

Institute for Energy Economics and Financial Analysis

JMK Research & Analytics

EnergyWatts

Monthly update on India's energy storage market

October 2026

1. Energy storage system (ESS) tendering trends

India tendered about 0.98 gigawatts (GW) of energy storage capacity in September 2026, down about 66% month-on-month and 60% year-on-year. Standalone battery energy storage system (BESS) capacity accounted for around 0.68GW, followed by firm and dispatchable renewable energy (FDRE) at 0.3GW.

1.1 ESS tendering in September 2026

- Tendering authorities issued 983 megawatts (MW)/1,670[1] megawatt-hours (MWh) of grid-scale energy storage capacity through build-own-operate (BOO)/build-own-operate-transfer (BOOT) tenders in September 2026, including 683MW/1,670MWh of standalone BESS and 300MW of FDRE (Table 1).
- Re-tendered capacity accounted for about 57% of the capacity tendered in September 2026, while fresh tenders accounted for the remaining 43%. Authorities cited lowest (L-1) bidders' tariff quotations being off the benchmarks as the key reason for re-tendering, seeking a better, more competitive price.
- Karnataka Renewable Energy Development Limited (KREDL) re-issued its 250MW/500MWh and 200MW/400MWh standalone BESS tenders, while Uttarakhand Power Corporation Limited (UPCL) re-issued its 100MW/250MWh standalone BESS tender in three packages of 41MW, 36MW, and 23MW. The Andaman and Nicobar administration also re-issued an 8MW/20MWh standalone BESS tender in two packages: 4MW/4MWh for grid stability and 4MW/16MWh for energy storage.
- Two-hour systems dominated BESS tender issuance in September 2026, accounting for around 46% of the tendered power capacity, followed by four-hour (around 14%) and 2.5-hour (around 10%) systems. The remaining 30% was FDRE capacity, which did not specify a storage duration, but carries a one-hour continuous dispatch obligation during peak time-blocks.

[1] The MW component accounts for total tendered capacity and MWh component accounts for total storage capacity.

Table 1: Major project development tenders (BOO/BOOT) issued in September 2026

Tender name	Location	MW	MWh	Commissioning timeline (in months)	Classification	Per day cycles	Operating tenure (years)	Scope
NPCL 300MW FDRE	Pan India	300	(Not applicable)	24	FDRE	NA	25	• No viability gap funding (VGF) support • Technology-agnostic project selection with one-hour continuous supply obligation
KREDL 250MW/500MWh BESS*	Karnataka	250	500	18	Standalone	2	12	• VGF support of INR18 lakh/MWh (USD18,860 /MWh) • Land provided at KPTCL substation along with charging energy
KREDL 200MW/400MWh BESS*	Karnataka	200	400	18	Standalone	2	12	• VGF support of INR18 lakh/MWh (USD18,860[2]/MWh) • Land provided at KPTCL substation along with charging energy
BSPGCL 125MW/500MWh BESS	Bihar	125	500	18	Standalone	1	15	• No VGF support • Land provided by BSPGCL on lease while developer bears charging energy cost along with interconnection cost
UPCL 100MW/250MWh BESS*	Uttarakhand	100	250	12	Standalone	2	12	• VGF support of INR18 lakh/MWh (USD18,860/MWh) • UPCL provides the land while developer bears grid connection cost

Source: Tendering authorities, IEEFA-JMK Research
Note: Only tenders with capacity ≥100MW have been included in the table; NA: Not available
* Tenders re-issued by KREDL and UPCL

1.1.1 Storage EPC tenders in September 2026

Authorities issued tenders for 1,623.5MW of energy storage engineering, procurement, and construction (EPC) capacity in September 2026. NTPC led with a 1,300MW/3,700MWh standalone BESS procurement (200MW at Mouda thermal power station and 1,100MW at Khavda Solar Complex), accounting for around 80% of the total capacity, followed by APTRANSCO (225MW/450MWh), Coal India Limited (CIL) (80MW/320MWh), and other small capacities issued by Cochin Shipyard Limited, Ahmedabad Municipal Corporation, and TGNPDCL (10MW/20MWh, 7.5MW/30MWh, and 1MW/4MWh, respectively).

