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Hydropower draws BMW carbon-fiber factory to Washington

By Eric Pryne
Seattle Times business reporter

Cheap, abundant hydroelectric power.

That's the chief reason BMW and another German company chose Moses Lake as the site for a new plant to make carbon fibers to use in building a new, lightweight BMW electric car, company executives said in Seattle Tuesday.

The \$100 million factory will employ 80. Groundbreaking is scheduled for June, and that will create another 150 to 200 construction jobs, said Theodore Breyer, deputy CEO of SGL Group, the other German company.

It is hoped that it's just the first phase, he added: The BMW-SGL joint venture, dubbed SGL Automotive Carbon Fibers, has acquired 60 acres in Moses Lake for the plant, and has an option on 60 more.

The venture had also considered a site in Eastern Canada.

Gov. Chris Gregoire, who courted the companies personally, said the factory wouldn't end unemployment in Washington.

"But building a manufacturing plant that will create as many as 200 construction jobs, as well as 80 permanent jobs once the plant is complete, is an important step in the right direction," she added.

The carbon fibers, which require large amounts of electricity to manufacture, will end up in components of the Megacity, an electric car BMW plans to start marketing before 2015.

The vehicle's lower weight will allow it to travel farther between charges, said Friedrich Eichiner, BMW Group's chief financial officer.

Moses Lake will be part of a global supply chain. The raw material for the carbon fiber, a coarser chemical fiber, will be produced in Japan by a joint venture of SGL, which makes carbon products, and Mitsubishi Rayon.

From there it will be shipped to Seattle and trucked to Moses Lake, where it will be spun into carbon fibers one-tenth as wide as a human hair.

The fibers will be woven into fabric at another new factory in Wackersdorf, Germany. BMW will turn the fabric into structural, body and interior parts for the Megacity at another German plant.



STEVE RINGMAN / THE SEATTLE TIMES

Robert Koehler, CEO of the SGL Group, talks Tuesday about the joint venture with BMW on a carbon-fiber plant in Moses Lake. From left are Theodore Breyer of SGL, Gov. Chris Gregoire and Friedrich Eichiner of BMW.



Source: ESRI, TeleAtlas

MARK NOWLIN / THE SEATTLE TIMES

State and local governments in Washington offered SGL and BMW more than \$4 million in incentives to locate the carbon-fiber plant in Moses Lake.

In January the state Community Economic Revitalization Board approved a \$1.5 million loan and a \$500,000 grant to the Port of Moses Lake to help build a substation to provide power to the factory.

Other state funds will be used for energy-conservation and waste-recycling equipment and worker training, Susan St. Germain, economic-development manager for the state Department of Commerce, said in an email.

The factory also qualifies for a sales-tax exemption for some equipment, and a sales-tax deferral on construction, she said.

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