

THE BOND BUYER

TECHNOLOGY

Biden tech hub funding plan has 12 grant winners

By Keeley Webster July 08, 2024

The Biden administration awarded \$504 million in grants last week to a dozen tech hubs across the country to scale up the production of critical technologies and create jobs in innovative industries.



U.S. Senator Jacky Rosen, D-Nevada, speaks with Dragonfly Energy CEO Denis Phares during a tour of its energy storage and lithium battery plant in Reno; the area will get a "tech hub" grant. Dragonfly Energy

The tech hubs are part of a push by the administration to accelerate domestic growth in industries such as biomanufacturing, clean energy, artificial intelligence and climate resilient infrastructure.

The program is also intended to encourage expansion in advanced industries outside of current tech strongholds like the Silicon Valley and Boston.

"Every American deserves the opportunity to thrive, no matter where they live," Vice President Kamala Harris said. This investment "will ensure that the benefits of the industries of the future – from artificial intelligence and clean energy, to biotechnology and more – are shared with communities that have been overlooked for far too long, including rural, tribal, industrial, and disadvantaged communities."

Projects awarded funding included \$21 million for lithium battery manufacturing and electric vehicle materials in Reno, Nevada; \$41 million for quantum information technology hubs in Colorado and New Mexico; \$41 million for remote sensing technology for defense and disaster prevention in Montana and \$51 million to Illinois' iFAB Tech Hub to develop precision fermentation and biomanufacturing processes to convert underutilized corn feedstock into alternative proteins, food ingredients or materials.

It was a boon for the 12 selected as more than half of the 31 tech hubs chosen in October to compete for funding didn't make the cut in this round of funding.

The funding awarded by the Economic Development Administration was a slice of the \$10 billion authorized for the five-year program through the CHIPS and Science Act of 2022. Congress appropriated \$500 million to the EDA to launch the program in the fiscal 2023 federal budget.

"There were 489 applicants who applied to be a tech hub for the October deadline, and only 31 were selected," said Frederick Steinmann, director of the University of Nevada's Center for Economic Development. "Of that 31, only 12 received funding."

The creation of the University of Nevada-Reno-led lithium loop tech hub is "going to create new economic opportunities by strengthening public and private partnerships and by helping to advance our nation's energy goals," U.S. Sen. Jacky Rosen, D-Nevada, said during a press conference July 3 with U.S. Commerce Secretary Gina Raimondo at Dragonfly Energy, an energy storage and lithium battery manufacturer.

The funding supports science, technology, engineering and math (STEM) education; workforce training programs; and will help the country secure a leading role in the lithium supply chain, Rosen said.

"This is a significant investment," said John Boyd, a principal with The Boyd Company, a site selection firm that has placed several companies in the region.

The state has four or five areas around the state where mining is taking place, and its home to four or five large manufacturers involved in the lithium-battery industry in some way, Boyd said.

In addition to Dragonfly, the Reno-Sparks area is also home to a Tesla electric car component manufacturing plant, Panasonic Energy, American Battery, and lithium battery recyclers Redwood Manufacturing and Aqua Metals.

"Our firm has a long history in Austin," Boyd said. "Reno and its high growth submarkets remind me of what Austin, Texas, was like 25 years ago."

The consortium partnering in UNR's lithium loop tech hub comprises 75 entities in the public, private and non-profit sectors, Steinmann said.

"In terms of the private sector, we have firms that represent extraction, processing, advance manufacturing and recycling," he said. On the public side, it's not just UNR, but individual cities and counties, school districts and educational partners like the Great Basin College and Western Nevada college, who are developing jobs training programs. It also includes the governor's Office of Economic Development and seven other economic development authorities.

The \$21 million awarded to Nevada "will enable our workforce development partners and other members to rapidly expand workforce development to meet the needs of our private consortium members," he said.

It has been increasingly difficult for companies to source the materials needed to support operations since the pandemic struck and with the increased global political tensions, Steinmann said.

"So, we are bringing the supply chain to Nevada," he said. "This way companies will have all the key inputs into production here without worrying about global supply chain issues."