



Michigan Economic Development Corporation

NextEnergy

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NextEnergy Goal

- *To position Michigan as the world's leading center for alternative energy technology, research & development, education, and manufacturing*



Alternative Energy Defined

- Alternative Energy Technology is the research, development, manufacturing and integration of products, materials and processes that create energy from fuels that are renewable or waste sources.



Overview

- Establish the NextEnergy Center
- Provide Incentives to Grow Industry
- Adopt State Policies that Spur Demand
- Establish a Michigan NextEnergyZone
- Construct Alternative Energy Microgrids
- Market Michigan as a location for the Industry
- Appoint a NextEnergy Leadership Council
- Review NextEnergy Legislative Package



NextEnergy Center

- Coordinating entity for NextEnergy, and:
 - Develop Education Curriculum and Fund Programs
 - Offer Technical Assistance to Industry and Academia
 - Fund Collaborative Research
 - Attract Additional Research Funds
 - Serve as a Clearinghouse on Best Practices
 - Develop Industry Support Services
 - Build Industry Incubator and Accelerator Programs



Federal Research Facility

- The Federal facility will act as an “underwriters laboratory” to:
 - Develop Industry Standards
 - House a Collaborative Testing Facility
 - Fund Collaborative Industry-University Research & Development
 - Serve as a National Clearinghouse
 - Sponsor Conferences and Workshops
 - Serve as a policy forum for developing new public policies



Michigan NextEnergyZone

- The NextEnergyZone will be located on state-owned surplus property in Washtenaw County
- Companies locating in the Zone will receive:
 - State Renaissance Zone benefits (no state or local taxes, except bonded indebtedness) and additional tax incentives
- Locate the NextEnergy Center in the Zone



Spur Industry Investment and Consumer Demand

- Implement a series of incentives to make Michigan the ideal business location for Alternative Energy Technologies
- Implement approaches that will spur consumer (business and citizens) demand for stationary and mobile alternative energy products



Demonstration Microgrids

- The State will support the design and construction of demonstration facilities:
 - Hydrogen production, storage, distribution, and refueling
 - Distributed energy networks



Promote Michigan's NextEnergy Initiatives

- Develop online resource guides
- Establish annual awards and recognition program
- Develop case studies
- Develop advertising and public relations strategies
- Produce a NextEnergy Services Guide
- Host an International NextEnergy Conference



Launch a Business Expansion Program

- The NextEnergy Center, along with the MEDC will launch an aggressive sales program to contact Michigan, American and International businesses to expand and attract alternative energy companies to Michigan



Michigan NextEnergy Leadership Council

- A high-level committee will be appointed by the Governor to provide guidance in implementing this initiative, including developing recommendations for:
 - State Workforce Development
 - Incentives
 - Regulatory Policy
 - Marketing Strategies
 - Programmatic Policies



Michigan NextEnergy Legislative Package

- NextEnergy Authority
- Renaissance Zone Act
- Sales tax exemption
- Use tax exemption
- Personal property tax exemption
- SBT exemptions



NextEnergy Authority

- NextEnergy Authority bill--
 - Create a state authority to promote the research and development of alternative energy technologies and related economic development in Michigan and to govern the NextEnergy Zone.



Renaissance Zone Act

- Renaissance Zone Act--
 - Allows MSF to designate one of the 5 floating Renaissance Zones as an “Alternative Energy Zone.” This zone will be called the NextEnergy Zone and have Renaissance status for 20 years. The NextEnergy Zone will be dedicated to the research, development, and manufacturing of alternative energy.



Sales Tax Exemption

- Sales tax exemption--
 - Enact legislation that exempts from the sales tax any purchases of stationery and vehicular devices using alternative energy technologies with a sunset in 2012. (Individual and Business)



Use Tax Exemption

- Use tax exemption--
 - Enact legislation that exempts from the use tax any purchases of stationery and vehicular devices using alternative energy technologies with a sunset in 2012. (Individual and Business)



Personal Property Tax Exemption

- Personal property tax exemption--
 - Exempt from the personal property tax any company whose primary service or product is alternative energy technologies research, development or manufacturing (including subsidiaries of existing Michigan companies) until 2012.
(Business)



SBT Exemptions

- SBT exemptions--
 - Exempt from the SBT any company (or subsidiary of an existing company) whose primary service or product is alternative energy technologies research, development or manufacturing. (Business)
 - Enact legislation to provide a refundable SBT credit equal to the personal income tax generated by the payroll of companies located in the Zone. (Business)
 - \$30mm in Transferable SBT Venture Capital tax credits. Limited to \$5mm per fund (Fall).



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QUESTIONS?

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