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## **Dow Chemical battery venture wins \$145 million state tax credit**

**by Eric English | The Bay City Times**  
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The Saginaw News fileDow Chemical's project is expected to create 885 jobs and will develop lithium battery technology for the electric and hybrid vehicle markets. A joint venture between Dow Chemical Co. and two other companies has won \$145 million in state tax credits toward building a new advanced battery and cell manufacturing facility.

The tax credits were approved this morning by the Michigan Economic Growth Authority.

KD Advanced Battery Group LLC has proposed building a \$665 million, 800,000-square-foot manufacturing facility somewhere in Michigan. A location for the project was not announced.

The company is a joint venture between Midland-based Dow, Kokam America Inc. and Townsend Ventures LLC.

The project is expected to create 885 jobs and will develop lithium battery technology for the electric and hybrid vehicle markets.

The state MEGA board today has approved a tax credit valued at \$44.6 million over 15 years and a battery cell tax credit valued at \$100 million over four years to help with the project.

The goal is to leverage the state money to qualify for about \$2 billion in federal funds available for advanced battery research.

Three other companies also won state tax incentives for battery manufacturing, the Michigan Economic Development Corp. announced. They have proposed a total of \$1.7 billion in investment to create nearly 6,700 jobs.

Also receiving funding for projects in Michigan are:

- Johnson Controls-Saft Advanced Power Solutions LLC. Milwaukee-based Johnson Controls is one of the leading independent suppliers of lithium-ion batteries for hybrid and plug-in hybrid electric vehicles. The new joint venture plans to invest \$220 million in a battery manufacturing facility to create 498 jobs.

The MEGA board approved a state tax credit valued at \$48.5 million over 15 years and a battery cell tax credit valued at \$100 million over four years.

- LG Chem-Compact Power. Korean-based LG Chem, in partnership with its U.S. subsidiary Compact Power (LGC-CPI) and General Motors Corp., plans to invest \$200 million in a battery project to create more than 300 new jobs.

The MEGA board today approved a state tax credit valued at \$25.2 million over 15 years and a battery cell tax credit valued at \$100 million over four years to help win the project.

- A123Systems Inc. The designer, developer and manufacturer of rechargeable lithium-ion batteries and battery systems plans to invest more than \$600 million in initial coating, cell manufacturing and pack assembly. The planned project is expected to create over 5,000 new jobs.

The MEGA board approved a high-tech state tax credit valued at \$25.2 million over 15 years and a battery cell tax credit valued at \$100 million over four years to help win the project over competing U.S. sites. A123Systems is one of the state's six Centers of Energy Excellence and has entered into a development and manufacturing agreement with Chrysler LLC to provide battery systems for the company's ENVI product line.

In January, Governor Jennifer Granholm signed into law legislation that provided up to \$335 million in refundable tax credits to encourage companies to develop and manufacture advanced batteries and commercialize advanced battery technologies in Michigan.

Last week, the governor signed legislation strengthening the law by adding an additional \$220 million in tax credits available bringing total incentives to \$555 million.

The MEGA board approved the first battery incentive agreements with Ford and GM in February totaling \$215 million for pack engineering, integration and assembly, vehicle engineering and advanced battery technologies.

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