



Industrial Assessment Centers (IAC) Implementation Grants Update and Lessons Learned

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Office of Manufacturing and Energy Supply Chains

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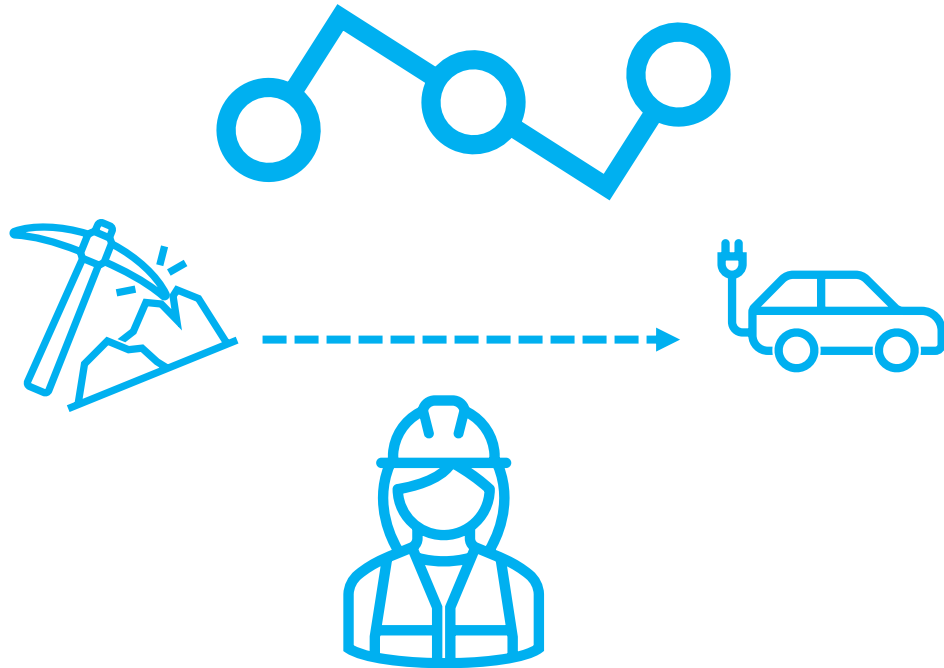


Agenda

- 1 Overview of MESC
- 2 Introduction & History of the IAC Program
- 3 BIL Expansion of the IAC Program
- 4 IAC Implementation Grants Round I – Results and Lessons Learned

Overview: Office of Manufacturing and Energy Supply Chains

Mission: **Strengthen and secure** manufacturing and energy supply chains needed to modernize the nation's **energy infrastructure** and **support a clean and equitable energy transition**.



~ \$16 Billion in programs of grants and industrial tax credits

- **Scale-Up and Deployment** of new manufacturing infrastructure
- **Support Manufacturing** Facility Upgrades to achieve decarbonization Goals
- **Bolster small and medium manufacturing** enterprises and support communities in energy transition.
- **Develop domestic manufacturing** clean energy workforce capabilities and resources



MESC Program Office Initiatives

Facility and Workforce Assistance

\$1.365 Billion

- FY23 Industrial Assessment Centers (IACs)
 - BIL 40523 IAC Expansions
 - BIL 40521 IAC Implementation grants
 - BIL 40209 Manufacturer and Recycling Grants in Distressed Communities
 - BIL 40534 State Manufacturing Leadership
-

