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## **Midland Preferred Site for KD Advanced Battery Group**

By [Tony Lascari](#)

*of the Midland Daily News*

Midland could gain more than 800 jobs if a proposed superior lithium polymer battery manufacturing facility gets U.S. Department of Energy funding.



Dow Chairman and CEO Andrew Liveris announced this morning that KD Advanced Battery Group will list Midland as the preferred site for the project on its federal grant application. Getting the money is a critical step in creating the joint venture, with construction dependent on the federal grant.

If the project moves forward, it would bring a \$600 million, 800,000-square-foot facility to Dow's Michigan Operations site in Midland. It would be owned and operated by KD Advanced Battery Group, a partnership between Dow, Kokam America, Townsend Ventures and SAIL Venture Partners.



"I'm very pleased today to announce that, if this joint venture does indeed move forward and receive the required federal funding, the owners have decided that the manufacturing facility -- and the associated jobs -- will be located here in Midland," Liveris said. "This is a great development for our region and for Michigan as a whole."

The facility is expected to produce enough batteries to supply 60,000 hybrid or electric vehicles per year, focusing on solutions for transportation and other industries, Liveris said. He announced the selection of Midland over other potential locations in Southeast Michigan during Dow's annual meeting of stockholders in Midland today.

KD Advanced Battery Group displayed during an event in April at the State Capitol a battery-powered delivery truck that could change the way transportation companies operate their fleets. KD Advanced Battery Group received \$144.6 million in state tax credits to bring the facility to Michigan.

The Midland City Council has supported applying for a state Renaissance Zone to allow the development to occur tax-free for 12 years, with reduced taxes continuing through the 15th year. At its meeting Monday, Midland Mayor Bruce Johnson said it is good to support projects that attract new investment and jobs to Midland.

KD Advanced Battery Group will submit its federal grant application on or before May 19, and expects to learn the fate of the funding by August. The program is part of President Obama's goal of putting one million new plug-in hybrid vehicles in service by 2015.

According to Dow, the plan, which also needs final approval from the respective boards of directors and owners of the partners, would mean construction could start by late September, with production beginning in mid-2011.

"This proposal is a testament to Dow's leading-edge technology, to our manufacturing expertise and to our promise to continue working on the challenges of today and the opportunities of tomorrow," Liveris said.

The joint venture would put Dow and the region on the forefront of some of the most important technologies that are reinventing the automotive industry, Liveris said. Kokam America President Dow Nissanka reinforced the importance of new technology.

"The combination of Dow and Kokam would make us the first battery manufacturer to combine the viable, scalable technology, market franchise, manufacturing expertise and market knowledge necessary to become the clear partner of choice for automakers and suppliers," Nissanka said in a statement. "We are confident our joint venture will raise the bar for the entire industry."

Kristina Schnepf, Dow's global public affairs leader for ventures and business development, said Midland was selected because the community has been business friendly and provided incentives, the partnership could benefit from Dow's infrastructure in the community and there is a highly-skilled workforce that could fill the new positions. The jobs created would be in technology-based manufacturing, administration and support staff.

*This story was provided by the [Midland Daily News](#).*