

Substation Automation Market Size to Reach USD 84.1 Billion by 2035 with Grid Modernization Driving Growth - TMR

Global Substation Automation Market to Hit USD 84.1 Billion by 2035, Expanding at 6.1% CAGR – Trending Report by Transparency Market Research

WILMINGTON, DE, UNITED STATES,
September 26, 2025 /

EINPresswire.com/ -- The global [substation automation market](#) has emerged as a cornerstone of modern power infrastructure, facilitating smarter, safer, and more efficient energy distribution across the globe. Valued at US\$ 36.8 Bn in 2024, the market is projected to reach US\$ 84.1

Bn by 2035, growing at a CAGR of 6.1% from 2025 to 2035. This growth trajectory reflects the increasing complexity of global power grids, the surging demand for reliable electricity, and the integration of renewable and digital technologies.



Substation Automation
Market Outlook 2035:
Valued at USD 36.8 Billion in
2024, Projected to Reach
USD 84.1 Billion by 2035"

*By Transparency Market
Research*

SUBSTATION AUTOMATION MARKET OUTLOOK 2035

The global industry was valued at
US\$ 36.8 Bn in 2024

The global substation automation
market is projected to grow at
a CAGR of 6.1% from 2025 to 2035

reach **US\$ 84.1 Bn**
by the end of 2035

Substation Automation Market

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Market Size and Growth

The demand for substation automation systems is expanding rapidly due to a confluence of structural and technological drivers. Substations, which act as the

intermediary between electricity generation and consumption, must now handle increasingly complex tasks as decentralized energy resources (DERs), renewable energy, and electrification trends reshape the energy landscape. By 2035, the industry is expected to more than double its

valuation compared to 2024, reflecting the urgency of modernizing outdated infrastructure.

Key industries such as manufacturing, healthcare, IT, and transportation require real-time monitoring and uninterrupted power supply. Automated substations offer predictive maintenance, fault detection, and quick response to disruptions, which are critical to avoid costly downtimes. The combination of rising electricity consumption, climate-related challenges, and the global pursuit of clean energy is creating a long-term runway for market expansion.

Market Segmentation

The substation automation market can be segmented by offering, type, and application.

By Offering: The hardware segment dominates the market, driven by the demand for intelligent electronic devices (IEDs), programmable logic controllers (PLCs), digital relays, and remote terminal units (RTUs). Hardware forms the backbone of automation, ensuring precise control and monitoring. Software and services, however, are gaining traction due to the rise of cloud-based solutions, predictive analytics, and digital twins that add intelligence to physical systems.

By Type: Distribution substations represent a larger share, given the demand for automation in urban and rural distribution networks. Transmission substations are also seeing upgrades, particularly in countries with aging infrastructure.

By Application: Utilities are the largest end-users, but the industrial segment—including manufacturing hubs, oil and gas, and data centers—is growing steadily as industries demand reliability, efficiency, and real-time control.

Regional Analysis

Asia Pacific leads the global substation automation market and is expected to maintain its dominance through 2035. Countries such as China, India, and Japan are rapidly urbanizing and heavily investing in smart grid infrastructure, renewable integration, and grid modernization. Asia Pacific's strong policy frameworks, government funding, and focus on sustainability create fertile ground for automation technologies.

North America follows closely, driven by aging grid infrastructure and investments in digitalization. The U.S. and Canada are modernizing transmission and distribution networks to enhance resiliency, reduce outages, and integrate renewable energy.

Europe is another significant region, with countries like Germany and the U.K. adopting substation automation as part of their decarbonization and energy transition strategies. Meanwhile, emerging markets in Latin America, the Middle East, and Africa are gradually adopting automation solutions to support electrification and industrial growth.

Market Drivers and Challenges

Increasing Grid Complexity and Continuous Power Demand

The rising penetration of renewable energy sources, distributed power generation, and electric vehicles is transforming power grids into highly complex networks. Substation automation enables real-time monitoring, load balancing, and predictive maintenance, making it indispensable for grid stability. Moreover, critical infrastructure such as hospitals, data centers, and transportation hubs require continuous power, further boosting demand.

Technological Advancements Upgrading Aging Infrastructure

Much of the world's power infrastructure was built decades ago and lacks the digital capabilities required today. Automation technologies, powered by IoT, AI, and advanced sensors, are helping modernize these systems. Intelligent devices enable real-time communication, remote operations, and predictive fault management, improving both efficiency and safety.

Challenges

Despite strong growth potential, the market faces several challenges. High initial costs for automation systems remain a barrier for utilities in developing countries. Cybersecurity threats also loom large, as greater digitalization increases vulnerabilities to malicious attacks. Furthermore, standardization and interoperability issues between legacy systems and new automation technologies pose additional hurdles.

Market Trends

Several trends are shaping the future of substation automation:

Digital Twins and Predictive Analytics: Utilities are increasingly deploying digital twins to simulate substation behavior, enabling proactive maintenance and reducing downtime.

Cloud-Based Solutions: Cloud adoption is accelerating, allowing utilities to manage data, perform analytics, and enhance grid performance cost-effectively.

Sustainable and SF6-Free Switchgear: Companies like Mitsubishi Electric are developing eco-friendly alternatives to SF6 gas, aligning with global sustainability goals.

Integration of AI and IoT: Intelligent sensors, AI-driven fault detection, and IoT-enabled devices are pushing automation toward greater autonomy and efficiency.

Strategic Partnerships: Collaborations between utilities, technology providers, and governments are fostering innovation and faster adoption of smart substation solutions.

Competitive Landscape

The substation automation market is highly competitive, with global players investing in innovation, partnerships, and portfolio expansion. Key companies include:

ABB
Siemens AG
Schneider Electric SE
General Electric
Hitachi Energy Ltd.
Eaton Corporation Plc.
Mitsubishi Electric Corporation
Schweitzer Engineering Laboratories, Inc.
Cisco Systems, Inc.

In recent developments, Trilliant launched Analytics as a Service in October 2024 to help utilities optimize forecasting and detect losses. Similarly, Mitsubishi Electric is pioneering SF6-free switchgear to align with environmental regulations. These moves reflect the industry's commitment to sustainability and data-driven intelligence.

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Future Outlook

Looking ahead, the substation automation market is poised for transformative growth. By 2035, automation will be a standard rather than an option, particularly as nations strive to meet net-zero targets and ensure energy reliability. Advanced technologies such as AI-driven predictive maintenance, blockchain-based energy transactions, and fully digital substations will redefine how power is distributed and consumed.

Emerging economies will play a critical role in driving adoption, supported by government initiatives and international funding. At the same time, utilities in developed nations will prioritize upgrading legacy systems and integrating distributed energy resources. Cybersecurity will remain a focus, with investments in secure communication networks and data protection solutions.

The convergence of sustainability goals, energy demand, and digital transformation ensures that the substation automation market will not only grow in size but also in strategic importance for global energy systems.

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