European Association for Storage of Energy

EASE Position Paper on the Batteries Regulation Proposal

Brussels, April 2021

Introduction

EASE – The European Association for Storage of Energy welcomes the proposal for the new Batteries Regulation: although several criticalities are present, it is a step forward to tackle several of the barriers that currently hinder the battery market. Importantly, it considers the "stationary battery energy storage system" for the first time.

1. Clarify classifications and definitions

EASE would like to underline that the current classifications and definitions, especially in the context of stationary storage, may need further clarification. Besides, there is a weight limit of 5 kg to differentiate portable from industrial batteries; but it should be noted that there are several industrial batteries below 5 kg.

The definitions need to reflect the reality and evolution of stationary storage in a.o. domestic, institutional, grid services, facilities, agriculture, and industrial settings.

2. Rely on stakeholders for the elaboration of the carbon footprint calculation methodology

The carbon footprint calculation is a complex topic that needs appropriate discussion between policymakers and industry. It is paramount to have a regulation that promotes sustainable batteries. In this sense, it is hard to assess to what extent the carbon footprint calculation provisions will have a positive effect: without a proper methodology, it may be ineffective at delivering a correct picture of batteries' environmental sustainability.

Appropriate product environmental footprint category rules, properly regulated scopes, and technology-specific methodologies are needed to ensure appropriate calculation of the different battery technologies and comparable results. It needs to be noted that the methodology development should also cover the technologies which are not currently dominating the markets. Besides, to meet the EU's climate objectives, it may be needed to comprehensively consider environmental aspects on top of the carbon footprint itself.

3. Rely on existing hazardous substances legislation, avoid overlapping norms

EASE believes that the norms on hazardous substances in the proposed Batteries Regulation overlap with e.g. the existing norms of the REACH Regulation. Such overlapping will lead to legal uncertainty: policymakers should rely on existing pieces of legislation for hazardous substances.

EASE also sees a real risk that the excessive amount of restrictions on chemicals, based on their hazard properties alone, will lead to interruption of production where several types of chemical substances are concerned. It is also important to ensure that, once the Batteries Regulation will replace the current Batteries Directive, new, unexpected burdens will not be triggered - for example, in the context of Restriction of Hazardous Substances in Electrical and Electronic Equipment. Evaluation and communication on which restrictions apply to batteries (as there are all the different types of batteries designed for very different applications), needs to be carefully done.

4. Remove minimum shares of recovered material obligations - Article 8

Mandatory minimum shares of recovered materials may lead to negative, unforeseen consequences. Going against the Regulator's objectives, this would not improve the efficient use of raw and recycled materials. It would make the recycling process more difficult and expensive and add an additional administrative reporting burden.

It is also not clear that, in 2030, there will be sufficient recycled material available to meet the recovered material target requirements in new batteries, in particular when batteries may be re-used or re-purposed for second-life. Additionally, battery industry stakeholders may need these recycled materials for different uses within the industry, contributing therefore more efficiently to sustainability objectives. Importantly, there would be considerable difficulties related to determining the percentages of materials coming from batteries vis-a-vis the share of newly produced materials.

In summary: it is important to recycle as part of overall material efficiency within the industry. Minimum recycled content will divert industry resources towards meeting administrative targets and will not help nor strengthen the circular economy. Looking towards the 2030 horizon and beyond, the battery industry is expected to dramatically change and evolve: imposing minimum shares of recovered material obligations will reduce the flexibility of the sector to use materials effectively and efficiently which includes reuse, re-purposing and recycling of materials and equipment.

5. Remove norms related to performance and durability - Article 10

On the topic of performance and durability, EASE does not see the need to tackle the issue through a Regulation: the matter should be left to the market. The introduction of specific provisions through a Regulation may hamper innovation. Specific customers have specific requests for specific battery solutions.

The Annex included in the regulation has a broader scope than Article 10, which is related to specific battery types, and since batteries are sensitive to customers' demand (as just highlighted), it can be problematic to have a single standard. There are hundreds of different uses and services for all the different battery technologies – making therefore regulating performance and durability not only counterproductive, but also extremely challenging. It should also be considered that, as highlighted in other section of this document, the battery sector is rapidly changing, with new products, services being developed.

6. Streamline information reporting obligations

Regarding labelling, the Regulation proposal requires a significant amount of information, while also relying on different systems (e.g. QR Code, printings). This appears to lead to overlapping: there has to unified guidelines, which must be clear and not lead to unnecessary bureaucratic and financial burden, which would impact especially smaller companies.

On the battery passport, it may become a great information tool for customers and interest groups, if the administrative burden is properly addressed. Concerns on battery management system norms are discussed in the next section.

