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Biden-Harris Administration Announces \$169 Million to Accelerate Electric Heat Pump Manufacturing as Part of Investing in America Agenda

Funding from President Biden's Inflation Reduction Act and the Defense Production Act Will Boost U.S. Manufacturing, Grow the Clean Energy Workforce, and Lower Energy Costs for Families

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Funding from President Biden's Inflation Reduction Act and the Defense Production Act Will Boost U.S. Manufacturing, Grow the Clean Energy

NEW ORLEANS, LA — As part of the Biden-Harris Administration's [Investing in America](#) agenda, the U.S. Department of Energy (DOE) today announced a historic \$169 million for nine projects to accelerate electric heat pump manufacturing at 15 sites across the country. The selected projects are the first awards from DOE's authorization, invoked by President Biden using emergency authority on the basis of climate change, to utilize the Defense Production Act (DPA) to [increase domestic production of five key clean energy technologies](#), including electric heat pumps. Covered under President Biden's Justice40 initiative and funded by the Inflation Reduction Act—the largest climate investment in history—selected projects will help build a clean energy economy, create good-paying manufacturing jobs, improve air quality, help families and businesses save money on their energy bills, and bolster national security by reducing energy resilience on foreign adversaries. The projects will collectively create over 1,700 high-quality, good-paying jobs in disadvantaged communities, supporting President Biden's goals of spurring economic growth and maximizing the benefits of clean energy to all communities.

"Getting more American-made electric heat pumps on the market will help families and businesses save money with efficient heating and cooling technology," said **U.S. Secretary of Energy Jennifer M. Granholm**. "Thanks to President Biden's Investing in America agenda, these investments will create thousands of high-quality, good-paying manufacturing jobs and strengthen America's energy supply chain, while creating healthier indoor spaces through home-grown clean energy technologies."

"Today's Defense Production Act funds for heat pump manufacturing show that President Biden is treating climate change as the crisis it is," said **John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation**. "These awards will grow domestic manufacturing, create good-paying jobs, and boost American competitiveness in industries of the future."

"The President is using his wartime emergency powers under the Defense Production Act to turbocharge U.S. manufacturing of clean technologies and strengthen our energy security," said **President Biden's National Climate Advisor Ali Zaidi**. "This acceleration of electric heat pump manufacturing also shows how President Biden's Investing in America agenda is advancing

American innovation, cutting energy bills for hardworking families, and tackling the climate crisis – a win, win for our economy, our workers, and our planet.”

Heating and cooling buildings, homes, offices, schools, hospitals, military bases, and other critical facilities drive more than 35% of all U.S. energy consumption. Heat pumps efficiently provides comfortable temperatures for heating and cooling homes and businesses in all climates, especially when homes are well insulated, and can also provide more efficient water heating. When compared to gas boilers, heat pumps reduce greenhouse gas emissions by up to 50%. Electric heat pumps enable more American families and businesses to benefit from lower energy costs through American-made clean energy technologies, while supporting good jobs, reinvigorating American manufacturing, improving public health, tackling climate change. Additional savings are currently available through IRA Energy Efficient Tax Credit 25C tax credits to help consumers afford heat pumps. To learn more about savings and how heat pumps work, visit [Pump Up Your Savings with Heat Pumps](#).

Heat pumps are critical to reducing the nation’s reliance on fossil fuels, bolstering national security, and boosting energy independence to strengthen national defense, lowering consumer energy costs, improving energy efficiency, and mitigating the climate crisis. This portfolio of selections will boost manufacturing of electric heat pump (air-to-air, geothermal, and air-to-water) and key components (compressors and refrigerants) This portfolio will lead to manufacturing in 13 states. The lead organizations are listed below along with their proposed project locations and technologies.

- **Armstrong International, Inc – Three Rivers, Michigan** – industrial heat pumps.
- **Bard Manufacturing Company – Madison, Georgia** – single package vertical unit air conditioning and heat pumps.
- **Copeland LP – Sidney, Ohio; Ava, Missouri; Lebanon, Missouri; and Cudahy, Wisconsin** – compressors (heat pump component).
- **Honeywell International – in Geismar, Louisiana** – refrigerant (heat pump component).
- **Hydro Temp Corporation – Pocahontas, Arkansas; and Albany, New York** – geothermal heat pumps.
- **Ice Air, LLC – Spartanburg, South Carolina** – cold climate heat pumps and geothermal heat pumps.

- **Mitsubishi Electric U.S. Inc – Kentucky** – compressors (heat pump component).
- **Gradient – Michigan** – easy-to-install room heat pumps.
- **York International Corporation – Wichita, Kansas; Waynesboro, Pennsylvania; and San Antonio, Texas** – residential and commercial heat pumps.

Learn more about the nine projects selected for award negotiations [here](#).

DOE anticipates moving quickly on another round of DPA investments in early 2024 to secure domestic manufacturing supply chains. DOE's Office of Manufacturing and Energy Supply Chains (MESC) leads DOE's DPA investments, including the DPA heat pump program. Selection for award negotiations is not a commitment by DOE to issue an award or provide funding. Before funding is issued, DOE and the applicants will undergo a negotiation process, and DOE may cancel negotiations and rescind the selection for any reason during that time.

This program also advances the Biden-Harris Administration's [Justice40 Initiative](#), which sets the goal that 40 percent of the overall benefits of certain Federal climate, clean energy, and other covered investments flow to disadvantaged communities that are marginalized by underinvestment and overburdened by pollution.

Learn more about the [MESC](#) mission to strengthen and secure energy supply chains as the frontline of clean energy capital deployment.

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Media Inquiries:

(202) 586-4940 or

DOENews@hq.doe.gov

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