

ADAPT **ACCELERATED DEVELOPMENT OF AUTOMOTIVE PROPULSION TECHNOLOGY**

ADAPT helps Indiana's automotive supply chain businesses diversify their manufacturing capabilities and future-proof their businesses. The program provides match funding to help small- and medium-sized (SME) manufacturers expand beyond traditional combustion engine vehicles to capture emerging market opportunities – positioning Hoosier companies to compete for and lead the future of automotive manufacturing.

Grants range from \$100,000 to \$1 million and will support automotive suppliers in their expansion to hybrid, plug-in hybrid, battery-electric and hydrogen fuel cell vehicles. The awards, which require a minimum 1:1 match investment from the company, will help manufacturers invest in and develop new, commercial-ready capabilities, offsetting costs related to new equipment and software and workforce training.

WHY ADAPT?

ADAPT is designed to strengthen Indiana manufacturing and protect Hoosier jobs.

The program is funded by a \$10.79 million award from the U.S. Department of Energy (DOE). Indiana was one of five states with a significant automotive workforce selected to receive a share of \$50 million designed to support the transition to new vehicle and engine models while creating and preserving hundreds of jobs at small and mid-size suppliers.

Indiana is home to more than 500 automotive parts suppliers, producing 1.3 million cars and trucks annually and ranking No. 2 in the nation in overall production. Approximately 320 of these businesses are small- and medium-sized manufacturers that support more than 34,000 jobs across 63 of the state's 92 counties.

FUNDING AWARDS

Awards range from \$100,000 to \$1 million, require a 1:1 match investment from the company, and are reimbursement based, meaning the company will invest first and then be reimbursed for eligible expenses. ADAPT grants are sub-awards of a federal grant and are therefore subject to federal terms and conditions.



PROGRAM ELIGIBILITY

To be eligible for ADAPT, companies must:

- Be headquartered in Indiana and conduct a significant portion of its operations from Indiana;
- Be a for-profit small- to medium-sized auto manufacturer (1,500 employees or less, with a preference for companies of 500 or fewer);
- Provide at least a 1:1 investment match in each expense category, including capital equipment, capital-expense software and workforce training;
- Be willing and able to serve as a sub-recipient of a federal grant, complying with quarterly state and federal reporting requirements.

PROJECT ELIGIBILITY

Awards range from \$100,000 to \$1 million, require a 1:1 match investment from the company in each expense category, and are reimbursement based, meaning the company will invest first and then be reimbursed for eligible expenses.

Proposed projects should be a new initiative or expansion focused on commercial-ready capabilities related to and required for hybrid, plug-in hybrid, battery-electric and hydrogen fuel cell vehicles that would not otherwise happen without the grant award. Businesses in manufacturing subsectors that are expected to face greater headwinds as hybrid and electrified propulsion grows will be given preference in funding.

Applicants may have no more than 1,500 total employees (including any parent or affiliated companies), and the Indiana facility where the project will be implemented must have 500 or fewer employees. All funding must be spent exclusively in Indiana, and grant-funded equipment must remain in the county where it is installed.

Eligible costs include:

- Capital equipment, which is required in every project
- Capital-expense software
- Workforce training (a named, credentialed training provider is required if requested)

Eligible vehicle types:

- Hybrid
- Plug-in electric hybrid
- Plug-in electric drive
- Hydrogen cell electric on-road vehicles

All projects, including workforce training, must be completed within two years, or by Dec. 31, 2029.

APPLICATION PROCESS

1. PRE-SCREENING

Apply for ADAPT on the Indiana Economic Development Corporation website between Oct. 26, 2026, and Jan. 8, 2027. Materials will be reviewed by the Indiana Economic Development Corporation (IEDC) and its industry partner, Conexus Indiana, to ensure companies meet the eligibility criteria.

2. CORE APPLICATION

Companies that advance from the pre-screening will complete the core application. All applications must be complete by Feb. 12, 2027 and must include: a comprehensive budget with individual line items that can be verified for reimbursement; a budget narrative (an explanation of the line items and designation of award and matching funds); and equipment quotes. Technical assistance is available to support this process as needed.

3. CORE APPLICATION REVIEW

Applications will be evaluated by the IEDC and a peer review committee, organized by Conexus Indiana. This industry panel will include senior industry leaders from across Indiana that have relevant subject matter expertise related to automotive manufacturing environments.

4. AWARD RECOMMENDATIONS

The IEDC will make award recommendations, considering input from Conexus Indiana and its peer review committee. Company and project information will be submitted to the U.S. Department of Energy for final review and due diligence.

Awards are expected to be finalized in the spring of 2027.

EXPENSE GUIDELINES

All expenses must directly relate to the execution of the approved project and category to qualify for reimbursement. Expenses must comply with 48 CFR Part 31 and 2 CFR Part 200 Subpart E and must be reasonable for the proper and efficient accomplishment of the project.

Ineligible expenses include, but are not limited to:

- Travel
- Lobbying
- Executive bonuses
- Stock plans
- Savings plans
- Advertising
- Contingency Costs
- Expenses that cannot be directly tied to the project
- Expenses incurred prior to the award

FEDERAL REQUIREMENTS

Companies selected for ADAPT funding will become federal sub-recipients of the IEDC's DOE award. This requires:

- Submission of all project information and reimbursement documentation
- Quarterly reporting
- National Environmental Policy Act (NEPA) compliance
- Federal Statement of Project Objectives

Both the company and the project must get federal approval prior to funding or project start.