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

Clifton Yin
Office of Manufacturing and Energy Supply Chains

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Overview of MESC

Introduction & History of the IAC Program

BIL Expansion of the IAC Program

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

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$1.365 Billion

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$6.215 Billion

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$2.275 Billion
How Does MESC Fit in the DOE Ecosystem?

Office of Science (SC)
- Manufacturing Technology Innovation
- Low-Carbon Fuels, Feedstocks, & Energy Sources (LCFFES)
- Energy Efficiency
- Industrial Electrification
- Carbon Capture, Utilization, & Storage (CCUS)

Foundational Science

Research, Development, & Demonstrations & Technical Assistance
- Advanced Materials & Manufacturing Technologies Office
- Office of Nuclear Energy
- Bioenergy Technologies Office (BETO)
- Hydrogen & Fuel Cell Technologies Office (HFTO)
- Solar Energy Technologies Office (SETO)

ARPA-E
- Industrial Efficiency & Decarbonization Office (IEDO)

Office of Fossil Energy & Carbon Management (FECM)

Large-Scale Demonstration
- Office of Clean Energy Demonstration (OCED)

At-Scale Deployment
- Loan Programs Office (LP0)
- Office of Manufacturing & Energy Supply Chains (MESC)
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-sized\(^1\) manufacturing firms

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

* Current typo in the statute language that potentially limits eligibility to only IAC assessments – submitted legislative proposal to resolve issue

1. Small- and medium sized manufacturer is a firm with: a gross annual sales of less than $100M, fewer than 500 employees at the plant site, & annual energy bills between $100K - $3.5M
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.

PIA selection announcement: https://www.energy.gov/technologytransitions/doe-partnership-intermediary-agreement. ENERGYWERX is led by the DOE Office of Technology Transitions and is available to support all DOE program offices.
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
Thank you.

Stay in touch! Sign up to receive MESC updates

Clifton.yin@hq.doe.gov

www.energy.gov/mesc