

DOE's \$15.5 billion battery manufacturing infusion anticipates US EV surge

Article

The news: The US Department of Energy (DOE) has earmarked **\$15.5 billion** to ignite the electric vehicle (EV) transition, part of President Biden's Investing in America strategy.

Why it's worth watching: This financial windfall offers an unprecedented springboard for automakers and suppliers.

- The sum is divided into \$12 billion for automotive conversion projects and \$3.5 billion to broaden domestic battery production in time to meet aggressive EV adoption targets.
- The funds and incentives can help automakers retool existing car plants for EV production.
- The deal should help secure manufacturing jobs in conservative states like Georgia, North Carolina, and Tennessee.
- The Biden administration also [committed \\$5 billion](#) to build 500,000 EV charging stations in February.

How it works: Grant applications can be submitted through the DOE's Office of Manufacturing and Energy Supply Chains, and loans through the DOE's Loan Program Office.

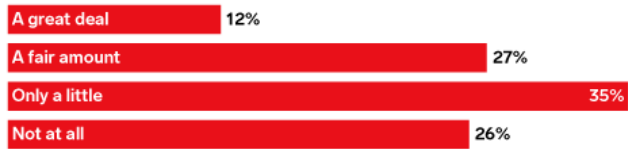
- Concept papers are due October 2, 2023, and the deadline for full applications is December 7, 2023.
- \$12 billion in funding will tilt toward enterprises rooted in communities with a storied automotive past, as well as projects pledging robust wages and upholding collective bargaining agreements.
- \$3.5 billion will go toward expanding domestic manufacturing of batteries for EVs, reducing reliance on imported materials and components.

The caveat: Preference for grants and loans given to existing automotive communities could deprive other locations eager for industrial revival that lack an automotive production history.

Our take: The DOE's EV battery manufacturing fund helps address a pressing need for onshoring lithium battery production. Further investments should also focus on [improving the poor state-of-charging infrastructure](#) as well as providing incentives for EV manufacturers and buyers.

US Adults Who Think Using an Electric Vehicle Will Help Climate Change, March 2023

% of respondents



Note: respondents were asked, "how much do you think the use of electric vehicles helps address climate change—a great deal, a fair amount, only a little or not at all?"

Source: Gallup as cited in company blog, April 12, 2023

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