

General Motors, LG Energy JV plans to build fourth battery factory in the US

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Amit Panday

S&P Global

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Ultium Cells is evaluating a potential site in Indiana, US, for its fourth battery plant

The EV battery joint venture of General Motors and the South Korea's LG Energy Solution (LGES) is evaluating a potential site in Indiana, US to build the fourth battery manufacturing facility, a Reuters news report published on 18 August 2022 said, citing a spokeswoman from Ultium Cells LLC.



Source: Getty Images/D3Damon

"Ultium Cells is developing a competitive business case for a potential large investment that could be located in New Carlisle, Indiana," the news report said, quoting the spokeswoman. It also added that the company has submitted a tax abatement application and it expects that the application will be approved later this month.

Meanwhile, the production operations at Ultium Cells' first battery plant, which is based in Warren, Ohio, in the US, is slated to begin later this month. GM and LGES had first announced setting up Ultium Cells' first battery production facility with an investment of USD2.3 billion in 2019.

Ultium Cells' fourth plant is expected to have similar capacity as the other three facilities and the company plans to invest more than USD2 billion in building the same, the report said, citing a source aware of the company's plans.

Significance: It can be recalled that earlier in January 2022, GM and LGES had announced setting up a USD2.6 billion battery plant in Lansing, Michigan, which is expected to commence operations in late 2024. Later the maker of Hummer EVs had also said that the company plans to spend an additional USD4 billion to overhaul and expand its Detroit-based assembly plant to build electric pickup trucks. Notably, the Lansing-based battery plant will supply EV batteries to GM's Detroit assembly unit.

The two companies are also a USD2.3 billion plant in Spring Hill, Tennessee, which is expected to be completed by the end of 2023.

Last month, the US Energy Department said it would provide Ultium Cells with a loan of USD2.5 billion to help finance construction of battery cell manufacturing plants in Ohio, Tennessee, and Michigan, US.

Additionally, GM had also announced last month that the company has struck multi-year agreements with LG Chem Ltd and Livent Corp to secure key raw materials used in manufacturing batteries for EVs. The automaker expects that its plans to produce one million EVs per annum in North America by end 2025 are on track.

CONTACTS

The Americas

+1 877 863 1306

Europe, Middle East & Africa

+44 20 7176 1234

Asia-Pacific

+852 2533 3565

www.spglobal.com/mobility

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