MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: March 21, 2025

TO: The Honorable Gretchen Whitmer, Governor of Michigan
Members of the Michigan Legislature
Scott Starr, Clerk of the House of Representatives
Dan Oberlin, Secretary of the Senate
House Fiscal Agency
Senate Fiscal Agency

FROM: Quentin L. Messer, Jr., President
Michigan Strategic Fund

RE: **Notification of Amendment to the Critical Industry Program (CIP) Grant – Ultium Cells LLC**

Public Act 270 of 1984, Sec. 88(s)(5) (Act) requires the Michigan Strategic Fund (MSF) to provide notice, and a copy, of a request received by the MSF to modify an existing written CIP grant agreement within five (5) business days of receiving that request. The Act also requires an explanation of the provisions of a CIP grant to be modified and notice of the proposed CIP grant amendments to be published on the MSF's website at least one (1) business day prior to the MSF public hearing on the proposed amendments. Finally, the Act requires that if the MSF approves and modifies a CIP grant, the MSF is required to provide you with a copy of the amended CIP grant agreement within one (1) business day of completion of the modification.

The MSF and Ultium Cells LLC entered into a CIP grant agreement effective December 31, 2022, memorializing a CIP award to Ultium Cells LLC in the total amount of $120 million for the construction of a new high-volume Ultium battery cell manufacturing facility in the City of Lansing that was expected to create at least 1,360 new jobs and a projected minimum investment of $1.5 billion in capital investment.

On March 14, 2025, Ultium Cells LLC requested MSF consideration of modification to the agreement. This amendment requests the reassignment of the grant from Ultium Cells LLC to LG Energy Solution Michigan, Inc., removal of references to General Motors and GM Group, except for eligible expenses that occurred on or before the date of the amended agreement, removal of references to the Orion Township project, updating the base employment level to remove existing employees associated with the Orion Township project, removal of the provision that allows excess Qualified Jobs created by GM to count toward the Qualified Job commitment, removal of the early performance provision, and addition of a six-month job maintenance requirement to the Qualified Jobs commitment. Attached is an explanation of the provisions of the Ultium Cells LLC grant to be modified along with the rationale for consideration, and a copy of Ultium Cells LLC request.

Ultium Cells LLC requested modification to the grant will be published on the MSF website as required by the Act prior to presentation to the MSF Board for consideration. Additionally, as required by the Act, if the modifications are approved by the MSF, the MSF will provide a copy of the amended grant agreement.

Please contact our Office of Legislative Affairs at medcgovrelations@michigan.org if you have any questions. In addition, please do not hesitate to contact me at messerq@michigan.org.

Attachments:

Copy of Ultium Cells LLC request for amendment, which includes the summary of, and rationale, for the specific amendments

cc: Matt Casby, Michigan Strategic Fund Manager