

The Vehicle Suppliers Association

September 6, 2023

The Honorable Jennifer Granholm Secretary U.S. Department of Energy Washington, D.C. 20585

Dear Secretary Granholm,

On July 25, 2023, I wrote to you concerning the Total Project Value outlined in the Notice of Intent for the Domestic Manufacturing Conversion Grant Program and the importance of ensuring that the program was accessible to suppliers. This letter reiterated the statements in our May 2023 comments in response to the Request for Information. A broad array of types of funding for suppliers of all sizes, including grants such as those in the Domestic Manufacturing Conversion Grant Program, are a critical and necessary component of the Inflation Reduction Act (IRA) for suppliers and one of the reasons MEMA strongly supported passage of the IRA.

Since late July, MEMA has held multiple discussions with Department of Energy and White House staff, and we have provided even greater analysis of both the supplier industry's need for access to these funds and the smaller-sized projects that will be undertaken by much of the supply chain (link). However, last week's Funding Opportunity Announcement fails to address any of our concerns and discussions. The project sizes remain too large and the program will do little to assist suppliers with project investment.

Without access to grants and other federal funding, suppliers are less likely to be able to make the transition to the manufacture of parts, components, and technologies for zero-emission vehicles thereby weakening the potential to realize the administration's emissions and fuel efficiency goals.

During our discussions with your teams, we have received vague assurances of other funding opportunities. At this point, it is imperative that we provide the industry with specifics. Given the financial fragility of the supply chain, loan programs are of little value, and we are focused on any available grants that can assist suppliers with between \$3 million-\$50 million. I hope you will instruct your team, including the Vehicle Technologies Office, the Office of Manufacturing and Energy Supply Chains, and other offices as appropriate, to work closely with us to identify potential sources of revenue.

We stand ready to work closely with you to assure supplier participation in our common goals.

Sincerely,

Ann Wilson

Senior Vice President, Government Affairs

Dru Wilson