

BREAKING Steven Mnuchin said he is putting together a consortium to try to buy TikTok



This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

<https://www.wsj.com/business/autos/ev-lithium-mine-nevada-10f84b74>

EXCLUSIVE

Biden Jump-Starts Electric-Vehicle Push With Massive Lithium Loan

Lithium Americas to get a \$2.26 billion loan for its Thacker Pass mine

By [Scott Patterson](#) [Follow](#)

March 14, 2024 5:00 am ET

WASHINGTON—The Biden administration is providing a shot of energy into America's flagging electric-vehicle industry.

The country's biggest lithium-mining project is on track to get a \$2.26 billion loan from the Energy Department, part of the administration's push to increase domestic production of the rechargeable batteries that power EVs.

Lithium Americas [LAC 1.72% ▲](#) will use the funds to build a refining plant at its Thacker Pass mine in Nevada, which sits on the largest U.S. deposit of the metal. The plant accounts for a majority of the project's cost, given the difficulty of processing raw lithium into battery-grade material.

The effort is one of dozens of projects across the U.S. racing to build up a domestic supply of lithium and other battery minerals, with the Biden administration aiming for half of new vehicle sales to be EVs by 2030.

That push has recently run into speed bumps. An unexpected slowdown in EV sales growth in the U.S. this past year helped weigh on battery metal prices, with lithium down about 80% since early 2023. The declines prompted some mining companies to suspend or delay new projects and expansions. The disruptions threaten to deepen shortages of key materials in coming years.

Jonathan Evans, chief executive of Lithium Americas, said the project delays likely mean higher prices for lithium as EV adoption picks up.

“We’re setting ourselves up for more volatility in the future because people pull back very quickly,” he said.

Lithium Americas expects its Thacker Pass mine to initially produce 40,000 metric tons of battery-quality lithium annually, enough for as many as 800,000 EVs a year, the Energy Department said. Production is expected to start in 2027 and eventually increase to 80,000 tons a year.

The infusion of federal funding into the EV industry is intended to help break the country’s reliance on China, which dominates global production of battery minerals. In 2023, a Ford Motor joint venture won a record \$9.2 billion loan

commitment for battery plants in Tennessee and Kentucky.

Led by former clean-energy entrepreneur Jigar Shah, the Energy Department’s Loan Programs Office has become a key engine of the administration’s clean-energy transition. The office finances businesses that are unable to borrow from traditional lenders, often because their technology is seen as too risky or because the terms are too onerous. Loans from the office are linked to interest rates on Treasury bonds and are generally cheaper than loans they could get from a bank.



The Biden administration is aiming for half of new vehicle sales to be electric vehicles by 2030. PHOTO: JONATHAN ERNST/REUTERS

Founded in 2005, the office funded Tesla in its early days but was criticized after a solar-panel maker it backed called Solyndra went bankrupt in 2011. The office was largely dormant following the Solyndra bankruptcy until Shah took over in 2021.

Then in 2022, climate-related provisions in the Inflation Reduction Act gave Shah's office a windfall, multiplying its lending capacity 10-fold.

The law also said a \$7,500 tax credit for people who buy EVs can't go toward buying cars with battery parts from a "foreign entity of concern," which includes China. Automakers have been scrambling to retool their EV supply chains ever since.

In 2023, General Motors agreed to invest \$650 million in the Thacker Pass project. The deal gives the auto company exclusive rights to lithium extracted from the mine for up to 15 years.

Other lithium-mining companies are also moving forward, including several working on projects at California's Salton Sea. In Utah, a startup plans to build a project to suck up water from the Great Salt Lake to extract lithium.

Another lithium miner, Ioneer, received a conditional commitment in January 2023 for up to \$700 million from the Energy Department to develop a project in Nevada.

Lithium Americas expects the loan, which it said should close in the coming months, to cover the majority of the project's \$2.93 billion total cost.

Construction will create about 1,800 jobs, the company said. It has to meet certain conditions before receiving the funds.

"This is a major investment in EVs here in the U.S.," said Chris Creed, chief investment officer of the Loan Programs Office, adding that it will "reduce our reliance on foreign sources."

Environmentalists and local Native American activists have for years tried to block the project, saying it would consume too much water and spoil the land. In 2023, a U.S. District Court in Nevada declined to vacate the federal decision to approve the project.

That cleared the way for Lithium Americas, which expects to start construction on the processing plant this summer.

Write to Scott Patterson at scott.patterson@wsj.com