Battery and Critical Materials

\$6.215 Billion

- BIL 40207(b) Battery Material Processing Grants
 - BIL 40207(c) Battery Manufacturing and Recycling Grants
 - BIL 40207(f3) Battery Recycling: State/Local Programs
 - BIL 40207(f4) Battery & Crit. Mineral Recycling: Retailer Collection
 - BIL 40205 Rare Earth Demonstration (with FECM)
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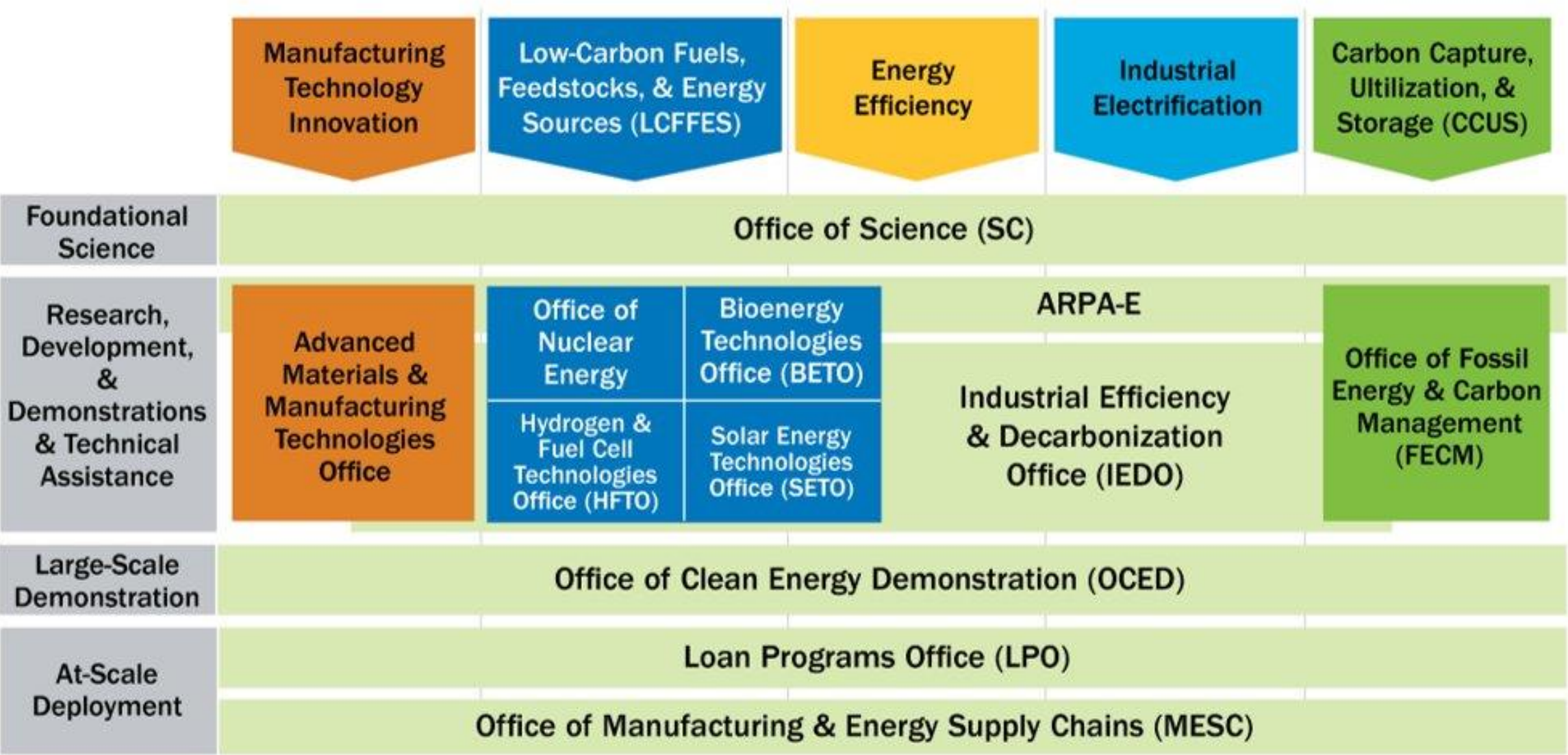
Analysis and Strategic Investment

\$2.275 Billion

- BIL 40555 Rebate Program
- IRA 50143 Manufacturing Conversion Grants
- IRA Defense Production Act (DPA)
- IRA IRS 48C Tax Credits
- FY23 Technical Assistance Modeling, Mapping, and Analysis



How Does MESOC Fit in the DOE Ecosystem?



