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EV MARKET, DC ACTION AND THE SUPPLY CHAIN

State of the market and supply chain

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ATLAS PUBLIC POLICY

A policy and data research firm established in 2015

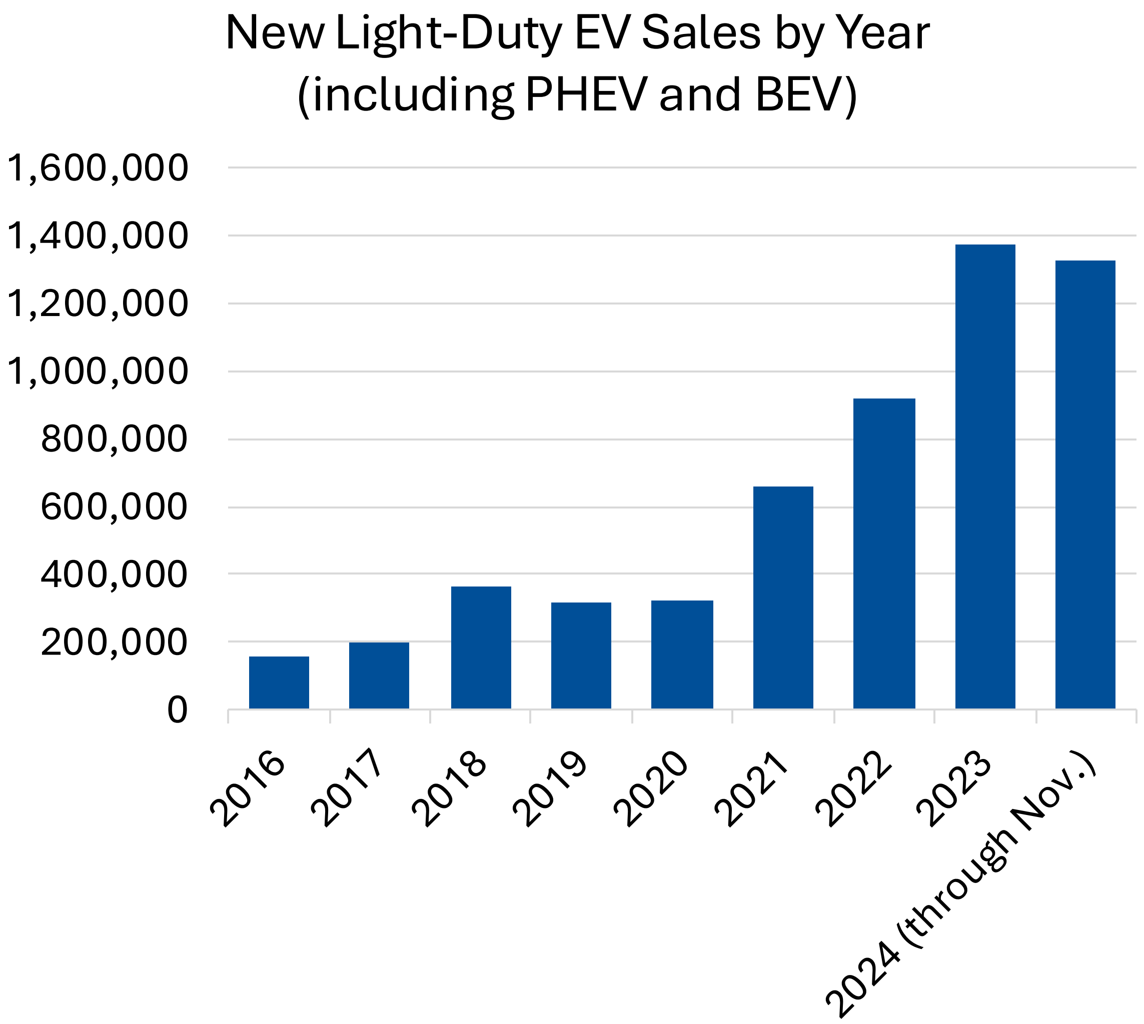
Atlas Public Policy equips businesses and policymakers to make **strategic, informed decisions that serve the public interest**. We build analytical tools and dashboards using powerful, accessible technology, and offer expert advisory services to tackle a wide range of current and future pressing issues.

