Bond Case Briefs

Municipal Finance Law Since 1971

Chicken Fat-to-Fuel Project Is the Latest Green Muni Bond to Default.

- A Mississippi facility that raised $22 million in securities to convert poultry waste into biodiesel has defaulted on its bonds, marking at least the second green bond default in the muni market this month.
- The default is a sign of risk in bonds sold by local and state governments to finance private projects for energy and recycling plants carrying a green label, with one-third of 49 industrial development bonds defaulting in the last five years being marketed as green bonds.
- Almost 10% of roughly $10 billion bond green industrial development or solid waste bonds are in default, with the average 10-year annual default rate for municipal bonds rated by Moody's being 0.15% from 1970 through 2023.

A Mississippi facility that raised $22 million in securities to help convert poultry waste into biodiesel has defaulted. That marks at least the second green bond default to hit the muni market this month.

The tax-exempt bonds with an 8% coupon were sold by the Mississippi Business Finance Corp. in December 2022 on behalf of Alden Group Renewable Energy. UMB Bank, which is the trustee for bondholders, said the borrower failed to make a June 2 interest payment. Earlier this month, about $40 million of green municipal bonds issued to build a cow manure-to-natural gas facility on a Wisconsin farm also defaulted.

Bonds sold by local and state governments to finance private projects for energy and recycling plants carrying a green label are risky, according to Municipal Market Analytics. One-third of 49 industrial development bonds to disclose a first time payment default in the last five years were marketed as green bonds, said Matt Fabian, a partner at the research firm.

"The takeaway for investors is to be a bit more careful with bonds that resort to green labeling as they may be stretching to attract investors," Fabian said in an email. That could suggest weakness in their economic profile "or another risk not obvious on the surface."

Almost 10% of roughly $10 billion bond green industrial development or solid waste bonds are in default, according to data compiled by Bloomberg. From 1970 through 2023, the average 10-year annual default rate for municipal bonds rated by Moody's was 0.15%.

Alden's Mississippi renewable energy facility isn't the only one in trouble. In January, local television station KTUL reported that an Alden facility in Tulsa, Oklahoma was closing.

Alden Group is a unit of Spring, Texas-based Jefferson Enterprise Energy, LLC. Jefferson's founder and Chief Executive Officer Al Salazar died in October from cancer, according to a securities filing.

Neither Richard Thayer, Alden Group's president nor Michael Slade, a senior vice president at UMB, responded to a request for comment.

In a June 12 filing, UMB said it was working with Alden and majority bondholders on the situation.

AllianceBernstein Holding LP owned all of Alden Group’s bonds for the Mississippi project as of April 30, according to data compiled by Bloomberg. Carly Symington, a spokeswoman for AllianceBernstein didn’t respond to a request for comment.

Bloomberg Markets

By Martin Z Braun

June 13, 2025

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com