



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JOHN D. CHERRY, JR.  
LT. GOVERNOR

FOR IMMEDIATE RELEASE  
May 17, 2005

Contact: Michael Shore, MEDC  
(517) 335-4590

## Two Alternative Energy Companies to Expand in Michigan, Create 900 New Jobs

*Compact Power and United Solar to Invest Nearly \$100 Million*

Governor Jennifer M. Granholm today announced the expansion of two alternative energy companies in southeast Michigan. Together, they are expected to create a total of 923 new jobs, including 398 high-tech jobs directly by the companies. Incentives offered by the Michigan Economic Development Corporation helped convince the companies to expand in Michigan over competing sites in other states.

“We are doing everything we can to bring alternative energy investment and the good-paying jobs it provides to Michigan,” Granholm said. “These significant new investments demonstrate Michigan’s growing leadership in alternative energy research, development and manufacturing.”

The following expansions were announced:

**Compact Power Inc.** plans to invest \$18.1 million to locate a new research and development center in **Troy** instead of expanding an existing facility in Colorado. A subsidiary of LG Chem., the largest chemical company in South Korea, Compact Power develops lithium polymer battery packs for electric, hybrid fuel cell vehicles and military and aerospace applications. The project is expected to create 298 new jobs, including 168 directly by the company. An SBT credit valued at more than \$3.8 million over the next 10 years helped convince the company to expand in Michigan. To further support the project, the city of Troy will provide \$50,000 for necessary road improvements and is willing to support NextEnergy personal property tax exemptions worth up to \$820,500.

**United Solar Ovonix LLC**, the world leader in thin-film photovoltaics for solar energy conversion, plans to invest more than \$80.2 million to locate a new production facility in **Auburn Hills**. Tax credits valued at more than \$6.1 million over 20 years and a \$100,000 Economic Development Job Training Grant helped the company decide to locate the facility in Michigan over a competing site in Ohio. To further support the project, the city of Auburn Hills has proposed a tax abatement valued at \$109,100 and is willing to support Next Energy personal property tax exemptions that

(more)

Page 2

could be worth an estimated \$6.9 million over the next eight years. The facility is expected to create 625 new jobs, including 230 directly by the company. A wholly owned subsidiary of Energy Conversion Devices (ECD Ovonic) (NASDAQ:ENER), United Solar currently employs nearly 200 employees in Troy and Auburn Hills.

“We look forward to working with the Governor, the state of Michigan and the U.S. auto industry to fulfill the promise of cleaner air and reduced dependence on oil to the next generation,” Vice President and Chief Operating Officer Howard Song said. “Our battery technology combined with the engineering talent located in Michigan will change the future of the automotive industry.”

In a joint statement, Chairman and CEO of United Solar Ovonic and President and CTO of ECD Ovonic, Stanford R. Ovshinsky and President and COO of United Solar Ovonic Subhendu Guha said, “We are pleased to be part of the Governor’s plan to create high-quality jobs in Michigan. We thank the state, Oakland County and the city of Auburn Hills for providing us with the necessary support to make it possible to locate the new plant, which will double our production capacity in Michigan.”

These are among 10 job-creating projects the Governor announced today. In all, they are expected to create and retain a total of 5,006 Michigan jobs, including 2,630 directly by company expansions and redevelopment.

“Michigan has already gained worldwide notice for its leadership in alternative energy technology and innovation,” MEDC President and CEO Don Jakeway said. “The expansion of these companies shows that jobs are being created on both the R&D and manufacturing sides of the industry, and we are going after both.”

Research and commercialization of alternative energy are key targets of the Jobs for Michigan Fund recently proposed by the Governor. If passed by the state Legislature and approved by voters in a statewide ballot this November, the \$2 billion bond initiative would provide a stable, dedicated source of funding to boost employment in high-tech, high-growth industries in the state including alternative energy, life sciences, advanced automotive manufacturing and materials and homeland security and defense.

In her 2005 State of the State address, Granholm emphasized the importance of making Michigan a global economic powerhouse in the 21<sup>st</sup> century. In the past 12 months the Governor and the MEDC announced the creation or retention of more than 41,350 jobs as a result of targeted assistance provided by the MEDC.

(more)

Page 3

The Michigan Economic Development Corporation, a partnership between the state and local communities, promotes smart economic growth by developing strategies and providing services to create and retain good jobs and a high quality of life. For more information on the MEDC's initiatives and programs, visit the Web site at [www.michigan.org](http://www.michigan.org).

###