

# Alternative Power Report

January 22, 2026

## News on Alternative Power Sources



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### Moving from ICE To Alternative Power

As manufacturers continue to shift their equipment production from ICE to alternative power sources, they need the latest information. That's why analysts at Power Systems Research continue to revise our global data and forecasts to provide the freshest picture available.

## Tesla's 2025 Europe Data Shows Total Bloodbath

*Every market in Europe showed a substantial decline.*

By *Guy Youngs*, Forecast & Adoption Lead



The data is in for Tesla's full year 2025 in Europe, and frankly, it's a bloodbath across most major markets. Every market in Europe showed a substantial decline (ranging from -4.1% to -66.9%). There's a single exception, Norway, and Tesla can't even count on this market in 2026 because the growth in Norway was caused by changing regulations for 2026, that brought forward car purchases into the last two month of 2025.

According to registration data compiled from major European markets, Tesla saw its total volume drop from roughly 326,000 units in 2024 to just over 235,000 in 2025. That is a staggering 27.8% year-over-year decline

The truth is that this is an impressive demand cliff by any standard that points to significant brand problems, which are due to a mix of Elon Musk, Tesla's CEO, becoming highly toxic, and Tesla's EV lineup becoming stale amid tougher competition.



**Source:** *Electrek* [Read The Article](#)

**PSR Analysis:** Tesla needs to understand that Europe doesn't need a cheaper Model 3, Europe needs a smaller car. The Model 3 is simply too big for our roads and cities but even this wouldn't address the other huge problem that is afflicting Tesla in Europe -- the toxic image of the CEO.

*Editor's Note: This monthly report includes news and analysis about EV and alternative power sources such as batteries and fuel cells from analysts at Power Systems Research.*

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New power source installations vary across industry segments. Contact PSR for data on your specific application needs.  
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## Sodium-Ion Battery Cell Cost Could Drop to \$40/kWh

A report from the International Renewable Energy Agency (IRENA) notes that while it is still uncertain whether sodium-ion batteries (SIB) will become a disruptive alternative to lithium-ion (LIB) technology, they could offer significant cost-saving opportunities in applications such as electric vehicles and large-scale energy storage.

SIBs hold a potential advantage over LIBs due to the abundance and accessibility of sodium, a material that is considerably cheaper than lithium. IRENA says the price of sodium carbonate between 2020 and 2024 ranged between \$100/ton and \$500/ton, while the price of lithium carbonate over the same period of time ranged between \$6,000/ton and \$83,000/ton.

**Source:** *PV Magazine* [Read The Article](#)

**PSR Analysis:** Not only is Sodium 1,000 times more abundant than Lithium and it's readily accessible, SIBs also offer promising safety features, good performance across a range of temperatures and competitive lifespans. So, while there is phenomenal potential, we are at early stages and only time (and investment) will tell if we reach this lower cost.

## Hydrogen at Paper Pulp Mill Fails the Cost Test

Pulp and paper mills sit at the intersection of several decarbonization pressures. They burn large volumes of fossil gas in lime kilns and recovery boilers. They buy significant amounts of industrial oxygen for delignification and bleaching. They operate in communities where economic continuity matters at least as much as emissions reduction, likely more. This makes them tempting targets for hydrogen developers who are trying to find new markets as other hydrogen narratives lose ground.

This project has a combination of public money, utility rate structures, and hydrogen developer ambition is what brings the Kamloops project into focus.

But the mill could avoid the burning of a lot more natural gas by avoiding hydrogen entirely, using bog standard oxygen manufacturing equipment and an electric kiln or two, with more reliable technologies that are more easily serviced, while spending a lot less capital and operating money. The hydrogen pathway is vastly more expensive than the alternative in upfront and operating costs.

**Source:** *CleanTechnica* [Read The Article](#)

**PSR Analysis:** Why is this important as it's not about a mobile piece of machinery? The answer is that if Hydrogen as a system can't work at an industrial scale, with financial support, what hope is there for hydrogen vehicles?

## EU Drops 2035 CE Ban as Global EV Shift Faces Reset

Carmakers could continue selling cars with engines, the European Commission has proposed, despite the EU's aim to have the last polluting cars off its roads by 2050. This will divert investment away from electrification at a time when European manufacturers urgently need to catch up with Chinese EV-makers.

The zero-emissions target in 2035 would be weakened to a -90% reduction in CO2 emissions. This opens the door to even the highest emitting combustion engine vehicles continuing to be sold. These flexibilities would be conditional on carmakers gaining credits for green steel in vehicle manufacturing. Carmakers will also be awarded credits for advanced biofuels and e-fuels in Europe's fuel mix.

Alarmingly, PHEVs could count towards the corporate fleet targets, despite having far higher CO2 emissions than carmakers claim.

**Source:** [MSN Read The Article](#)

**PSR Analysis:** You might conclude that this doesn't change much. The reason is that by 2035 and well before, EVs are probably going to be substantially cheaper than ICE, let alone PHEVs, and people will switch naturally following their bank account priority. If the traditional European auto makers fall into the trap of keeping the ICE alive, they will risk simply disappearing with it.

## CATL Confirms Significant Upgrade To Sodium-Ion Battery for 2026

Chinese battery giant CATL has detailed a wider and larger-scale deployment of its sodium-ion battery range across multiple sectors, including battery storage. Chinese media reports say that CATL, at its December 2025 supplier conference in Ningde, Fujian province in China, confirmed its 2026 plans for its sodium-ion batteries (SIBs).



CATL unveiled its Naxtra sodium-ion brand with two types of products, translated as “Sodium New Power Battery” and “Sodium New-24V Heavy Truck Start-Park Integrated Battery,” which aimed to provide a passenger car with a complete battery, and trucks with a rugged 24V starter battery.