Overview: IACs have strengthened manufacturers for over 45 years

- IACs have two purposes:
 - Train the next generation of energy-savvy engineers and energy management workers
 - Provide no-cost, in-depth energy assessments and TA to small and medium-sized manufacturers (SMMs)
- IACs have operated since 1976 with bipartisan support
 - The program receives direct Congressional funding ~(\$15M year), along with major BIL expansions
 - Continuous adaptation to changes in the manufacturing sector, industrial processes, and energy policy sustain the program's support
- There are 37 IACs today. IACs have conducted nearly 20,000 assessments and provided nearly 150,000 recommendations to SMMs.



New expansions: Bipartisan Infrastructure Law allocates \$550M

- **\$150M to enlarge the program**

- **5 Regional Centers of Excellence** to support the IAC network, accelerate innovation, and expand outreach to SMMs
- **New skilled trades IACs** at community colleges, trade schools, and union/labor-management programs
- **Apprenticeships and internships** with a federal cost share
- **A national clearinghouse** of best practices

- **\$400M for implementation grants**

- **Cost-share grants to SMMs** to take on recommendations from IAC and DOE Combined Heat and Power TAP assessments
- **Opportunities to qualify** other assessors for SMM grant eligibility



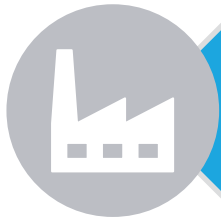
Provision summary: IAC Implementation Grants (BIL 40521.b1)



\$400M in funding available through FY 2026
(\$80M made available to date for first year of program operation)



Grants awards of up to \$300,000 per manufacturer, at a 50% cost share



Eligibility exclusively for small- and medium-sized¹ manufacturing firms



To address recommendations by IACs, DOE Combined Heat and Power TA Partnerships, or other assessments deemed equivalent by DOE*



Workstream 1: What is a covered project under the IAC Implementation Grants Program?



Improve site energy and/or material efficiency



Improve site cybersecurity infrastructure



Improve site productivity



Reduce site waste production



Reduce site greenhouse gas emissions and/or
nongreenhouse gas pollution

Workstream 2: What does an IAC-equivalent assessment cover?



Substantial assessment experience



Key site personnel input is incorporated



Assessments are in-person or virtual with demonstrable equivalent efficacy



Comprehensive, in-depth, and vendor-agnostic



Detailed post assessment reporting with a commitment to follow-up

Operating via the Partnership Intermediary Agreement (PIA)

The purpose of the PIA with ENERGYWERX is to undertake a diverse set of activities...

- 1 Alternative funding mechanism leveraged by other agencies such as the DOD & DHS
- 2 Managing intellectual property
- 3 Running prize competitions
- 4 Setting up and funding R&D collaborations
- 5 Engaging with broad range of entities including non-traditional enterprises such as small- to medium-sized manufacturers

*ENERGYWERX is a partnership that was openly competed and awarded through a Broad Agency Announcement...and **enables a more streamlined and agile award process** (including using Submittable rather than Exchange and limiting applications to just five pages).*

*The **IAC implementation grant program** served as DOE's very first adopter.*



There were several successes in Round 1



Interactive Q&A session with interested stakeholders/applicants



Streamlined application form for both workstream vs. traditional funding opportunities



Agile capabilities with quick turnaround on announcement page and application forms



Preliminary market research and outreach of potential third-party assessors



Program relaunch plans

Program team solicited feedback from interested stakeholders...

Simplify application process & extend solicitation

Build out a “one-stop-shop” for information

Expand, as possible, the eligibility criteria

Facilitate access to appropriate assistance and help with questions

...to explore refining the program model for a potential relaunch soon to meet expected demand



Adopt rolling application



Establish pre-determined time intervals for application review (e.g., quarterly)



Streamline landing page & application forms



Clarify eligibility criteria



Host monthly office hour sessions



Offer assistance from PIA, IAC Centers of Excellence, & CHP/Onsite Energy TAPs



MESC
OFFICE OF MANUFACTURING AND ENERGY SUPPLY CHAINS

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