

## Notice of Intent No. DE-FOA-0003113

## Notice of Intent to Issue Funding Opportunity Announcement No. DE-FOA-00003106

The Office of Manufacturing and Energy Supply Chains (MESC) intends to issue a Funding Opportunity Announcement (FOA) entitled "Domestic Manufacturing Conversion Grants". Projects awarded under this FOA will be funded, in whole or in part, with funds appropriated by the Inflation Reduction Act (IRA).

On August 16, 2022, President Joseph R. Biden signed the landmark Inflation Reduction Act of 2022 into law. The law includes \$391 billion to support the Administration's energy and climate goals by deploying clean energy, strengthening domestic manufacturing, and investing in workers and communities.

The transportation sector is the largest source of greenhouse gas emissions in the United States, accounting for 28 percent of all emissions in 2021 <sup>1</sup>. Transportation also is a major source of smog-forming nitrogen oxides and particulate matter, which can trigger asthma attacks and other health problems for the most vulnerable among us<sup>2</sup>. President Biden set an ambitious goal that at least 50 percent of all new passenger cars and light trucks sold in 2030 be zero-emission vehicles, including battery electric, plug-in hybrid electric, or fuel cell electric vehicles (EVs). The Inflation Reduction Act tackles these priorities comprehensively, by combining incentives for consumers and businesses to purchase clean vehicles with programs to expand manufacturing and sourcing of vehicle components and critical minerals in the United States.

The investments in the Inflation Reduction Act <u>build on</u> the \$7.5 billion provided by the Bipartisan Infrastructure Law to deploy a national network of 500,000 electric vehicle chargers; more than \$7 billion to ensure domestic manufacturers have the critical minerals and other components necessary to make EV batteries; and \$10 billion for clean transit and school buses at the <u>Department of Transportation</u> and <u>Environmental Protection Agency</u>. The CHIPS and Science Act invests in expanding America's manufacturing capacity for the semiconductors used in electric vehicles and chargers. Together, this package of legislation will create good-paying, high-quality jobs along the full supply chain for the automotive sector, from components to assembly.

IRA section 50143 appropriated \$2 billion to provide grants for domestic production of efficient hybrid, plug-in electric drive, and hydrogen fuel cell electric vehicles, in

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<sup>&</sup>lt;sup>1</sup> https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions

<sup>&</sup>lt;sup>2</sup> https://www.whitehouse.gov/wp-content/uploads/2022/12/Inflation-Reduction-Act-Guidebook.pdf



accordance with section 712 of the Energy Policy Act of 2005.<sup>3</sup> That section established the domestic manufacturing conversion grant program to provide grants and loan guarantees to clean vehicle manufacturers and suppliers, including component manufacturers. Section 712 states that "priority shall be given to the refurbishment and retooling of manufacturing facilities that have recently ceased operation or will cease operation in the near future." Applicants will have the opportunity to provide evidence that the proposed facility producing or supporting internal combustion engine vehicles for retooling and/or refurbishment has recently ceased operation or face risk that they will cease operation, in the near future. A goal of the program is to retain the existing workforce from those facilities and prevent facilities from ceasing operations.

Building on Section 712, IRA Section 50143 makes funding for such grants available through September 30, 2031, and provides that, "...the Secretary of Energy shall require a recipient of a grant to provide not less than 50 percent of the cost of the project carried out using the grant". Conversion, of a whole facility or partial facility (such as one production line), to either vehicle manufacturing facilities or component manufacturing facilities supporting the domestic production of efficient hybrid, plug-in electric hybrid, plug-in electric drive, and hydrogen fuel cell electric vehicles are eligible.

It is anticipated that the FOA would strengthen the domestic manufacturing of electrified vehicles of these given types, including light, medium, and heavy-duty vehicles, and create good-paying clean energy jobs with the free and fair chance to join a union. The overall scope in this NOI concerns commercial facilities, including those for vehicle assembly, component assembly, and related part manufacturing. Applicants should consider and identify domestic sources of equipment, feedstock and/or materials as well as potential downstream domestic customers of their parts or product.

Applicants to this FOA will be required to submit a Community Benefits Plan as part of their application. The Community Benefits plan will account for 20% of the technical merit review of proposals. This 20% is split equally into four intersecting sections that work together to ensure project success, the efficient and effective use of taxpayer funds, timely implementation of projects, and the acceleration of private sector uptake in projects:

1) investing in America's workforce, including through worker training, re-retraining, and retention; 2) engaging communities and labor; 3) advancing diversity, equity, inclusion, and accessibility; and 4) implementing Justice40. As part of the whole-of-government approach to advance equity and encourage worker organizing and collective bargaining, <sup>2,3,4</sup> this FOA and any related activities will seek to encourage, as part of the community and labor engagement part of the Community Benefits Plan meaningful engagement and participation of workforce organizations, including labor unions, as well as underserved communities and

<sup>&</sup>lt;sup>3</sup> Energy Policy Act of 2005 § 712, 42 U.S.C. § 16062.

<sup>&</sup>lt;sup>4</sup> § 16062(a)(3).

<sup>3 10002(0)(5).</sup> 

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underrepresented groups, including consultation with Tribal Nations.<sup>5</sup> Consistent with Executive Order 14008,<sup>6</sup> this FOA is designed to help meet the goal that 40% of the overall benefits of federal investments in clean energy and climate solutions flow to disadvantaged communities, as defined by the Department pursuant to the Executive Order and to drive the creation of accessible good-paying jobs with the free and fair chance for workers to join a union.

