

The Double Punch: What the European Union Plans for the Battery Sector

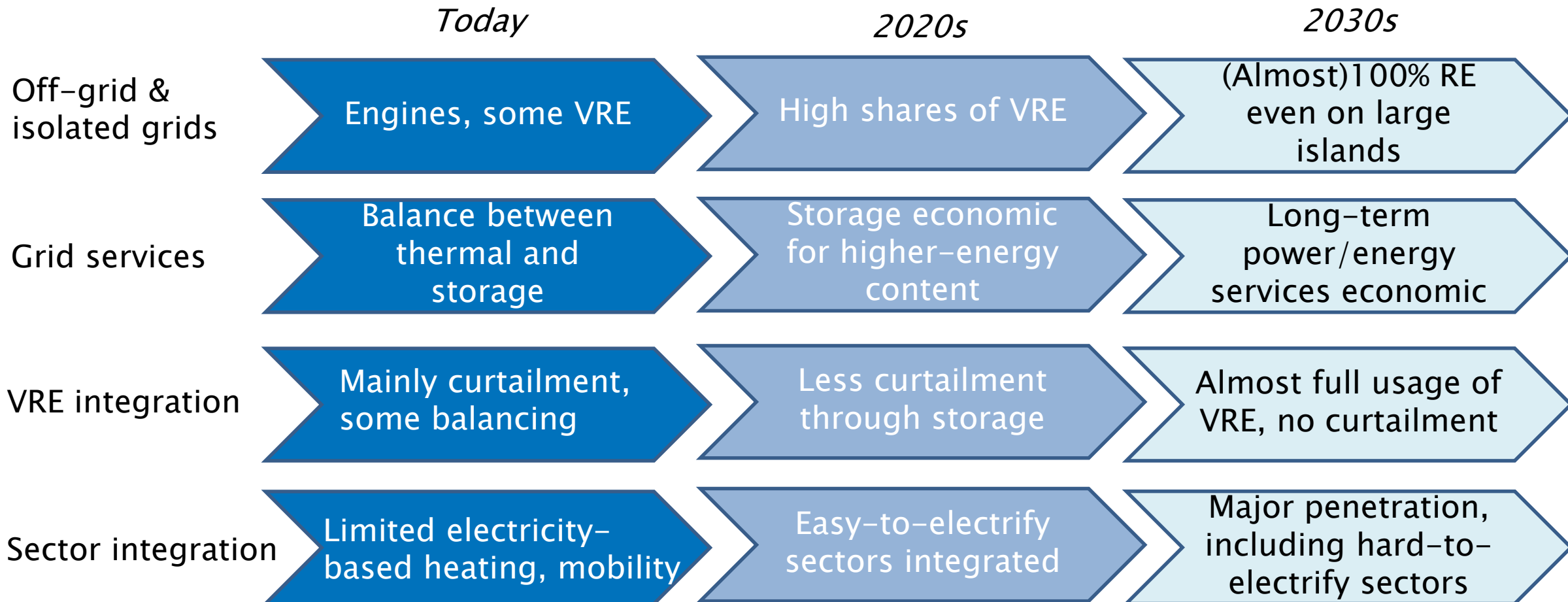
06 October 2021 **Patrick Clerens**

EASE Members

