

# Biden-Harris Administration's \$3.5 Billion Investment in U.S. Battery Manufacturing and Clean Energy Transition

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On [November 15, 2023](#), the Biden-Harris Administration announced a significant investment of \$3.5 billion to enhance domestic battery manufacturing in the United States. This funding is a part of President Biden's Investing in America agenda and is allocated from the Bipartisan Infrastructure Law. The U.S. Department of Energy (DOE) will oversee this investment, aimed at increasing the production of advanced batteries and related materials across the nation. The initiative is a key element in supporting the clean energy industries of the future, including renewable energy and electric vehicles.

The investment focuses on creating and retrofitting facilities for various components of battery production, such as battery-grade processed critical minerals, precursor materials, battery components, and cell and pack manufacturing. A significant aspect of this funding is its emphasis on job creation, specifically good-paying union jobs, and its contribution to the goal of achieving a net-zero emissions economy by 2050. Additionally, the investment aims to ensure that half of all new light-duty vehicle sales are electric vehicles by 2030 and to establish a robust domestic supply chain.

U.S. Secretary of Energy Jennifer M. Granholm highlighted the importance of this initiative in boosting global competitiveness, creating jobs, and strengthening the clean energy economy. The investment is seen as pivotal in positioning

the United States as a leader in the advanced battery market, which is crucial for a range of applications including grid storage, home and business resilience, and transportation electrification. With the expected significant growth in the lithium battery market driven by the demand for electric vehicles (EVs) and stationary storage, the U.S. aims to accelerate the development of a resilient battery supply chain, including the exploration of non-lithium battery technologies.

This \$3.5 billion funding is the second phase of a total \$6 billion provided by the Bipartisan Infrastructure Law. The first phase saw the DOE awarding projects that catalyzed over \$5.8 billion in combined public and private investment. The second phase continues this momentum by expanding domestic battery manufacturing and supply chains. Key objectives include enhancing the U.S. competitive stance in battery materials processing, advancing battery manufacturing capabilities, reducing dependency on foreign critical minerals and technologies, and supporting underserved communities through the Justice40 Initiative.

The funding opportunity is also set to prioritize next-generation technologies and battery chemistries beyond lithium-based technologies. It includes an emphasis on projects that increase the production of critical materials, expand production facilities for cathode and anode materials, and enhance battery component manufacturing. The DOE plans to update the focus areas of this program every six months to keep pace with market and technology developments, with concept papers due by January 9, 2024, and full applications by March 19, 2024.

Tracy Weslosky, Executive Director of the [Critical Minerals Institute](#), often referred to as the CMI, stated that substantial funding is essential to develop competitive North American critical mineral operations that can match China's pricing.

However, she emphasized that finding professionals with the necessary skills, knowledge, and practical experience is even more crucial than the minerals themselves for establishing sustainable supply chains in North America. Weslosky also expressed eagerness for future updates on leadership and support strategies in this endeavor.

The Executive Director for [Critical Metals PLC](#) (LSE: CRTM) Russell Fryer adds: “The current dynamics of cobalt supply for battery production raise significant questions. Notably, sources such as Idaho and Canada are not major contributors in this realm. This situation underscores the need for a comprehensive understanding of global supply chains and their implications for sustainable and ethical resource procurement.”

The DOE’s Office of Manufacturing and Energy Supply Chains (MESC) is tasked with managing this initiative, aligning it with broader efforts to modernize national energy infrastructure and promote a clean and equitable energy transition.