

5 Cutting-Edge Innovations Redefining Battery Technology Right Now

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In 1991, Sony ushered in a new era of growth in consumer electronics by first commercializing a rechargeable lithium-ion (li-ion) battery. Sony's camcorders were among the first devices to make use of the technology. Since then, li-ion batteries have become so ubiquitous that today, we often take their role in our mobile phones and laptops for granted.

However, battery technology is now at another turning point—one that promises to evoke a level of amazement for the world comparable to, if not surpassing, that of 1991. This blog post explores five cutting-edge innovations in the realm of battery technology that are captivating the industry, consumers and investors alike.

WisdomTree Battery Value Chain and Innovation Fund (WBAT)

The innovations outlined in this post are a handful of examples taken from the [WisdomTree Battery Value Chain and Innovation Fund \(WBAT\)](#). It invests across the battery value chain, which is a function of four key categories—raw materials, manufacturing, enablers and emerging technologies. Within those categories, the Fund gives investors exposure to as many as 37 different sub-sectors. The most promising technologies and companies are selected based on a systematic process developed in partnership with energy transition industry experts Wood Mackenzie.

At WisdomTree, we believe that when it comes to rapidly evolving technologies, casting the net wide is not only a good idea to achieve diversification for all the traditional reasons we recognize when investing, but also helps investors capture a broader mix of potential moonshots—any of which can end up achieving outsized returns if the technology takes off.

1. An Electric SUV that Flies

Joby Aviation, a Silicon Valley startup, is promoting its electric vertical take-off and landing (eVTOL) aircraft, capable of accommodating up to five passengers, including the pilot, to provide an experience more akin to riding in an SUV rather than an airplane. These flying SUVs are powered by a li-ion battery, boasting a top speed of 200 miles per hour. They fly quietly, like an electric vehicle (EV), emit zero running emissions, and promise a range of 150 miles on a single charge.

On November 13, the company successfully conducted an exhibition flight over New York City, where it plans to introduce its eVTOLs as commercial air taxis by 2025. Markets have been closely monitoring and expressing considerable enthusiasm for companies like Joby and its close competitor, Archer Aviation, as they make strides toward realizing their visions. In just a few years, people might be taking to the skies by simply summoning an Uber. Anyone up for a flying taxi?

2. Batteries on Wheels

Private cars typically remain parked around 95% of the time. In the case of EVs, the battery stands out as the most valuable component. Could EV owners extract more value from their cars when they're not in use or on the road?

Vehicle-to-grid technology facilitates a reversal of current flow. Rather than solely drawing charge from the grid, EVs equipped with this technology can tap into their stored battery charge and redirect the current outward. This energy can power homes, potentially reducing or eliminating the need for homeowners to acquire an additional battery when installing solar panels. Additionally, EV owners might save money by charging at a lower tariff overnight and then selling back to the grid at a higher tariff during peak hours.

Energy company EON and Nissan are collaborating to trial this technology, generating considerable excitement among governments worldwide. Many car manufacturers have begun offering bidirectional charging functionality to distinguish themselves, especially now that nearly every original equipment manufacturer seems to have mastered the development of an EV.

3. Currents of Change—Electric Naval Technology

Boats and ships represent an exciting frontier in battery technology. While large deep-sea vessels such as cruise ships and cargo ships may not achieve full electrification in the near future, they have begun embracing hybrid technology to reduce emissions. Hybrid vessels are also exploring the integration of solar panels to enhance efficiency and are utilizing ports equipped with renewable energy sources to minimize their overall emissions.

Smaller vessels like ferries and tugboats have the potential to transition to fully electric power, given their typically shorter travel distances. Fortunately, the technology necessary to decarbonize vessels of all sizes already exists, with companies such as Wärtsilä and Mitsubishi Heavy Industries leading the charge in the quest to decarbonize sea vessels.

4. No Cables Required

Another new technology that automakers are exploring to distinguish themselves from competitors is wireless charging. While we're familiar with wireless charging for small gadgets like smartphones and smartwatches, the aim here is to extend the same principle to EVs. BMW has taken the lead by introducing wireless charging pads that establish a magnetic field between the pad and the vehicle to charge the battery.

Wireless charging offers numerous benefits. Firstly, it enhances the customer experience by eliminating the need for bulky cables. It also has the potential to standardize charging methods, allowing all cars to potentially use wireless pads instead of the current diversity seen in charging cable connectors. This technology opens avenues for on-the-go charging on smart roads and highways, alleviating range anxiety and potentially reducing EV costs if automakers opt for smaller batteries. Additionally, it complements autonomous driving. When instructing the car to park itself, wireless charging enables the vehicle to charge autonomously.

5. Going Further on a Single Charge

This was arguably one of the most talked-about innovations in the battery world in 2023. Solid-state batteries, which replace the liquid electrolyte in a li-ion battery with a solid-state counterpart, offer significantly enhanced energy efficiency. For EVs, this translates to a smaller battery size capable of delivering extended range.

The primary hurdle that has hindered the widespread adoption of solid-state batteries until now has been the engineering challenge of developing a scalable production process. Toyota, initially drawing considerable criticism in 2023 for its perceived lack of EV strategy, underwent leadership changes and subsequently outlined a roadmap aimed at advancing solid-state technology. This move sparked market enthusiasm. Toyota's solid-state-powered cars, promising an impressive 750 miles on a single charge (more than double the range of most current EVs), are projected to enter mass production as early as 2026. If they fulfil this commitment, it could not only revolutionize Toyota's prospects but also redefine the trajectory of the entire EV industry.

Conclusion

The list above is far from exhaustive. Many other examples, such as hydrogen fuel cells or recycling, could also be mentioned—technologies in their infancy yet wielding immense potential. The common denominator is that none of these technologies were mainstream a few years ago. Some still aren't. Yet, this is precisely what enthralls thematic investors—identifying the next big thing. And to do that, you don't always have to venture into the unknown. Sometimes, merely observing which way the current is flowing can reveal a lot. Certainly, in the world of batteries, there are many exciting developments charging ahead.

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