
North American Graphite Alliance

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NAGA: With EV Tax Credit Finalized, Auto and Battery Makers Must Now Reach Offtakes With North American Graphite Producers

Washington, D.C. – Today, the North American Graphite Alliance (NAGA) urges the Biden Administration to stringently impose its new two-year certification requirements for OEMs under the Inflation Reduction Act’s (IRA) Section 30D Clean Vehicle Tax Credit. This will ensure that OEMs reach offtake agreements with North American graphite producers and grow domestic graphite supply by 2027 when the two-year exemption from FEOC sourcing requirements expires.

“The robustness and pace of these new requirements is critical so producers can obtain financing and begin scaling production to fulfill demand by 2027. This effort begins today,” said **NAGA Spokesperson Erik Olson**. “OEMs must commit to sourcing IRA-compliant graphite from North American suppliers. Only then will the industry be able to sustain itself, compete with China, and bring thousands of jobs to the U.S. and Canada. We do appreciate Treasury’s work in the final rule to ensure that the two-year window is not extended. If we want a North American graphite industry the window must close in 2027.”

NAGA’s comments are in response to the publication of the Biden Administration’s decision to provide a transition period for battery-grade graphite sourcing in the final implementation of the EV tax credit. This final rule grants OEMs a two-year window to continue purchasing graphite mined, manufactured, and processed in China, until January 1, 2027, upon demonstrating a meaningful procurement plan to secure compliant supply chains by the time the exemption expires.

“While we are disappointed in the decision to grant a transition period, our focus now turns to what steps must be taken to protect North America’s graphite producers. The entirety of the battery supply chain must work together to build and sustain a domestic graphite industry,” said **Olson**. “We look forward to working with OEMs to set their mandatory plans and reports to source from North American sources.”

Graphite, natural or artificial, is the most prevalent mineral in lithium-ion batteries and is listed as a critical mineral on multiple federal government lists. The Biden Administration has invested billions of dollars in developing the domestic graphite supply chain through the IRA and the Infrastructure and Investment Jobs Act (IIJA). Without the commitment of OEMs to purchase North American graphite, these historic investments will not lead to the fruition of a sustainable, secure, and independent domestic graphite industry.

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NAGA represents American and Canadian producers of battery-grade natural and synthetic graphite, both of which are used to create anode material for lithium-ion batteries. NAGA encourages the U.S. Federal government to craft and implement policies, programs, and funding opportunities that support growing the domestic graphite industry.