## **Topic Areas**

It is anticipated that the FOA may include the following Topic Areas:

Topic Area	Title					
1	Commercial-scale Assembly or Component Manufacturing Facilities for Electrified Vehicles – (Large)					
2	Commercial-scale Assembly or Component Manufacturing Facilities for Electrified Vehicles – (Medium)					
3	Commercial-scale Assembly or Component Manufacturing Facilities for Electrified Vehicles – (Small)					

## **Estimated Funding**

MESC expects to make a total of approximately \$2.0 billion of federal funding available for new awards under this FOA, subject to the availability of appropriated funds. MESC anticipates making approximately 9-15 awards in the form of grants under this FOA. MESC may issue one, multiple, or no awards. Individual awards may vary between \$25,000,000 and \$500,000,000. The estimated period of performance for each award will be approximately 24-60 months.

07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf"

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<sup>&</sup>lt;sup>5</sup> Including Tribal governments, American Indian and Alaska Native communities, Tribal enterprises, Alaska Native Regional and village corporations.

<sup>&</sup>lt;sup>6</sup> The Justice40 initiative, created by E.O. 14008, establishes a goal that 40% of the overall benefits of certain federal investments—including investments in climate change; clean energy and energy efficiency; clean transit; affordable and sustainable housing; training and workforce development; the remediation and reduction of legacy pollution; and the development of critical clean water infrastructure—flow to disadvantaged communities. Pursuant to E.O. 14008 and the Office of Management and Budget's Interim Justice40 Implementation Guidance M-21-28 and M-23-09, DOE will recognize disadvantaged communities as defined and identified by the White House Council on Environmental Quality's Climate and Economic Justice Screening Tool (CEJST), which can be located at <a href="https://screeningtool.geoplatform.gov/">https://screeningtool.geoplatform.gov/</a>. DOE's Justice40 Implementation Guidance is located at <a href="https://screeningtool.geoplatform.gov/">https://screeningtool.geoplatform.gov/</a>. DOE's Justice40 Implementation Guidance is located at <a href="https://screeningtool.geoplatform.gov/">https://screeningtool.geoplatform.gov/</a>. DOE's Justice40 Implementation Guidance is located at <a href="https://screeningtool.geoplatform.gov/">https://screeningtool.geoplatform.gov/</a>. DOE's Justice40 Implementation Guidance is located at <a href="https://screeningtool.geoplatform.gov/">https://screeningtool.geoplatform.gov/</a>.

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Topic Area	Total Project Value (Federal + Recipient Cost Share)	Anticipated Number of Awards		Anticipated Individual Federal Award Value		Cost Share
		Minimum	Maximum	Minimum	Maximum	cost Share
1	\$500,000,000	2	4	\$250,000,000	\$500,000,000	<u>&gt;</u> 50%
2	\$200,000,000	3	5	\$100,000,000	\$249,000,000	<u>&gt;</u> 50%
3	\$50,000,000	4	6	\$25,000,000	\$99,000,000	<u>&gt;</u> 50%

This Notice is issued so that interested parties are aware of the MESC's intention to issue this FOA in the near term. All of the information contained in this Notice is subject to change. MESC will not respond to questions concerning this Notice. Once the FOA has been released, MESC will provide an avenue for potential Applicants to submit questions.

MESC plans to issue the FOA on or about August 2023 via the Infrastructure Exchange (<a href="https://Infrastructure-Exchange.energy.gov">https://Infrastructure-Exchange.energy.gov</a>). If Applicants wish to receive official notifications and information from MESC regarding this FOA, they should register in Infrastructure Exchange. When the FOA is released, applications will be accepted only through Infrastructure Exchange.

In anticipation of the FOA being released, Applicants are advised to complete the following steps, which are <u>required</u> for application submission:

- Register and create an account in Infrastructure Exchange (<a href="https://Infrastructure-Exchange.energy.gov">https://Infrastructure-Exchange.energy.gov</a>). This account will allow the user to apply to any open MESC FOAs that are currently in Infrastructure Exchange.
  - It is recommended that each organization or business unit, whether acting as a team or a single entity, <u>use only</u> one account as the contact point for each submission. Questions related to the registration process and use of the Infrastructure Exchange website should be submitted to: InfrastructureExchangeSupport@hq.doe.gov
- Register with the System for Award Management (SAM) at <a href="https://www.sam.gov">https://www.sam.gov</a>.
  Designating an Electronic Business Point of Contact (EBiz POC) and obtaining a special password called an MPIN are important steps in SAM registration. Please update your SAM registration annually. Upon registration, SAM will automatically assign a Unique Entity ID (UEI).
- Register in FedConnect at <a href="https://www.fedconnect.net/">https://www.fedconnect.net/</a>. To create an organization account, your organization's SAM MPIN is required. For more information about the SAM MPIN or other registration requirements, review the FedConnect Ready, Set, Go! Guide at <a href="https://www.fedconnect.net/FedConnect/Marketing/Documents/FedConnect Ready SetGo.pdf">https://www.fedconnect.net/FedConnect/Marketing/Documents/FedConnect Ready SetGo.pdf</a>

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 Register in Grants.gov to receive automatic updates when Amendments to a FOA are posted. However, please note that applications <u>will not</u> be accepted through Grants.gov. <a href="http://www.grants.gov/">http://www.grants.gov/</a>. All applications must be submitted through Infrastructure Exchange.

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