7. Understand that some batteries operate without a battery management system

The proposal requires batteries to rely on a battery management system (BMS): while such a system is needed for Li-Ion batteries, it is not needed for all battery technologies (e.g. Nickel or Lead-based batteries, flow batteries, all perfectly safe without a BMS).

The current proposal may have as a consequence an unnecessary expenditure of materials and resources, leading to waste. In addition, it is unclear if there would significant added value in the context of storing information for second use.

8. Further elaborate and clarify batteries repurposing standards

EASE welcomes provisions related to second-life batteries. When repurposing batteries, it is required to make available not only elements allowing to determine the state of health of the battery but also the relevant data to realise a prognosis on its second-life purpose. For this, and at least, the chronic of first life utilisation is compulsory. EASE believes valuable data to share for the repurposing of the battery should be at least: temperature, depth of the charge and discharge, power feed-in/withdrawn.

EASE appreciates that the legislative proposal harmonised definitions, although it may fall short in addressing technical difficulties. To reduce costs and provide guarantees on the performance and lifetime of the second-life batteries, it is paramount developing or improving standards, preferably compatible with global ones. Such standards should be aimed at, firstly, testing and grading processes of battery packs, modules, and cells that are intended for a repurposed use application. Secondly, at implementing specific processes to repurpose, remanufacture, and accommodate batteries in the grid. Finally, at simplifying and harmonising market compliance at the EU level.

9. Make sure European Standardisation Organisations are fully involved in the standards development

On the topic of standards, it is paramount that European Standardisation Organisations play a key role in their development. Inputs and comments from experts, e.g. in the context of CENELEC, have not been appropriately taken into account, while a lack of transparency has been witnessed. This has led to a mismatch between the proposed regulation and the related Request for Standardisation.

There are also legal uncertainties - e.g. in the context of Article 16, which allows the Commission to bypass European Standardisation Organisations and rely on the Joint Research Centre in case of “undue delays” and if “relevant harmonised standards are not sufficient”. This may be problematic and at the very least deeply unclear. Standards are key for e.g. battery manufacturing and recycling – something the Regulation may fall short of from a technical perspective. Standards are also important for safety of energy strorage systems – a topic that EASE and its members have dear and where further work is necessary.

To conclude, Article 16 would hinder the establishment of harmonised standards and create unnecessary obstacles. European Standardisation Organisations should not be sidestepped.

10. Ensure the social and environmental sustainability of batteries

EASE welcomes the introduction of provisions related to critical raw materials, such as due diligence. It is key to ensure environmental and social sustainability across the battery value chain, and incentivise environmentally sustainable batteries. It may be interesting to highlight that the proposed regulation does not change how the current Directive operates with respect to export to third countries. The existing norms already prescribe standards for third countries receiving batteries from the EU and handling recycling.

11. Develop sound, science-based, collection and recycling efficiency targets

EASE welcomes the introduction of ambitious collection and recycling efficiency targets. Still, it must be highlighted that it is unclear how realistic the recycling efficiencies and material recovery targets are. To assess that, a methodology showing how the calculations will be made is needed.

Besides, it may be important to underline some challenges for manufacturers: if materials are cheap, abundant and environmentally friendly, recycled batteries have no value and therefore recycling is a pure cost. This hinders competition and prevents innovation. It is paramount that policymakers will support the development of the full recycling supply chain for the different battery technologies.

Conclusions

The Batteries Regulation proposal is positive from several points of view. However, as highlighted in this document, there is significant room for improvement, and must be more precise a.o. on the “stationary battery energy storage system” issues. In its current form, the Regulation is not in keeping with EU circular economy principles set out in the CE Action Plan and may actually hinder the ambitious EU battery development goals as well as the uptake of battery technologies across the range of potential storage applications.

EASE believes creating a level-playing field is key. Some of the proposals in the draft Regulation provisions go in this direction - e.g., the recognition that different types of batteries are needed for different applications. But elsewhere, in some articles, the reverse is true. The focus seems to lie on specific battery solutions, e.g. current battery technology market leaders. This is not in keeping with a technology-neutral approach, and risks hampering innovation and technology lock-in.

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About EASE:

The European Association for Storage of Energy (EASE) is the leading member - supported association representing organisations active across the entire energy storage value chain. EASE supports the deployment of energy storage to further the cost-effective transition to a resilient, low-carbon, and secure energy system. Together, EASE members have significant expertise across all major storage technologies and applications. This allows us to generate new ideas and policy recommendations that are essential to build a regulatory framework that is supportive of storage.

For more information please visit www.ease-storage.eu

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Disclaimer:

This response was elaborated by EASE and reflects a consolidated view of its members from an energy storage point of view. Individual EASE members may adopt different positions on certain topics from their corporate standpoint.

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