

### Written evidence submitted by Zenobē (IND0027)

We are providing evidence to this inquiry in our capacity as the UK's largest independently owned battery storage operator and fleet electrification specialist.

Zenobē maximises renewables and accelerates the transition to electrification. Our batteries sit at the heart of the energy system, capturing electricity that would otherwise be wasted and using it to support the grid and fuel transport. We support fleet operators to transition from diesel to electric and repurpose EV batteries in second-life applications.

#### How can UK plc capture its fair share of the economic potential of emerging or less developed energy technologies?

Zenobē is a specialist in grid-scale battery storage, fleet electrification and EV battery repurposing. We have >730MW battery storage live and under contract and support >1,200 electric buses and trucks in the UK.

#### Clean energy technologies already attract investment

Since 2017, we have raised over £2.1bn of debt and equity, including £870m of equity by global investor KKR and our existing shareholder Infracapital. These investments demonstrate the economic potential of these sectors, and battery-based technologies specifically.

As a business Zenobē has completed several successful financings including a £147m long-term debt fund for battery storage projects, announced in January 2024, and a £410m facility electric bus financing platform announced that same year. We continue to work in partnership with 13 banks and other financial institutions to develop cutting-edge financing to support the UK's decarbonisation ambitions.

#### Unlocking new sectors

Zenobē also repurposes electric vehicle batteries at the end of their first useful economic life. Whilst the UK lacks the critical raw materials, we could be a global leader in battery manufacturing, repurposing and recycling. The [economic and environmental benefits](#) are clear but to achieve these requires a strategic approach to battery repurposing, recycling and supply chain integration.

Providing incentivisation and support to integrate second-life batteries (instead of new 'first life' batteries) in certain sectors – for example as an alternative to diesel generators in construction and events – would support the business case for second-life batteries in the UK where currently they cannot compete on pure economic terms.

Further, a renewal of the Battery Strategy would provide clarity of direction to manufacturers and integrators of clean technologies that has not yet been given.

**Comment [GM]:** Would add a call for the UK's battery strategy to be updated. Sustainable use of critical resources, etc.

**Comment [GM]:** Could reference this report on potential: [Second-life Electric Vehicle Batteries 2019-2029: IDTechEx](#)

**Comment [GM]:** "Whilst the UK lacks the critical raw materials, we could be a global leader in battery manufacturing, rebalancing and recycling"?

Developing a second-life battery sector in the UK provides multiple benefits:

- Encouraging battery repurposing will ensure efficient collection and reuse of critical materials, developing a local supply chain and reducing reliance on imports. It will also alleviate pressure on recycling facilities which have not yet achieved economies of scale as EV batteries from buses, trucks and passenger cars are not yet at end of life.
- Developing a battery repurposing industry and local supply chains will also support local industry and a new skilled workforce. This will enhance national resilience in battery production and strengthen the supply chain.
- Recognising the second-life value of batteries – their residual value – and reducing recycling costs will lower the total cost of ownership for EV batteries, making them more viable for fleet operators.

As part of Zenobē's battery-as-a-service offer, we recognise the residual value of EV batteries and reflect this in the financing we offer. By financing the EV battery, we take on the risk of lumpy battery replacement costs across the vehicle life and give operators certainty that the battery will perform as required. This encourages EV adoption as well as supporting net-zero goals and reducing reliance on fossil fuels.

*February 2025*