

**EUROBAT Annual General Meeting and Forum**  
Prague, May 31-June 1



**Alfons Westgeest, EUROBAT's secretary-general, opening the conference**

**The funding and regulatory dilemmas of the European battery industry**

Forget Paris in the springtime, Prague was the place to be at the end of May. The reason? It was the venue for the annual general meeting and half day conference of EUROBAT, the association of European automotive and industrial battery manufacturers.

The meetings follow a set pattern — on the first day EUROBAT members review the achievements of the year through its various committees and plan for the year ahead.

And 2011 was clearly a busy year for EUROBAT which is deeply involved in representing the battery industry in the complex and complicated legislative environment in Europe. Changes to the rules made in 2009 with the EU's Renewable Energy Directive look set to provide a boost to the battery industry — but only if other regulation is limited.

The Renewable Energy Directive has three binding targets — to reduce CO<sub>2</sub> emissions by 2020, to have 20% of overall energy consumption to come from renewable energy supplies and to have 10% share of renewables in transport fuel. These provide important growth possibilities for the European battery business in terms of e-mobility and renewable energy storage: two of the main themes of the forum in Prague.

EUROBAT operates through three committees — the Committee for Environmental Matters, the Automotive Batteries

Committee and the Industrial Batteries Committee.

Highlights for the **Committee for Environmental Matters** were: the publication of EUROBAT's first Sustainability Report: international cooperation with the Portable Rechargeable Battery Association and the German Battery Association in discussions with ICAO over changing the rules for the transportation of large format lithium batteries, as well as cooperation with Battery Council International (see *BCI review also in this section*) in its activities in China; further monitoring and lobbying over the potentially crippling effects of REACH legislation (REACH, introduced in 2007, stands for Registration, Evaluation, Authorization and Restriction of Chemicals).

**The Battery Directive**

The CEM were also involved in formulating the rules for the calculation of recycling efficiencies as per the implementation of the Battery Directive and providing guidance on the CLP (classification, labeling and packaging) Regulation for the battery industry. The CEM is chaired by Karsten Kurz from Exide Technologies.

The **Automotive Batteries Committee** created two taskforces in 2010 to engage with new development. The first task force, headed by Alessandro Ando from FIAMM covers start-stop battery labeling for micro-HEV applications which are

already in mass production. The second, headed by Mario Natalucci from FAAM deals with mild, full and pHEV/EV battery applications.

One ABC highlight of 2011 was its work on its white paper on battery energy storage solutions for electro-mobility. This was released this February.

A major achievement for the ABC and its first task force was its agreement on a recommendation for a unique label to identify stop-start batteries. This work is not yet finished but will provide greater clarity for end users and allow for better differentiation between start-stop and classic SLI batteries.

The second task force has worked steadily on research, statistics — essential for future modelling and predictions — and standardization issues for HEVs and EVs.

Throughout 2011 the ABC has continued to coordinate efforts to amend EC regulation on the capacity labeling of automotive batteries. This is a far from trivial task and it has profound implications in terms of market transparency and free competition. The ABC is chaired by Johann-Friedrich Dempwolff from Johnson Controls.

The **Industrial Batteries Committee** covers all issues related to standby and motive power batteries. It was again a busy year for the IBC with the release of its white paper on *Battery Energy Storage for Renew-*

*able Energy Supply.*

The IBC has in 2012 set up a task force on rural electrification headed by Klaus-Dieter Merz from Abertax and Giorgio Crugnola from FIAMM. This will focus on the role of battery energy storage in autonomous off-grid generation markets. Its work will allow EURO

The IBC's taskforce that looks at household and grid management functions is hooking up with important stakeholders with new links being forged with the European Energy Storage Association and EU-RELECTRIC. The IBC is chaired by Lorenzo de Micheli from Exide Technologies.

**New members**

Following an extension of its scope last year to the Europe, Middle-East and Africa region (EMEA), EUROBAT decided this year to create a new category of membership for battery systems integrators. The association also welcomed its first new member in this category: Dow Kokam. In addition, six other new members were formally welcomed to the association at the AGM: battery manufacturer Midac and new associate members Sovema, Dekra Certification, Water Gremlin Aquila Company, PC di Pompeo Catelli and Wirtz Manufacturing.

