



cityofnovi.org

# CITY of NOVI CITY COUNCIL

Agenda Item D

February 8, 2010

**SUBJECT:** Adopt resolution to opt-out of the exemption of the alternative energy personal property from local personal property taxes acquired by A123 Systems.

**SUBMITTING DEPARTMENT:** Neighborhood & Business Relations

**CITY MANAGER APPROVAL:**

**BACKGROUND INFORMATION:**

A123 Systems, Inc. has qualified through the Michigan NextEnergy Authority (MNEA) as an eligible business to receive an exemption of their personal property (Act 206 of 1893, 211.9i) that was purchased while located 46500 Humboldt Drive.

The City of Novi has sixty days from receipt of a letter from the MNEA (January 21, 2010) to decide to opt-out of the exemption of the alternative energy personal property from local personal property. The Novi school district also received a similar notice and can take separate action to opt-out of the school-related taxes.




The maximum value of the exempted property located in Novi is \$3,324,088.

A123 Systems Novi location is temporary as they have publicly announced they will be building a plant in Wayne County. Based on this information, staff recommends opting-out of this personal property exemption.

**RECOMMENDED ACTION:** Adopt resolution to opt-out of the exemption of the alternative energy personal property from local personal property taxes acquired by A123 Systems.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Crawford				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

	<p align="center"><b>MICHIGAN LEGISLATURE</b>            95th Legislature Regular Session            Michigan Compiled Laws Complete Through PA 242            of 2009            House: Adjourned until Tuesday, January 26, 2010            1:30:00 PM            Senate: Adjourned until Tuesday, January 26, 2010            10:00:00 AM</p>				
Home	Register	Why Register?	Login	New!	Help
<p><b>Navigation</b></p> <p>← Documents →</p> <p>MCL Chapter Index</p> <p>Chapter 211</p> <p>Act 206 of 1893</p> <p>206-1893- PERSONAL- PROPERTY- EXEMPTED.</p> <p>Section 211.9i</p>	<p><b>Section 211.9i</b></p> <p> linkable  printable</p> <p align="center"><b>THE GENERAL PROPERTY TAX ACT (EXCERPT)</b> <b>Act 206 of 1893</b></p> <p><b>211.9i Alternative energy personal property; exemption from tax.</b></p> <p>Sec. 9i.</p> <p>(1) <b>Alternative energy personal property is exempt</b> from the collection of taxes under this act as provided in this section.</p> <p>(2) If the Michigan next energy authority certifies alternative energy personal property as eligible for the exemption under this section as provided in the Michigan next energy authority act, the Michigan next energy authority shall forward a copy of that certification to all of the following:</p> <p>(a) The secretary of the local school district in which the alternative energy personal property is located.</p> <p>(b) The treasurer of the local tax collecting unit in which the alternative energy personal property is located.</p> <p>(3) <b>Within 60 days</b> after receipt of the certification of alternative energy personal property under subsection (2), the school board for the local school district in which the alternative energy personal property is located, with the written concurrence of the superintendent of the local school district, may adopt a resolution to not exempt that alternative energy personal property from a tax levied in that local school district under section 1212 of the revised school code, 1976 PA 451, MCL 380.1212, or a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness. If a resolution is adopted under this subsection, a copy of the resolution shall be forwarded to the Michigan next energy authority, to the treasurer of the local tax collecting unit, and to the state treasurer. If a resolution is not adopted under this subsection, that alternative energy personal property is exempt</p>				
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from a tax levied in that local school district under section 1212 of the revised school code, 1976 PA 451, MCL 380.1212, or a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness, for the period provided in subsection (5).

(4) Within 60 days after receipt of the certification of alternative energy personal property under subsection (2), the governing body of the local tax collecting unit in which the alternative energy personal property is located may adopt a resolution to not exempt that alternative energy personal property from the taxes collected in that local tax collecting unit, except taxes collected under sections 1211 and 1212 of the revised school code, 1976 PA 451, MCL 380.1211 and 380.1212, a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness, or the tax levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit in which the alternative energy personal property is located and the legislative body of each taxing unit that levies ad valorem property taxes in that local tax collecting unit in which the alternative energy personal property is located. Notice of the meeting at which the resolution will be considered shall be provided as required under the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. If a resolution is adopted under this subsection, a copy of the resolution shall be forwarded to the Michigan next energy authority and to the state treasurer. If a resolution is not adopted under this subsection, that alternative energy personal property is exempt from the taxes collected in that local tax collecting unit for the period provided in subsection (5), except as otherwise provided in this section.

