

Builders + Innovators 2021

Chase Lochmiller, CEO & Co-Founder, Crusoe Energy

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Chase Lochmiller: If you look on the horizon, you can see flares in every direction. It shows you how prevalent the problem is up here. The world's sort of wrestling with climate change. This is just such a clear waste that I think it's a problem that we can solve and actually extend the climate runway.

Traditionally, oil companies drill oil wells, and what comes out of the ground is sort of this combined fluid that has oil, gas, and water. The oil and the water can easily be trucked offsite. And then the gas, if it's not connected to a pipeline, people don't have a good solution for it apart from just flaring the gas on site.

Globally, we flare about 14.5 billion cubic feet a day of natural gas. That's enough gas to power pretty much the whole continent of Africa. It creates a massive emission footprint with no beneficial use, so it's kind of a lose all around.

The idea drew on very different skill sets, and that's represented in me and my co-founder. I come from a cryptocurrency and an AI research background. My co-founder, he comes from a third-generation oil and gas family and had a lot of personal conflict just with the whole process of flaring. So we came up with this concept that could we solve the oil industry's problem with flaring by simultaneously solving computing's energy and power costs?

Where Crusoe comes into the picture is we connect into that gas line that feeds the flare. And now, instead of the gas feeding into the flare, it feeds into Crusoe's digital flare mitigation systems. We utilize that power in these mobile modular data centers for rows and rows of bitcoin mining servers. And we create an emission reduction for the oil and gas company. We create a revenue stream for them. So cryptocurrency is a slice of that, but we view our value proposition as building out a low-cost, high-performance computing infrastructure to power applications like artificial research, computational biology, rendering, applications of that sort.

First-ever Crusoe Energy Systems digital pipeline tour.

We had our initial customer in the eastern part of Wyoming. The first day we arrived, it was negative 20 degrees. Him and I were out there in the cold winter storm just getting the units set up. We flipped the switch, and we had a bunch of bitcoin mining servers turn on, and then we saw the flare shrink a little bit. That was just, like, an amazing moment.

Within the energy transition that's going to be unfolding over the next couple of decades, Crusoe, we can help reduce the emissions of the marginal barrels of oil that we need to produce and help solve the problem of asynchronicity that exists between how renewable energy gets generated and how it actually gets consumed.

Being able to solve those intermittency problems is sort of a critical component to overdeveloping and overbuilding renewable generation capacity in a way that can create a more renewably powered grid.

If we invest the energy resources and we invest the willpower, we can create something entirely new that didn't exist before you did it. And that is one of the most

incredible human experiences that I can imagine.

This video was recorded on October 4, 2021.

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