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Genera to make \$118M investment, create 80 jobs

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Genera President and CEO Kelly Tiller (left) and Vice President Sam Jackson hold samples of the company's compostable containers at its Vonore facility on Tuesday.

Scott Keller | The Daily Times

Earthable is the trademarked name. In a couple of years, lots of people could know what it stands for.



Genera is announcing today it has completed securing \$118 million to produce a new line of sustainable agricultural fiber products that could be used by restaurants across the country.

The Vonore-based company, which hopes to add 80 new jobs, is not exactly starting from ground zero. Readers may recall when Genera Energy Inc. was created in 2007 by the University of Tennessee Research Foundation to partner with DuPont to build and operate a biorefinery in Vonore capable of producing 250,000 gallons of ethanol annually.

The idea was “to scale up next-generation cellulosic ethanol technology to commercial capacity.” The plan was to use crops such as switchgrass to make cellulosic ethanol.

The state legislature approved \$70.5 million in total investment for the project. As 2015 closed out the year, DuPont announced it was closing the plant. It had opened a 30-million-gallon-per-year cellulosic ethanol facility in Iowa in the heart of corn country.

The believers in switchgrass had not given up, though. Neither were they starting at ground zero. They had an almost new manufacturing building, equipment that was still adaptable and two huge silos.

They also still had farmers in Monroe and surrounding Tennessee counties growing switchgrass. Not 5,000 acres like when the end product was biofuel. But 2,000 acres still remained four years after the plant closure.

Dropping the energy label

After dropping “energy” from its name, Genera is transforming itself from being a company that produced an additive to petroleum fuel to a product that replaces plastics made from oil.



Genera will use locally grown grasses and other agricultural crops to make compostable food service packaging products like plates, bowls and takeout containers at its reconfigured manufacturing facility in the Niles Ferry Industrial Park. In addition to making products that are a sustainable alternative to plastics and polystyrene, like Styrofoam-type products, Genera's Earthable fibers also can be used to produce a wide array of towel, tissue, cupstock and other paper products.

Earthable will be the largest fully integrated, domestic solution for ag-based fiber and food-grade packaging in the U.S., according to Genera. It is designed to meet the growing, consumer-driven demands for more eco-friendly products in the food and consumer industries.

"With this new investment, we can begin to answer the increasing demand for environmentally conscious solutions with a truly farm-to-table product made in America," Kelly Tiller, president and CEO of Genera, said in announcing the initiative.

The financing was anchored by an equity investment from WindSail Capital Group, a growth capital investor specializing in sustainability and energy innovation. WindSail partnered with investors Coppermine Capital and Stairway Capital in the Genera financing.

"We and our partners are investing in Genera because they are pioneering a solution that will serve both our domestic rural economy and the rapidly growing demand for environmentally friendly packaging in the consumer market," said Ian Bowles, managing director of WindSail Capital.

The fibers are derived from locally grown, high-yield conservation crops like switchgrass and biomass sorghum. Genera already has begun to work with local East Tennessee farmers to produce additional acres of the feedstock it will use in its new manufacturing facility and is actively seeking additional farm partners in the region.

TennEra, an affiliate of the UT Research Foundation, has leased its former biorefinery in Vonore to Genera.

“We are excited for the positive rural economic benefit of Genera’s fiber production facility in East Tennessee and beyond, furthering UT’s land grant mission,” said Stacey Patterson, president of UTRF and UT vice president for research, outreach and economic development.

Taking on imports

Genera has its eyes aimed directly not just at plastics, but at the fiber-based food service products that some environmentally conscious restaurants are starting to use. Sam Jackson, Genera vice president of business development, points out the catch to that.

“If you go to any number of restaurant chains and you get a bleached-white fiber container — because you can get those today — those are imported from Asia,” he said.

They don’t have to be. Genera plans on tapping into products raised within 50 miles of its plant and to use a mechanical process that doesn’t come with the environmental damage of bleached white, wood-fiber products requiring large amounts of water and chemicals. According to Jackson, the water used to process the cellulose from grasses as opposed to trees is minimal, and all water is recycled by Genera.

“The nice thing about these products? They’re fully compostable, fully biodegradable. At a restaurant where you’re getting a polystyrene or a Styrofoam container today, that’s going to be here 1,000 years from now; this will compost in a commercial compost facility in 90 days,” he said.

“We have branded this the Earthable product line. It’s from the earth back to the earth. We can grow the crop in a field and in 90 days this will turn into compost and go back into the soil.”

Genera’s fiber production facility is expected to be ready to deliver Earthable products to the marketplace in 2020, initially bringing 80 new jobs to Vonore. The company will begin hiring early next year, including skilled operators and maintenance positions.

Even before the Vonore facility begins operations, Genera officials expressed confidence that customer demand will lead to expansion. The company is looking at options to increase production capacity beyond the anticipated 100-tons per day and potentially increasing total employment by 50%.