

Message

From: Kelly, Albert [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=08576E43795149E5A3F9669726DD044C-KELLY, ALBE]
Sent: 8/2/2017 2:02:26 PM
To: Jack Barrow [jack.barrow@btr.energy]
CC: Frank.Keating@hklaw.com
Subject: RE: Introduction from Governor Keating

Sorry to be tardy in getting back with you. I can be available for a call today at 5 eastern or on the 9th at 5 eastern. Either works fine for me

Albert Kelly
Senior Advisor to the Administrator
1200 Pennsylvania Avenue, NW
Washington, DC 20460
202 306 8830

From: Jack Barrow [mailto:jack.barrow@btr.energy]
Sent: Wednesday, August 2, 2017 9:58 AM
To: Kelly, Albert <kelly.albert@epa.gov>
Cc: Frank.Keating@hklaw.com
Subject: Re: Introduction from Governor Keating

Mr. Kelly -- I hope you're doing well and had a good weekend! I just wanted to follow-up on my last note. How does your schedule look tomorrow or Friday or next week for a call?

Let me know what works for you.

Thanks,
Jack

On Fri, Jul 28, 2017 at 3:28 PM, Jack Barrow <jack.barrow@btr.energy> wrote:

Thank you for the prompt response, Mr. Kelly. I'm glad you're interested. And yes, Governor Keating has been tremendously helpful and gets the issue! I was lucky to connect with him.

How does your schedule look for a call sometime next week or the following? I'm flexible and happy to coordinate with Gov. Keating.

On to your questions. Being completely honest, there's really two answers to your first: my opinion and the more "diplomatic" answer. I'll start with the diplomatic answer.

In the final rule from 2014, EPA gave itself the authority to consider and approve applications under this program on a case-by-case basis but didn't clearly define how it would be implemented and what types of applications EPA would approve. Without going into too much detail here, the language in the rule provided for flexibility but also required that EPA staff and appointees make some decisions.

But they never did: no clarifications or guidance documents were ever issued, and no applications have been approved. The team there was hamstrung by "decision paralysis," and though it has sought additional public comment on how best to implement the program, it has never clearly moved towards implementation.

Now, in my honest view, though this program is Congressionally mandated, it was just never made a priority during the Obama administration. There are clearly "right answers" and ways to approach the program (which industry agrees on and we should discuss), but EPA was never focused on implementing it, despite all the good it could do for our rural economies. Seeking out more and more feedback was simply a way to put off making decisions. I'm biased, of course, but I'd say it was just "bad government" to leave such a great tool unused and in a state of limbo for 3 years... (that's why we've been so excited by the new President's focus on rural economic development).

Here's all we think EPA needs to do between now and mid-October:

1. Develop and issue the clarifications or guidance documents needed for EPA to move forward. (Note: we've put together a draft guidance doc that we believe would allow EPA to implement the program in a way that would meet all of Congress's goals).
2. Approve compliant applications.
3. Update the RFS RVO to account for the modest increase in RIN supply this program would create (ideally bringing down cost for obligated parties).

This would require some work, but, after three years pursuing the program, we've already done a lot of it!

Lastly, on our role: BTR Energy is an applicant under the RFS and specifically the electric pathway. The electric pathway works by pairing the electricity generated on these farms with electric vehicles that consume electricity in the same geography, allowing the farmers to show that their electricity was used as an RFS transportation fuel and therefore create RINs. The software our company created establishes that connection and allows us to act as a market-maker and RIN creator. We then sell the RINs and distribute revenues back to our partners, including the farmers. So essentially, BTR exists to ensure that farms around the country have access to this program (we should discuss this point further, as well).

Though the program is not yet active, we have engaged dozens of farmers that already produce electricity, and we're ready to facilitate their participation when EPA approves our application. We're also working to find farms and feedlots where this program would encourage them to install anaerobic digesters, as we're prepared to mobilize institutional investors once the economics are there. In short, BTR's application is a turn-key solution for EPA and for the farmers that want to participate now and in the future.

