

# C2NC Holdings deal summary

On March 31, 2023, the social impact team closed a deal in the Ecofin Sustainable and Social Impact Term Fund. C2NC Holdings (“C2NC”), also known as Carbon Cycle North Carolina, is in the process of completing construction and commissioning of 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 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.

This investment will provide additional subordinated debt that will allow the project to be completed, commissioned, and to ramp up to full production. The scope of the project changed since the original plan, primarily with upgrades to the wastewater treatment facility that will result in significantly improved environmental impacts as well as reduced reliance on the local water utility. This scope change required additional capital, which was sourced from the senior lender, equity, and now this final piece of subordinated debt.



## Investment details

### Series 2023A

- **Investment type:** Debt, Subordinated Secured Taxable Green Bonds
- **Par Value:** \$2,125,000.00
- **Cost:** \$2,125,000.00
- **Tax status:** Taxable
- **Maturity date:** May 1, 2027
- **Yield to worst:** 14.50%
- **Cash yield:** 14.50%

## Disclaimer

TCA Advisors is the adviser to the Ecofin Sustainable and Social Impact Term Fund, and Ecofin Advisors Limited is the fund’s sub-adviser. Ecofin is a sustainable investment firm dedicated to uniting ecology and finance. Our mission is to generate strong risk-adjusted returns while optimizing investors’ impact on society. We are socially-minded, ESG-attentive investors, harnessing years of expertise investing in sustainable infrastructure, energy transition, clean water & environment and social impact. Our strategies are accessible through a variety of investment solutions and seek to achieve positive impacts that align with UN Sustainable Development Goals by addressing pressing global issues surrounding climate action, clean energy, water, education, healthcare and sustainable communities. Ecofin Investments, LLC is the parent of registered investment advisers Ecofin Advisors, LLC and Ecofin Advisors Limited (collectively “Ecofin”).