Battery Energy Storage System Market Expected to Reach $51.7 Billion by 2031

Battery Energy Storage System Market was valued at $8.4 billion in 2021, and is estimated to reach $51.7 billion by 2031, growing at a CAGR of 20.1%

WILMINGTON, DE, UNITED STATES, November 11, 2025 /EINPresswire.com/ -- The battery energy storage system market share is expected to witness considerable growth, owing to rapid industrialization and development of the renewable energy sector, which is expected to drive the market growth.

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A battery energy storage system is a technology developed for storing electric charge by using specially developed batteries. The main purpose of the system is to store energy can be utilized at a later time. Battery energy storage system has the advantage over other energy storage technologies as it has small footprint and no restrictions on geographical locations that it could be located in. Other storage technologies including pumped hydro storage (PHS) and compressed air energy storage (CAES) are only suitable for limited number of locations, considering water and other restrictions and transmission constraints.

The growth of the battery energy storage system market is majorly driven by increasing demand for energy resources across developed and developing nations along with the increasing concerns to ensure energy security. Moreover, the battery energy storage systems are becoming an integral part of grid modernization as they help grid operators to save electricity when the electricity generated exceeds the electricity demand. However, high capital expenditure required for installing battery energy storage systems is a restraining factor for the growth of the market. On the contrary, significant fall in prices of lithium-ion batteries and the rise in number of rural electrification projects worldwide are anticipated to provide lucrative opportunities for the battery energy storage system industry during the forecast period.

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According to battery energy storage system market analysis, the lithium ion segment was the highest contributor to the market in 2021 and is expected to follow the same trend during the

forecasted period. The on grid segment accounted for around 57.5% market share in 2021. Surge in adoption of Internet of Things solution and digital electronics solution has driven the growth of the lithium ion segment and thereby, expanding the battery energy storage system market growth.

The outbreak of the COVID-19 has significantly impacted the growth of the battery energy storage system.

Decline in demand for battery energy storage system has significantly impacted the demand for energy storage solutions during the pandemic. Further, lack of availability of a professional workforce due to partial and complete lockdown implemented by governments across the globe has restrained the growth of the battery energy storage system market during the pandemic. However, the rise in demand for the Internet of Things and machine learning solutions has led to the growth of the battery energy storage system market size post pandemic.

The battery energy storage system market key players profiled in the report include EnerSys, BYD Company Limited, EVE Energy Co., Ltd., Siemens AG, LG Energy Solutions Co., Ltd., Kokam, Narada Asia Pacific Pte. Ltd., ABB Ltd., Tesla, Fluence Energy, Inc., General Electric, TotalEnergies, Tata Power Company Limited, Samsung SDI Co., Ltd., Nissan Motor Co., Ltd., VRB Energy and Black & Veatch Holding Company. Market players have adopted various strategies, such as product launch, collaboration & partnership, joint venture, and acquisition, to expand their foothold and gain a competitive edge in the global battery energy storage system market.

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KEY FINDINGS OF THE STUDY

In 2021, the lithium ion segment accounted for maximum revenue, and is projected to grow at a notable CAGR of 21.15% during the forecast period.
The on grid segment accounted for around 57.5% of the battery energy storage system market trends in 2021.
The behind the meter segment is projected to growth at a CAGR of 20.65% during the forecast period.
Asia-Pacific region contributed for the major Battery Energy Storage System Market Share in 2021.
Key players profiled in the report include EnerSys, BYD Company Limited, EVE Energy Co., Ltd., Siemens AG, LG Energy Solutions Co., Ltd., Kokam, Narada Asia Pacific Pte. Ltd., ABB Ltd., Tesla, Fluence Energy, Inc., General Electric, TotalEnergies, Tata Power Company Limited, Samsung SDI Co., Ltd., Nissan Motor Co., Ltd., VRB Energy and Black & Veatch Holding Company. Market players have adopted various strategies, such as product launch, collaboration& partnership, joint venture, and acquisition to expand their foothold in the consumer product safety testing market.

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