

Subcommittee on Environment and Climate Change
Hearing on
“Building a 100 Percent Clean Economy: Solutions for Planes, Trains and Everything
Beyond Automobiles”
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The Honorable Greg Walden (R-OR)

1. I recently visited an innovative project in Lakeview, Oregon, where [Red Rock Biofuels](#) is constructing a gasification facility that will turn woody biomass into jet and diesel fuel. This is the first gasification project in the world to use woody biomass from forest thinning and related activities. It may serve as a blueprint for producing advanced renewable biodiesel and at the same time, helping to keep forests health and more resilient to wildfires.

I understand it already has contracts with Southwest, FedEx, and DOD. One problem is, due to RFS and tax credit prohibitions, the project is cannot take biomass from federal lands or woodchips from the local mill. From the mill, there is no way to determine whether the chips are from federal or private land, since the mill sources form both.

- a. From your perspective, what are the prospects that innovative projects like this can provide additional fuel sources for your aviation and heavy-duty trucking, and what will be the impact on greenhouse gas emissions?

RESPONSE: *Projects such as this have the potential to dramatically improve the emissions characteristics of transportation fuel in the United States. The Red Rock Biofuels project is extraordinarily ambitious and, with the right policy incentives, can be scalable to allow wood-to-liquid technologies to make a more substantial dent in the heavy-duty fuel market similar to the role that biodiesel, renewable diesel, compressed natural gas and renewable natural gas play today.*

From our perspective, some near-term policy improvements that would better enable the Lakeview gasification facility to thrive include (a) EPA refraining from its recent practice of aggressively issuing small refinery exemptions under the Renewable Fuel Standard; (b) more long-term certainty and mandate-growth for the total advanced, biomass-based diesel and cellulosic mandates under the RFS; and (c) utilizing the tax code to improve the economics for retailers that buy, blend, and sell biofuels. This type of policy certainty, with a clear, forward-looking regulatory path, will not only better enable the further proliferation of gasification facilities, but will lead to the research and development that is necessary for these facilities to produce at scale.

- b. Does it make sense to inhibit access to federal lands, particularly if the access relates to forest management that would reduce fire risks?

RESPONSE: *This question goes beyond the scope of NATSO's and Musket's expertise. It is important for policymakers to strike the appropriate balance in developing alternative fuel policy incentives that stakeholders can count on being in place for multiple years without fear that it will be consistently reexamined and potentially repealed. Such uncertainty invariably stifles investment and innovation.*

- c. Would this be an example using available resource infrastructure to make meaningful gains in reducing emissions?

RESPONSE: *It is far less expensive to leverage existing infrastructure than to create entirely new supply chains and infrastructure. Thus, to the extent policymakers can achieve their environmental objectives by harnessing existing infrastructure, it will make it exponentially easier to encourage customers to gravitate to new types of fuels and vehicles. Deploying new technology that complements (rather than competes with) existing infrastructure will (all else being equal) be less expensive and thus be more likely to generate consumer loyalty.*