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## Towards a '2030 Battery Strategy for Europe'

24 February 2017

**EUROBAT, the Association of European Automotive and Industrial Battery Manufacturers, is proposing the development of a '2030 Battery Strategy for Europe'. We are convinced that such a strategy would lead to more coherence between the several EU initiatives: batteries are at the very heart of the shift towards a decarbonized society, encompassing several industrial sectors, from energy storage and grid stability to warehouse and port logistics, telecommunication and all modes of transport. Europe already has an existing strong battery production base of battery technologies, and a '2030 Battery Strategy for Europe' would provide guarantee for the long-term investment planning by battery manufacturers and the supply chain in Europe.**

A variety of battery chemistries and technologies exists today: lead, lithium, sodium and nickel batteries. They all answer to different demands in terms of performance, capabilities and applications, and all of them are an important part of the solution to the challenges that climate change and energy dependence are presenting us with.

At a global scale, there are multi-fold opportunities in several sectors for existing and future battery technologies. In the transport sector, for example, the European innovation of 'start-stop' technology is delivering already significant energy and emissions savings. Advanced batteries are revolutionizing the transport sector with various degrees of powertrain hybridization and are driving the emergence of full electric passenger vehicles, trucks and buses. In the energy sector, batteries store renewable energy and discharge it when it is needed at every level of the grid, enabling the growth of renewables in the energy mix and offering important stability services. Motive power batteries are deployed in several sectors, from ground support at ports, forklifts, warehouse to agricultural machines, from construction to mining equipment, and their improved performance will be fundamental to achieve additional energy savings and reduced emissions. The development of high speed telecommunication infrastructure worldwide and further advancements in the area of information technology, like the 'Internet of things', require back-up infrastructures for increasing amounts of data. These applications rely heavily on high capacity storage, backup and emergency batteries.

Battery markets are very dynamic and global in nature, and international competition on sales, marketing and the research of more advanced batteries is particularly fierce. Major nations in the world invest heavily to develop new generations of batteries and enjoy the benefits in terms of competitiveness, jobs, growth and innovation. Further improvement of battery performance is a key demand from our customers. Enhanced battery performance allows them to increase the efficiency of

their applications, thereby generating savings of energy, resources, cost and time – in short, great benefits for society.

For Europe as a whole, it is important to enable the future of its battery sector and ensure coherence between EU, regional and national policy initiatives. The recent references to batteries across many EU policy fields recognize them as a key enabling technology, and acknowledge the huge and growing importance of batteries and their need in several sectors:

1. The recent Commission proposal on **new energy market design**<sup>1</sup> has finally recognized the importance of battery energy storage for the integration of renewables in the energy mix. We hope that the final package will create a level playing field for batteries to compete on an equal footing with other flexibility services, remove double grid fees and any other unintended regulatory barriers.
2. Several legislative initiatives are promoting the **decarbonisation of the transport sector**, and the European Commission is discussing with several stakeholders the future of the automotive sector in the framework of GEAR2030. To achieve the targets highlighted in the European Strategy for low-emission mobility, it will be paramount to increase the efficiency of all ICE vehicles (cars, vans, buses, trucks) while at the same time develop an internal market for hybrid and electric vehicles. All types of batteries will play a key role in this regard, from advanced start-stop batteries to batteries for hybrid and electric vehicles.
3. The EU is also investing in several **Research, Innovation and Development** initiatives specifically focused or involving batteries, from Horizon2020 to the SET Plan, including the ETIP SNET<sup>2</sup> and the Batstorm project<sup>3</sup>. These research projects are extremely important for the future of the battery sector and the development of an R&D strategy for batteries, but they should always take into account the existing landscape of EU battery production base and be linked to other policy initiatives in a coherent way.
4. Several policies address **sustainability and recycling-aspects of batteries**, including the Batteries Directive<sup>4</sup> and the Circular Economy Package<sup>5</sup>. EUROBAT members support the circular economy approach of the EU, and automotive and industrial batteries are all collected and treated at end of life in accordance with the recycling efficiency targets of the EU Batteries Directive. Lead-based batteries, for example, have a collection and recycling rate of almost 100%, creating a closed loop for this technology. Overlaps of EU legislation that regulate the batteries sector,

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<sup>1</sup> Communication from the Commission « Clean Energy For All Europeans », 30 November 2016.

<sup>2</sup> European Technology and Innovation Platform Smart Networks for Energy Transition

<sup>3</sup> Battery-based energy storage roadmap

<sup>4</sup> Directive 2006/66/EC of 6 September 2006 on batteries and accumulators and waste batteries and accumulators.

<sup>5</sup> Communication from the Commission « Closing the loop - An EU action plan for the Circular Economy », 2 December 2015.

notably the End-of-Life Vehicles Directive<sup>6</sup>, the REACH Regulation<sup>7</sup> and the Battery Directive<sup>8</sup>, need to be clarified to ensure business certainty. In terms of minimizing exposure risks of workers to heavy metals essential in battery production, our members have created voluntary industry programmes that even go beyond the regulatory requirements.

One important objective that EU policy-makers are pursuing is the further development of a European manufacturing base for lithium-based cells. Whilst we follow these developments and opportunities with interest and high hopes for the future, it should be recognized that keeping the production of all different battery technologies in Europe will be paramount for the competitiveness of different EU industrial sectors. European battery manufacturers have and will continuously create added value for European jobs, know-how and research & development. They are active in all market segments to various degrees, supplying batteries to European and international customers and directly employing more than 30.000 people.

We are therefore convinced that the several EU initiatives on batteries would benefit from an overall EU strategy, taking stock of existing markets, technologies and policies. To be in line with the concept of better regulation, the strategy should also include an assessment of which developments can be left to the market and in which fields policy-makers need to intervene and regulate.

As the representative association of European manufacturers of automotive, energy storage and industrial batteries, EUROBAT and its members wish to deepen the dialogue with policy-makers at EU and Member States level to define the regulatory framework for batteries that is needed for the next decade and beyond. We believe the best way to achieve this is to develop a long-term 'Battery Strategy for Europe' which sets out the guiding principles for EU policy-makers for this period. This strategy should be prepared in cooperation with all stakeholders (trade associations, the supply industry for batteries, users of batteries, civil society etc.). Such overall strategic policy framework should provide business certainty for EU battery manufacturers, create new opportunities for all battery technologies and deliver jobs, growth and innovation in Europe. The coming two years of the current Parliament and Commission should be used to develop the '2030 Battery Strategy for Europe'.

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<sup>6</sup> Directive 2000/53/EC of 18 September 2000 on end-of life vehicles.

<sup>7</sup> Regulation (EC) 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

<sup>8</sup> Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators