

IJGlobal ESG Award – Biomass, N America – Jack Daniel’s

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The deal led by MUFG and Bank of New York Mellon to provide a biomass solution for US whiskey distiller Jack Daniel’s wins the IJGlobal ESG Award 2023 for biomass in North America.

One of the judges raised a glass to the winner, saying: “MUFG’s project with Jack Daniel’s demonstrates innovation within the sector by converting stillage into renewable natural gas and fertilizer, providing measurable social impacts by heating homes, reducing greenhouse gas emissions, supporting local agriculture, and potentially converting the distillery’s vehicle fleet to compressed natural gas (CNG), aligning with ESG goals and promoting a circular economy.”

The project – [Jack Daniel’s Distillery Biogas and Digestion Plant](#) – was led by 3 Rivers Energy Partners and TC Energy with MUFG as MLA on the \$52.8 million debt package and Bank of New York Mellon acting as collateral agent and accounts bank.

It brought to a conclusion 15 years of investigation by Jack Daniel’s for a solution to its stillage disposal constraints, which have become an economic and environmental issue as there was no environmentally-friendly way to dispose of it.

The distiller had been forced to dry it – which is power/capital-intensive and expensive – or make it available for pick-up.

This solution adds the spent stillage processing capacity to support the long-term growth and sustainability targets of the Jack Daniel’s family of brands with room for future capacity expansion by converting it into renewable gas that will be used by JD and the local community.

The end use for the RNG produced is to displace natural gas in powering the Jack Daniel’s distillery and general operations, contributing towards a circular economy and JD’s ambition of a carbon neutral facility target.

As a renewable fuel, the RNG produced at the project is a form of capturing carbon that was to be released into the atmosphere but allowing it to be once more, utilized to generate power for the facility itself.

According to the US EIA, the expected volume of RNG is enough to heat more than 10,000 homes in Tennessee. Meanwhile, according to JD, it is enough gas each year to replace 700 tanker trucks of gasoline (enough to fuel 11,500 cars).

Noah Carlson, senior application engineer at construction contractor BIOFerm, stated that the fertilizer created from this project also has the potential support up to 20,000 acres of regenerative agriculture in the surrounding counties, benefitting some 200 small family farms in Tennessee with high cost savings due to global shortages and inflationary pressures.



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The project will hire local talent and support the JD distillery production and growth, which employs a significant percentage of the local community and promotes a comprehensive community service programme.

JD has strong historical production volume data and a consistent formula with more than 150 years selling a single product line in a counter-cyclical segment of the industry, providing unparalleled feedstock assurance and chemical composition mitigants.

This is quite different to traditional biomass projects that use small, unrated feed (like landfill organic matter or cow manure) on an uncontracted basis.

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