

TRANSITION TOWARDS NET-ZERO SUSTAINABLE FUELS - LANZAJET PARTNERS MICROSOFT CLIMATE INNOVATION FUND

News / Finance



LanzaJet has secured financing for its Freedom Pines Fuels plant in Soperton, Georgia, through the Microsoft Climate Innovation Fund. The Microsoft Climate Innovation Fund has made a \$50M investment to support the construction of LanzaJet's (and the world's) first alcohol-to-jet sustainable aviation fuel (SAF) production plant. The innovative structure of Microsoft's financing will enable LanzaJet to bring lower-cost sustainable aviation fuel and renewable diesel to the global market.

LanzaJet is dedicated to accelerating the energy transition in sectors where decarbonization is hard, such as aviation. LanzaJet produces SAF and renewable diesel from low-carbon, sustainable ethanol sources. This investment also creates the opportunity for LanzaJet and the Microsoft Climate Innovation Fund to work together in enabling LanzaJet, through the Freedom Pines Fuels plant, to catalyze the market for 2nd generation, waste-based ethanol feedstock, demonstrating clear demand signals for ethanol that can achieve greater carbon reductions.

The construction of Freedom Pines Fuels is progressing as planned, even with supply chain, manufacturing, and labor shortages impacting the global economy. Fabrication of the plant is well underway; some modules are already completed and final site engineering is nearing completion. The LanzaJet Freedom Pines Fuels plant is expected to achieve mechanical completion this year and begin producing 10 million gallons of SAF and renewable diesel per year from sustainable ethanol, including from waste-based feedstocks, in 2023.

The investment was made as part of Microsoft's efforts to achieve its 2030 goal of becoming carbon negative and advancing a net-zero economy. It also allows Microsoft to access sustainable, renewable diesel for its data centers to enable Microsoft to further achieve its net-zero goals.

Demand for sustainable fuels is increasing, and governments like those in the United States and the United Kingdom are leading the transition by encouraging sustainable fuel production. The Biden administration set a goal for achieving net-zero aviation emissions by 2050, with the E.U. wanting to increase the amount of SAF blended to 63% by 2050. In September of 2021, the White House announced a target of 3 billion gallons of SAF produced per year by 2030. As part of that announcement, LanzaJet shared it would strive to achieve 1B gallons of SAF production in the US by 2030, significantly supporting US ambitions.

Private sector investment and government support are crucial to enabling the development and scale-up of new technologies to curb carbon emissions as the world tackles climate change. The collaboration between LanzaJet and the Microsoft Climate Innovation Fund demonstrates that such an innovative investment approach breaks down barriers by deploying new technologies, improves our nation's infrastructure, and creates new economic opportunities in rural communities. The development of LanzaJet's Freedom Pines Fuels plant is also supported by funding from the U.S. Department of Energy Bioenergy Technologies Office.

LanzaJet continues to work with its founding investors to scale up the production of sustainable fuels to meet global demand and to enable the energy transition underway. Microsoft's financial support of LanzaJet joins other LanzaJet funders including LanzaTech, Inc., Suncor Energy Inc., Mitsui & Co., Ltd., British Airways, Shell, and All Nippon Airways – all who are working together to catalyze and build a new global market for sustainable fuels.

Jimmy Samartzis, LanzaJet CEO, commented: "We know that creating the change which our world desperately needs requires perseverance, innovation, and like-minded partnerships. We are thrilled to bring on Microsoft and its Climate Innovation Fund to help us build our first-of-its-kind sustainable fuels plant in Georgia. The partnership with Microsoft is more than just financing – it advances our work towards net zero fuels, it enables lower-cost sustainable fuels into the market, and it supports the urgency to have real, proven technologies scale-up and deploy."

"We set a bold ambition to support the White House with a goal of 1 billion gallons of sustainable

fuels by 2030. With Microsoft's support, this first plant significantly expands the production of sustainable fuels in the US, establishes Georgia as a leader in clean tech, and is the foundation for us as the first alcohol-to-jet sustainable fuels producer, and as a blueprint for the commercial plants we're developing globally."

Brandon Middaugh of Microsoft's Climate Innovation Fund said: "With this investment, we support LanzaJet in creating new pathways to help companies across industries achieve net-zero carbon through the use of sustainable fuels. Decarbonizing hard to abate industries and technologies will be essential to achieving our carbon reduction goals by 2030. We look forward to working with LanzaJet to accelerate the global development and deployment of high-quality, sustainable fuels technologies."

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