

DOE issues guidance calling for critical minerals projects

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DOE issued new guidance Tuesday that aims to fuel a domestic supply chain of critical minerals, including rare earth elements, according to [a notice posted in the Federal Register](#).

What's new?: The guidance directs the agency's Loan Programs Office to "broadly" interpret Title XVII and Advanced Technology Vehicle Manufacturing loan programs to encourage the manufacturing, recycling and recovery of critical minerals and other minerals. The U.S. imports [over 80 percent of its rare earth minerals](#) — themselves just one of a group of 35 critical minerals — from China, and the administration wants to lower the country's reliance on imports.

A DOE official told reporters that the programs had never been used to develop critical minerals before, and the guidance was an effort to spread the word to companies that might have qualifying projects. The official said projects could be used to extract rare earth elements from coal, which would allow the continued extraction of coal but avoid the rapidly-shrinking coal burning market.

Context: The guidance comes in response to [a September executive order from President Donald Trump](#) that directed a multi-agency push to expand U.S. production of rare earth minerals. The order gave DOE 30 days to develop new guidance on the extent mineral projects are eligible for loan guarantees.

China dominates the rare earth industry, and the U.S. is reliant on Beijing for the majority of its supply. The U.S. has no domestic production of 14 of the 35 critical minerals, a DOE official said. The metals have a host of applications, including batteries, weapons, satellite communications and other high-tech systems key to national security.

"For too long we have been reliant on foreign adversaries like China for the production and supply of these minerals. It is imperative we utilize the tools of the federal government to help establish a robust domestic supply chain of these thirty-five critical minerals," Energy Secretary Dan Brouillette said in a statement.

The Pentagon most recently [awarded three rare earth-related grants](#) that gave \$9.6 million to MP Materials, a California-based mine that has boasted of its ability to process light rare earths. These minerals are used in cell phones and other goods like televisions.

What's next? DOE is accepting applications for the mining proposals until Feb. 1, 2021.