(5) The exemption under this section applies to taxes levied after December 31, 2002 and before January 1, 2013.

(6) As used in this section:

(a) "Alternative energy personal property" means all of the following:

(i) An alternative energy system.

(ii) An alternative energy vehicle.

(iii) All personal property of an alternative energy technology business.

(iv) The personal property of a business that is not an alternative energy technology business that is used solely for the purpose of researching, developing, or manufacturing an alternative energy

technology.

(b) "Alternative energy system", "alternative energy vehicle", "alternative energy technology", and "alternative energy technology business" mean those terms as defined in the Michigan next energy authority act.

**History:** Add. 2002, Act 549, Imd. Eff. July 26, 2002

**Popular Name:** Act 206

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**Questions about the law? Contact the State Law Library between 1-5pm (M-F) - (517) 373-0630 or use the comment form to send them email.**

# MEMORANDUM



**TO:** CLAY J. PEARSON, CITY MANAGER  
**FROM:** ARA TOPOUZIAN, ECONOMIC DEVELOPMENT DIRECTOR  
**SUBJECT:** A123 SYSTEMS PERSONAL PROPERTY EXEMPTION  
**DATE:** JANUARY 27, 2010

1/27/10  
To: Mayor & City  
Council  
Novi  
*[Signature]*

The Michigan NextEnergy Authority (MNEA), through the Michigan Economic Development Corporation was created to promote the development of alternative energy technologies and to provide tax incentives for business activities and property related to the research, development, and manufacturing of those technologies.

**Personal property that is certified by the MNEA as "Alternative Energy Personal Property" (AEPP) is exempt from the collection of personal property taxes. The exemption applies only to personal property that is new to Michigan.**

Under this exemption, **A123 Systems, Inc.** is qualified as an eligible business to receive an exemption of their personal property (Act 206 of 1893, 211.9i) that was purchased while located 46500 Humboldt Drive.

The City of Novi has sixty days from receipt of a letter from the MNEA (January 21, 2010) to decide to opt-out of the exemption of the alternative energy personal property from local personal property. The Novi school district also received a similar notice and can take separate action to opt-out of the school-related taxes.

The maximum value of the potentially exempted personal property located in Novi is \$3,324,088.

**It is my recommendation that we opt-out of this exemption** as A123 Systems is only temporarily located in Novi and publicly announced they will be building a plant in Wayne County.

c: Pam Antil, Assistant City Manager  
D. Glenn Lemmon, City Assessor  
Beverly Valente, Assistant City Treasurer



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

January 15, 2010

RECEIVED

JAN 21 2010

ASSESSING DEPT  
CITY OF NOVI

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
ASSISTANCE CENTER  
517 373 9808

WWW.THEMEDC.ORG

Mr. Glenn Lemmon, Assessor  
Novi City Assessor's Office  
45175 W. 10 Mile Road  
Novi, Michigan 48375

Dear Mr. Lemmon:

The Michigan NextEnergy Authority (MNEA) is charged by law, Public Act 593 of 2002, with the certification of alternative energy technology businesses and alternative energy personal property, Public Act 549 of 2002. The MNEA is also charged with notifying the assessors and treasurers of the local tax collecting unit and the secretary of the school district, in which the property is located, of the annual certification.

The enclosed resolution, certifying the attached list of personal property of A123 Systems, Inc. Government Solutions Group as Alternative Energy Personal Property exempt from certain property taxes, was adopted at a meeting of the MNEA held on December 15, 2008. As indicated in the enclosed resolution, the maximum value of the exempted property located in City of Novi is \$3,324,088 and is subject to the assessor's concurrence.

City of Novi has sixty days from receipt of this letter in which to adopt a resolution to opt-out of the exemption of the alternative energy personal property from local personal property taxes.

