

**Congress of the United States**  
Washington, DC 20515

January 25, 2023

The Honorable Jennifer Granholm  
Secretary  
United States Department of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Dear Secretary Granholm:

This Congress, the House Committee on Science, Space, and Technology is continuing its oversight of the Department of Energy's (DOE) recent grant awards to companies with known ties to the Chinese Communist Party (CCP). DOE's apparent lack of sufficient guardrails in place to prevent federal funds from ultimately benefiting the CCP raises serious concerns about the Department's ability to protect U.S. taxpayer dollars from exploitation.

As part of this investigation, the Committee requests documents and information relating to the "Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing & Recycling Funding Opportunity Announcement."<sup>1</sup> Under this funding opportunity, on October 19, 2022, DOE awarded 20 recipients a total of \$2.8 billion dollars for the purpose of advancing battery materials, components, and new approaches to battery recycling and manufacturing.<sup>2</sup>

The stated purpose of this funding opportunity was to increase American production of advanced battery components and strengthen our domestic supply chain.<sup>3</sup> Within the section authorizing these grants in the Infrastructure Investment and Jobs Act, the Secretary is directed to give priority to entities that will not export recovered critical materials to, or use battery material supplied or originating from, a foreign entity of concern, including China.<sup>4</sup> This makes it alarming that DOE chose to award \$200 million for example to Microvast, a company with well-documented ties to the CCP.

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<sup>1</sup> DEP'T OF ENERGY, *Biden-Harris Administration Awards \$2.8 Billion to Supercharge U.S. Manufacturing of Batteries for Electric Vehicles and Electric Grid*, October 19, 2022, <https://www.energy.gov/articles/biden-harris-administration-awards-28-billion-supercharge-us-manufacturing-batteries> (last visited Jan. 24, 2023).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Pub. L. No. 117-58, § 40207(c)(3) (2021).

In a letter sent to DOE on December 7, 2022, the Committee highlighted some of the most egregious connections between Microvast and the CCP,<sup>5</sup> including the fact that nearly 80% of Microvast's assets are located in China and 61% of its revenue last year originated in China.<sup>6</sup> Microvast itself discloses that the Chinese government "exerts substantial influence over the manner in which we must conduct our business activities and may intervene, at any time and with no notice."<sup>7</sup>

In May 2022, prior to receiving this award, Microvast was added to a Securities and Exchange Commission watchlist of foreign companies that are not in compliance with the Holding Foreign Companies Accountable Act.<sup>8</sup> As such, currently, and at the time of this award, Microvast faces delisting from U.S. exchanges for failing to comply with U.S. auditing requirements.

DOE issued a statement to the press defending their funding decision with the vague assertion that Microvast "no longer needs to look to China to establish its manufacturing facilities."<sup>9</sup> However, DOE has yet to provide any response to the Committee that explains the Department's vetting process or demonstrates that sufficient guardrails are in place to ensure that companies that receive awards do not transfer funding or technology to China, or are not subject to undue influence by the CCP.

DOE has stated that this funding announcement was the first phase of \$7 billion in total awards meant to strengthen the domestic battery supply chain by supporting upstream materials processing to create the precursor materials for batteries.<sup>10</sup> Therefore, the Committee reiterates the request that DOE immediately pause any further funding or expenditures for all applicants or awardees to this program. The Committee requests that DOE produce the following documents, in electronic format, for the time period from November 15, 2021 to the present. We request that you provide the requested documents and information as soon as possible, but no later than 5:00 p.m. on February 8, 2023:

1. All documents and communications referring or relating to foreign entities that are applicants, or affiliated with applicants, for the "Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing & Recycling Funding Opportunity Announcement" (DE-FOA-0002678).

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<sup>5</sup> Letter from Frank Lucas, Ranking Member, House Committee on Science, Space, and Technology, et al., to Jennifer Granholm, Secretary of Energy (Dec. 7, 2022).

<sup>6</sup> *Microvast Stock is a Pure Play on EV Battery Technology*, NANALYZE, Apr. 10, 2022, <https://www.nanalyze.com/2022/04/microvast-stock-ev-battery/>.

<sup>7</sup> MICROVAST HOLDINGS, *Amendment No. 7 to Registration Statement* (Form S-1) (Apr. 29, 2022), available at <https://ir.microvast.com/static-files/89f3204e-d5ce-49da-8269-8dc149cb7d77>.

<sup>8</sup> Mark Terry, *12 Chinese Companies Face Potential Wall Street Delisting*, BIOSPACE, Apr. 15, 2022, <https://www.biospace.com/article/12-chinese-companies-threatened-with-wall-street-delisting/>.

<sup>9</sup> Thomas Catenacci, *Biden Admin defends handing lucrative grant to energy firm with deep China ties*, FOX NEWS (Dec. 11, 2022), <https://www.foxnews.com/politics/biden-admin-defends-handing-lucrative-grant-energy-firm-deep-china-ties>.

<sup>10</sup> DEP'T OF ENERGY, *supra* note 1.

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2. All documents and communications between DOE, including its employees or contractors, and any outside persons or organizations referring or relating to foreign entities that are applicants, or affiliated with applicants, for the “Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing & Recycling Funding Opportunity Announcement” (DE-FOA-0002678).
3. All documents and communications referring or relating to project awards for 6k Inc; Albemarle U.S. Inc.; American Battery Technology Company; Amprius; Anovion LLC; Applied Materials, Inc.; Ascend Elements, Inc.; Cirba Solutions; Membrane Holdings LLC – ENTEK; Group14 Technologies Inc.; ICL-IP America Inc.; Koura, part of Orbia Fluorinated Solutions; Lilac Solutions; Microvast; NOVONIX Anode Materials LLC; Piedmont Lithium Inc.; Sila Nanotechnologies; Solvay Specialty Polymers USA, LLC; Syrah Technologies LLC; and Talon Nickel (USA) LLC.
4. All documents and communications referring or relating to DOE procedures, policies, and current or future actions to oversee funding from the IJA with a risk of benefiting or directly contributing to a foreign entity of concern.

Thank you for your prompt attention to this matter. If you have any questions about this request, please contact the Majority staff of the House Committee on Science, Space, and Technology at (202) 225-6371.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Lucas".

Frank Lucas

Chair

Committee on Science, Space, and Technology

cc: The Honorable Zoe Lofgren, Ranking Member, Committee on Science, Space, and Technology