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Austin could snag major plant

Battery consortium to consider sites here

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ActaCell CEO Bill Ott says a manufacturing plant that will build batteries for electric and hybrid cars would employ hundreds of people.

Austin is a contender as a location for a car battery manufacturing plant being proposed by a newly formed consortium of 20 U.S. battery makers preparing for the nation's shift to plug-in vehicles.

The National Alliance for Advance Transportation Battery Cell Manufacture, which was established in mid-December and includes Austin-based ActaCell Inc., is lobbying for federal funding for its effort to help U.S. companies compete with Asian battery makers that have led the way in producing batteries used in hybrid vehicles.

The nonprofit alliance, which would be similar to the Austin-based Sematech group that computer chipmakers formed in 1987, proposes to establish an industry standard and build battery manufacturing plants in anticipation of the U.S. auto industry's move from gasoline-powered vehicles to plug-in vehicles powered by lithium-ion batteries, said consortium Secretary James Greenberger, a Chicago-based lawyer.

Although several states — most notably Michigan — are positioning themselves as prospective plant locations, Austin's reputation for innovation and the University of Texas' history in battery technology would make this area a credible choice, Greenberger said.

"Everybody wants it," he said. "I'd be surprised if Austin doesn't have some type of role in this."

But first the group needs to garner funding to develop a prototype. The consortium is asking for \$1 billion in loan guarantees through the energy-security act enacted in 2007 to enable the United States to become more energy independent while promoting renewable energy, and it could secure funds from the stimulus package working its way through Congress.

Meanwhile, Austin officials are forming a team of business, university and government leaders to pitch the city as a battery plant location. The group is creating a formal proposal that could be presented this summer, said Jack McDonald, Austin Chamber of Commerce's vice chairman of technology.

"We've got a very compelling package of benefits to offer the consortium," he said.

Proximity to auto plants would be a factor in site selection, and the Toyota Motor Corp. operates a Tundra plant in San Antonio that makes 150,000 trucks per year. The company is planning to start producing hybrid vehicles in the U.S. for the first time this year and consolidate all its truck production in San Antonio, officials have said.

Since battery plants are largely automated, a manufacturing center would create hundreds of local jobs rather than thousands, said ActaCell CEO Bill Ott, who is a consortium board member.

Although Michigan would be a natural location choice because of its many auto plants, Jeffrey Chamberlain, senior account manager for the Argonne National Laboratory's office of technology transfer, is expecting battery plants in several regions of the United States and "intense competition" to build them.

The Illinois-based Argonne National Laboratory, which is operated by the UChicago Argonne LLC for the U.S. Department of Energy's office of science, is advising the coalition as well as nonalliance battery makers.

Chamberlain said establishing U.S.-based car battery plants is a crucial step toward U.S. energy independence. If the nation moves away from foreign oil using plug-in vehicles, it also needs to avoid outfitting those vehicles with Asian-made batteries, he said. China is already building 40 such battery plants, he added.

The battery consortium's plan is to develop a prototype battery within two years. A large-scale manufacturing plant would build generic battery cells that individual companies would package and customize, Greenberger said.

Such research projects typically generate an economic impact of at least five times the amount invested, Austin economist Angelos Angelou said.

Also, a consortium would provide national companies with an incentive to open operations in Austin, Angelou said.

Local energy storage companies that haven't publicly joined the coalition include Austin-based Valence Technology Inc., Cedar Park-based EESstor Inc. and Kyle-based Xtreme Power Inc.

The new group's plan needs to be fast-tracked to meet the demands of the U.S. auto industry, which is scheduled to begin releasing electric cars in 2010. An estimated five to 10 manufacturing plants would be needed to meet the White House's goal of 1.5 million plug-in vehicles on U.S. roads by 2014, Chamberlain said.

Ott and Greenberger said a site selection for the plant would be premature. But neither ruled out local participation.

"I think it's clear that Austin would be a candidate," Ott said.

Charging ahead

Notable members of the National Alliance for Advanced Transportation Battery Cell Manufacture:

- 3M Co., Minnesota
- ActaCell Inc., Austin
- EaglePicher Corp., Michigan
- EnerSys, Pennsylvania
- FMC Corp., Pennsylvania
- Johnson Controls Inc., Wisconsin
- Mobius Power Inc., California
- Townsend Advanced Energy Inc., Maryland

Courtesy of JB Goodwin