

## **Department for Business, Energy and Industrial Strategy – Supplementary written evidence (BAT0050)**

*Letter from The Rt Hon Anne-Marie Trevelyan MP, Minister of State for Energy, Clean Growth and Climate Change at the Department for Business, Energy and Industrial Strategy following an evidence session on Tuesday 8 June.*

I am writing to follow up on points raised at the oral evidence session of your enquiry into the Role of Batteries and Fuel Cells in Net Zero held on 8 June 2021.

There were two issues into which I agreed to look. The first, raised by Baroness Brown, concerned the evidence that the UK can improve its attractiveness for investment sufficiently to challenge the global leaders in either batteries or fuel cells. The automotive sector is going through a period of significant transformation and Government is committed to putting the UK at the forefront of the design and manufacturing of zero emission vehicles. Strengthening the current R&D ecosystem and manufacturing capability for key technologies and components is an integral part of the Government's plans for green growth, levelling up across our country and driving emissions to net zero by 2050.

Securing investment in battery cell manufacturing (gigafactories) and the upstream supply chain is an absolute priority for Government and the Government investment seeks to maximise on this opportunity by targeting strategically important parts of the EV supply chain and focusing on where the UK has an existing comparative advantage or where there is potential to grow. The Prime Minister has tasked BEIS and the Office for Investment to lead efforts on securing investment in gigafactories, working closely with relevant departments across government.

As part of the Prime Minister's 10 Point Plan, we announced that the first £500m of the £1 billion previously committed would be made available through the Automotive Transformation Fund (ATF) over the next four years to support late-stage R&D and capital investments to enable the critical parts of the battery supply chain to locate in the UK. This includes the manufacture of battery components such as cathodes and anodes (which make up a large part of a battery's value).

Government is proactively engaging with potential investors in these technologies and working hand in hand with local authorities and other relevant stakeholders. We are building a strong pipeline of potential investments, but it would not be appropriate to comment on the detail at this time.

The Government is also investing £318m, through the Industrial Strategy Challenge Fund, in the Faraday Battery Challenge, to put the UK at the global forefront of the design, development, manufacturing, and recycling of electric batteries. This includes support for the UK Battery Industrialisation Centre (UKBIC) in Coventry which provides an open access facility to accelerate the development of cost-effective, high-performance, durable, safe, low-weight and recyclable batteries.

The second question was raised by Lord Kerbs. This concerned the recycling of batteries and whether we are intending to align our regulations on battery recycling with those in other jurisdictions. The Government's December 2018 Resources and Waste Strategy committed us to reviewing the existing approach to batteries recycling, and that review is underway led by Defra. The intention is to publish a consultation document on proposals for the end of this year. Defra is engaging widely on the review, including with industry and is mindful of wider developments, including the EU's proposed new Batteries Regulation published in December 2020. That draft Regulation is subject to continuing negotiations within the EU, and we are keeping a close eye on its progress.

*22 June 2021*