The Novi Public Schools also have sixty days from receipt of this letter in which to adopt a resolution to opt out of specific school-related taxes levied against the personal property.

Personal property acquired by A123 Systems, Inc. Government Solutions Group prior to January 1, 2013 may be eligible for certification as Alternative Energy Personal Property by the MNEA in future years. City of Novi and the Novi Public Schools will be notified of any future certification and will have sixty days in which to adopt a resolution to opt-out of the exemption on that personal property.

If you have questions, please contact Eric Hanna at 517.241.8440.

Sincerely,

Peter C. Anastor  
Secretary to the MNEA Board

Enclosures

EXECUTIVE COMMITTEE

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Chair  
Rock Ventures

PHILIP H. POWER  
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Guardian Industries Corp.

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Michigan Next Energy Authority (MNEA)

Certificate

Resolution 2009-003

A123 Systems, Inc.  
Alternative Energy Technology Business Certification - 2009

I, Peter C. Anastor, Secretary to the MNEA Board, do hereby certify that the attached is a true and complete copy of a resolution adopted by the MNEA board at a meeting on December 15, 2009 and that public notice of said meeting was given pursuant to Act No. 24, Public Acts of Michigan, 1995, including the case of a special or rescheduled regular meeting, or a meeting recessed for more than 36 hours, notice by posting at least 18 hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my signature this 18<sup>th</sup> day of December, A.D. 2009.

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN  
Chair  
Rock Ventures

PHILIP H. POWER  
Vice-Chair  
The Center for Michigan

D. GREGORY MAIN  
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RICHARD E. BLOUSE JR., CCE  
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Pepper Hamilton LLP

PETER S. WALTERS  
Guardian Industries Corp.

TODD A. WYETT  
Versa Development, LLC

Peter C. Anastor  
Secretary to the MNEA Board

Nathan Ohle  
Board Relations Liaison

**Michigan NextEnergy Authority  
Resolution 2009-003**

A123 Systems, Inc.

At the meeting of the Michigan NextEnergy Authority (MNEA) held on December 15, 2009 in Lansing, Michigan.

**WHEREAS**, A123 Systems, Inc. (the "Company"), is a business entity located at 3850 Research Park Drive, Suite A, Ann Arbor, Michigan 48106 and 46500 Humbolt Drive, Novi, MI 48377;

**WHEREAS**, the Company has applied for certification as an Alternative Energy Technology Business under the Michigan NextEnergy Authority Act, 2002 PA 593;

**WHEREAS**, an officer of the Company has certified in writing that the Company is engaged solely in the research, development or manufacturing of the alternative energy technology described as the process of generating and putting into usable form the energy generated by an alternative energy system;

**WHEREAS**, the alternative energy technology is related to two alternative energy systems; battery cell energy systems and fuel cell energy systems;

**WHEREAS**, all personal property of an Alternative Energy Technology Business that has not previously been subject to collection of taxes, and has not previously been exempted from taxes, under the general property tax act is eligible for certification;

**WHEREAS**, the Company has provided a list of such property purchased in the 2009 tax year valued at \$3,942,188 which is attached to this resolution; and

**WHEREAS**, the Michigan Economic Development Corporation provides administrative services to the MNEA, and has reviewed the application and recommends approval the certification by the MNEA Board.

**NOW, THEREFORE, BE IT RESOLVED**, that the MNEA certifies that A123 Systems, Inc. is an Alternative Energy Technology Business;

**BE IT FURTHER RESOLVED** that the property listed on the attached schedule is certified as Alternative Energy Personal Property and is exempt from taxes levied before January 1, 2013, provided that the local Assessor determines that the property listed:

- 1) is properly classified as personal rather than real property;
- 2) has not been previously subject to taxation under the general property tax act, and
- 3) has not previously been exempted from taxes under the general property tax act.



**BE IT FURTHER RESOLVED** that notice of these certifications will be forwarded to the Company, the secretary of the local school district, and the treasurer and assessor of the local tax collecting unit in which the Company and the Alternative Energy Personal Property are located.

Adopted.

