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European Commission
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Subject: Policy priorities of the European battery industry for the remainder of the legislative term 2019-2024

Dear Director-General Fink-Hooijer,

At the beginning of this legislative term, the European Commission set out the Green Deal, Europe's ambitious plan to achieve net-zero carbon emissions in Europe by 2050. Now, there are fewer than two years of EU policy-making left before the political focus will shift towards the next European elections and the appointment of a new Commission leadership.

Considering the time that is left and the volume of political goals set in 2019, we believe the Commission's agenda needs to be streamlined and the most strategic objectives prioritised. With this letter, the EU battery industry wishes to suggest the legislative and non-legislative solutions the Commission should focus on for the remainder of its mandate.

The EU battery industry is one of the drivers of the energy transition and the achievement of the goals of the European Green Deal will be heavily reliant on batteries. Batteries are critical to decarbonising individual mobility, public transport, mobile networks and Europe's digital architecture. They store clean electricity to reduce emissions from the energy sector, as well as various other industry sectors. This vital role is accentuated by the need to decarbonise both mobility and energy.¹

To continue to support the Green Deal, the EU battery industry needs a coherent regulatory framework to secure sustainable investment along the entire value chain, including EU battery manufacturing and battery recycling. We have therefore provided a list of key legislative and non-legislative priorities for enabling the battery industry to continue thriving and supporting the EU as the global climate champion.

1. Legislative priorities

There are a number of legislative proposals relevant to the battery industry that have been launched or will be launched in the near future. A key demand of EUROBAT is to ensure legislative coherence across these different initiatives and their policy objectives. This has only been partially achieved so far.

a. Batteries Regulation: Of all the policy measures launched by this Commission, the Batteries Regulation is certainly the most critical for the sector. With the inter-institutional negotiations ongoing since April of this year, we still see three critical issues for the industry:

- I. A **grandfather clause** is necessary to ensure batteries with designs fitting specific applications can continue to be placed on the EU market after the Regulation is enforced. This is particularly important

¹ In 2021, sales of new EVs reached a record 6.6 million and annual renewable energy capacity increased by 6% to around 295 GW. The demand for batteries is set to grow accordingly. EUROBAT forecasts a five-fold global battery market growth from 645 GWh in 2020 to 3,495 GWh in 2030 across all battery technologies, with lead and lithium poised to remain the dominant technologies.



for mass transportation, including trains and aircraft already in service. If the batteries integrated into their design cease to be supplied, there is a risk that these modes of transport may have to stop operating. Without certainty about the future usage of current battery designs, it is extremely difficult for battery manufacturers to focus on innovations that would increase appliance efficiency and further cut emissions.

II. The **definition of a battery** is of fundamental importance because it has implications for the level playing field between batteries manufactured in Europe and batteries imported into the EU. To avoid additional administrative costs for batteries, modules and packs produced in Europe compared to ready-for-use imported batteries, the definition should refer to finished products that are ready to use. The wording as it is in the Batteries Regulation, giving battery status to a component or sub-assembly manufactured by an entity further up the battery supply chain, should be avoided because it creates confusion and severe implementation difficulties.

III. The **definition of a battery producer** assigns producer status to different players along the value chain, which comes with responsibilities for the end-of-life management of batteries. The definition should, therefore, assign producer status to the appliance or vehicle original equipment manufacturers (OEMs) who integrate batteries in their appliances and vehicles. Only OEMs have complete visibility over the whereabouts of the batteries embedded in their appliances and vehicles, so they are best placed to take batteries back at the end of their lifetime. Battery manufacturers have no way of knowing the location of batteries placed on the market integrated in different appliances and vehicles. Therefore, it is impossible for them to take back spent batteries efficiently. The significant resources that would go into tracking spent batteries should be channelled into innovation instead.

b. End-of-Life Vehicles (ELV) Directive: Automotive lead-based batteries are included in the scope of this Directive, dating from the year 2000. Given the Batteries Regulation and preparatory work on the REACH revision, we believe that now is a good moment to provide long-needed clarity on the interconnections between these different legislative measures. Therefore, the review of the ELV Directive should also still be a priority for this Commission's term.

Specifically, batteries should be excluded from the scope of the review of the ELV Directive because of the clear provisions included in the Batteries Regulation proposal regarding battery design, hazardous substances and extended producer responsibility for all battery technologies, including the larger BEV and storage batteries. The management of hazardous substances under the ELV Directive needs to be consistent with REACH and other relevant waste legislation. Furthermore, socioeconomic considerations, as well as the availability of technically equivalent alternatives for batteries, should be included in the ELV Directive review.

c. Chemicals legislation: Batteries are sealed articles that do not release hazardous substances during intended use. Batteries should therefore be explicitly exempted from generic restrictions on the most harmful chemicals under the Generic Risk Approach (GRA) Roadmap to be developed in conjunction with the REACH revision.

The design of the essential use criteria should allow all battery chemistries to be recognised as necessary and critical for the EU economy and society at large.

We also call on the Commission to ensure that authorisation requirements will not apply to the use of lead metal in battery manufacturing. Uncertainties around lithium salt classifications should be lifted through a re-evaluation at scientific level before their inclusion in Annex VI to the CLP Regulation.

d. Industrial Emissions Directive (IED): Battery manufacturing and assembly should not be included in the scope of the IED. Resources should instead be allocated to the update of relevant Best Available Techniques



reference documents (BREFs) for processes used in the battery manufacturing supply chain, such as the processing of non-ferrous metals or the production of metal oxides. Moreover, the battery industry objects to establishing the lowest end of the best available techniques-associated emissions limits (BAT-AELs) as a basis for setting emission limits in permits.

2. Non-legislative priorities

In 2017, the European Commission launched the European Battery Alliance (EBA), which has since then played a key role in the development of a battery ecosystem in Europe. However, today's geopolitical reality requires a comprehensive review of the 2018 Strategic Action Plan on batteries, including an assessment of the initiatives – important projects of common European interest (IPCEIs) – that spurred common investments in additional EU-based manufacturing plants for batteries.

What is now required is a comprehensive policy support framework for mining, battery materials, battery manufacturing and recycling that would integrate the different initiatives and legislative reviews by the Commission. This would include the Batteries Regulation, REACH review and the forthcoming raw materials strategy. Such an assessment, however, should not be carried out with just a few corporations and the European Commission, but with all relevant stakeholders, including industry representatives. EUROBAT is ready to contribute constructively to this process.

We look forward to your feedback and would greatly appreciate the opportunity to discuss our suggestions with you at your earliest convenience.

Yours sincerely,



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