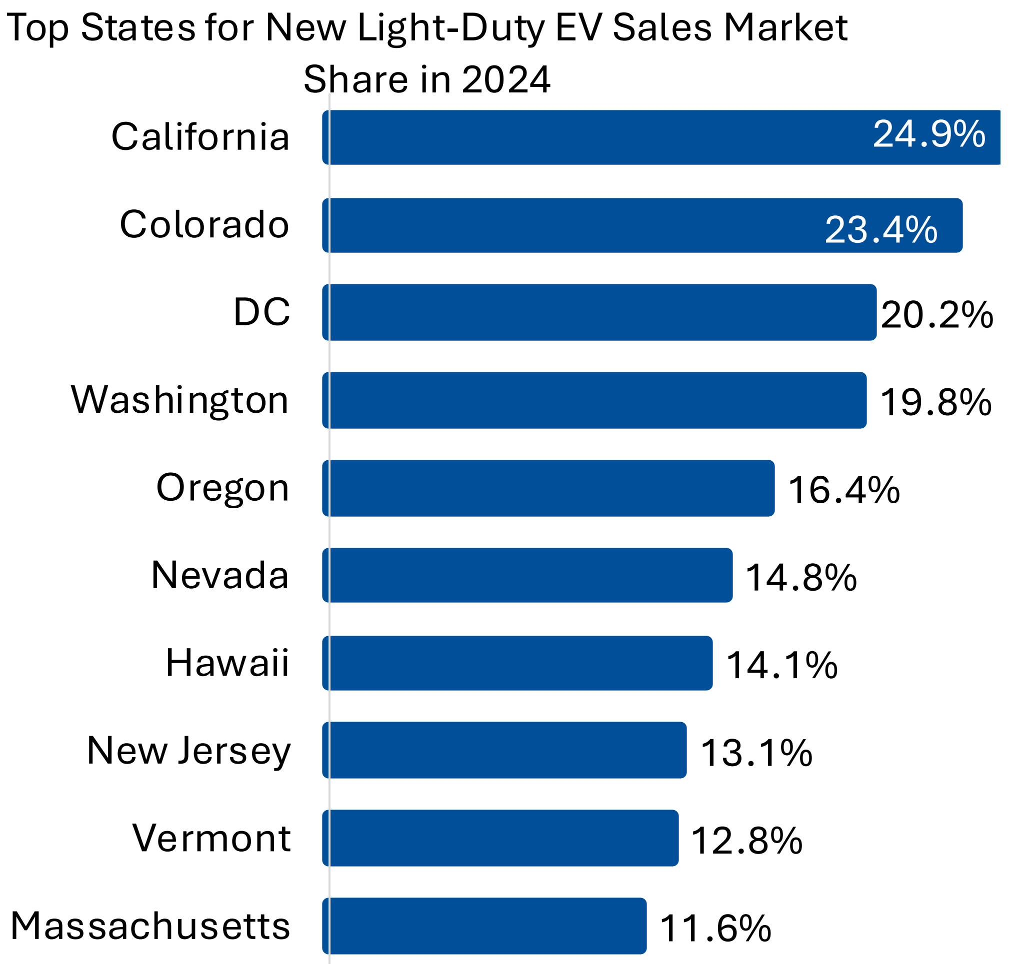
Transportation Manufacturing Buildings Climate Industry Water Disinformation

OVERVIEW

- EV demand is growing
- Battery supply chain is growing to meet demand
  - That includes lithium extraction
- How Federal Policy is supporting developments
- Challenges and opportunities moving forward

