



14 June 2023



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## NEWS

05.24.23

### **Delta Biofuel Announces \$100 Million Final Investment Decision for Renewable Fuel Facility in Jeanerette, Louisiana** *Iberia Parish facility will convert sugarcane waste to fuel pellets*

JEANERETTE, La. – Delta Biofuel has announced a \$100 million final investment decision for the construction and start-up of a full-scale renewable fuel production facility in Iberia Parish that will convert sugarcane waste into feedstock for low-emissions energy generation.

The company is expected to create 126 new direct jobs with an average salary of \$62,500. Louisiana Economic Development estimates the project will result in an additional 149 indirect jobs, for a total 275 new jobs in the Acadiana region.

“Louisiana has emerged as a leader in renewable energy through continued investment and innovation,” said Gov. John Bel Edwards. “As one of the nation’s top producers of sugarcane, producing more than 2 million tons of raw sugar in 2022, it is only fitting that our state will lead the way in the production and export of this new renewable fuel source. Once again we see how the transition to cleaner energy creates investment, jobs and a diverse range of opportunities across multiple economic sectors and regions of our state.”

*The facility will be the first of its kind in North America for its use of bagasse, a byproduct of sugarcane production, to manufacture biomass fuel pellets on a commercial scale that offer a lower-cost and stronger greenhouse gas reduction profile versus other biomass fuels, such as wood pellets, used in power generation.*

The total capital expenditure is 43% higher than the \$70 million investment that was anticipated when the project was first proposed in 2021. The higher level of capital expenditure is reflective of increased labor and equipment cost, as well as Delta’s decision to increase the facility’s production capacity.

#### **WHAT’S NEXT:**

- Delta Biofuel expects to break ground in late June.
- When complete, the facility will have the ability to produce 340,000 metric tons of biomass fuel pellets annually.
- Delta Biofuel has secured exclusive long-term agreements to acquire supplies of feedstock bagasse from five sugar mills in surrounding parishes.
- The company has long-term contracts primarily with power utility companies across Europe for the sale of more than 1.8 million tons of pellets over the next several years.
- To secure the project, the state of Louisiana offered Delta Biofuel a competitive incentive package that includes the comprehensive workforce development solutions of LED FastStart and a \$1 million



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performance-based grant for infrastructure improvements. The company has been approved for the state’s Industrial Tax Exemption program and has applied for the Quality Jobs program.

**STAKEHOLDER QUOTES:**

- **Phil Keating, CEO, Delta Biofuel:** “Delta is thrilled to reach this milestone and begin construction. We look forward to putting waste bagasse to good use, solving a serious problem for the sugar industry and reducing GHG emissions. I’d like to thank Iberia Parish, One Acadiana and LED for helping us get this project off the ground. Of course, we could not have done this without the coordination and support from our sugar mill partners.”
- **Mike Tarantino, President and CEO, Iberia Industrial Development Foundation:** "We are excited that this project has reached this significant milestone. Delta Biofuel's investment in Iberia Parish is another indication that our parish is growing and we look forward to welcoming them to our community."
- **Troy Wayman, President and CEO, One Acadiana:** “We are thrilled about Delta Biofuel’s commitment to place their production facility in Iberia Parish, and we welcome them to Acadiana’s rich agribusiness and energy landscape. Their plan to source from nearby sugar mills in Iberia, St. Mary and St. Martin parishes is the perfect collaboration to create alternative fuel from previously unneeded bagasse. Congratulations to our partners in Iberia Parish on this project, which will have a great impact on the future of energy in our region.”
- **M. Larry Richard, Iberia Parish President:** "Iberia Parish is poised for growth and we are excited to hear that Delta Biofuels has reached this project milestone. We look forward to continuing progress with the project, the jobs it will create and the investment it will bring."

**ADDITIONAL INFO:**

- Societe Generale acted as lead arranger to the debt financing for the facility. Additional financing was provided by IFM Investors. Both will support construction and ongoing operations.
- Read the [2021\\_Delta Biofuel](#) project announcement.
- About [LED](#)

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