NTPC re-issued its 200MW/400MWh standalone BESS tender for the Mouda thermal power plant after terminating the INR413.37 crore EPC contract awarded to G R Infraprojects, citing failure to meet scheduled project milestones required for 15-month commissioning.[3]

[2] USD1 = INR95.44 (monthly average of September 2026)
[3] Business Standard. NTPC terminates 400 MWh BESS contract awarded to G R Infraprojects. September 2026.

1.1.2 Storage power procurement tenders in September 2026

Storage-based power procurement tenders[4] totalling 2,500MW were issued in September 2026. MSEDCL issued a tender for procurement of energy from 1,000MW/4,000MWh of BESS for a five-year period, with an additional 500MW/2,000MWh green-shoe option. The contracted BESS capacity is required to be commissioned and made available within three months from the effective date of BESPA. APPCC separately issued a tender for procurement of 1,000MW/4,000MWh from fully commissioned standalone BESS projects for a period of two years, extendable by another two years. APPCC also issued a 500MW tender for storage services from fully or partly commissioned pumped storage projects with untied capacity for five years, extendable by another two years.

1.2 Capacity awarded in September 2026

In September 2026, MSEDCL and SJVN awarded 2,265MW of ESS capacity across two standalone BESS tenders (Table 2).

Table 2: Tender-wise capacity awarded in September 2026

Tender name	Location	Classification	Capacity awarded (MW)	Lowest tariff	Winner details
MSEDCL 2,000MW/4,000MWh BESS	Maharashtra	Standalone	2,000	INR2.38 lakh/MW/month (USD2,493/MW/month)	• Tariff within the range of INR2.38–2.40 lakh/MW/month (USD2,493–2,514/MW/month) • The winners with their awarded capacities: Oriana Power (900MW) | BSL Engineering Service (300MW) | ArMee Infotech (250MW) | GK Energy (150MW) | Stockwell Solar Services (150MW) | Claro Energy (100MW) | Jailaxmi Sugar Products (50MW) | Aditya Green Energy (40MW) | Kotecha Sales (20MW) | Rudraksha Power (20MW) | Gurutara Green Energy (20MW)
SJVN 265MW/530MWh BESS	Haryana	Standalone	265	INR2.35 lakh/MW/month (USD2,462/MW/month)	• The winner with the awarded capacity: NLC Renewables (265MW)

Source: Tendering authorities, IEEFA-JMK Research

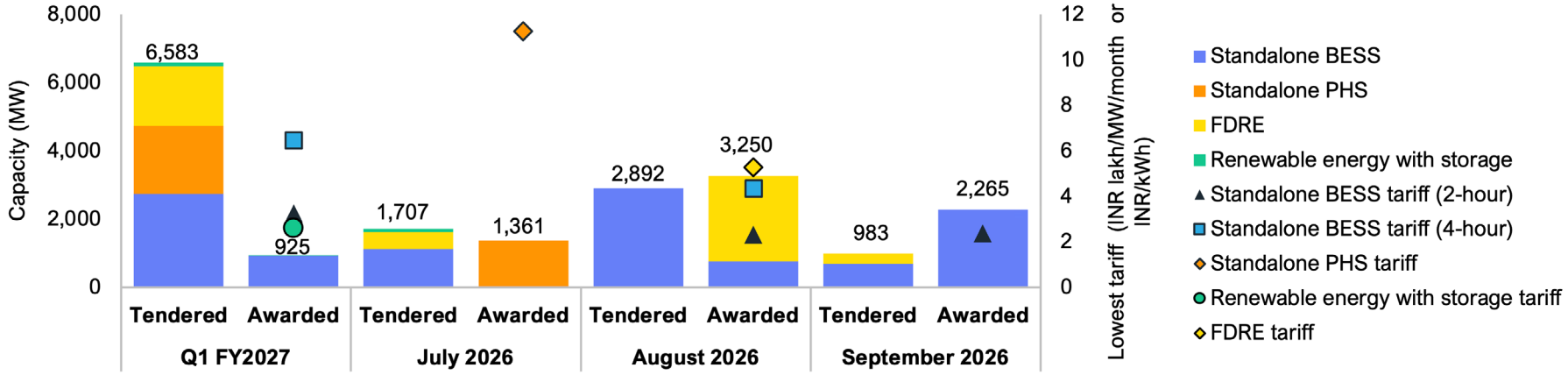
- MSEDCL's award of 2,000MW/4,000MWh of standalone BESS discovered a tariff of INR2.38 lakh/MW/month (USD2,493/MW/month), about 8.7% higher than the INR2.19 lakh/MW/month (USD2,294/MW/month) discovered for its comparable 300MW/600MWh pilot project awarded in February 2025.
- SJVN's 265MW/530MWh standalone BESS tender was awarded at INR2.35 lakh/MW/month (USD2,462/MW/month), about 19.3% higher than the INR1.97 lakh/MW/month (USD2,064/MW/month) discovered in February 2026 for a similar SJVN 250MW/500MWh tender that was later cancelled.
- While rising cell and container prices have partly driven higher bid prices, growing industry experience from earlier projects has also led developers to better account for actual project costs and implementation challenges in their bids.

