

US awards \$2.8B in grants for EV batteries in 12 states

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Energy Secretary Jennifer Granholm speaks at the Clinton Global Initiative, Sept. 20, 2022, in New York. The Biden administration on Wednesday, Oct. 19, awarded \$2.8 billion in grants to build and expand domestic manufacturing of batteries for electric vehicles in 12 states. Granholm, who announced the grant competition in May, called the funding announcement “huge” news that would expand made-in-America battery manufacturing for EVs and the electric grid. Credit: AP Photo/Julia Nikhinson, File

The Biden administration on Wednesday awarded \$2.8 billion in grants to boost domestic manufacturing of batteries for electric vehicles in 12 states. A total of 20 companies will receive grants for projects to extract and process lithium, graphite and other battery materials, manufacture components and strengthen U.S. supply of critical minerals, officials said.

The announcement came as the administration seeks to boost production and sales of electric vehicles as a key part of President Joe Biden's strategy to slow climate change and build up U.S. manufacturing. Biden has vowed to boost U.S. production of lithium and other critical minerals, and the [sweeping climate and health-care law passed in August](#) includes several provisions to boost electric vehicles, including tax credits for EV buyers worth up to \$7,500.

"This is critically important, because the future of vehicles is electric," Biden said at a White House event with Energy Secretary Jennifer Granholm and executives from 10 grant recipients. The business leaders appeared virtually on a large screen in a White House auditorium.

"Right now 75% of battery manufacturing is done in China," Biden said.

"By undercutting U.S. manufacturing with their unfair subsidies and trade practices, China seized a significant portion of the (battery) market," he added. "Today we're stepping up to ... take it back—not all of it, but bold goals and actions to make sure we're back in the (battery production) game in a big way."

Ryan Melsert, CEO of American Battery Technology Co. in Reno, Nevada, told Biden that U.S. intervention in the battery market was overdue.

"Unfortunately, the U.S. is almost a non-player in the lithium game,"

Melsert said, noting that less than 1% of lithium products globally are made in the U.S.

His company, which makes lithium hydroxide for battery cathodes, is changing that, along with other grant recipients, Melsert said. "Vehicle manufacturers are really hungry to buy these materials from U.S.-based resources," he told Biden.



President Joe Biden listens during a tour at the Detroit Auto Show, Sept. 14, 2022, in Detroit. From left, Rep. Debbie Dingell, D-Mich., Michigan Gov. Gretchen Whitmer, Bill Ford, executive chairman of Ford Motor Company, Biden and Ray Curry, President of the United Auto Workers. The Biden administration on Wednesday, Oct. 19, awarded \$2.8 billion in grants to build and expand domestic manufacturing of batteries for electric vehicles in 12 states. Credit: AP Photo/Evan Vucci, File

Granholm, [who announced the grant competition in May](#), called the funding announcement "huge" news that would expand made-in-America battery manufacturing for EVs and the electric grid. Projects funded under the grants will "make battery materials and components here at home that we currently import" from China and other countries, she said.

In a separate development, German automaker BMW said Wednesday it will invest \$1 billion in its sprawling factory near Spartanburg, South Carolina, to start building electric vehicles and an additional \$700 million to build a battery plant nearby.

The federal grants announced Wednesday are funded by last year's \$1 trillion infrastructure law and are separate from an executive order Biden issued last spring invoking the Defense Production Act to boost production of lithium and other critical minerals used to power electric vehicles.

Albemarle Corp., Piedmont Lithium Inc., Entek and Syrah Technologies are among 20 companies that won Energy Department grants to help fund projects in at least 12 states: Alabama, Georgia, Kentucky, Louisiana, Missouri, Nevada, New York, North Carolina, North Dakota, Ohio, Tennessee and Washington state.

Eight of the 12 states selected for funding supported Donald Trump in 2020, mostly in the South and Midwest. Biden appeared to acknowledge the awkward politics, noting that Republicans who voted against the infrastructure law were among those asking him for money.

"I was really surprised to find out there were so many socialists in the Republican caucus," he joked, repeating a frequent GOP talking point

about the law.

Biden insisted that politics played no part in the grant awards. "If a district deserves the project they're going to get it," he said.

Companies selected for the grants will be required to match the federal investment, leveraging an estimated \$9 billion to boost clean energy technology, create good-paying jobs and support Biden's goal for electric vehicles to make up half of all new vehicle sales by 2030, the White House said.



An employee works in the X3, X45 assembly hall at the BMW Spartanburg plant in Greer, S.C., Oct. 19, 2022. BMW said Wednesday, Oct. 19, that it will invest \$1 billion in its sprawling factory near Spartanburg, to start building electric vehicles and an additional \$700 million to build a battery plant nearby. Credit:

AP Photo/Sean Rayford, File

Electric vehicle sales are expected to rise dramatically between now and 2030 in the U.S. and globally. But even at the start of the next decade, they will amount to just over one-third of U.S. new vehicle sales.

The LMC Automotive consulting firm expects EVs to represent 5.6% of U.S. sales this year, rising to 13.5% by 2025 and 36.4% in 2030.

Even as Granholm and other officials tout success in boosting the U.S. EV industry, automakers are warning that [the vast majority of EV purchases won't qualify for the full \\$7,500 tax credit.](#)

That's mainly because of the climate law's requirement that, to qualify for the credit, an electric vehicle must contain a battery built in North America with minerals mined or recycled on the continent.

Granholm said the projects announced Wednesday should help the U.S. address that issue and "supercharge the private sector to ensure our clean energy future is American-made."

Rich Nolan, president and CEO of the National Mining Association, said the mineral initiative could help unlock domestic mining of critical material.

"U.S. mining adheres to the highest environmental, safety and labor standards in the world, yet for decades our supply chains have increasingly looked abroad for the very minerals we could be sourcing here at home," he said.

Katherine García, director of the Sierra Club's clean transportation

campaign, also applauded the Biden administration's action, which she said would bolster the EV supply chain and cut vehicle pollution.

"Our nation's transition to electric vehicles must be one delivered with strong standards that invest in communities, especially those overburdened by pollution. Today's announcement does just that," she said.

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