

LOUISVILLE BUSINESS FIRST

EV battery manufacturer making \$2 billion investment in Kentucky



Figure 1 The Envision AESC Holding Ltd. battery manufacturing facility inside the Nissan Motor Co. plant in Sunderland, U.K., on Thursday, July 1, 2021. Nissan said it will create a new 1 billion pound (\$1.4 billion) hub for making electric vehicles in Britain, electric-car strategy and a post-Brexit boost for Prime Minister Boris Johnson. Photographer: Ian Forsyth/Bloomberg via Getty Images



By Eleanor Tolbert – Reporter, Louisville Business First - Apr 13, 2022

Kentucky is making a name for itself in the electric vehicle automotive industry.

Gov. Andy Beshear announced Wednesday that Envision AESC, a Japanese EV battery technology company, plans to invest \$2 billion to create a state-of-the-art gigafactory in Bowling Green, Kentucky.

The plant will be approximately 3 million square feet in Bowling Green's Kentucky Transpark, a news release said. It will create 2,000 skilled jobs in the region, producing battery cells and modules to power the next generation EVs produced for multiple global automotive manufacturers.

"We are thrilled that Envision AESC — the world's leading EV battery technology company — has picked Kentucky," Beshear said in the release. "Envision AESC is making the second largest economic development investment Kentucky has ever seen. ... Even better: This project will create 2,000 great jobs of the future for residents in the Warren County region. And with this investment Envision AESC will generate a 30GWh site, which increases Kentucky's production to 116GWh, making the commonwealth the nation's top producer of electric vehicle batteries."

No wage information on the jobs was provided.

The new plant in Kentucky marks the next stage of growth for Envision AESC. A news release said the company will produce new generation battery cells with 30% more energy density than the current generation, reduced charging time and increased range and efficiency for EVs, powering up to 300,000 vehicles annually by 2027. This will make EV battery production in Kentucky and in the U.S. more cost-competitive, making electric vehicles more accessible and affordable for motorists.

"We are pleased to partner with Kentucky and Bowling Green as part of our next phase battery strategy to power next generation EVs in the U.S.," CEO of Envision AESC Group, Shoichi Matsumoto, said in the release. "This major investment builds on our commitment to the U.S. market, supports growth of the electrification supply chain and secures high value jobs for future generations in the region. This commitment takes us one step further toward our ambition to make high-performance, longer-range batteries for a diverse range of automotive manufacturers worldwide to support the EV transition."

The gigafactory will be powered by 100% renewable energy, supplied by onsite generation and purchased locally from the Tennessee Valley Authority (TVA), ensuring the plant helps drive progress toward decarbonizing the state's industrial sector.

Kentucky is already the nation's No. 1 producer of cars, light trucks and SUVs per capita and the center of "Auto Alley" in the U.S. The new strategic partnership with Kentucky provides up to \$116.8 million from state incentive programs and up to \$5 million grant-in-aid for skills training.

Envision AESC made announcements last year to build gigafactories in Douai, France, and Sunderland, U.K. Envision AESC is a world-leading battery technology company headquartered in Japan and committed to research, development, design, manufacture and sales of high-power batteries for EVs and energy storage batteries. Envision AESC has 4,000 employees and 10 production plants in Japan, the U.S., the U.K., China and France.

Beshear said at a news conference that this announcement cements Kentucky as the EV battery production capital of the U.S. In September, Ford Motor Co. and SK Innovation announced a \$5.8 billion investment to build twin EV battery manufacturing plants in Glendale, Kentucky. It's part of a massive plan to increase production of these vehicles in the U.S.

That investment is expected to create 5,000 jobs. It is one of the largest economic announcements since United Parcel Service developed its Worldport facility in Louisville more than 20 years ago.

In a recent story from Louisville Business First's Opportunity Louisville series, John Boyd, site selector and principal at The Boyd Co. Inc., based in Boca Raton, Florida, said his firm has its eyes on Kentucky because of the huge investment announcements by U.S. automakers going all-in on electric vehicle and battery production.

These investments touch other industries relating to EV automation, which will help boost Kentucky's economy and create high paying jobs. Boyd said they also help the U.S. to reclaim some of its "maker" glory from places like China.

"This is an industry that is so exciting for [Kentucky] because it touches upon other high-growth industries like semiconductors and other technology," Boyd said.