

# Annual FEOC and CMBC Compliance Report

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*See IRS Revenue Procedure 2023-38 and 2024-26 for content requirements.*

*Qualified Manufacturers are encouraged submit this report for a given calendar year. Because this report covers all batteries for which a Qualified Manufacturer anticipates providing a periodic written report to IRS during a calendar year, DOE anticipates receiving **only one** of these reports from each Qualified Manufacturer in each annual submission.*

*Qualified Manufacturers are encouraged to use the data sheet that the Department of Energy (DOE) has provided at [URL] as a template for sharing the relevant information about each battery cell product line. Because each data sheet is specific to a particular battery chemistry and format, DOE anticipates receiving **multiple** spreadsheets from each Qualified Manufacturer. The data sheets will be used to confirm compliance with multiple aspects of the Section 30D credit, including the Foreign Entity of Concern (FEOC) restriction and Critical Minerals and Battery Components (CMBC) requirements.*

*Attachments may be referenced and submitted as separate appendices.*

## I. Overview

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*This section is required for all batteries for which a Qualified Manufacturer anticipates providing a periodic written report to IRS in calendar year 2024 and beyond.*

**Qualifying manufacturer (QM):**

**Submission Date:**

**Preparer (QM or Representative):**

Please provide the following:

- Narrative description of the QM's due diligence protocols
  - Methods for ascertaining compliance with CMBC requirements, as applicable
  - Methods for ascertaining FEOC status of suppliers, including but not limited to public financial disclosures, business intelligence software, and/or supplier attestations
  - Internal or third-party recordkeeping protocols and/or tools to trace battery components from factory to battery cell to vehicle, using serial numbers or other identification systems for physical tracking
- If available, independent analysis or audit, including identification of the auditor or analyst and the auditor or analyst's expertise for performing such analysis.

## II. CMBC Value Calculation

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*This section is required for all batteries for which a Qualified Manufacturer anticipates providing a periodic written report to IRS in calendar year 2024 and beyond.*

## ***Value Calculation Within Each Product Line***

Indicate the value calculation for the battery component and critical mineral requirements for each battery cell product line. If you intend to claim the credit amount for meeting only one of these requirements, put “N/A” in the column for the other requirement.

For each data sheet or equivalent CMBC calculation format that you have completed, name the data sheet below and copy the values from the Overview tab:

<b>Data Sheet</b>	<b>Qualifying Battery Component Content</b> <i>(cell B14 on the Overview tab in the provided data sheet template)</i>	<b>Qualifying Critical Mineral Component</b> <i>(cell B15 or B16 on the Overview tab in the provided data sheet template)</i>
<i>File-Name.xlsx</i>	80%	70%

## ***Averaging Across Battery Cell Product Lines***

Treasury Regulation §§ 1.30D-3(a)(3)(iv) and (b)(3)(iv) provide that Qualified Manufacturers may determine qualifying critical mineral content and qualifying battery component content based on the values actually contained in the clean vehicle battery of a specific vehicle, or, alternatively, by averaging such content over a period of time (for example, a year, a calendar quarter, or a month) with respect to vehicles from the same model line, plant, class, or some combination thereof, with final assembly in North America. Refer to § 1.30D-3 for additional requirements.

## **Battery Components Averaging**

If averaging the qualifying battery component content percentage across multiple battery cell product lines (that is, across data sheets), provide those calculations below.

<b>Time Period</b>	<b>Averaging Basis</b> <i>(model line, plant, class, or some combination thereof)</i>	<b>Qualifying Battery Component Content</b>
<i>January 1, 2025 – March 31, 2025</i>	<i>Model Z Standard Range</i>	80%
<i>January 1, 2025 – March 31, 2025</i>	<i>Model Z Extended Range</i>	70%

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## Critical Minerals Averaging

If averaging the qualifying battery component content percentage across multiple battery cell product lines (that is, across data sheets), provide those calculations below, and indicate the use of the temporary safe harbor.

Using the temporary safe harbor 50% roll-up test (Yes/No)? \_\_\_\_\_

Time Period	Averaging Basis <i>(model line, plant, class, or some combination thereof)</i>	Qualifying Critical Mineral Content
January 1, 2025 – March 31, 2025	Model Z Standard Range	70%
January 1, 2025 – March 31, 2025	Model Z Extended Range	60%

## III. FEOC Compliant Battery Ledger

*This section is required for all batteries for which a Qualified Manufacturer anticipates providing a periodic written report to IRS in calendar year 2024 and beyond.*

Complete the table below with the number of FEOC-compliant batteries from each battery product line proposed to be added to the compliant battery ledger. This number cannot be higher than the projected number of FEOC-compliant batteries supported in each data sheet (cell B13 of the Overview tab), but it may be lower based on how many new clean vehicles for which the Qualified Manufacturer anticipates providing a periodic written report to IRS in the upcoming calendar year.

Batteries must be separated by cell manufacturing plant, battery product line, and vehicle make/model to enable proper tracking of batteries to VINs and ensure allocation-based accounting is only performed within a given facility and product line. Each row will typically correspond to a supporting data sheet. QMs should also separate out different battery sizes, even if using the same battery chemistry, to ensure matching to proper trims/lines.

Cell Manufacturing Plant	Battery Product Line (Chemistry, Form, Size)	Number of Batteries	Make and Model Served	Number of Vehicles Supported by
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				<b>That Number of Batteries</b>
<i>Battery Plant U.S.A.</i>	<i>NMC 811 94 kWh</i>	<i>1,000</i>	<i>Model Z Standard Range</i>	<i>1,000</i>
<i>Battery Plant U.S.A.</i>	<i>NMC 811 100 kWh</i>	<i>500</i>	<i>Model Z Extended Range</i>	<i>500</i>
<b>Total</b>				

## IV. Transition Rule for Impracticable-to-Trace Battery Materials

*This section is required for all batteries for which a Qualified Manufacturer anticipates providing a periodic written report to IRS in calendar year 2025 and beyond.*

Indicate “yes” below next to any applicable critical minerals for which you intend to rely on the transition rule for any of the listed impracticable-to-trace battery materials (ITTBM):

- Graphite that is an applicable critical mineral contained in anode materials:
- Applicable critical minerals contained in electrolyte salts:
- Applicable critical minerals contained in electrode binders:
- Applicable critical minerals contained in electrolyte additives:

If “yes” is indicated for any of the above ITTBMs, the QM may only rely on the transition rule if they demonstrate how they will comply with the FEOC restriction as to those ITTBMs after the transition period ends. To meet this standard, this report must contain evidence of meaningful effort and progress toward a FEOC-compliant supply chain and an increasing capacity to conduct due diligence over the course of the transition period.

For each ITTBM for which “yes” is indicated above, provide:

- Current supply chain
  - The expected total quantity of the ITTBM that will be used in vehicles for which the QM anticipates providing a periodic written report in the upcoming calendar year.
  - A list of the current suppliers from which the QM purchases the ITTBM.
- Future supply chain
  - If available, the names of suppliers of the ITTBM with which the QM has signed an offtake agreement, and the quantity of supply under that agreement. Indicate whether these agreements would or would not satisfy expected demand for 30D eligible vehicles beginning in 2027.
  - The names of suppliers of ITTBMs with which you have not yet signed offtake agreements but have entered into formal discussions for supply, and the year that supply would be provided. Provide the status of each such agreement, including related

to material qualification, joint development agreements (if any), legal review, and financial review.

- Documentation that demonstrates meaningful effort and progress to secure a FEOC-compliant supply of ITTBM for use in the QM's vehicles after the transition period, such as memoranda of understanding, letters of commitment, joint press releases, and/or qualification processes. Letters of intent will not be considered to demonstrate meaningful progress.
- An explanation of how these suppliers will increase the QM's ability to conduct due diligence as to this applicable critical mineral.
- If available, a list of entities that extract, process, or recycle the ITTBM upstream of the suppliers with which the QM has an offtake agreement or formal discussions.
- If available, a description of the due diligence practices of the suppliers with which the QM has an offtake agreement or formal discussions.
- An explanation of how the QM anticipates complying with FEOC restrictions and conducting due diligence with respect to that applicable critical mineral by the end of the transition period.
- If the amount of supply in signed offtake agreements and agreements under discussion is not sufficient to support the anticipated number of vehicles for which the QM anticipates providing a periodic written report to IRS beginning in 2027, an explanation of how the QM plans to address that.

## **V. Supporting Detail**

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*This section is required for all batteries for which a Qualified Manufacturer anticipates providing a periodic written report to IRS in calendar year 2024 and beyond.*

### ***Battery Cell Manufacturing Facilities***

For each battery cell manufacturing facility, provide:

- Information on the battery cell product line(s) in that facility and the vehicle classes or models they support
- Facility location, including the name of the facility, any alternative names the facility may go by, and its address. If an address is unavailable, provide a georeferenced location.
- List of the principal officers of the facility and its owner, as well as key personnel points of contact between the facility and QM if applicable.
- Number of FEOC-compliant battery cells expected to be produced in the facility and used in eligible vehicles sold in the upcoming calendar year
- Number of FEOC-compliant batteries (leveraging FEOC-compliant battery cells from this facility) that will be submitted to the Compliant Battery Ledger and used in eligible vehicles sold in the upcoming calendar year

