



## **An industry powers up**

**Statewide coalition is positioning Ohio as global destination for fuel-cell business**

**By Paula Schleis**

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The architects of Northeast Ohio's economic makeover have their hands full, trying to get everyone to see the invisible threads that bind.

It's no easy thing to communicate how the health of businesses in Cleveland can affect Akron, how successful startups in Youngstown could benefit Medina, how the work of an entrepreneur in Canton might lead to job creation in Kent.

So imagine the challenge of getting folks to think statewide.

That's the task of the Ohio Fuel Cell Coalition, formed in 2003 by the state with the mission to make Ohio a global destination for the fuel-cell industry and related technologies and applications.

Headquartered in the Charter One Global Enterprise Center in Cleveland, the coalition is a force of 90 business, academic and government partners sharing a common objective.

The state has backed up the coalition's efforts by investing more than \$52 million in fuel cell-related research, development and demonstration projects.

Another \$10 million is expected to be awarded in 2007 in grants through the "Third Frontier Fuel Cell Program."

In Northeast Ohio alone, the focus has yielded significant fruit: a new \$4 million Fuel Cell Prototyping Center (opened on the campus of Stark State College of Technology last year) and three companies that have relocated their national headquarters here (Rolls-Royce Fuel Cell Systems Inc. to North Canton; GrafTech International to Parma; and HydroGen Corp. to Cleveland).

Since industries tend to develop in clusters, a new company settling in one community can be a direct reason why a supplier would relocate to a neighboring city, coalition Director Kenneth Alfred said.

"People like to be close to other players in the industry," Alfred said. "It makes collaboration easier, it makes alliances easier, it makes supply chain management easier if you know the guy who you're buying from (isn't) 2,500 miles away on the other side of the country."

That doesn't end the natural "tug and pull" among cities to get businesses located within their municipal limits, but because the fuel cell industry is young and full of potential, "at this point, we all firmly believe there is plenty of room for everybody to take advantage of opportunities," Alfred said.

"Our products and applications will eventually be measured in the billions and billions of dollars and hundreds of thousands of products throughout the state. So, hopefully, we're not competing against each other for a small pie, we're all working together to build the size of an entire pie," he said.

Ohio made the decision to go after fuel cells in 2001 when a handful of entrepreneurs prevailed on Gov. Bob Taft to leverage the state's manufacturing roots for a new industry with what they believed had unlimited potential.

Fuel cells are battery-like devices being touted as a future power source for homes, autos and even pacemakers. They produce electricity and heat using hydrogen and oxygen. They don't burn fossil fuels, such as coal and oil, meaning they don't pollute the air.

"We start from a basic premise, that Ohio has been good at building things," Alfred said. "We have an embedded and existing expertise in how to bend metal and make plastic and put things together."

Ohio's business visionaries "believed we had the right foundation and that if we coordinated it in a reasonable fashion, we could get ourselves to the top of the pack and stay there," he said.

The state provided the startup money to launch the Ohio Fuel Cell Coalition, which is now mostly supported through members' dues.

The trade group arranges events so fuel cell-related businesses can gather, serves as a contact to the investment community, lobbies for government policy and acts as a center for fuel-cell information and education.

So how's Ohio doing?

Alfred said it's hard to boil down the statewide effort into a quantifiable number or ranking.

But he is confident that at least in reputation, Ohio is in the top four, sharing the national fuel-cell spotlight with California, New York and Connecticut.

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