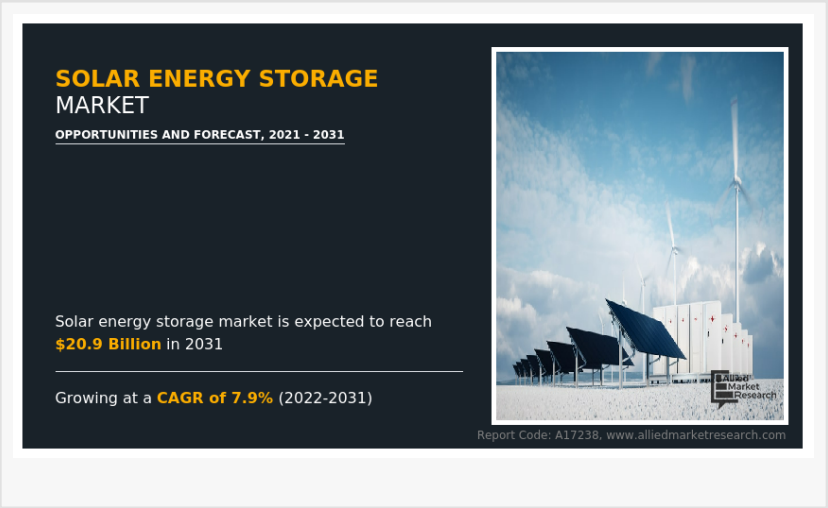
Solar Energy Storage Market to Surpass $20.9 Billion by 2031, Driven by Green Energy Push

The solar energy storage market is projected to hit $20.9 billion by 2031, fueled by sustainability, lithium-ion tech, and demand from emerging economies.



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The solar energy storage market is gaining rapid momentum as the global transition toward clean energy intensifies. According to a new report by Allied Market Research, the solar energy storage market size was valued at $9.8 billion in 2021 and is projected to reach $20.9 billion by 2031, growing at a CAGR of 7.9% from 2022 to 2031. This growth is driven by rising demand for sustainable energy, advancements in lithium-ion battery technology, and increased government support.

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>
> *Allied Market Research*

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 What Is Solar Energy Storage?

Solar energy storage refers to the process of storing excess energy produced by solar panels in rechargeable batteries for later use. The stored power can be used during nighttime, cloudy days, or during power outages. These systems typically utilize lithium-ion or lead-acid batteries, with lithium-ion being the dominant technology due to its high efficiency, longer lifespan, and rapid charging capabilities.

 Market Segmentation Overview

The solar energy storage market is segmented by type, installation, and region, providing insight into industry dynamics and growth opportunities.

 By Battery Type:

Lithium-ion (Dominant, 44% market share in 2021)

Lead-acid

Flow Battery

Others

Lithium-ion batteries are expected to register the highest growth due to increasing demand from industries, EV manufacturers, and residential users seeking energy independence.

 By Installation:

On-Grid (62% share in 2021, highest projected CAGR of 8.2%)

Off-Grid

On-grid systems are widely adopted in urban and semi-urban regions for their ability to work with existing infrastructure and provide energy reliability through net metering programs.

 Regional Insights: Europe & Asia-Pacific Lead Growth

In 2021, Europe accounted for the highest share (35%) of global solar energy storage revenue. Government incentives, aggressive carbon neutrality goals, and the region's commitment to renewable energy have fueled growth.

Meanwhile, the Asia-Pacific region is projected to register the highest CAGR during the forecast period. Countries like China, India, and South Korea are aggressively promoting solar power to meet zero-emission targets. This push has led to an expansion of manufacturing capacity for solar batteries and increased investment in R&D.

 Key Market Drivers

 1. Surging Demand for Sustainable Energy Solutions

Governments across the globe are actively supporting solar energy adoption to reduce carbon footprints. Solar battery systems provide a clean, efficient way to store and utilize solar energy.

 2. Rise in Residential and Industrial Solar Installations

An increase in population, urbanization, and disposable income has triggered a surge in residential solar adoption. Industries are also leveraging solar storage to reduce dependency on fossil fuels and stabilize electricity costs.

 3. Energy Independence and Grid Reliability

By enabling users to store energy for later use, solar energy storage systems reduce reliance on grid power, lower electricity bills, and offer backup during outages.

 4. Job Creation and Investment Opportunities

The installation of solar energy systems creates jobs in engineering, installation, maintenance, and manufacturing—boosting local economies and attracting new investments.

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 Market Challenges

While the outlook is positive, the solar energy storage market faces challenges:

Remote Accessibility: Installing systems in off-grid or island locations is logistically difficult and costly.

Climate Vulnerability: Battery systems may be affected by natural calamities, temperature fluctuations, and other environmental issues.

Supply Chain Disruptions: The COVID-19 pandemic exposed heavy reliance on Chinese exports for solar modules and battery components. Countries like India, which imports over 80% of its solar products from China, experienced major delays in installations and manufacturing disruptions.

 Technological Advancements

Ongoing R&D in lithium-ion technology, smart grid integration, and hybrid systems is making solar energy storage more efficient and accessible. Innovations in flow batteries, thermal management, and battery recycling are expected to further reduce costs and improve system longevity.

 Major Applications

Solar Charging Stations

Off-grid Power Backup

Grid-Tied Solar Plants

Commercial & Residential Energy Storage

These applications are expanding in both developed and developing countries as energy security and grid stability become more critical.

 Leading Market Players

Key companies driving the global solar energy storage market include:

ADARA Power

LG Chem

Samsung SDI

BASF SE

BMW Group

Leclanché SA

Kokam

EnerSys

Primus Power

Siemens AG

Sumitomo Chemical

Owens Corning

The Lubrizol Corporation

These players are focused on strategic partnerships, regional expansion, and product innovation to enhance their market footprint.

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 COVID-19 Impact on the Solar Energy Storage Market

The pandemic led to a drop in consumer spending, project delays, and inventory pileups due to transportation restrictions. Manufacturing slowdowns, particularly in China, negatively impacted global supply chains, delaying installations across markets like India, where most solar components are imported.

However, post-pandemic recovery and renewed focus on sustainable infrastructure are expected to realign growth trends.

 Future Outlook: Powering the Clean Energy Transition

With growing interest in decentralized power generation, clean energy adoption, and grid flexibility, the solar energy storage market is poised for transformative growth. Supportive policies, technological innovation, and rising climate awareness will continue to drive adoption across all sectors.

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Pawan Kumar, the CEO of Allied Market Research, is leading the organization toward providing high-quality data and insights. We are in professional corporate relations with various companies and this helps us in digging out market data that helps us generate accurate research data tables and confirms utmost accuracy in our market forecasting. Each and every data presented in the reports published by us is extracted through primary interviews with top officials from leading companies of domain concerned. Our secondary data procurement methodology includes deep online and offline research and discussion with knowledgeable professionals and analysts in the industry.

David Correa
Allied Market Research
+ 1800-792-5285
email us here
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YouTube
X