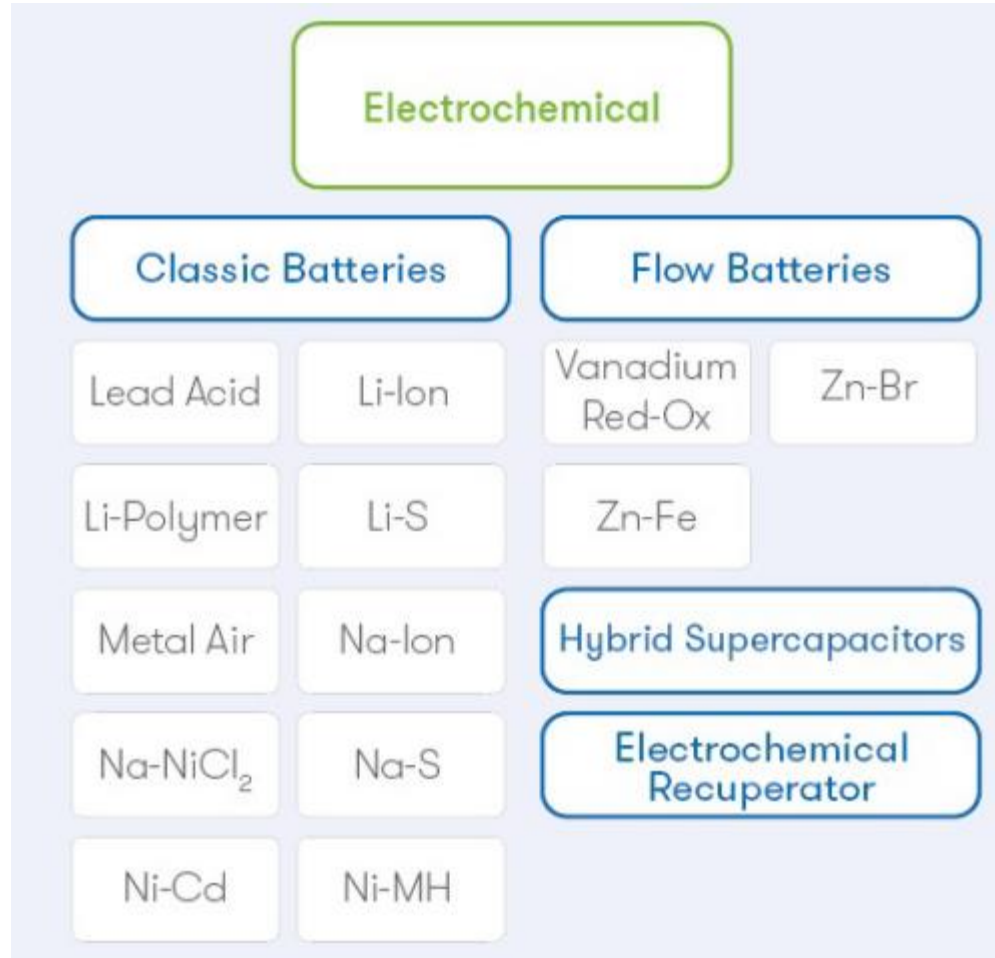


The energy system is changing

In 2030, the landscape will be completely different



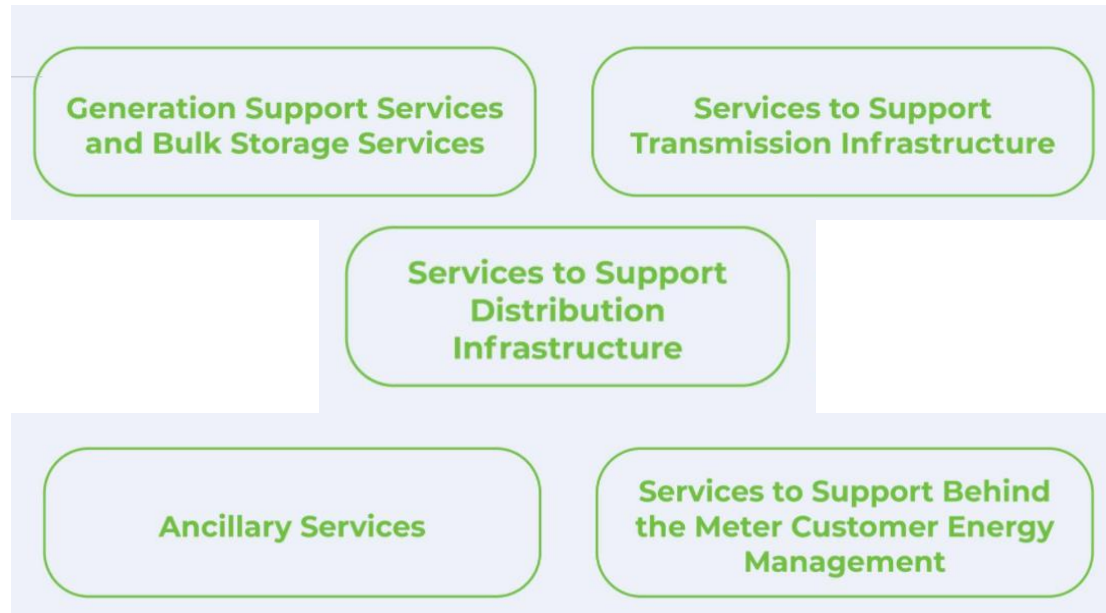
Batteries are key enablers!