And those same farms and feed operations are also helping us get approval. Two farmers (one from Wisconsin and one from Pennsylvania) are coming to town next Tuesday to testify at an EPA hearing with us, for example. They and many others like them are eager to participate, as we estimate that the program could double or triple what they earn for the electricity they produce (depending on EPA decisions)!

Anyway, I hope that's helpful, Mr. Kelly. Apologies for the long email; I'm sure I can do a much better job over the phone.

Have a wonderful weekend.

Best,
Jack

On Fri, Jul 28, 2017 at 12:31 PM, Kelly, Albert <kelly.albert@epa.gov> wrote:

Thanks for contacting me Mr. Barrow. You are in good company with Governor Keating. I would be pleased to meet with you either by phone or in person. It is probably more productive to meet by phone first.

Could you explain to me that if the EPA promulgated this with a final rule three years ago, what stands in the way of implementation? Also, what does that implementation look like and where would you fit in with EPA? It sounds as if you are already selling your product to feedlots and others.

Albert Kelly

Senior Advisor to the Administrator

1200 Pennsylvania Avenue, NW

Washington, DC 20460

202 306 8830

From: Jack Barrow [mailto:jack.barrow@btr.energy]

Sent: Friday, July 28, 2017 11:19 AM

To: Kelly, Albert <kelly.albert@epa.gov>

Cc: Frank.Keating@hklaw.com

Subject: Introduction from Governor Keating

Mr. Kelly,

I hope this email finds you well. My name is Jack Barrow, and I help run a company called BTR Energy. I've had the good fortune of discussing an EPA opportunity with Governor Keating over the course of several weeks, and he thought I should reach out to you and that you might visit with us sometime soon to learn more. I'm sure you must be busy, but if you're available in August, I'd certainly like to meet or have a call whenever is convenient for you. Let me know.

For now, by way of introduction, I've copied a brief description of our work -- and why I think it's important -- below my signature.

Thank you for your time! I hope to hear from you soon.

Best wishes,

Jack

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Jack Barrow

Co-Founder | [BTR Energy](#)

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BTR is working to get EPA to implement a part of the Renewable Fuel Standard called the “electric pathway” that the Agency created with a final rule promulgated three years ago. If effectively implemented, this RFS pathway would create new revenue and support for farmers across the country that use animal and food wastes to produce electricity, benefiting new parts of the agricultural community that otherwise can't participate in the RFS.

Using manure to produce electricity and other co-products like fertilizer through a process called anaerobic digestion is an ideal way for farms to manage waste and reduce nutrient runoff and odors, converting manure into a value-add resource. If EPA implemented our program – which does not require new legislation or rule-making – many more animal operations could run a *profitable* anaerobic digester that would provide additional revenue to the farms, thereby creating and supporting jobs and better maintaining the value of the land. Plus, the electric pathway then incentivizes the production of domestic, base-load electricity, consistent with the President's goal of becoming an “energy powerhouse.”

In many ways, the program is a natural fit for President Trump’s administration and as part of Administrator Pruitt’s re-focused direction for EPA: it would support rural jobs and communities, does not require new legislation or rule-making, and is important to constituents that the President has promised to help (we work closely with dairy farmers in Wisconsin -- where the President has visited -- and Pennsylvania, for example, and have been reaching out to feedlots in Oklahoma and other states).

The EPA and Administrator Pruitt participate in the President's Rural Prosperity Taskforce, chaired by Secretary Perdue. One of the goal's of that task force is to identify and implement programs that “advance the adoption of innovations and technology for agricultural production and long-term, sustainable rural development.” This could be a powerful opportunity to demonstrate EPA's commitment to fulfilling the Congressional intent of the RFS and using existing “tools in the toolbox” in support of our agricultural communities and the President's agenda. It's low-hanging fruit.

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Jack Barrow
Co-Founder | BTR Energy

Ex. 6

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