The key advantages presented were operational temperatures ranging from -40 °C to 70°C, supporting both deep winter operations and very high summer peaks in regions where traditional batteries have not been viable, or struggled with heating or cooling requirements

**Source:** [PV Magazine Read The Article](#)

**PSR Analysis:** Having a diversity of battery technologies helps in many ways. And sodium ion is probably going to get very inexpensive overtime. However, the energy density (and hence range) is not quite there yet.

## China Running Out of Critical Battery Materials

The global transition to electric transport is happening faster than most legacy analysts predicted, virtually everywhere except in the US. We are racing toward terawatt-hours of annual battery production. While battery chemistry is evolving rapidly (LFP, sodium, solid-state, etc.), high-energy-density cells, which generally kick start new electrification segments, still rely heavily on nickel, cobalt, and lithium.

And China has positioned itself as the undisputed king of battery manufacturing. They refine the vast majority of the world's cobalt and lithium.

The numbers represent the remaining years of proven domestic reserves at current extraction rates. Let's look at the big three for EV batteries:

Lithium: 14.6 years

Nickel: 3.8 years

Cobalt: Depleted Already gone.

This is the smoking gun that explains China's geopolitical strategy over the last decade. It explains why they have effectively taken control of the Democratic Republic of Congo's (DRC) mining sector, which produces the vast majority of the world's cobalt. China must import 100% of raw cobalt ore to feed its massive refining engine.

**Source:** *Electrek* [Read The Article](#)

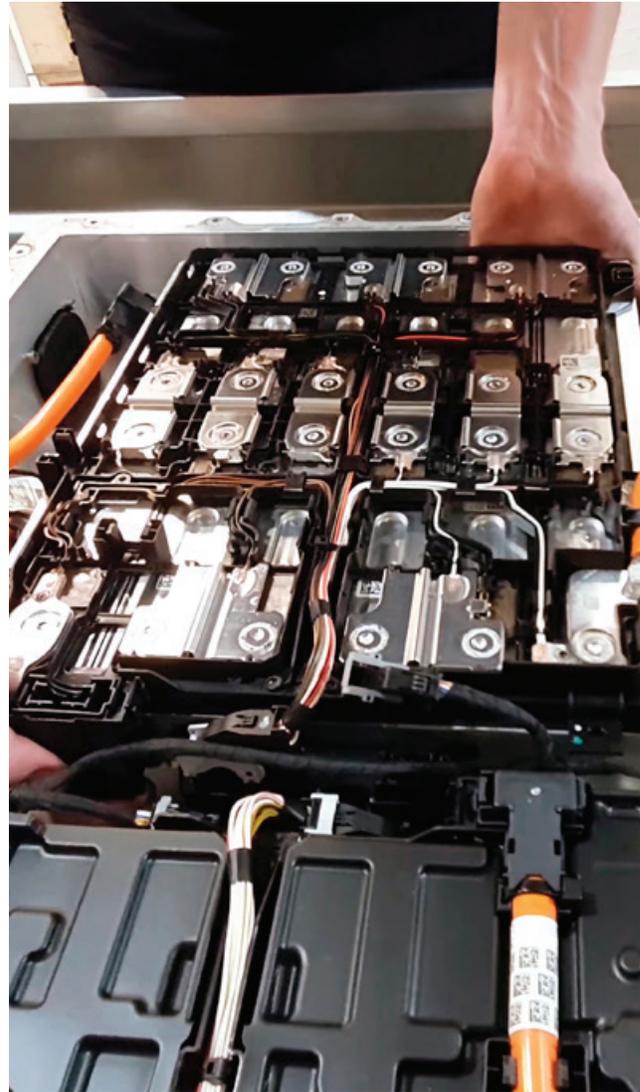
**PSR Analysis:** On the face of things, this seems critical, but China has made significant inroads into controlling the DRC's mining industry, and globally there is a move away from Cobalt (LFP, Sodium and Solid State Batteries don't use Cobalt).

## CATL Is Winning The Shipping Electrification Race

CATL's batteries and energy management systems are already operating in roughly 900 ships and vessels, a figure that on its own should reframe how maritime decarbonization is discussed.

Shipping is, by its nature, conservative for structural reasons tied to safety, long asset lifetimes, and unforgiving certification regimes, so deployment at this scale signals that electrification is no longer a pilot exercise but operating infrastructure.

China's national policy environment reinforces that positioning. Inland shipping and ports sit squarely within China's dual carbon objectives of peaking emissions before 2030 and reaching carbon neutrality by 2060, with national and provincial policies emphasizing low carbon ports, electrification of port equipment, expansion of shore power, and modernization of inland waterways.



**Source:** *CleanTechnica* [Read The Article](#)

**PSR Analysis:** While this is important as part of the drive to de-carbonize, none of these vessels are true shipping giants, as energy density and battery weight would make it impossible for large container ships to ply the worlds oceans as they do currently

## A Final Note

World's First Production Solid-State Battery! – [Click Here...](#)  
Why The Sudden Emergence Of Sodium-Ion Batteries? – [Click Here...](#)  
Why Shipping Is Quietly Aligning On Methanol & Hybrid Electric Systems – [Click Here...](#)  
Sodium-ion battery cells already near lithium-ion cost parity, set to get cheaper – [Click Here...](#)**PSR**



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## About Power Systems Research

Power Systems Research (PSR), established in 1976, is the leading source of data, analysis and forecasting on the global production of engines and engine-powered equipment, including class 8 vehicles. One of its databases, EnginLink,™ includes production figures down to the model level for OEMs in key market segments, such as commercial vehicles. PSR's global research network includes eight offices and stretches across 200 countries and four continents.



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