Should Ford Be in Your Portfolio of Clever Critical Mineral Users?

written by Jack Lifton | September 3, 2026

“Ford’s move is not a battery breakthrough; it is the strategic redeployment of manufacturing capacity built for an EV market that did not develop as quickly as expected. The opportunity is real, but success will depend on more than producing LFP cells. Ford must secure its critical minerals supply chain and deliver the controls, warranties and long-term service that turn a battery container into a bankable energy asset.” – Jack Lifton, Co-Chair, Critical Minerals Institute (CMI)

As of August 2026, Ford Motor Company (NYSE: F) has broken from the traditional Detroit automaker pattern, but mainly as a defensive conversion of stranded battery capacity into a new industrial business, not because it discovered a novel use for batteries it was already producing in excess.

The strategic distinction is real: Ford is turning an EV-battery factory into a vertically integrated supplier of utility- and data-center-scale battery systems. GM is pursuing many of the same energy markets, but through a more asset-light mix of home energy products, vehicle-to-grid services, second-life batteries, and technology partnerships.

The Short Answer

Ford’s overinvestment was originally in factories and planned capacity, rather than in an accumulated inventory of finished cells. Slower-than-expected EV demand, weaker economics for

large electric trucks, regulatory changes and critical mineral exposure left that capacity underutilized.

Ford's response has been unusually decisive:

- It ended production of the original F-150 Lightning and canceled or redesigned several large EV programs.
- It dismantled the BlueOval SK structure, taking ownership of the two Kentucky battery plants while SK On retained Tennessee.
- It recorded approximately $19.5 billion in EV related special items, including canceled programs and restructuring costs.
- It created Ford Energy, a wholly owned business that sells complete stationary battery systems to utilities, data centers, and industrial customers.
- It is spending about $2 billion to convert Kentucky capacity from nickel rich EV pouch cells to large format LFP prismatic cells, modules and containerized systems.
- It is targeting at least 20 GWh of annual stationary storage capacity by late 2027. Its flagship DC Block is a 20 foot, 5.45 MWh system using 512 Ah LFP cells.

A five year framework under which EDF Power Solutions can procure up to 4 GWh annually—potentially 20 GWh in total—gives the venture something more important than a press release: a prospective anchor customer. Deliveries are expected to begin in 2028.

How Ford Now Differs from GM

Strategic question	Ford	General Motors
Response to surplus EV capacity	Repurpose a former EV cell plant for stationary storage	Reduce exposure: sell its stake in the Lansing cell plant, slow vehicle and cell production
Stationary storage position	Become a manufacturer and direct B2B seller of cells, modules and 5 MWh class containers	Assemble an energy ecosystem through GM Energy, suppliers, partners and repurposed vehicle packs
Primary customers	Utilities, data centers, developers, industrial and commercial users	Initially homeowners and fleet/V2G customers; increasingly grid and data center projects
Cell strategy	Wholly controlled Michigan and Kentucky plants; licensed CATL LFP manufacturing technology	Multiple partners and chemistries: LG pouch and LMR/prismatic, Samsung prismatic, plus sodium ion development
Vehicle strategy	Smaller affordable BEVs, hybrids and extended range EVs; retreat from very large pure BEV trucks	Continue a broad BEV portfolio, while reducing capacity and adding plug in hybrids
Main risk	Entering a mature, highly competitive utility storage industry with a repurposed plant and licensed technology	Complexity and dependence on partners; energy initiatives may remain fragmented rather than becoming a scaled manufacturing business

General Motors Company (NYSE: GM) reacted to excess capacity

more conventionally. It agreed to sell its share of the nearly completed Lansing battery plant to LG Energy Solution, recovering roughly its investment while retaining the ability to source cells. It also reduced production at EV and Ultium facilities and recorded roughly $7.6 billion in 2025 charges associated with realigning EV capacity and manufacturing.

But GM is not simply abandoning the energy market. GM Energy already offers:

- Vehicle to home charging and backup power
- A residential stationary PowerBank
- Managed charging and prospective vehicle to grid services
- Second life EV packs for stationary projects
- Grid storage development, including work on sodium-ion cells

GM and Redwood Materials are using repurposed GM battery packs in energy installations, while GM's 2026 partnership with Peak Energy is directed at sodium-ion cells specifically optimized for stationary storage. That is arguably a more mineral resilient long term approach than moving from nickel rich lithium ion to LFP, because LFP still requires lithium.