Ayes: Douglas Buckler; Liesl Clark (acting on behalf of Stanley "Skip" Pruss, authorization attached); Deb Dansby (acting on behalf of Greg Main, authorization attached); Baldomero Garcia; Tim Herman; Andrew Lockwood (acting on behalf of Robert Kleine, authorization attached); Jackie Shinn (acting on behalf of Kirk Steudle, authorization attached)

Nays:

Recused:

December 15, 2008  
Lansing, Michigan



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
LANSING

STANLEY "SKIP" PRUSS  
DIRECTOR

## DESIGNATION OF AUTHORITY

As Director of the Michigan Department of Energy, Labor & Economic Growth, I hereby authorize Liesl Clark to attend the meeting of the Michigan Next Energy Authority on Tuesday, December 15, 2009 that I am unable to attend.

A handwritten signature in black ink, appearing to read "S.F. Pruss", written over a horizontal line.

Stanley F. Pruss, Director & Chief Energy Officer  
Department of Labor & Economic Growth

Dated: 12-15-09

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517 373-9808

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December 15, 2009

Michigan NextEnergy Authority  
300 North Washington Square  
Lansing, MI 48913

To Whom It May Concern:

I hereby designate Deb Dansby, Chief Operating Officer of the MEDC to represent me at the Michigan NextEnergy Authority Board meeting which I am unable to attend.

Sincerely,

D. Gregory Main  
Chief Executive Officer

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN  
Chair  
Rock Ventures

PHILIP H. POWER  
Vice-Chair  
The Center for Michigan

D. GREGORY MAIN  
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Guardian Industries Corp.

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Versa Development, LLC



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

ROBERT J. KLEINE  
STATE TREASURER

December 15, 2008

Michigan Next Energy Authority  
300 North Washington Square  
Lansing, MI 48913

To Whom It May Concern:

I hereby designate Andrew Lockwood, Tax Analysis Division, Department of Treasury, to represent me at the Michigan Next Energy Authority Board meetings, which I am unable to attend.

Sincerely,

*Robert J. Kleine*

Robert J. Kleine  
State Treasurer





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

KIRK T. STEUDLE  
DIRECTOR

December 15, 2008

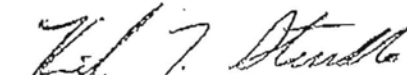
VIA FACSIMILE

Mr. Nathan Ohle  
Events Manager  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, Michigan 48913

Dear Mr. Ohle:

I hereby designate Jackie Shinn, Chief Deputy Director with the Department of Transportation, to represent me at the December 15, 2008 Michigan Next Energy Authority Board as well as all future meetings in my stead.

Sincerely,

  
Kirk T. Steudle  
Director

# Michigan Next Energy Authority

Concurrence with the decision of the Michigan NextEnergy Authority Board by local taxing authorities and school districts is required. As part of the Authorities responsibility, it sends certified notices to the Treasurer, Assessor, and Secretary of the School Board for each location where property Issued an exemption by the board is located.

Below please supply the requested information about your local jurisdictions for each location. If you have more than three locations, please contact the Authority administrator for assistance with the form.

<b>Location of Property #1</b>	Address 1	3850 Research Park Drive
	Address 2	
	City/Village/Township	Ann Arbor
	Zip Code	48108
<b>Treasurer</b>	Name	
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	
<b>Assessor</b>	Name	
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	
<b>School Board</b>	Name	Ann Arbor Independent School District
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	

<b>Location of Property #2</b>	Address 1	46500 Humbolt Drive
	Address 2	
	City/Village/Township	Novi
	Zip Code	48377
<b>Treasurer</b>	Name	
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	
<b>Assessor</b>	Name	
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	
<b>School Board</b>	Name	Novi Independent School District
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	

<b>Location of Property #3</b>	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	
<b>Treasurer</b>	Name	
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	
<b>Assessor</b>	Name	
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	
<b>School Board</b>	Name	
	Address 1	
	Address 2	
	City/Village/Township	
	Zip Code	

Michigan Next Energy Authority  
Alternative Energy Technology Business Property Listing Form

