



Financing the development of renewable natural gas projects:

Building the bridge to our clean energy future.

Case Study

October 2021

RNG FINANCING

Leyline invests in waste-to-value streams, including renewable natural gas (RNG) projects. Typical projects use feedstocks, such as landfill gas, cow manure, swine manure, or food waste, and process them to generate renewable natural gas – which can then be sold to generate revenue for developers.

By investing in RNG projects, Leyline partners with developers in the fight against climate change. Methane has a global warming potential more than 25 times greater than CO₂.



Instead of waste decomposing and releasing methane into the atmosphere, a landfill gas or anaerobic digester project captures the methane gas, upgrades to quality standards and injects it into a pipeline, displacing dirty “brown” gas and reducing the environmental impact.



Since its founding, Leyline has invested in many RNG projects across the country. Ultimately, Leyline’s development experience, flexibility, and efficiency allow it to find solutions to a variety of RNG developers’ needs.



SCALING UP TWO COMPLEX PROJECTS

THE PROBLEM

CleanBay Renewables needed classic development funding for its two large complex anaerobic digestion projects in Delaware and Maryland, which will convert chicken litter into renewable natural gas and slow, controlled-release fertilizer. Chicken litter is a novel feedstock for anaerobic digestion, which presents a unique technological challenge. Before selecting Leyline, CleanBay considered alternative sources of funding in the form of direct equity, more specialized funding groups, government bodies, and traditional banks.



"Leyline's flexibility and patience on the development capital facility was a huge advantage for us over other capital sources. Overall, Leyline's process was straightforward and fast, allowing us to get our project off the ground."

- DONAL BUCKLEY, CEO OF CLEANBAY RENEWABLES

LEYLINE'S SOLUTION

Leyline helped CleanBay scale up development of its first two projects to improve efficiency and provide development funding for engineering, permitting, legal, feedstock security, working capital, and initial construction costs. Ultimately, Leyline's development loan allowed the management team at CleanBay to arrange institutional financial closings that will provide for construction and long-term ownership of the projects. The projects that Leyline helped fund in the Delmarva Peninsula will convert chicken litter into RNG and slow, controlled-release fertilizer, and reduce nitrous oxide going into the Chesapeake Bay.

THE IMPACT

 100+ jobs <i>(combined construction and full-time created by the project)</i>	 >750,000 MMBtus <i>(of RNG per year per project)</i>
 100,000 tons <i>(of slow, controlled-release fertilizer per year per project)</i>	 1 m tons of CO2e <i>(reduction per year per project)</i>



PROVIDING LOCAL EXPERTISE

THE PROBLEM

In 2018, Evensol LLC, a renewable energy developer, acquired landfill gas rights to develop landfills in Caldwell and Person Counties in North Carolina as renewable natural gas projects. Evensol needed development capital to advance the projects to a construction-ready stage. Before selecting Leyline, Evensol considered private equity and permanent fund investors.

"We chose Leyline because of their knowledge of the local area and their direct experience in project development. Erik Lensch [Leyline CEO] was sensitive toward our organization and needs, so we were able to understand each other."

- DAVID WENTWORTH, CEO OF EVENSONL

LEYLINE'S SOLUTION

Leyline provided development capital and assistance with interconnection, and played an instrumental role in securing the land needed for an injection site into the pipeline. In September 2020, Evensol started talking to a strategic equity investor and closed that equity transaction in June 2021. The closing allowed Evensol to pay off Leyline's credit facilities.



The two projects that Leyline helped fund will convert landfill gas from large landfills in North Carolina into pipeline-quality renewable natural gas.

THE IMPACT



30-35k tons
of CO₂ equivalents per year



Revenue gen.
for local municipalities and landfill owners



BRINGING A LONG-PLANNED PROJECT TO LIFE

THE PROBLEM

Dynamic is a renewable energy developer that provides leading-edge waste recovery solutions for both the agricultural and food processing industries. Dynamic needed capital to develop its BC Organics project in Greenleaf, Wisc., which will convert cow manure into renewable natural gas. The farmers in the area needed the ability to protect natural resources by reducing potential greenhouse gas emissions, as well as decreasing the volume of manure to be land applied. Dynamic also considered alternatives for financing, such as traditional banks and private equity.

"The project would not have happened without Leyline's expertise and funding. We are thankful that Leyline was very flexible when our project timeline did not turn out as planned."

- DUANE TOENGES, CEO OF DYNAMIC



LEYLINE'S SOLUTION

Leyline funded Dynamic's development of the BC Organics project that will ultimately have 16 digesters, which operate 24/7 to produce renewable natural gas, fiber bagging, and clean water, and reduce the volume of manure stored and hauled by farm participants by 50 percent.

While the project timeline spanned several years, Leyline was on deck at every phase, willing to provide Dynamic with the resources it needed to see the project through to permanent financing, despite many moving parts and unforeseen challenges.

THE IMPACT

 900k gallons <i>of manure processed per day</i>	 400k gallons <i>of clean water produced</i>
 20 jobs <i>provided to the local community</i>	 90 percent <i>Reduction in odor, compared to non-digested dairy manure</i>



HOW LEYLINE CAN HELP

Leyline understands the challenges of getting RNG projects off the ground – and the importance of having pre-construction capital available to accelerate opportunities.

Our leadership team brings more than 30 years of hands-on development insight to the process, so we can talk from experience about the realities, potential obstacles, and best paths forward.

Ultimately, our goal is to give you the confidence to pursue big ideas, by supporting your efforts when it matters most, and providing the resources you need to build a viable bridge from planning to execution.

If you're interested in learning more about how Leyline can help you or your company, contact us at info@leylinecapital.com.