2024 SAW RECORD EV DEMAND

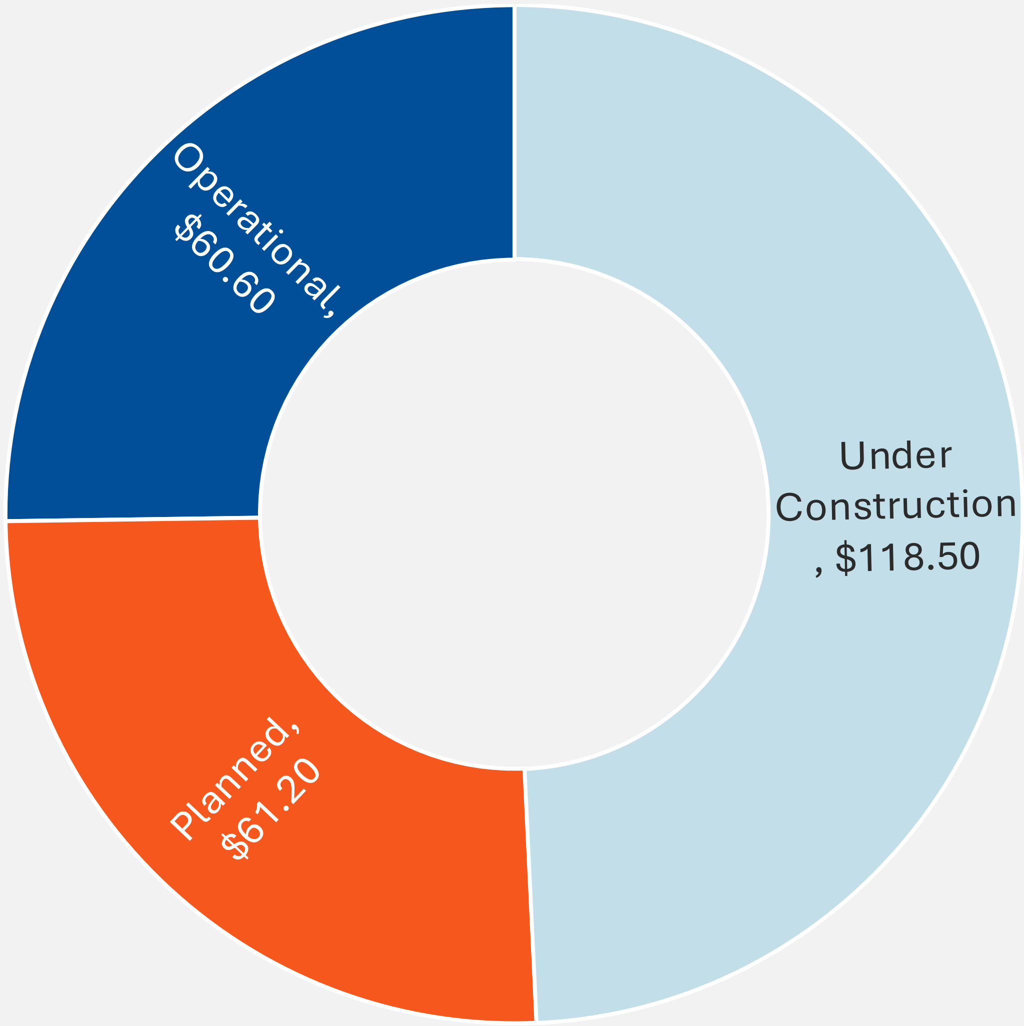




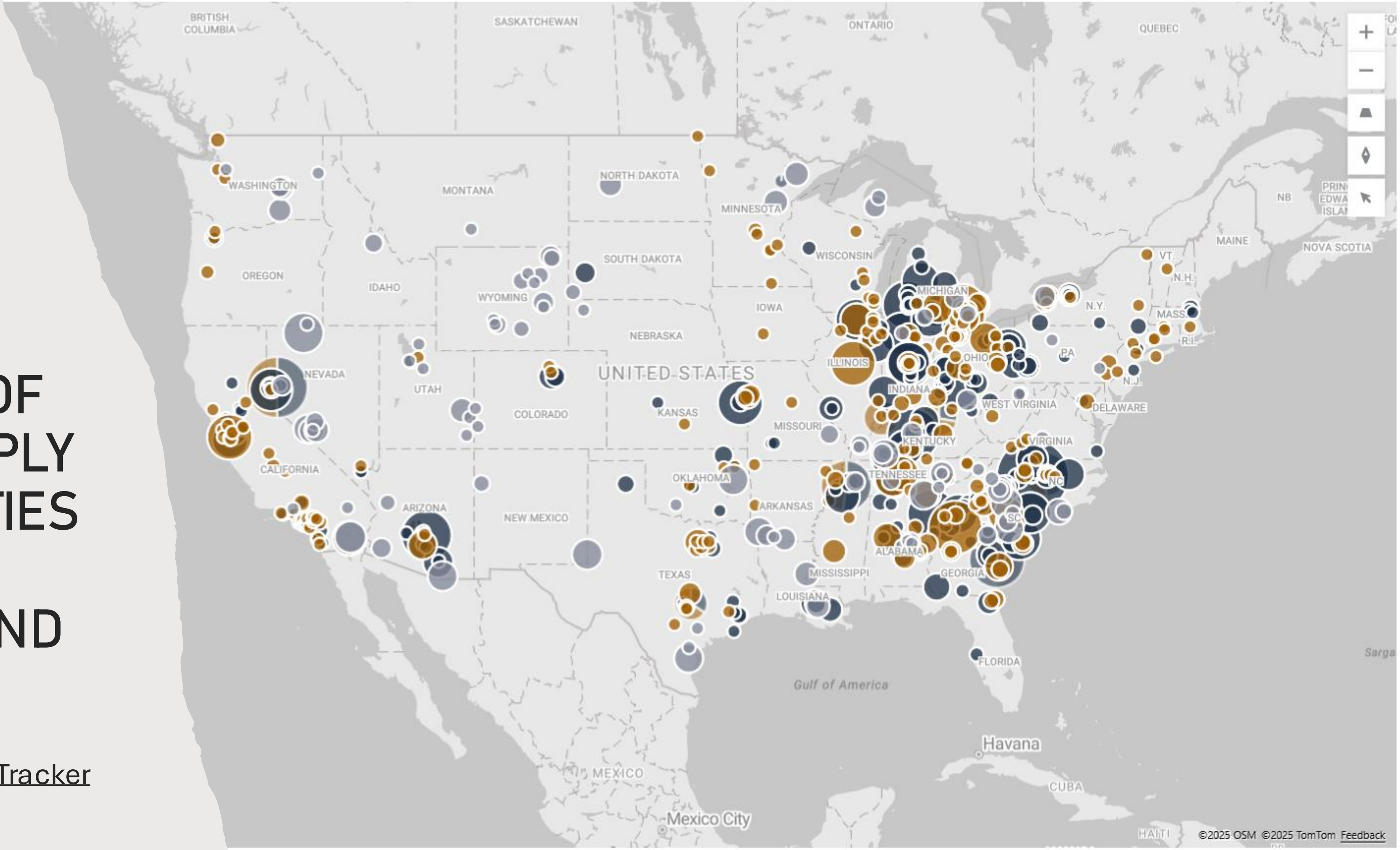
Source: EV Market Dashboard – Atlas EV Hub

