ML STRATEGIES

# Industrial Decarbonization Gets Boost in Latest DOE Funding Opportunity

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Continuing the Biden administration's push toward reducing industrial emissions and advancing clean energy manufacturing, the US Department of Energy's (DOE) Office of Manufacturing Energy Supply Chains (MESC) **issued** a second funding opportunity announcement (FOA) for the Advanced Manufacturing and Recycling Grant Program.

The Advanced Energy Manufacturing and Recycling Grant Program is designed to provide grants to small- and medium-sized manufacturers to enable them to build new or retrofit existing manufacturing and industrial facilities. These facilities must produce or recycle advanced energy products or contribute to emissions reductions within the manufacturing sector. Projects must also be located in communities where coal mines or coal power plants have closed.

The first round of funding provided $275 million in grants, and this latest round will provide approximately $425 million. DOE's share of an individual award may vary between $2 million and $100 million. DOE will fund up to 50% of allowable costs for awarded projects. The awarded entity will be responsible for the remaining costs for awarded projects, known as "cost share."

DOE anticipates making awards that will run up to 36 months in length, comprised of one or more budget periods. Awardees must complete their projects not later than three years after the date of receipt of federal funds.

## Why It Matters

Unlike the first round of funding through the Advanced Manufacturing and Recycling Grant Program, this new opportunity includes industrial decarbonization.

Awards made through this latest round can be used to:

- re-equip, expand, or establish a manufacturing or recycling facility for the production or recycling of advanced energy technologies (including clean electricity, industrial decarbonization, clean transportation, clean fuels, etc.) and low carbon materials; or
- re-equip an industrial manufacturing facility with equipment designed to reduce greenhouse gas emissions of that facility.

## Areas of Interest

This funding opportunity has two Areas of Interest (AOI):

## AOI 1: Clean Energy Manufacturing and Recycling

Applications for Clean Energy Manufacturing and Recycling should aim to establish, re-equip, or expand an existing manufacturing or recycling facility for the production or recycling of advanced energy.

DOE anticipates making between 2 to 10 awards in this AOI, with 1-7 "small awards" ranging between $2 million and $10 million, and 1 to 3 "large awards" ranging between $10 million and $100 million.

## AOI 2: Industrial Decarbonization

Industrial Decarbonization is a new area of interest for the second round of the program, and applications should focus on building or upgrading manufacturing facilities to substantially reduce greenhouse gas emissions and create low-carbon materials. Proposed technologies should be proven and ready for commercial-scale deployment (TRL 7-9). DOE cites iron, steel, steel mill products, aluminum, cement, concrete, glass, pulp, paper, industrial ceramics, chemicals, and other energy-intensive industrial processes that can have the highest impact toward reducing GHG emission reductions and therefore would be well-aligned for this topic.

MESC anticipates making between 3 to 15 awards in this AOI, with 2 to 12 “small awards” ranging between $2 million and $10 million, and 1 to 3 “large awards” ranging between $10 million and $100 million.

# Expectations of Applicants

Interested parties must submit concept papers of no more than three pages by April 8, 2024.

Full applications are due no later than June 24, 2024.

MESC strongly encourages applicants to submit concept papers and full applications at least 48 hours in advance of the submission deadline.

All applicants are required to submit a?plan demonstrating the project’s quantifiable impact and benefits to the workers and the local community through **DOE’s commitment** to engaging communities and labor; investing in America’s workers through quality jobs; advancing diversity, equity, inclusion, and accessibility; and implementing the President’s Justice40 Initiative, which set the goal of 40% of the overall benefits of certain federal investments flow to disadvantaged communities.

# Eligibility Requirements

Eligible applicants include small- and medium-sized manufacturers that meet certain size, revenue, and other requirements with a proposed project within the restricted geographic locations identified by the funding opportunity announcement.

All projects funded under this program must be in communities where coal mines have closed since December 31, 1999, or where coal-fired power plants have closed since December 31, 2009. Eligible communities can be identified on a **mapping tool** created by the Department of Energy.

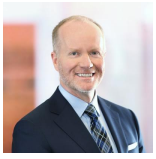
DOE will accept only new applications under this FOA. DOE will not consider applications for renewals of existing DOE-funded awards through this FOA.

## Authors




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John Lushetsky draws on over 30 years of experience in government and industry to help clients identify strategic opportunities, secure federal funding, and position innovative technologies for success within evolving energy and infrastructure policy landscapes. He has successfully helped clients navigate complex issues through a variety of federal agencies.



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Neal Martin brings more than two decades of experience in government and federal relations to his work, helping clients navigate a wide range of issues. He provides strategic guidance to organizations seeking to advance their legislative priorities and enhance their visibility before Congress and federal agencies.

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