

Battery factory promises to recharge Eastern Kentucky economy after coal's decline

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PIKEVILLE - A project to open a battery-manufacturing plant in Pikeville would be a watershed in efforts to diversify the beleaguered economy of Eastern Kentucky if it works as planned.

Government and business officials and executives from [EnerBlu](#) announced the project Friday in Pikeville.

The two-year-old company, currently based in Riverside, Calif., plans to build a \$372 million plant in Pikeville to make lithium-titanate oxide batteries for transit buses and commercial and military vehicles. The company also makes products to support the electric grid and for use in military generators.

EnerBlu projected that the 1 million-square-foot plant on a reclaimed surface mine will open in 2020 and employ 875 people in its fourth year of operation. That would be in 2024 if construction of the plant goes as planned.

The company also plans to move its headquarters and research and development work to a 150,000-square-foot office in Lexington that is expected to open in early 2018. That office ultimately would have projected employment of 110.

The company's total investment in Kentucky would be more than \$400 million.

The project was a lightning bolt of good news in Pike County and the area, where the economy has been sapped by a sharp downturn in coal jobs.

More than 250 people packed the room at the Pikeville Expo Center for the announcement, and officials used words like historic and revolutionary to describe the project.

Many compared the potential for the plan to the economic impact Toyota has had in Central Kentucky with its Georgetown manufacturing plant.

“It’s a game-changer not only for Pikeville and Pike County, but for the entire region,” said state Sen. Ray Jones, a Pikeville Democrat who was at the announcement.

In the third quarter of 2011, there were 14,301 coal jobs in Eastern Kentucky. That number had plummeted to 3,896 in the third quarter of this year, according to the state Energy and Environment Cabinet.

The EnerBlu project could put many of the laid-off miners back to work and spark jobs at supplier plants, officials said.

Supporters also noted the potential for other benefits, including boosting the tax base; making it possible for people who have left the area for work to move back; and creating demand for housing.

“I think we’re just at the front end of something truly transformative for Eastern Kentucky,” said Republican Gov. Matt Bevin.

“We’ve dreamed about this day,” U.S. Rep. Hal Rogers, a Republican who represents Eastern and Southern Kentucky, said at the announcement.

Economic development projects don’t always go as planned, but officials said they think EnerBlu has the ability to deliver on its promises.

Executives and scientists from American Electric Power took a hard look at EnerBlu and its technology and came away convinced to invest in the company, said Matt Satterwhite, president and chief operating officer of Kentucky Power, which is part of AEP.

AEP, which has operations in 33 states and 167,000 customers in Eastern Kentucky, will invest about \$5 million, Satterwhite said.

Satterwhite said if anyone can be successful with the project, it is Michael Weber, EnerBlu’s executive chairman, and Daniel Elliott, president and CEO.

“We don’t invest lightly,” he said.

Bevin’s office said the product the Pikeville plant would make is a rechargeable battery that recharges faster than other lithium-ion batteries.

More than 70 percent of the world’s production of the battery is in China, at a plant where Elliott used to work, according to Bevin and his office.

The EnerBlu plant in Pikeville would be the first in the U.S. to make the battery.

The Kentucky Economic Development Finance Authority recently approved a total of \$30 million in tax incentives for the Pikeville and Lexington EnerBlu projects.

Kentucky almost missed out on the project.

EnerBlu looked at sites across the country for the factory and was close to choosing South Carolina.

But earlier this year, Jonathan Webb, who is working to develop a massive greenhouse project in Pike County, ran into EnerBlu executives at a conference in Idaho and told them they should consider Kentucky.

Jared Arnett, executive director of the Shaping Our Appalachian Region initiative, said Webb contacted him and then worked through Lexington businessman Jim Host, who is on the SOAR board, and Terry R. Gill, head of the state Economic Development Cabinet, to ask Bevin to call EnerBlu executives.

Elliott said Bevin called at 2:30 a.m., and later met with EnerBlu officials in Aspen, Colo.

It took the efforts of elected officials at every level, business interests and the community to land the plant, those at Friday's announcement said.

Weber said no place worked harder to welcome the company.

Bevin's office said the factors EnerBlu cited in picking Kentucky included the state's advantage of being within a day's drive of 65 percent of the U.S. population, the availability of a trained workforce and low costs for industrial electricity.

"They did fall in love with the work ethic and the people, and just the friendliness of people and the ease of operation," Bevin said.

EnerBlu was established in 2015 through a collaboration between BRAC Global Automotive and Symbly.

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