We need a wide array of energy storage/battery technologies to be able to address the flexibility needs and support the energy transition

Different battery technologies are complementary for their performance...

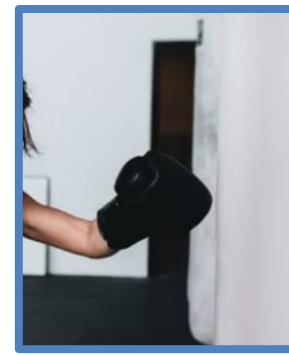
Batteries are key enablers!



... Different battery technologies are complementary for their **applications**

Punch Number 1

EU Industrial and Research Initiatives

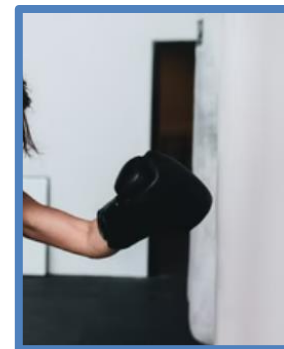


Why is Punch Number 1 – Industrial and research initiatives – needed?

- European research in batteries is excellent in several fields along the battery value chain...**but structure and EU-wide coordination efforts were needed**
- The EU industry has a strong presence in several sectors of the batteries value chain, but it is not self-sufficient and Europe is **not as strong in manufacturing battery cells as competitors** from outside of Europe.

Punch Number 1

EU Industrial and Research Initiatives



**European
Battery
Alliance**

EU Battery Alliance (EBA)
Creating a competitive
manufacturing value chain



Batteries Europe
Reunite R&I stakeholders to set
priorities and mobilise resources

**BATTERY
20-30+**

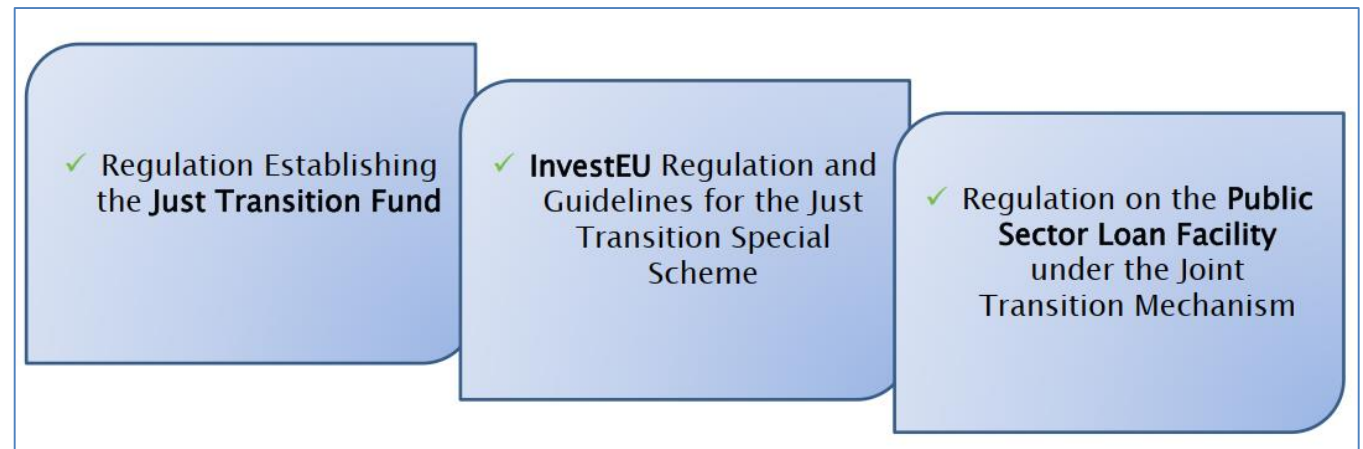
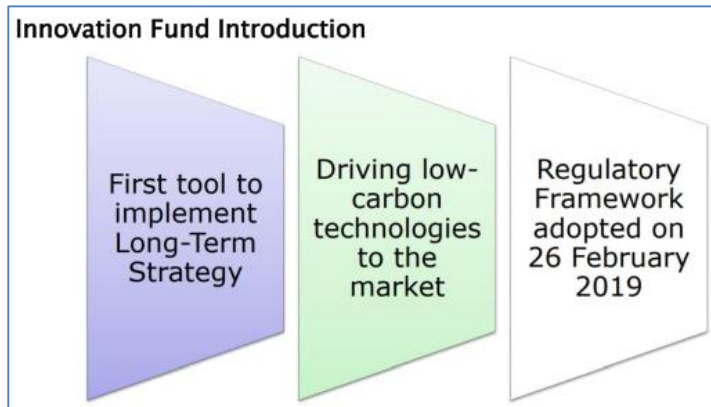
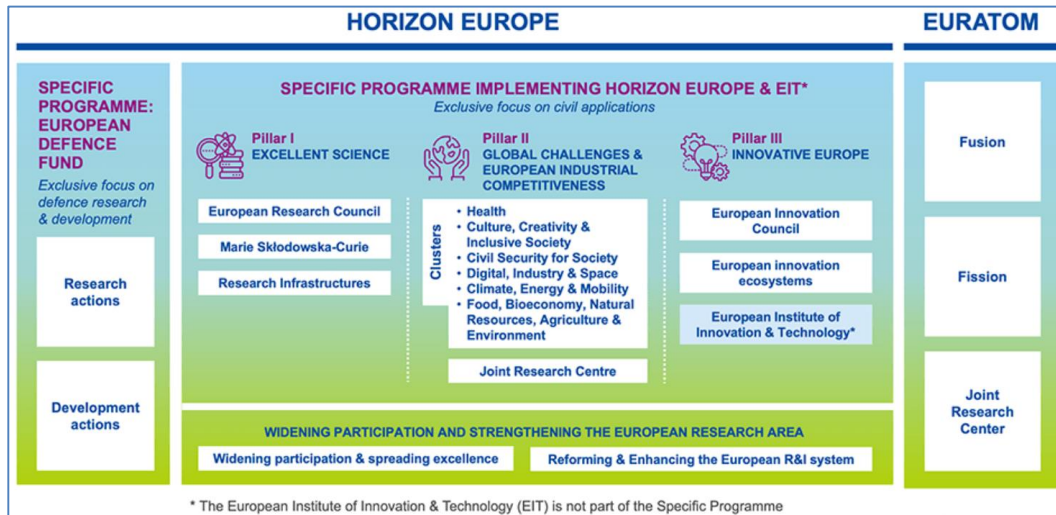
Batteries 2030+
long-term research
programme



