

Department of Energy
Build America, Buy America Act
Project-Specific Nonavailability Waiver
for UL-listed LFP Lithium-ion batteries

Proposed Waiver Summary: The United States Department of Energy (DOE), through its Office of Clean Energy Demonstrations (OCED), is issuing a project-specific nonavailability waiver of the manufactured products and construction materials domestic preference requirements of Section 70914 of the Build America, Buy America Act (BABA) included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58) as applied to one federal financial assistance award for the National Association of Community Health Centers, Inc. (NACHC). This proposed limited project-specific nonavailability waiver allows NACHC to purchase non-BABA compliant LFP Lithium-ion batteries.

Duration of the waiver: The effective date of this waiver is from the date of issue through December 31, 2031, the end of the project performance period .

Applicability: The waiver applies to eligible expenditures incurred by the recipient on or after the effective date of the final waiver for the period that the waiver is active.

Recipient: National Association of Community Health Centers, Inc. (J7UGLALV8FJ5)

Total estimated project cost related to infrastructure: \$3,819,902

Waiver Type: Nonavailability waiver of the BABA manufactured product requirements for the product listed below.

Waiver Level: Project-specific waiver for one award.

Funding Mechanics: Funding for the infrastructure project is made available through the Infrastructure Investment and Jobs Act (IIJA) program, the Energy Improvement in Rural and Remote Areas and the associated funding announcement (DE-FOA-0002970). The locations for the project's proposed equipment installations include health centers in Thomasville, Alabama; Newport, Tennessee; Bessemer City, North Carolina; Elkin, North Carolina; Waynesboro, Georgia; and Monticello, Kentucky. The period of performance for this award is from January 1, 2025 to December 31, 2031.

Description of Covered Items: This waiver covers Tier 1, UL-listed LFP Lithium-ion batteries that are core components of battery energy storage systems (BESS). The covered items are Tier 1, UL-listed components designed for interconnection to electrical utility grids and able to interconnect with single- and three-phase configurations, utilizing standardized AC voltages of 120/240/208/480 volts at grid-specified frequencies and adhering to standardized grid profiles. Integrated controllers enable rapid switching and optimized use of stored energy during extended outages. The average BESS size is 120 kWh, with the largest system at 160 kWh.

- Quantity: 8 (eight)
- Country of origin: Recipient anticipates the LFP Lithium-ion batteries will be sourced from South Korea, Japan, or China.
- Product Service Codes (PSC): 6140
- North American Industry Classification System (NAICS) codes: 33591 – Battery Manufacturing

NACHC will oversee the installation of these battery systems as part of comprehensive microgrid projects designed to enhance the energy resilience of community health centers in the Southeast.

Market Research and Justification:

The recipient's request for a project-specific nonavailability waiver is based on market research confirming that no BABA-compliant, UL-listed, LFP Lithium-ion BESS are currently available that meet the project's technical requirements. The recipient and its project developer conducted a diligent market research effort from May to July 2025. They engaged with multiple leading battery manufacturers and distributors (including Lion Energy, Current Energy Storage, Homegrid, Box Power, FranklinWH, and CED Greentech). Each confirmed their products do not meet BABA's domestic content requirements. Subsequent to the recipient's submission, DOE conducted its own market research through internet searches to verify the recipient's findings. Research confirmed that the global supply chain for LFP cells remains heavily concentrated in non-domestic markets. All current U.S.-based BESS assemblers import these core cells before integrating them into final UL-listed systems. A search for a domestic manufacturing base for BABA-compliant LFP lithium-ion battery cells found that the BABA compliant battery cells are not yet commercially available at scale.

Conclusion of Research: Both the Recipient's search and DOE's independent due diligence reached the same conclusion: a BABA-compliant product that meets the project's specifications is not currently available for purchase from any manufacturer. The outcome of this comprehensive research supports the recipient's nonavailability claim.

Impact Absent the waiver: Absent this nonavailability waiver, the recipient's project to install critical microgrid systems at rural community health centers would fail. The LFP Lithium-ion batteries are the central enabling technology for these systems, and the documented nonavailability of BABA-compliant versions means the project would fail to achieve its project objective of enhancing energy resilience for essential healthcare services, leading to the following impacts:

Immediate Threat to Patient Care and Public Health: The failure to install these energy solutions would leave community health centers unable to withstand power outages. This failure could jeopardize continuity of patient care, force facility closures and cause the loss of essential medicines and vaccines due to inconsistent refrigeration. During an outage, vulnerable populations are most at risk with their access to essential healthcare severed when most in need.

Impairment of Emergency Response Capabilities: NACHC health centers are crucial components of the regional emergency response infrastructure, often serving as resilience hubs. Independent power provided by the microgrid systems prevent power disruptions that would cripple the health centers' ability to support emergency response efforts and impair critical medical services, placing a greater strain on the broader healthcare system during crises.

Significant Project Delays and Inefficiency: Requiring the project to wait indefinitely for a BABA-compliant product to emerge on the market is not feasible and would cause significant project delays. The administrative burden of repeatedly searching the market and preparing future waiver requests would divert the recipient's limited resources away from project execution and the other public health services they provide. These delays would postpone the delivery of critical infrastructure, leaving the facilities and their communities vulnerable for an extended period and diminishing the intended impact of the federal investment.

In summary, the nonavailability of compliant batteries creates an insurmountable obstacle to project execution. Denying this waiver would directly impede the delivery of essential energy infrastructure, thereby failing to safeguard public health and ensure uninterrupted care for the rural communities this project is intended to serve.

Assessment of Cost Advantage of a Foreign-Sourced Product: Under OMB M–24–02, agencies are expected to assess “whether a significant portion of any cost advantage of a foreign-sourced product is the result of the use of dumped steel, iron, or manufactured products or the use of injuriously subsidized steel, iron, or manufactured products” as appropriate before granting a nonavailability waiver. DOE’s analysis has concluded that this assessment is not applicable to this waiver as this waiver is not based on the cost of foreign-sourced products.

Solicitation for Comments: DOE is seeking public comments for all interested parties, including industry members and current manufactures of the covered products listed above regarding the potential availability of project-compliant products from domestic manufacturers. The proposed waiver is available for public comment for fifteen (15) calendar days. **Comments are due no later than Month Day, Year**, and must be submitted by email to the DOE Contracting Officer at BABAWaiverComment@netl.doe.gov. Please put “BABA WAV 20XX-## - Entity Acronym or Short Name” in the subject line of the email.