

Bosch announces preliminary terms with U.S. Department of Commerce for CHIPS Incentives

Proposed funding from CHIPS and Science Act would support transformation of Roseville, California facility for silicon carbide semiconductor manufacturing

December 13, 2024

PI 233

- ▶ Proposed CHIPS investment supports production of silicon carbide chips in the United States
- ▶ Acquisition of Roseville wafer fab by Bosch was finalized in August 2023 and transformation of site is already underway; production to launch in 2026
- ▶ Bosch has retained nearly 250 associates in Roseville during the transformation process with potential to grow in the future
- ▶ Local workforce development in Roseville supported by grant from Bosch Community Fund to Sierra College Foundation

Roseville, California – Bosch has signed a preliminary memorandum of terms (PMT) under the CHIPS and Science Act with the U.S. Department of Commerce (DoC). It includes up to \$225 million in proposed direct funding to support the transformation of the Bosch production facility in Roseville, California. The proposed investment would support the development of semiconductor manufacturing in the U.S. Bosch plans to invest up to \$1.9 billion to transform the Roseville site into a facility that produces and tests silicon carbide (SiC) semiconductors. The Roseville site currently employs around 250 associates with potential to grow in the future.

In April 2023, Bosch announced its intention to acquire the assets of an existing wafer fab in Roseville. The acquisition was closed in August 2023 and since that time Bosch has begun the process to transform the site. Starting in 2026, the first chips will be produced on 200-millimeter wafers based on the pioneering SiC Bosch technology.

“Production of SiC chips in the United States is a key part of our strategic plan to reinforce our semiconductor portfolio and support our local customers,” said Michael Budde, president of Mobility Electronics for Bosch. “Silicon carbide chips help to enable greater range and more efficient recharging in battery-electric vehicles and plug-in hybrid vehicles to provide affordable electromobility options for consumers.”

Bosch brings associates along during transformation

The Roseville location has nearly 40 years of extensive experience in the design and production of semiconductors for automotive and industrial applications.

“We took the unique approach to transform an existing wafer fab rather than build a new facility,” said Thorsten Scheer, plant manager in Roseville and regional president of the Bosch Mobility Electronics division in North America. “A major reason was the talented workforce in place at Roseville. Already they have shown their skill and resolve as we transform the site for future production of silicon carbide chips.”

Since the acquisition of the site, Bosch has retained nearly all of the 250 associates during the transformation process as it prepares for the 2026 launch of SiC production. The company has provided advanced training where the Roseville team learns from other sites within the Bosch global manufacturing network.

In addition to training its current workforce, Bosch is also investing locally to help build up semiconductor expertise for the future. The Bosch Community Fund provided a \$100,000 grant to the Sierra College Foundation in Rocklin, California for its Career Technical Education Support Fund. The grant has helped to support associated costs with certification fees, microcontroller kits, development material, software, protective gear, tools, entry and travel fees for STEM competitions, project supplies for STEM Clubs and more.

Systematic investments in pivotal semiconductor technology

The Roseville site represents the first semiconductor production site in the United States for Bosch. Over the next years, the company intends to invest around \$1.9 billion USD in the Roseville site and upgrade the manufacturing facilities to state-of-the-art processes. Proposed investment from the CHIPS and Science Act would help support the transformation of the site. Already the site has received a \$25 million California Competes Tax Credit incentive from the Governor’s Office of Business & Economic Development (GO-Biz) to support redevelopment and investment in Roseville.

Bosch has indicated it plans to claim the Department of the Treasury's Advanced Manufacturing Investment Credit (CHIPS ITC), which is 25% of qualified capital expenditures. [Click here](#) to learn more about the tax credit. In addition to the proposed direct funding of up to \$225 million, the CHIPS Program Office would make approximately \$350 million in proposed loans – which is a part of the \$75 billion in loan authority provided by the CHIPS and Science Act – available to Bosch under the PMT.

As explained in its first [Notice of Funding Opportunity](#), the Department of Commerce may offer applicants a PMT on a non-binding basis after satisfactory completion of the merit review of a full application. The PMT outlines key terms for a potential CHIPS incentives award, including the amount and form of the award. The award amounts are subject to due diligence and negotiation of award documents and are conditional on the achievement of certain milestones. After a PMT is signed, the Department of Commerce begins a comprehensive due diligence process on the proposed projects and continues negotiating or refining certain terms with the applicant. The terms contained in any final award documents may differ from the terms of the PMT being announced today.

Contact:

Tim Wieland

phone: +1 248 876-7708

email: Tim.Wieland@us.bosch.com

About Bosch

Having established a presence in North America in 1906, today the Bosch Group employs 42,000 associates in more than 100 locations in the North American region (as of Dec. 31, 2023). Bosch generated consolidated sales of \$16.5 billion in the U.S., Mexico and Canada in 2023. For more information visit www.bosch.us, www.bosch.mx and www.bosch.ca.

The Bosch Group is a leading global supplier of technology and services. It employs roughly 429,000 associates worldwide (as of December 31, 2023). The company generated sales of \$99 billion in 2023. Its operations are divided into four business sectors: Mobility, Industrial Technology, Consumer Goods, and Energy and Building Technology. With its business activities, the company aims to use technology to help shape universal trends such as automation, electrification, digitalization, connectivity, and an orientation to sustainability. In this context, Bosch's broad diversification across regions and industries strengthens its innovativeness and robustness. Bosch uses its proven expertise in sensor technology, software, and services to offer customers cross-domain solutions from a single source. It also applies its expertise in connectivity and artificial intelligence in order to develop and manufacture user-friendly, sustainable products. With technology that is "Invented for life," Bosch wants to help improve quality of life and conserve natural resources. The Bosch Group comprises Robert Bosch GmbH and its roughly 470 subsidiary and regional companies in over 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. Bosch's innovative strength is key to the company's further development. At 136 locations across the globe, Bosch employs some 90,000 associates in research and development, of which nearly 48,000 are software engineers.

Exchange rate: 1 EUR = 1.0818