

Diageo North America selected by U.S. DOE to install innovative heat battery technology to decarbonize production operations in Illinois and Kentucky

Heat batteries manufactured by Rondo Energy are powered by renewable energy and will reduce reliance on natural gas fuel for thermal energy needs at sites.

NEW YORK, Mar. 25, 2024 – The U.S. Department of Energy (DOE) Office of Clean Energy Demonstrations (OCED), as part of its Industrial Demonstrations Program (IDP), has selected Diageo North America to begin award negotiations of up to \$75 million in funds to support the electrification of its production sites in Shelbyville, Kentucky and Plainfield, Illinois – with the goal of making both facilities carbon neutral by 2026 and 2028, respectively. Diageo will partner with Rondo Energy to install Rondo Heat Batteries at the production sites, providing low-cost, zero-carbon heat and power, and eliminating reliance on natural gas for boilers used in heating processes. The heat battery technology captures and stores renewable energy, delivering continuous industrial heat and power that address intermittency concerns.

“Today’s announcement from the Department of Energy marks a milestone for our North American operations and gives us the opportunity to incorporate innovative technologies into our production footprint to make our business more efficient, resilient and sustainable,” said **Marsha McIntosh-Hamilton, President of North America Supply, Diageo North America**. *“Through our partnership with Rondo Energy we’ll build a model that can be replicated across our supply operations in the U.S.”*

The electric thermal energy storage (ETES) that will be deployed for this project is a new, more cost-effective path to industrial decarbonization that has potential to deliver firm, reliable clean energy for decades. This project will demonstrate an industrial heat and power model system that could be replicated in many other sectors, as well as food and beverage more broadly.

“Spurring on the next generation of decarbonization technologies in key industries like steel, paper, concrete, and glass will keep America the most competitive nation on Earth,” said **U.S. Secretary of Energy Jennifer M. Granholm**. *“Thanks to President Biden’s industrial strategy, DOE is making the largest investment in industrial decarbonization in the history of the United States. These investments will slash emissions from these difficult-to-decarbonize sectors and ensure American businesses and American workers remain at the forefront of the global economy.”*

Traditional production processes in the beverage industry -such as distilling, bottling, cleaning, pasteurization, and HVAC systems- require large thermal loads to run operations, which is typically dependent on natural gas. This project will replace the use of natural gas to provide heat for these processes and help eliminate nearly 17,000 metric tons of direct greenhouse gas emissions annually across the two facilities, which is the equivalent of taking more than 4,046 gasoline-powered cars off the road for a year.

“Rondo is excited to be working with Diageo to power their production operations and cut their costs,” said Rondo CEO John O’Donnell. “Diageo has been a pioneer in deploying technologies for efficiency, cost reduction, and decarbonization. The Rondo Heat Battery opens new opportunities for simpler cost reductions and deeper integration with renewable energy sources, and we’re honored Diageo has chosen us to help them achieve their 100% renewable energy goal.”

Additional project partners include the National Renewable Energy Laboratory (NREL), who will support Diageo in its techno-economic and life-cycle analyses and will validate carbon reductions at both projects.

Diageo’s operations have contributed to the economic development of Illinois and Kentucky. Supporting over 9,200 jobs across the distribution, retail and hospitality sectors in both states, where Diageo has a strong supply presence and a longstanding partnership with the communities.

Funding for the decarbonization projects will support the implementation of community benefits programs in these regions and contribute to Diageo’s approach to sustainability, outlined in its ten-year action plan '[Society 2030: Spirit of Progress](#)' which focuses on three priorities: water stewardship, becoming sustainable by design, achieving carbon neutrality across direct operations and switching to 100% renewable energy by 2030.

Learn more about the Industrial Demonstrations Program (IDP) and projects selected by the U.S. Department of Energy (DOE) Office of Clean Energy Demonstrations for award negotiations [here](#).

About Diageo North America

Diageo is a global leader in beverage alcohol with an outstanding collection of brands including Johnnie Walker, Crown Royal, Bulleit and Buchanan's whiskies, Smirnoff, Cîroc and Ketel One vodkas, Casamigos, DeLeon and Don Julio tequilas, Captain Morgan, Baileys, Tanqueray and Guinness. Diageo is listed on both the New York Stock Exchange (NYSE: DEO) and the London Stock Exchange (LSE: DGE) and their products are sold in more than 180 countries around the world. For more information about Diageo, their people, brands, and performance, visit www.diageo.com. Visit Diageo's global responsible drinking resource, www.DRINKiQ.com, for information, initiatives, and ways to share best practice. Follow on Instagram for news and information about Diageo North America: @Diageo_NA.

About Rondo Energy

Rondo Energy makes industrial decarbonization possible — and profitable — today. The Rondo Heat Battery captures low-cost renewable electricity and delivers the world’s highest temperature, highest efficiency energy storage of any kind, enabling customers to power their operations with zero-carbon heat and power. Rondo currently operates the world’s highest temperature, highest efficiency commercial energy storage system at Calgren Renewable Fuels in California. Learn more at rondo.com/products.