Date Acquired	Description of Property	Location	Serial # or Asset #	New or Used*	Original Cost, Installed, Including Sales Tax and Freight
20-Feb-09	Dry Room-Ann Arbor	3850 Research Park Drive, Ann Arbor, MI 48108	1005850	NEW	\$ 379,305.70
	XRD Software	3850 Research Park Drive, Ann Arbor, MI 48108		New	\$ 16,151.00
	GC/MS System	3850 Research Park Drive, Ann Arbor, MI 48108		New	\$ 56,450.00
	Carver Press	3850 Research Park Drive, Ann Arbor, MI 48108		New	\$ 56,193.00
	Maccor Channels	3850 Research Park Drive, Ann Arbor, MI 48108		New	\$ 88,000.00
	Environmental Chambers	3850 Research Park Drive, Ann Arbor, MI 48108		New	\$ 22,000.00
5-Jan-09	ISCAN TACTILE PRESSURE MAPPING SYSTEM	46500 Humboldt Dr, Novi, Michigan 48377	1005652	NEW	\$ 14,900.00
5-Feb-09	Laser Welding System Precitec KG	46500 Humboldt Dr, Novi, Michigan 48377	1005649	NEW	\$ 85,200.87
1-Mar-09	Theromotron SE1000-3-3, -70C to +180C, 230V/3P, 7300 Controller, Ser. No. 26842	46500 Humboldt Dr, Novi, Michigan 48377	1005861	NEW	\$ 29,000.00
2-Mar-09	Robotic Work Cell Design & Build - Add on Pneumatically operated trim station	46500 Humboldt Dr, Novi, Michigan 48377	1005191	NEW	\$ 227,523.00
12-Mar-09	IPFX-S-WHPA SPRAY BOOTH 5' W X 4' H X 3' D FOR ROBOTIC ASSEMBLY	46500 Humboldt Dr, Novi, Michigan 48377	1005676	NEW	\$ 5,124.97
13-Mar-09	BAR CODE SCANNER (INCLUDES DESIGN AND BUILD PER QUOTE # 09-6330	46500 Humboldt Dr, Novi, Michigan 48377	1006314	NEW	\$ 26,814.00
23-Mar-09	Electrical Harness Installation 2 module - PLC	46500 Humboldt Dr, Novi, Michigan 48377	1005321	NEW	\$ 25,954.10
23-Mar-09	CT-354g Refurbished Environmental Chamber, Tenney #TTC, ID24X26X28, -70C to +170	46500 Humboldt Dr, Novi, Michigan 48377	1005863	NEW	\$ 9,212.00
31-Mar-09	Unico Box-DELTA-DELTA 2KVA 1PH 100/125/150-120V	46500 Humboldt Dr, Novi, Michigan 48377	1005330	NEW	\$ -
1-Apr-09	PROTOTYPE TOOLING TO MOLD PRISMATIC BUSBAR COVER 6P_POS_08120	46500 Humboldt Dr, Novi, Michigan 48377	1005854	NEW	\$ 26,000.00
1-Apr-09	INJECTION MOLD TOOLING TO PRODUCE PCB COVER (ALUMINUM INSERTS) PER QUOTE # 30280	46500 Humboldt Dr, Novi, Michigan 48377	1005674	NEW	\$ 8,800.00
3-Apr-09	PADS XE-D-ARS Suite Bnd SW Site based Server license - Floating	46500 Humboldt Dr, Novi, Michigan 48377	1006193	NEW	\$ 24,388.48
7-Apr-09	Large Cell Test Stand # 3	46500 Humboldt Dr, Novi, Michigan 48377	1004822	NEW	\$ 22,420.72
9-Apr-09	PN-03051 - CANape V7.0: Measurement data acquisition, calibration, diagnostics a	46500 Humboldt Dr, Novi, Michigan 48377	1005055	NEW	\$ 6,855.00
15-Apr-09	AV-900 Power Processing System	46500 Humboldt Dr, Novi, Michigan 48377	1006049	NEW	\$ 287,791.00
24-Apr-09	(02225) CANalyzer PRO V7.1	46500 Humboldt Dr, Novi, Michigan 48377	1006198	NEW	\$ 5,940.00
28-Apr-09	Rohde & Schwarz FSL313/B7/B22	46500 Humboldt Dr, Novi, Michigan 48377	1006057	NEW	\$ 14,778.52
1-May-09	EXTRUSION COLD PLATE WIDE (tooling)	46500 Humboldt Dr, Novi, Michigan 48377	1006324	NEW	\$ 8,700.00
11-May-09	CUSTOM DESIGNED LOCATION PALLET PER QUOTE DATED 2/5/09	46500 Humboldt Dr, Novi, Michigan 48377	1006199	NEW	\$ -
11-May-09	YLR-4000 4KW MULTIMODE YTTERBIUM FIBER LASER INCLUDES SCUM FEED FIBER TO QBH TER	46500 Humboldt Dr, Novi, Michigan 48377	1006311	NEW	\$ 686,450.95
20-May-09	REFURBISHED OGP-XL-14 OPTICAL COMPARATOR PER QUOTE #3.27.09	46500 Humboldt Dr, Novi, Michigan 48377	1005322	NEW	\$ 8,128.75
21-May-09	ROBOTIC BATTERY MODULE-LASER WELD TOOLING AND CONVEYORS PER GWI QUOTE # 09-6316A	46500 Humboldt Dr, Novi, Michigan 48377	1006196	NEW	\$ 131,734.00
12-Jun-09	Primary License Charge - Network License Key	46500 Humboldt Dr, Novi, Michigan 48377	1005513	NEW	\$ 12,600.00