$240 BILLION IN ANNOUNCED DOMESTIC INVESTMENT FOR EV, CRITICAL MINERALS AND BATTERY PRODUCTION

Status of Battery Supply Chain Projects ($ billion)



Source: Clean Economy Tracker



CLUSTERING OF BATTERY SUPPLY CHAIN FACILITIES IN MIDWEST, SOUTHEAST AND SOUTHWEST

Source: Clean Economy Tracker

AUTOMAKERS GET MORE INVOLVED IN THE SUPPLY CHAIN

- Historically, automakers have outsourced much of the supply chain, reliant on suppliers to support production
- New approach including:
  - GM buying through a supply chain agreement with Thacker Pass in Nevada
  - GM will receive “exclusive” rights to Thacker Pass’ first phase of lithium and lithium carbonate production, which is expected in 2027, as well as a right of first offer on its second phase
  - Ford will receive lithium hydroxide produced by the Albemarle Corporation from either the United States or a country with whom the U.S. has a Free Trade Agreement, to retain 30D tax credit eligibility
  - Ford will also receive lithium hydroxide produced by EnergySource Minerals at its Project ATLiS facility in the Imperial Valley

A GROWING DOMESTIC SUPPLY CHAIN HAS SEEN COMPREHENSIVE FEDERAL SUPPORT

Supply Side Support

Tax credits (Advanced Manufacturing Production Tax Credit and Qualifying Advanced Energy Project Credit)

Grants (research and production)

Loans (Loan Programs Office)

Demand Side Support

Clean Vehicle Tax Credit (incentive to manufacture, source and produce batteries in North America)

Other Indirect Market Support

Other EV uptake tax credits

EV charging grants

Bus and other deployment efforts

PERIOD OF TUMULT AND UNCERTAINTY

- Battery supply chain projects cancelled in 2025:
  - FREYR (Georgia)
  - KORE Power (Arizona)
  - Imperium3NY (New York)
  - Aspen Aerogels (Georgia)
  - Canoo (Oklahoma)
- California projects
  - Statevolt project on pause
  - Note the suspension of BHE Renewables geothermal projects in California in February 2025
    - Trying to determine if permanent development

KEY DC DEVELOPMENTS TO WATCH IN 2025

- The state of EV demand
- State regulations
- Federal funds availability
- Executive Order in January 2025, President Trump called for government to:
    - “identify all agency actions that impose undue burdens on the domestic mining and processing of non-fuel minerals and undertake steps to revise or rescind such actions,”
    - “efforts to accelerate the ongoing, detailed geologic mapping of the United States,”
    - “ensure that critical mineral projects, including the processing of critical minerals, receive consideration for Federal support”
- Case of federal tax credits
    - State of tax credits that support supply chain and demand
- Tariffs and impact on domestic supply chain

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