1st, 2nd IPCEIs
Reunite stakeholders to
upscale and innovate

Also to keep in mind

Several EU instruments also support the battery value chain



Important to keep in mind – CBAM

The new CBAM mechanism will have an effect on batteries

Battery manufacturers importing in Europe and battery manufacturer based in the EU but importing raw materials from third countries will be especially affected, as different materials needed for battery production would fall into the categories at risk for carbon leakage, and are therefore included in the CBAM (such as iron and steel).

Embedded emissions in all goods will be calculated
through a specific methodology

New Batteries Regulation – 2022



Why was Punch Number 2 – new legislation needed?

The decision of choosing a Regulation over a Directive aims to tackle some perceived failures/ insufficient functioning of the EU internal market:

- Absence of a complete set of rules for batteries placed on the market
- Uneven implementation of obligations across EU Member States
- Existence of barriers to the functioning of recycling markets

New Batteries Regulation – 2022



What are the objectives?

Objectives:

1. Harmonise product requirements for batteries
2. Minimise the environmental impact of batteries
3. “Close the loop” by encouraging reuse and improving batteries collection and recycling of materials
4. Provide legal certainty to unlock investments and boost the production capacity for sustainable batteries in Europe and beyond

New Batteries Regulation – 2022



How does it plan to achieve such objectives?

Provisions:

1. Sustainability requirements – *Ok, but not technological neutral, trigger negative behaviours*
2. Safety requirements – *SReq not up-to-scratch*
3. Performance and durability requirements – *feasible for EVs but not for whole ES!*
4. Labelling, information requirements, e.g. on hazardous materials – *ok, must be simplified*
5. End-of-life management – increased separate collection, recycling and materials recover – *a step forward*

The Batteries Regulation is currently only a proposal; it may undergo significant changes!

Final Messages

It is key to invest in battery storage; Industry Initiatives and R&I are key and can make Europe a technological leader

It is paramount to allow for a level-playing field between different technologies – policymakers should not pick technology winners

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- **the future storage market**

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Day 2 – POLICY

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Day 3 – TECHNOLOGY

What Will Be the Next Breakthrough Technology?



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