



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

FOR IMMEDIATE RELEASE
August 5, 2009

Contact: Megan Brown
(517) 335-6397

Granholt, Cherry Hail 12 Michigan Projects Awarded Federal Advanced Battery Grants

State's long-term strategy aims at making Michigan advanced battery capital of the world

LANSING – Governor Jennifer M. Granholm and Lt. Governor John D. Cherry Jr. hailed today's announcement by Vice President Joe Biden that 12 Michigan projects have been awarded more than \$1.35 billion in grants from the U.S. Department of Energy to support advanced battery and electric vehicle manufacturing and development.

Funding for the competitive grants comes from the American Recovery and Reinvestment Act. The projects are estimated to create 6,800 jobs in the next 18 months and up to 40,000 jobs by 2020.

"Three years ago, we identified the advanced battery market as a key emerging sector that Michigan, already the global center of automotive research and development, was positioned to lead," Granholm said. "We developed an aggressive strategy to make Michigan the advanced battery capital of the world, and today's announcement is another huge step toward that goal."

"Michigan is the leader among states in the advanced battery field, and it will help transform our economy," Cherry said. "We are working to establish an entire advanced battery industry with manufacturers, suppliers, and the entire value chain located right here in Michigan, creating new economic activity and new jobs."

Michigan saw the opportunity for an advanced battery industry well before any other state and developed an innovative strategy to bring to Michigan the jobs and economic development created by advanced battery research, development, and manufacturing.

That strategy includes Michigan's first-in-the-nation advanced battery tax credits. Earlier this year, Granholm signed into law legislation providing up to \$700 million in refundable tax credits to encourage companies to develop and manufacture advanced batteries and commercialize advanced-battery technologies in Michigan. The initiative — the first of its kind in the United States — was a key factor in Michigan projects receiving the DOE grants.

Beginning in February, the Michigan Economic Growth Authority (MEGA) approved battery incentive agreements with Ford, GM, and Chrysler totaling \$280 million for pack engineering, integration and assembly, vehicle engineering, and advanced-battery technologies. In April, MEGA approved \$400 million in refundable advanced battery tax credits for A123Systems, Johnson Controls-Saft Advanced Power Solutions, KD Advanced Battery Group, and LG Chem-Compact Power.

- more -

“In 2006, Michigan charted a course to lead in advanced battery development and we have not looked back,” MEDC President and CEO Greg Main said. “We engaged industry experts every step of the way and secured unprecedented bipartisan support for some of the most generous and innovative economic development tools in the nation. I commend Governor Granholm and the Michigan Legislature for enabling Michigan to be a global leader in this industry.”

The 12 Michigan projects receiving DOE grants are:

Cell, Battery and Materials Manufacturing Facilities

- Johnson Controls — \$299.2 million awarded for production of nickel-cobalt-metal battery cells and packs, as well as production of battery separators for hybrid and electric vehicles. Facility in Holland.
- A123 Systems — \$249.1 million awarded for manufacturing nano-iron phosphate cathode powder and electrode coatings, fabrication of battery cells and modules, and assembly of complete battery pack systems for hybrid and electric vehicles. Facilities in Romulus and Brownstown.
- KD Advanced Battery Group — \$161 million awarded for production of manganese oxide cathode/graphite lithium-ion batteries for hybrid and electric vehicles. Facility in Midland.
- Compact Power (on behalf of LG Chem) — \$151.4 million awarded for production of lithium-ion polymer battery cells for the GM Volt. Facilities in Holland, Pontiac, and St. Clair.
- General Motors — \$105.9 million awarded for production of high-volume battery packs for the GM Volt. Facility in Brownstown Township.

Electric Drive Component Manufacturing Facilities

- General Motors — \$105 million awarded for construction of U.S. manufacturing capabilities to produce the second-generation GM global rear-wheel electric drive system. Facility in Wixom.
- Ford Motor Company — \$62.7 million awarded to produce a Ford electric drive transaxle with integrated power electronics in an existing Ford transmission facility. Facility in Sterling Heights.
- Magna E-Car Systems of America — \$40 million awarded to increase production capacity of advanced automotive electric drive system component manufacturing plants located in the United States. Facility in Holly.

