

Diageo builds first carbon-neutral Distillery in Lebanon, Kentucky

Inter-County Energy is proud to help Diageo meet its renewable energy needs at the newest and first carbon-neutral distillery in the United States. Congratulations on this accomplishment from Inter-County Energy's Board of Directors, Management and Employees.

The alcoholic beverage giant has opened its first carbon-neutral distillery in the U.S. and aims to convert other plants. It will be used to make Bulleit bourbon and could expand to other brands.



By [Dieter Holger](#)

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Diageo PLC has opened its first carbon-neutral distillery in the U.S. as part of its plan to get fossil fuels out of alcohol production over the next decade, a project that also means extra costs for the business.

The London-based owner of Smirnoff vodka and Tanqueray gins said Tuesday that its new whiskey distillery in Lebanon, Ky., aims to run entirely on renewable energy, though there could be residual emissions. The plant can make around 10 million proof gallons of bourbon and American whiskey a year, while avoiding some 117,000 metric tons of annual carbon-dioxide emissions compared with running on fossil fuels, the company said.

For now, the plant is making Bulleit bourbon, but as it ramps up it eventually could produce a variety of bourbon and whiskey brands, Diageo said.

It is often difficult in the U.S. for companies to buy renewable power from local electric utilities in the same way they can get fossil fuels because supply is limited.

Diageo secured its renewable power supply for the plant through a 15-year contract with the Inter-County Energy Cooperative and East Kentucky Power Cooperative for wind and solar. Mr. Jones said it isn't as practical for Diageo to install its own solar panels or wind turbines at plants because of higher costs, regulations, and lack of land.

Mr. Jones said Diageo is still calculating the total investment required for getting all its direct operations, including its distilleries, to carbon neutrality, as the costs vary site-by-site.

"We're hoping there are benefits coming from newer technology that reduces that cost, but right now our cost is based on the technology that exists," he said.

Diageo worked in-house and contracted experts to design a model for distilleries under carbon neutrality as defined by the British Standards Institution that can be used elsewhere, Mr. Jones said.

"It is just taking the blueprint and reapplying it," he said.

The company expects a third-party to certify that the Lebanon distillery meets the standards after 12-months of operational data, Mr. Jones said.

The Kentucky site is designed to run fully on renewable power but can switch to gas as a backup if there isn't enough wind or sunshine, or there are other disruptions, Mr. Jones said.

Outside renewable energy, another part of the switch is using electrode boilers-which run on electricity, rather than gas-to generate steam for cooking, distillation and drying.

But Mr. Jones said converting Diageo's remaining distilleries to run on renewables-a task that primarily involves replacing boilers and other equipment-isn't necessarily more difficult than building new ones. The real challenge is sourcing enough renewable electricity.

"You're waiting for utilities to get in place," he said. "When you're looking at some of the infrastructure required to do that, and where their original sourcing is coming from, whether it's solar, water, wind, a lot of that infrastructure just doesn't exist here in the United States."