### ***Applicable Critical Mineral and Battery Component Suppliers***

- List of all entities that perform covered extraction, processing, recycling, manufacturing, and assembling activities that ultimately supply the battery cell manufacturing facility in the production of FEOC-compliant batteries

- Include all names an entity uses in the course of business, as well as the place of incorporation and addresses for supplier headquarters and principal places of business. Do not provide taxpayer information (e.g., TINs).
- This list should match list in accompanying data sheet
- Entities operating in multiple jurisdictions should be listed individually
  - Suppliers that are not relevant to FEOC-compliant batteries may be ignored (e.g., suppliers feeding a production line that is serving a non-U.S. market)
- Relevant supply chain stage and activity (manufacturing, assembly) performed by the supplier
- Principal officers for each supplier, and key points of contact between the supplier and the QM.
- Date of purchase of product from supplier.

Entity	Name	Country	Production Activity	Product
1	Company A	U.S.	Manufacturing	Cathode
2	Company A	Canada	Extraction, Processing	Cathode Active Material
3	Company B	Chile	Extraction	ACM

### ***FEOC Status of Suppliers***

- Supporting information about the FEOC status of each supplier (may use appendices)
  - Evidence that supplier was subject to the jurisdiction of a government of a nation other than the People's Republic of China, the Democratic People's Republic of Korea, the Islamic Republic of Iran, or the Russian Federation when it performed the covered activities. Such evidence may include documentation of the supplier's place of incorporation, principal place of business, or permit and facility information showing the location of covered activities.
  - Documentation of ownership, as represented by equity interests, board seats, and voting rights, based on public and non-public (if applicable) information, such as:
    - Financial statements
    - Capitalization table
    - List of board membership
    - Organization chart
  - If needed to demonstrate the facility's lack of effective control by a FEOC, affirmative evidence from licenses and contracts with FEOCs, including:
    - Excerpts indicating that the following rights are retained by one or more non-FEOC entities:
      - To determine the quantity of critical mineral, component, or material produced (subject to any overall maximum or minimum quantities agreed to by the parties prior to execution of the contract);

- To determine, within the overall contract term, the timing of production, including when and whether to cease production;
  - To use the critical mineral, component, or material for its own purposes or, if the agreement contemplates sales, to sell the critical mineral, component, or material to entities of its choosing;
  - To access all areas of the production site continuously and observe all stages of the production process; and
  - At its election, to independently operate, maintain, and repair all equipment critical to production and to access and use any intellectual property, information, and data critical to production, for the duration of the contractual relationship.
- An affirmative statement that nothing in the contacts, other than the material explicitly provided, could reasonably be read to countermand or overrule the rights provided.
- Description of the specific due diligence measures the Qualified Manufacturer undertook to obtain information on equity interests, board seats, voting rights of suppliers, and the involvement of senior political officials and their family members
  - Attestations from suppliers stating accuracy of the information (if applicable)

## **VI. Manufacturer Attestation**

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*This section is required for all batteries for which a Qualified Manufacturer anticipates providing a periodic written report to IRS in calendar year 2024 and beyond.*

Under penalties of perjury, I attest to the best of my knowledge and belief, the following information is true, correct, and complete:

1. The Qualified Manufacturer has determined the projected number of FEOC-compliant batteries under section 5.02 of Revenue Procedure 2023-38 and explained the basis of such determination.
2. The Qualified Manufacturer has exercised due diligence to determine that the batteries, battery cells, battery components, and applicable critical minerals, as well as associated constituent materials, relating to the vehicles are FEOC-compliant.
3. The Qualified Manufacturer has exercised due diligence to determine that the applicable critical minerals or battery components, as applicable, as relating to new clean vehicles that the Qualified Manufacturer intends to certify to the IRS, are compliant with the critical minerals requirement or the battery components requirement.
4. If any material changes occur with respect to any information provided in this report, the Qualified Manufacturer will report this information to the DOE.

5. The information submitted in this report, attachments to the report, and the data sheet associated with this report is true and correct to the best of the knowledge of the Qualified Manufacturer's Representative.

I certify to the best of my knowledge and belief that the information contained in this Annual FEOC and CMBC Compliance Report is true, complete, and accurate. I understand that any false, fictitious, or fraudulent information, misrepresentations, half-truths, or omissions of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (18 U.S.C. §§ 1001 and 287, and 31 U.S.C. 3729-3733 and 3801-3812). I further understand and agree that (1) the statements and representations made herein are material to the IRS determination, and (2) I have a responsibility to update the Annual FEOC and CMBC Compliance Report should circumstances change which impact the responses provided above.

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

Name

Title

Phone

Email

Address