

Rare Earth Elements Demonstration Facility

FY2023 Request: \$0
Reference No: 64390

AP/AL: Appropriation

Project Type: Education

Category: Education

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Michelle Rizk

Estimated Project Dates: 07/01/2021 - 06/30/2026

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Brief Summary and Statement of Need:

Funding for the University of Alaska Fairbanks, Institute of Northern Engineering (UAF-INE) to develop a competitive and responsive proposal to a forthcoming U.S. Department of Energy Rare Earth Element Demonstration Facility grant.

Funding:	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>Total</u>
1004 Gen Fund	\$500,000						\$500,000
Total:	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

* Sec. XX. SUPPLEMENTAL UNIVERSITY OF ALASKA. (c) The sum of \$500,000 is appropriated from the general fund to the University of Alaska for efforts to pursue funding available under P.L. 117-58 (Infrastructure Investment and Jobs Act), for a rare earth elements demonstration facility, in the fiscal year ending June 30, 2022.

Project Description/Justification:

Section 40205 of IIJA directs the U.S. Department of Energy (DOE) to fund, through an agreement with an academic partner, a rare earth element (REE) demonstration facility that includes a full-scale, vertically integrated REE extraction, separation, and refining facility. The federal legislation appropriates \$140 million towards this initiative. On February 14th DOE issued a Request for Information (RFI) to collect public input in the development of a future funding opportunity to design, construct, and operate a demonstration facility to support domestic REE and critical mineral supply chains for commercial and national defense industries, and use in clean energy technologies. University of Alaska Fairbanks - Institute of Northern Engineering (UAF-INE) is coordinating a state response to that RFI.

UAF-INE will also lead a collaboration with a commercial partner to develop one, possibly two, responses to this DOE funding opportunity. Two of UAF's private sector partners are actively pursuing REE-CM processing plants in Alaska, and a third is working toward opening a graphite mine – which

is a critical mineral. Eligible commercial entities will require an academic partner to apply for this funding.

These funds will be used by INE, and its REE-CM partners, to coordinate, develop and prepare competitive grant responses to DOE, and potentially to DoD, which could lead to federal funding to construct a REE-CM processing facility in Alaska. The funds will pay for content development, subject matter expertise, technical writing, and technical and administrative coordination between the cooperating parties involved in preparing the proposal responses. INE will lead a team that will include industry partners, developers, academic researchers, state resource agencies, impacted communities, and other stakeholders.

This is a targeted opportunity that will support UCORE's Bokan REE Strategic Metals Complex (SMC) in Southeast and potentially other commercial mineral developments in interior Alaska. In 2014, the Alaska Legislature authorized \$145 million of AIDEA bond financing for the Bokan REE project.