Advanced Vehicle Electrification

- Chrysler — \$70 million awarded to develop, validate, and deploy 220 advanced plug-in hybrid electric pickups and minivans. Facility in Warren.
- South Coast Air Quality Management District — \$45.4 million awarded to develop a fully-integrated, production plug-in hybrid system for Class 2-5 vehicles. Facility in Galesburg.

- more -

Advanced Vehicle Electrification and Transportation Sector Electrification

- General Motors — \$30.5 million awarded to develop, analyze, and demonstrate hundreds of Chevrolet Volt Extended Range Electric Vehicles.
- Ford Motor Company — \$30 million to accelerate the launch and commercialization of PHEVs and EVs by partnering with 15 of America's leading utilities.

A video detailing Michigan's advanced battery activities can be found online at

<http://www.michiganadvantage.org/Targeted-Initiatives/Advanced-Energy-Storage/Default.aspx>

###

NOTE TO EDITORS: Attached below is a timeline of the state of Michigan's initiatives to grow the state's advanced battery sector.



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

Michigan's Advanced Battery Strategy

- November 2006 – Michigan targets development of advanced battery sector.
- 2007 – Michigan engages battery experts, U.S. Department of Energy, and U.S. Department of Defense to convey critical need for a domestic battery industry and develop strategies to ensure adequate funding will be available.
- May 2008 – Michigan establishes team of advanced energy storage experts to hone Michigan's business strategy and develop incentives.
- July 2008 – Michigan creates Centers of Energy Excellence Program to leverage university, public, and private sector strengths to accelerate commercialization of alternative energy technologies.
- September 2008 – Michigan designates Sakti3 a Center of Energy Excellence and approves a \$3 million grant for next-generation technology battery development.
- September 2008 – Michigan commences negotiation on advanced battery credit legislation.
- November 2008 – Michigan designates A123Systems Inc. a Center of Energy Excellence and approves \$10 million grant for pilot cell assembly facility.
- January 2009 – Governor Jennifer M. Granholm signs into law advanced battery credits worth \$335 million for battery pack manufacturing; advanced battery vehicle research; engineering, development and integration; and establishment of a fully integrated, large-format cell manufacturing facility.
- January 2009 – General Motors makes major announcements: Chevy Volt battery pack manufacturing facility, world's largest battery test facility to be established in Warren; and new Advanced Battery Coalition for Drivetrains laboratory to be built in conjunction with the University of Michigan.
- February 2009 – Congress passes the American Recovery and Reinvestment Act.
- February 2009 – Michigan approves General Motors for advanced battery credits of \$160 million for pack manufacturing and vehicle engineering; and Ford Motor Company for \$30 million in advanced battery technology credits and \$25 million in vehicle engineering credits.

- March 2009 – U.S. Department of Energy issues grant solicitation, allocating \$2 billion for battery-related development and technologies.
- April 2009 – Michigan expands advanced battery credits by \$220 million, adds two \$100-million credits for cell manufacturing, and an additional \$20 million in vehicle engineering credits.
- March and April 2009 – Michigan reviews applicants for advanced battery credits for subsection 5, cell manufacturing.
- April 2009 – Michigan approves advanced battery credits for A123Systems, Johnson Controls-Saft Advanced Power Solutions, KD Advanced Battery Group, and LG Chem-Compact Power.
- May 2009 – Michigan expands advanced battery credits by \$145 million, adding \$100 million for cell manufacturing and \$45 million for vehicle engineering.
- May 2009 –Michigan awards Ford Motor Company an additional \$20 million credit for vehicle engineering.
- May 2009 – Sakti3 applies for U.S. Department of Energy funding for pilot plant.
- July 2009 – General Motors announces Chevy Volt pack manufacturing site in Brownstown Township.
- July 2009 – fortu Power Cell announces search for site to manufacture advanced battery cells in western Michigan.
- August 2009 – U.S. Department of Energy announces battery awards.

###