

C2NC Holdings deal summary

On April 30, the social infrastructure platform closed a deal and completed a debt investment in the Tortoise Essential Assets Income Term Fund. C2NC Holdings (“C2NC”), also known as Carbon Cycle North Carolina, will build a biomethane-producing waste-to-energy anaerobic digester plant in North Carolina. When complete, the project will convert waste from local animal processing plants and food processing operations, all of which was previously being put in landfills or disposed of in other ways, into renewable natural gas (“RNG”). C2NC already has contracts to sell all of the RNG to a regional utility company via direct injection into a pipeline that has an access point on the company’s property. This is being done under a state program that is only available to a limited number of participants.

Demand for this project is high, as the state of North Carolina has mandated that energy companies obtain a certain portion of their fuel from animal sources, due to the significant waste generated by the massive pork and poultry production in the state. Because the state program limits the number of participants, C2NC’s RNG is critical to the ability to meet this mandate. This program is expected to provide significant environmental benefits through reduction of animal waste and resultant greenhouse gases. The facility is being built in the #1 hog-producing county in the entire United States, in the midst of several hog-processing facilities, making it an ideal location.

Investment details

Series 2020

- **Investment type:** debt; subordinate bonds
- **Investment size:** \$10,715,000
- **Interest rate/tax status:** 13% taxable
- **Maturity date:** April 1, 2027

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