After the AGM, as is customary there was the evening dinner. This year it was held in a restaurant tucked close to the city's stunning medieval castle — the *Pražský hrad* — that had been serving meals since 1368!

On the following day, there followed a mini-conference. After initial presentations on the economic climate and energy outlook, the forum touched on three themes — the future of battery manufacturing in Europe, removing road blocks in e-mobility acceptance and the final session was called "Grid/Offgrid: Why is battery storage one of the key solutions."

The session that generated the most interest was clearly the one focusing on the future of European battery manufacturing. "I thought that this was going to be the shortest of the sessions," quipped one attendee. "But I was proven wrong. It turned out to be the most interesting."

The two most powerful presentations were almost certainly those from Marc Zoellner, the chief executive of Hoppecke Batterien and John Searle, chairman of the management board of Saft. The strength of their appeal to the audience — and their passionate appeals for less regulatory interference — was simply that they were the leaders of troops on the ground and not theoreticians or bureaucrats.

Zoellner outlined the state of play of battery manufacturing in Europe — a workforce of around 30,000 people, 70 manufacturing plants, 19 R&D centres and seven smelters — showing that at one level the industry is in healthy shape. Zoellner reckons that between €4 billion to €5 billion of revenues are generated in the European battery sector, of which



**Highlights of the morning forum were the powerful presentations by Hoppecke's Marc Zoellner (left) and John Searle from Saft**

about 90% came from the lead acid side of the business and the other 10% from other chemistries (almost entirely alkaline batteries).

He forecast this balance would change over time with lithium gradually supplanting lead acid in applications — first in starter motors, then fork lifts, UPS, renewables and electromobility. Zoellner's view was that both new and old chemistries would co-exist happily having both different strengths and price points.

**Unusual vision**

Perhaps this vision for the industry would seem to be an odd perspective coming from a firm that is still largely seen as a lead acid stalwart. But Hoppecke has proved to be one of the strongest European battery firms — sales have quadrupled over the past 15 years — and has shown that it is possible to be competitive in the otherwise expensive location of western Europe.

At the close, Zoellner appealed for "the need for public funds to get the European battery industry ready for the challenges ahead" and "it would be unwise to allow lead acid and alkaline battery firms to be regulated out of Europe."

This idea was extended further by Saft's Searle who painted a disturbing picture of how the European battery industry fitted into the world whole. Saft, whose emphasis is pretty much, everything to do with energy storage — but not lead — approached Zoellner's point with a distinctly lithium perspective.

Searle's argument was that the reason that Asia — here he meant specifically Japan, Korea and increasingly China — dominates the production of lithium ion cells, with up to 2 billion made each year, is because their national governments realized their strategic importance early on.

Taking this further he said US presi-

dent Barack Obama's \$2.4 billion ARRA money provided an immediate boost to domestic firms to try and catch-up (even if the result could well be that Asian firms used the generous match funding on offer from some projects to expand into North America). There might be over-capacity but there was the potential to do business.

The result he believed was that the European position was an extremely weak one — "it's not a level playing field", he said. He pointed to a range of factors — from the lack of venture capital support to the nascent business, to the limited financial support from the European Union, to the lack of supply of raw materials. In the whole continent there was just one large lithium ion battery manufacturing unit under construction (and a possible plant in the UK where it was unsure whether batteries would be made or merely assembled).

**International players**

The result? "The first generation of EVs and HEVs will be using Asian or US producers," he said. "This is not a strategy for Europe to be merely as part of an assembly chain."

He suggested that the strategy for success was to have a more business-friendly environment, and this to include environmental legislation that could be comparable with other regions of the world as well as avoiding legislation that penalizes production in Europe. Conforming to the REACH legislation has already cost the EU's industry over €2.3 billion in registration and preliminary costs, even before substances enter the authorization process, he said.

*The next annual meeting and conference of EUROBAT will be held on June 6 and 7 in Italy.*