

# European Commission approves €902 million German State aid for Northvolt's battery factory

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**Northvolt is building a 60-GWh gigafactory in Heide, Germany; the annual capacity is expected to be able to power about 800,000 to 1 million EVs per year**

The European Commission has approved a €902 million German measure in state aid to support Norwegian battery-maker Northvolt's upcoming battery plant in Germany, the commission announced Jan. 8.



Source: Getty Images/Andrii Yalanskyi

Northvolt is building a 60-GWh gigafactory in Heide, Germany, to produce electric vehicle batteries and contribute toward transition to a net-zero economy, which is in line with the Green Deal Industrial Plan. The battery factory's planned annual capacity is expected to translate into production of batteries to power about 800,000 to 1 million EVs per year, depending on the size of the battery. Northvolt's battery plant is slated to begin production operations in 2026 and is expected to reach full production capacity in 2029.

According to the press note, the aid was approved under the State aid Temporary Crisis and Transition Framework, which was adopted by the commission on March 9, 2023, and amended on Nov. 20, 2023, to support measures in sectors that are key to accelerate the green transition and reduce fuel dependencies.

Germany had earlier notified to the commission, under the Temporary Crisis and Transition Framework, a €902 million measure to support Northvolt in the construction of its gigafactory in the city of Heide, the note said.

Under the measure, the state aid will take the form of a €700 million direct grant and a €202 million guarantee. Without the aid, Northvolt would establish the plant in the US, where support was offered in particular under the Inflation Reduction Act.

The aid will be granted no later than Dec. 31, 2025, it added.

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