U.S. Forest Service Awards Cooperative Agreement to Strategic Biofuels to Develop a Renewable Fuel Standard Compliance Tracking System

Standardized requirements will be instrumental for environmental credits enabling commercialization of forestry waste-derived renewable fuels

– October 12, 2022 – Today, the <u>U.S. Forest Service</u> (Forest Service), an agency of the U.S. Department of Agriculture, awarded <u>Strategic Biofuels</u>, the leader in developing negative carbon footprint renewable fuels production facilities, a cooperative agreement under its Wood Innovations Program for the first phase of a multiphase project to develop a robust, auditable cloud-based system for demonstrating compliance of forestry feedstock with the Environmental Protection Agency (EPA) regulations under the federal Renewable Fuel Standard (RFS).

"Innovative biofuels technologies are emerging at a time when our forests, especially those with high wildfire risk conditions, need them the most. Passengers in the U.S. will soon be flying on airplanes powered by forest residuals from forest restoration projects and forest products facilities," said Julie Tucker, National Wood Innovations Program Manager of Bioenergy, Biofuels, and Bioproducts, U.S. Forest Service. "Historically, forest residuals have been a disposal challenge. The Renewable Fuel Standard helps change that by giving the renewable energy sector a financial incentive to convert these unwanted forest residuals to high value biofuels and renewable electricity. EPA must ensure that forest residuals receiving credit under the Renewable Fuel Standard are qualifying feedstock. We also want them to be sustainably sourced. This initiative with Strategic Biofuels is an exciting opportunity to do that."

The project is aimed at funding the development of a user-friendly, cost effective, and fraud-resistant gold standard tracking system that enables the forestry feedstock sector to supply the raw data that can accurately and conveniently be transmitted to the biofuel producer and validated by a third-party auditor for EPA compliance. Strategic Biofuels was selected to lead this initiative, as the company's Louisiana Green Fuels project in Columbia, Louisiana is expected to be the first carbon negative commercial renewable fuels plant in the world using forestry feedstock. The company will lead a core team of senior leaders to execute and deliver the project including:

- U.S. Forest Service will provide general oversight and forestry experience for the initiative, facilitate information sharing, and identify and coordinate opportunities for project input from stakeholders.
- Weaver, one of the country's largest providers of EPA attestation and consulting services, will bring their deep expertise in RFS compliance assurance to propose and develop reporting content and formatting, auditing protocols, and documentation methodologies.

"Creating an auditable system that fully meets EPA requirements for documenting and validating feedstock qualification, source or origin, and chain of custody currently represents a significant challenge for using woody biomass as a feedstock for renewable fuels," said Dr. Paul Schubert, CEO of Strategic Biofuels. "We appreciate the opportunity to play a lead role in establishing the tracking criteria for our industry and to use our Louisiana Green Fuels project as the model."

The core team will be supported by an advisory team that will provide input including stakeholder identification and engagement; review and recommendations; and other work identified as needed for the success of the project. While advisory team members have not been named, it will include representatives from the National Association of State Foresters, American Loggers Council, and organizations representing private non-industrial, industrialized, and tribal forest landowners.

About the U.S. Forest Service

The U.S. Forest Service, an agency of the U.S. Department of Agriculture, manages the nation's 154 national forests and 20 national grasslands. In addition to managing 193 million acres of land, the agency provides financial and technical assistance to diverse stakeholders engaged on forest issues and is also the largest forestry research organization in the world.

About Strategic Biofuels

Strategic Biofuels LLC is a team of energy, renewable technology, petrochemical, and project development experts focused on developing a series of deeply negative carbon footprint facilities in northern Louisiana that convert waste materials from managed forests into renewable diesel fuel and renewable naphtha. The fuel qualifies for substantial Carbon Credits under the Federal Renewable Fuel Standard Program and the California Low Carbon Fuels Standard.