

# IENE Comment

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*By Irina Slav\**

In July, a truck carrying EV batteries overturned on a California highway. A fire ensued and blocked thousands of people in traffic for hours while firefighters tried to put out the fire. Battery fires are notoriously difficult to put out—and they have been happening more frequently.

The reason for this, of course, is the rush to electrify everything that can be electrified, especially in transport. But the fire hazard that are batteries has not exactly been addressed, possibly because there is little anyone can do about it. Alas, it's not just the fire hazard that is a problem.

Hertz recently reported second-quarter results that one analyst called abysmal and said it was having trouble selling its fleet of EVs after they failed to live up to the promise of turning into a mainstay of the rental car major's operations. The second-hand market for EVs as a whole is abysmal. No one wants to risk saddling themselves with a damaged battery.

It is an unpleasant fact but that doesn't make it less of a fact: batteries make EVs unreliable, besides making them more expensive than alternatives. What's perhaps more pertinent to the European energy system, batteries have the same drawbacks in EVs as they do in energy storage.

Battery storage is all the rage. Everyone seems to be working on some sort of a better battery to make storage more reliable, more energy dense and possibly cheaper. Yet Rystad Energy recently reported that investments in battery tech was about to drop this year — for the first time since 2020.

“The market seems to be going through a correction. There is growing concern about overcapacity, as too much investment has been made in the sector in a short period of time.” The grim comment comes from the president of Jeonbuk Institute of Automotive Convergence Technology, a South Korean entity involved in batteries. It is an excellent summary of the situation, which now has South Korean battery makers struggling to stay afloat after betting on skyrocketing demand for EVs that never materialized and now sales are on the decline, even. Because of batteries.

It is batteries that cost the most to replace and that need to be replaced even after a fender bender because you never know how much damage that fender bender has done to the intricate system of battery cells—and that damage can be flammable.

Yet it is also batteries that European governments want to build in order to fix the biggest problem with wind and solar: intermittency. Battery storage has been called the Holy Grail of the transition, a silver bullet solution to the intermittency problem and yet big batteries are still rare, compared to the amount of installed wind and solar capacity.

This is because battery storage takes up a lot of space that has become increasingly valuable as wind and solar expand. Also, batteries for storage arrays are expensive. And that means that the electricity stored and then sold from batteries would be expensive, too. Just like backup generation is more expensive because it only operates some of the time. They are also flammable, just like EV batteries.

A large battery storage installation in California caught fire earlier this year. It took about a week to get the fire down and it will take a lot longer to convince locals that battery storage is a good idea. Still, batteries continue to be touted as the solution to the wind and solar problem, although the cost of that solution is mysteriously omitted.

Yet if EVs are any indication, battery storage is little more than a niche market—and a risky one, at that. One short circuit and the whole thing becomes a total loss. Insurers already dislike EVs intensely because of their high-cost coverage. They will probably dislike battery storage equally intensely—and that won't do much for the technology's lower costs.

It may be time to stop trying to make the unworkable workable. Battery technology has made life a lot easier and convenient. Abusing it, however, in order to electrify transport and relying on it for energy storage, is going a step too far—and it is an expensive and risky step that will not even guarantee electricity supply reliability.

In fact, it will guarantee the opposite because one thing that is easily forgotten is that while normally a battery storage array would soak up excess output during the day, not all days are equal and on some there may not be excess output – or much of an output at all.

Battery technology certainly has its place in efforts to decarbonize human life on Earth. It is not, however, the universal place that so many assign it. The sooner we acknowledge this, the better for our future energy security.

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**IENE Comment – AUGUST 08, 2024 - Issue No.38– ISSN:179-9163**

IENE Comment is published by the INSTITUTE OF ENERGY FOR SOUTH-EAST EUROPE (IENE)

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