Thus Ford is ahead of GM in committing an entire high volume factory and a dedicated subsidiary to new utility scale hardware. GM is ahead in building an integrated home/vehicle/grid energy platform and in diversifying beyond lithium ion chemistry.

The Other Major U.S. Participants

Tesla (NASDAQ: TSLA) remains the company Ford is following, not surpassing. Tesla has treated batteries as both vehicle

components and independent energy products for years. Powerwall, Megapack, Megablock, virtual power plants, Powerhub and Autobidder form a combined hardware software services business. By the end of 2025 Tesla reported 40 GWh of Megapack capacity in California, another 40 GWh in Shanghai, and a new Texas factory under construction. Ford is entering this field with serious manufacturing scale but without Tesla's operating history, fleet data or energy market software platform.

Toyota has taken almost the opposite course. Its $13.9 billion North Carolina battery plant supports a "multi pathway" vehicle strategy. Four of its 14 planned lines are for hybrids and ten for plug in hybrids or BEVs. This permits Toyota to absorb cells across millions of relatively small hybrid packs rather than search for a nonautomotive outlet for large EV packs. The plant began shipping hybrid batteries in 2025.

Stellantis, Hyundai/Kia and Honda remain predominantly vehicle directed.

- Stellantis and Samsung SDI's first Indiana StarPlus Energy plant began producing cells for Stellantis vehicles around the end of 2024; its U.S. strategy has not become a Ford like independent grid storage business.
- Hyundai and SK On's Georgia venture was designed to produce about 35 GWh annually, primarily to supply Hyundai, Kia and Genesis EVs.
- Honda and LG Energy Solution's Ohio plant is similarly dedicated to cells for Honda and Acura vehicles.
- Rivian and most major brands remain primarily battery purchasers and vehicle integrators rather than cell manufacturers or stationary storage vendors.

Was the Critical Mineral Shake up the Cause?

It was an important cause, but not the sole or even immediate one.

The more complete causal chain is:

1. Automakers forecast rapid U.S. BEV growth and committed to enormous nickel rich battery plants.
2. Large electric trucks proved particularly battery intensive and difficult to make profitably.
3. U.S. EV demand grew more slowly than the factories and product plans assumed.
4. Chinese dominance of battery materials and especially low cost LFP technology widened the cost gap.
5. Tariffs, domestic content rules and changing federal incentives made the location and ownership of production strategically important.
6. At the same time, data centers and grid operators created a rapidly growing market for stationary storage.
7. Ford had new factories, trained manufacturing capability and licensed LFP know how that could be redirected into that market.

LFP reduces dependence on nickel and cobalt and is well suited to stationary use because cost, safety and cycle life matter more than weight. It does **not** free Ford from lithium, graphite, electrolyte, or Chinese intellectual property and equipment dependencies. Ford’s CATL licensing arrangement transfers production know how without giving CATL ownership, but policy treatment of Chinese linked technology remains a material risk.

Bottom Line

Ford has indeed broken from the U.S. legacy automaker pack in one important sense: it is converting stranded automotive battery capacity into a full scale, vertically integrated stationary storage manufacturing and sales business.

But three qualifications matter:

- It is a recovery strategy for misallocated capital, not yet proof that the original investment was wise.
- Ford is distinctive among legacy automakers, but it is following a market already validated—and increasingly dominated—by Tesla and specialized Chinese and Korean battery suppliers.
- GM has not chosen a completely different destination. It is approaching the same energy market through home systems, vehicle to grid integration, second life batteries and chemistry partnerships, while avoiding Ford’s large direct bet on container manufacturing.

My assessment is that Ford’s move is industrially bold and strategically coherent. Its success will depend less on making LFP cells than on whether it can match specialist competitors in system cost, controls, warranties, bankability, project support and long term service. Those capabilities—not the battery cell alone—determine who captures the durable profit in grid storage.