### Property Only Company Identification Informaiton

Name of Company making application	A123 Systems, Inc.
Address of facility	321 Arsenal St.
City, State, Zip Code	Watertown, MA 02472
Primary NAICS code	617-778-5700

EIN -----> 04-3583876

Describe the type of business or principle product at this facility.

Name of employee completing this application	Yvett R. Green
Title of employee completing this application	Senior Accountant
Phone number of employee completing this application	734-213-1637 ext. 21
Email address of employee completing this application	ygreen@a123systems.com

Name of officer authorized to approve this application	Michael Rubino
Title of officer authorized to approve this application	CFO & VP of Finance & Administration
Phone number of officer approving this application	617-778-5738
Email address of officer approving this application	mrubino@a123systems.com

Enter the tax year for this Listing 2009

Please Enter the Name and Address where you would like the MEDC to return your Tax Certificate

Name of Company/Consulting Firm/ Accounting Firm	
To the Attention of	Yvett R. Green
Address	A123Systems, Inc.
Address	3850 Research Park Drive
City	Ann Arbor
State	MI
Zip Code	48108

# Michigan Next Energy Authority

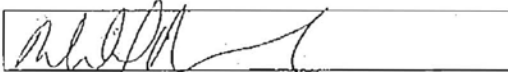
Alternative Energy Technology Business (AETB)

## NO CHANGE IN STATUS CERTIFICATION

Complete this certification if the business has received the "Alternative Energy Technology Business" designation by the authority in any previous year.

Name of Firm	A123Systems, Inc.
Name of Authorized	Michael Rubino

I, Michael Rubino hereby certify that A123Systems, Inc. was certified as an Alternative Energy Technology Business by the Michigan NextEnergy Authority in December of (select year-->) 2008 and that it continues to be engaged solely in the business of the research, development, and manufacturing of an Alternative Energy Technology.

Signature of Authorized Representative		Enter Date Below
		11/17/09

(Please sign this page after the entire workbook is printed.)

## Michigan Next Energy Authority

### Signature and Authorization Section

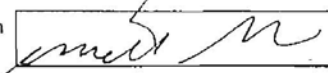
I am authorized by the company to complete and transmit this Personal Property Tax Exemption Request.

I certify that to the best of my knowledge information contained in this transmission is complete and accurate. I agree that this electronic transmission may be used in lieu of a paper transmission.

The company acknowledges that any material misrepresentation of company information on this listing may render the company ineligible for a tax credit or exemption or result in the revocation of any credit or exemption agreement executed in reliance on the information contained herein.

I understand that the MEDC and MNEA may audit this listing and its supporting data under the terms of the MNEA Certification and Authorization process.

Signature of employee or paid tax services provider who completed this application form.



Date of Signature Above

11, 30, 09

Signature of officer authorized by the company to apply for MEGA Tax Credit Certificates.



Date of Signature Above

11 120 12009