by the U.S. Department of Energy (DOE) Geothermal Technologies Program. A second white paper will be issued following the meeting for review by the TAG.

28. The International Geothermal Association (IGA) has succeeded in securing extra funding of USD 25,000 from US DOE to support the work on development of geothermal specifications for UNFC (the funds will be spent on travel of experts and not for expert work time). This is in addition to the initial financial support of USD 100,000 provided by ESMAP.

29. The Renewables Task Force will hold its next teleconference during the second week of September. The UNFC oil and gas examples prepared with input from the TAG and Jim Ross have been greatly appreciated by the Geothermal Working Group. The work on application of UNFC to bioenergy continues to progress.

30. A Bureau member noted that the recent report on Renewable Resources uses the term “resource” differently from oil and gas and, he believes, also mining and asked if this is something that needs to be standardized. There was general consensus that the term resource should not be defined.

31. The Chair and other Task Force members were thanked for their continued efforts.

## **Item 9. Update on E-axis Sub-Group**

32. On 7 August, the Chair of the Sub-group circulated another discussion note to members of the sub-group seeking comments. The key points of the note are:

- Clarity between the terms “economic” and “commercial” as classification factors, resulting in some relatively minor rewording of E1, 2 and 3. (Economic considers only financial factors such as NPV. Commercial includes all factors, including economic.)
- Splitting E2 into E2.1 and E2.2, a distinguishing factors being:
  - Whether there is an active attempt to resolve social and environmental issues that currently preclude classification as E1.
  - The likelihood of success in doing so.
- A distinction between situations where the resolution of social and environmental issues is within the framework of a formal legal and/or regulatory system and those in which they are not. In the latter case, classification is more difficult.

33. The Chair has yet to receive any feedback from the membership. It was agreed that the discussion note should be circulated to the Bureau for information and any comment by cob 14 September noting that the document is very much a draft for discussion.

34. A number of changes in the Sub-group were noted. Claudia Wulz has been assigned to another position in the European Commission (EC) and will be leaving the Sub-group without replacement. Slavko Solar will continue to represent the EC. Anthony Hodge has left his position as President of the International Council on Mining and Metals (ICMM) and will be replaced on the sub-group by John Atherton, Director, Materials Stewardship at ICMM.

35. The Chair and Sub-group members were thanked for their continued efforts.

#### **Item 10. Education and Outreach**

Documentation: List of events in 2015-2016 promoting UNFC *as at 17 August 2015*

36. The list of events as at 17 August circulated as part of documentation for call. The next teleconference of the Communications Sub-Committee (CSC) will be held on 28 August.

37. There has also been a change in the CSC membership: Benoit Charpentier from Total has replaced Jean-Alain Taupy who has retired.

38. A national UNFC Workshop will be held in Cuba in early December. NPD was successful in securing funding in the order of USD 37,000 for this event from the Oil for Development project funded by Norway and operated by NPD. The speaker line-up will comprise Per Blystad and the EGRC Chair representing the petroleum sector; a CRIRSCO representative, preferably Spanish speaking with expertise on nickel and chromium which are important export commodities for Cuba, is being sought. The CRIRSCO representative agreed to assist in identifying an appropriate expert. It is planned to develop case studies for minerals and petroleum based on Cuban data for presentation at the workshop.

39. The Chair drew attention to the SPE Applied Technology Workshop on Petroleum Reserves & Resources that will be held Dubai, United Arab Emirates, 18–19 April 2016. This event will include a 2.5 hour session on UNFC.

40. The CSC Co-Chairs and the other members were thanked for their work.

#### **Item 11. Date of next Bureau call**

41. The next Bureau calls will be held during the period 5–16 October 2015. The usual availability notice will be circulated.

#### **Item 12. Any other business**

##### **(i) Bureau membership**

42. Claudia Wulz has stepped down from the Bureau due to her change of service at the European Commission. Her replacement is to be advised.

(ii) OIOS Evaluation of UNECE

43. The UN Office for Internal Oversight Services (OIOS) is currently carrying out an external evaluation of UNECE. This is a planned evaluation. In the past two years, OIOS conducted evaluations of the other regional commissions (ESCAP, ECLAC and ECA). The evaluation will be concluded by 31 March 2016 and the evaluation report will be submitted to the Committee for Programme and Coordination (CPC) at its session in June 2017. The evaluation will determine as systematically and objectively as possible the relevance, efficiency, effectiveness of UNECE's work from 2010 to 2015. It will help UNECE to provide better support to its member States in the post 2015 development agenda. The contact details of EGRC Bureau members have been provided to the OIOS Evaluation Team. Selected Bureau members may potentially be contacted for feedback.

(iii) UNFC Nordic Project

44. The UNFC project for Nordic countries that was presented by Sigurd Heiberg at the EGRC Sixth Session is progressing. The project aims at improving public-private partnerships by developing a common understanding of key decision support of relevance to the public-private partnerships using UNFC and the forecasts it is based on. A small amount of funding has been secured for the project, as well as in-kind contributions. A meeting for Nordic participants will be held in Trondheim on 13 October and will include a training component on UNFC.

45. No other issues were raised.

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