

# Reasons for the low valuation of new energy batteries

Why are battery prices so low in 2023?

When we talk about the battery from, let's say, 2023 to all the way to 2030, roughly over 40% of the decline is just coming from lower commodity costs, because we had a lot of green inflation during 2020 to 2023. The level of those metal prices was very high. What's enabling battery makers to increase energy density so dramatically?

Why are batteries so expensive?

There are two main drivers. One is technological innovation. We're seeing multiple new battery products that have been launched that feature about 30% higher energy density and lower cost. The second driver is a continued downturn in battery metal prices. That includes lithium and cobalt, and nearly 60% of the cost of batteries is from metals.

Why is the demand for NEV batteries increasing?

In recent years, the explosive development of NEVs has led to increasing demand for NEV batteries, which has led to the rapid development of the NEV battery industry, resulting in increasing prices of raw materials manufactured and sold by raw material manufacturers, i.e., the upstream battery industry.

Why is China developing the NEV battery industry?

As the largest developing country, China has been adhering to the spirit of "pursuit of excellence" and has invested a lot of manpower and material resources in science and technology innovation, and the NEV battery industry is just one of the projects. The Chinese government has introduced support policies to develop this industry successively.

How will a lack of policies affect the NEV battery industry?

As a core component of NEVs, the battery itself is market-driven by policies, and the lack of continuity in supporting policies will leave the NEV battery industry without supporting policies in the long run, which may slow down the development of the whole industry.

How to reduce the production cost of batteries?

On the other hand, it is possible to reduce the production cost of batteries by giving some tax incentives to battery manufacturers or manufacturers of core components of the battery industry based on overall considerations of their production quality, sales performance, innovation ability, customer satisfaction, and other aspects.

The global energy transition relies increasingly on lithium-ion batteries for electric transportation and renewable energy integration. Given the highly concentrated supply chain of battery ...

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Rapid adoption trends of batteries must accelerate to meet global net-zero targets for mobility and stationary storage, and will require making sound investments in battery innovation that deliver the most value.

For these reasons, ... 2020 the EU Commission has proposed to revise its legislation on batteries, in the frame of the New Circular Economy Action Plan (Pantzar and Suljada, 2020). This represents the first initiative of legislative revision in accord with the proposed European Green Deal action plan, that has the aim to increase the sustainability of EU ...

Our researchers forecast that average battery prices could fall towards \$80/kWh by 2026, amounting to a drop of almost 50% from 2023, a level at which battery electric vehicles would achieve ownership cost parity with gasoline-fueled cars in the US on an unsubsidized basis. Source: Company data, Wood Mackenzie, SNE Research, Goldman Sachs Research.

These batteries can be repurposed for other low-demand applications such as grid energy storage, mobile power supply, and low-performance transportation. This approach extends the battery's lifespan, improves resource utilization, and reduces energy storage costs. However, due to the non-uniform specifications of recycled batteries, compatibility issues arise ...

Analysts reassured us that the price surge was due to short-term factors, and that the long-term trend of price decreases would likely resume in 2023. They were right.

At current prices, the technology is becoming viable in supporting regional electricity grids, increasing the value of renewable energy projects and powering electric vehicles, Aside from...

Electrical road transport has disruptively changed the automotive industry value chain. In this new value chain, there are new key players that provide batteries and their components, electric power systems, and recycling and reuse services which determine whether the produced EVs have low environmental impact, follow emissions legislation, and ...

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A well-timed scale-up of production over the whole battery value chain will be the main challenge for any battery technology if the NZE mobility targets are to be met. However, the resource depletion of Li, Co, and Ni is unlikely to be a limiting factor for LIBs even under the extremely demanding NZE scenario. In a broader sense, a geographically distributed ...

As one of the core technologies of NEVs, power battery accounts for over 30% of the cost of NEVs, directly determines the development level and direction of NEVs. In 2020, the installed capacity of NEV batteries in

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China reached 63.3 GWh, and the market size reached 61.184 billion RMB, gaining support from many governments.

Silicon is a promising alternative to the conventional graphite anode in high-energy lithium-ion batteries owing to its high gravimetric capacity. However, intrinsic issues, such as severe volume ...

In the wake of the European elections, new research reveals Europe's battery rollout is lagging behind the rate required for renewable energy targets, and growth could slow further over the next three years, explains Jean-Marc Guillou, chief technology officer for energy storage systems at Socomec.

New York, December 10, 2024 - Battery prices saw their biggest annual drop since 2017. Lithium-ion battery pack prices dropped 20% from 2023 to a record low of \$115 per kilowatt-hour, according to analysis by research provider BloombergNEF (BNEF). Factors driving the decline include cell manufacturing overcapacity, economies of scale, low ...

2.1 Green Development. In 2018, the State Council released the Three-Year Action Plan to Win the Blue-Sky Defense War, which requires provinces, municipalities, and autonomous regions to adjust their energy structures and promote the scope of application of new energy vehicles and other clean energy vehicles [].The other important goals of green ...

The Caofeidian System "Demonstration Project of Echelon Utilization of Power Battery Energy Storage", Nanjing Jiangbei Power Station of Energy Storage, Zhengzhou "Demonstration Project of Decommissioned Battery Energy Storage" and other key demonstration projects have been also completed. Several leading enterprises of echelon utilization, such as ...

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