

Our Next Energy's state grant shrinks as battery maker downsizes factory plans



Our Next Energy operates an 80,000-square-foot headquarters in Novi, Mich., a Detroit suburb.
(KURT NAGL/CRAIN'S DETROIT BUSINESS)

By **Anna Fifelski** | September 22, 2026 10:30 AM EDT

As Our Next Energy reinvents itself from an electric vehicle supplier, its state incentives are changing.

Nearly four years after landing \$200 million in Michigan incentives to build electric vehicle batteries, the company is cutting its job pledge by roughly 500 positions and shrinking its state grant to \$150 million as it pivots from the EV market toward defense and rail.

The Novi-headquartered battery manufacturer [announced its pivot in January](#) after failing to successfully break into the electric vehicle market, and the company is downsizing its space at its factory space at I-275 and Ecorse Road in Van Buren

Township. At its peak, the project was expected to [create 2,112 new jobs and require \\$1.6 billion](#) in capital investment.

Now, ONE is reducing the project's job creation goals to 1,606 new jobs and pledging to invest an additional \$47.7 million in the project for a total of \$1.67 billion. The Michigan Strategic Fund, which administers the Michigan Economic Development Corp. funding, is allowing headcount growth at ONE's Novi facility to count toward its jobs and investment commitment.

Tuesday, the MSF approved ONE's amendments to the terms of the Critical Industry Program grant that [the company received in 2022](#). The MSF board is reducing ONE's CIP grant from \$200 million to \$150 million and extending the company's term of the grant from June 30, 2030, to March 31, 2037.

"The company is confident that an extended project timeline will result in a successful project," ONE wrote in its proposal to the MSF board. "To support production scaling, capital-raising efforts are actively ongoing, alongside the evaluation of a potential SPAC merger to secure additional financing for growth."

ONE's project scope has pivoted to include lithium-ion cell manufacturing for defense, energy storage, locomotive and other applications from automotive.

Christin Armstrong, chief operating and performance officer for the MEDC, said that since the original plan was approved, "the market shifted pretty dramatically."

"And so what we've seen is them adjust course into new markets as the EV market has slowed a bit here," Armstrong said. "So we're just trying to reflect that reality in our revised documents as well."

The company is betting that the surge in data center-related power requirements has created an immediate need for domestic grid batteries.

"We're showing support for this company by doing this amendment to allow it to pivot its plans while simultaneously protecting the state's investment that it's already made in the company," Armstrong said.

In September 2025, the lithium iron phosphate battery maker announced it planned to [vacate part of its factory space](#) in Van Buren Township in Wayne County. Gardner White is [taking over 600,000 square feet of warehouse space](#) in the factory, leaving roughly 61,000 square feet for ONE.

ONE said that it has a pipeline of prospects, with customers actively engaged with the Department of Defense.

The company was founded in 2020, with the goal of vertical integration for American energy storage manufacturing by developing a robust and resilient domestic supply chain for critical minerals.

Michigan state Rep. Ann Bollin, R-Brighton Township, noted that the change to the state incentive agreement is another example of why Michigan moved away from large corporate subsidy programs funded through the Strategic Outreach and Attraction Reserve (SOAR) Fund.

“Too often, taxpayers have been asked to take on the risk and these subsidy deals have failed to meet expectations,” Bollin said in a statement. “The best economic development strategy is creating an environment where businesses can succeed without relying on special deals from government. ... I am hopeful the company can deliver on its revised commitments, and I will be monitoring progress closely to make sure taxpayers see the results they were promised.”