

Newcastle's Connected Energy attracts further £15m from five new investors

Well known brand names are among the five investors backing Newcastle's Connected Energy in a £15m funding round.

Caterpillar Venture Capital Inc., the Hinduja Group, Mercuria, OurCrowd and Volvo Energy have joined existing investors Engie New Ventures, Macquarie, and the Low Carbon Innovation Fund to give the backing which the firm says will enable it to scale up operations and move into utility scale developments.

The move now means Connected – which uses old car batteries to build commercial storage systems – has investors spanning battery supply to project deployment.

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The firm says this latest investment will enable it to scale up its technology and operations in response to a growing energy storage market and increasing international availability of second life batteries.

It will also facilitate the in-house development of the company's first large scale M-STOR system which is planned to be around 20MW and 40MWh, employing a contracted 'flow' of batteries from multiple OEMs to provide long term services to customers.

Matthew Lumsden, Connected's CEO, said: "In order to grow the second life battery industry, strong pan-value chain relationships will be critical to Connected Energy as it expands, and the company's new investors will complement this effort."

“This marks a key gateway for our business. Our group of investors now span battery supply through to project deployment and monetisation, and critically this will enable us to plan and manage technology and project development to maximise the volume of batteries that are redeployed in second life applications.”

He added: “We couldn’t be more pleased to welcome our new investors on board and look forward to forging a path to increasing the sustainability of both electric vehicles and grid connected energy storage. I’d also like to thank our fantastic team at Connected Energy whose continuing hard work and commitment is acknowledged by this investment.”

Connected says the appetite for battery storage is demonstrated by the fact it has secured more projects in the first three months of 2022 than in any previous year.

Joachim Rosenberg, president Volvo Energy, said: “There is a great deal of untapped potential in the second-life use of batteries. This forward-leaning investment aims to facilitate the scaling-up of second-life battery energy storage systems and further secure circular business opportunities for the forthcoming ramp-up in Volvo Group’s second-life battery returns.”

“Together with Connected Energy, we will minimize the environmental impact of the batteries that has powered Volvo Group applications. By repurposing the batteries, we obtain the full value from them – from a climate, environment and business perspective.”

Jihad Salahuddin, Caterpillar senior investment manager, CVCI said: “Connected Energy’s technology to repurpose EV batteries has demonstrated strong promise in terms of its current performance and upside capabilities. We are excited about this investment and see it as an important element of our strategic roadmap in the battery circular economy and our long-standing

Enterprise commitment to sustainability.

“Amid the rapid electrification of the transport sector and the growing intermittent renewable sources of power supply, we are joining with Connected Energy to provide needed sustainable flexibility solutions in energy markets,” said Alexis Flandre, managing director of Energy Transition at Mercuria, “We look forward to working with Connected Energy and bringing our power trading and battery metals supply chain expertise.”

Besides its Newcastle headquarters and a technical centre in Norfolk, Connected Energy has sixteen operational systems across Europe in Belgium, Germany, the Netherlands and the UK with its largest at Cranfield University in Bedfordshire, England.

Connected says batteries are often about 25% degraded when they are considered unsuited to vehicles but could have capacity for up to ten years’ further use in a storage system.

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