[4] Power procurement tenders procure power or storage services from commissioned or near-commissioning projects with available untied capacity, rather than awarding capacity for development of new projects.

1.3 ESS tendering trends, FY2027 year-to-date 6M (until September)

- ESS tender issuance fell by around 22% to 12.2GW in financial year (FY) 2027 year to date (YTD), compared with the corresponding period in FY2026. This was driven by maturing VGF tranches and tenders transitioning to the award stage. September accounted for around 0.98GW, or about 8% of the total capacity tendered so far in FY2027.
- ESS awarded capacity rose by around 10.3% to about 7.8GW in FY2027YTD, compared with the corresponding period in FY2026. September accounted for nearly 29% of the total capacity awarded so far in FY2027.
- Standalone BESS remained the dominant storage procurement segment in the first half of FY2027, accounting for 7.5GW, or around 61% of total tendered capacity. FDRE accounted for 2.5GW (21%), followed by standalone pumped hydro storage (PHS) at 2GW (16.5%), and renewable energy with storage at 0.2GW (1.5%) (Figure 1). The dominance of standalone BESS reflects a preference among distribution companies (DISCOMs) for procuring storage independently of generation, allowing them to use the asset across their broader power portfolio for peak shifting, renewable balancing, and dispatch optimisation.
- Four-hour storage configurations remained ahead of two-hour systems in FY2027YTD 6M, accounting for around 40% and 37% of tendered capacity, respectively. Six-hour systems accounted for around 18%, while 2.5-hour configurations made up less than 2%. Storage duration was not specified for the remaining 3%. The increasing share of four- and six-hour systems indicates a gradual shift towards longer-duration storage requirements.

Figure 1: ESS project development (BOO/BOOT) tenders and awards, FY2027YTD 6M



Source: Tendering authorities, IEEFA-JMK Research
Note: The figure includes only project development (BOO/BOOT) tenders. Standalone BESS and standalone PHS tariffs are reported in INR lakh/MW/month, except for the Q1 FY2027 four-hour standalone BESS tender with a discovered tariff of INR6.45/kWh (USD0.068/kWh).
For standalone PHS tenders, annual fixed charges (AFCs) reported in INR lakh/MW/year have been converted to INR lakh/MW/month for comparability across tenders.
Awarded capacity is recorded based on auction conclusion dates and may originate from tenders issued in preceding periods.

2. Capacity commissioned

India added approximately 629MWh of ESS capacity in September 2026. Utility-contracted BESS accounted for most of it at 509MWh, while merchant standalone and open-access BESS contributed around 100MWh and 20MWh, respectively.

- BESS commissioning in September 2026 totalled approximately 629MWh, accounting for 6.7% of total BESS capacity commissioned in FY2027 so far. ACME Solar commissioned two FDRE-linked BESS projects in Rajasthan contracted with SJVN, while Juniper Green commissioned a 50MW/100MWh merchant BESS project (Table 3).
- A 10MW/20MWh open-access BESS was commissioned in Phalodi (Rajasthan), in compliance with RERC's BESS mandate for open-access consumers (Table 3).[5]
- ACME Greentech Seventh Private Limited, an ACME subsidiary, commissioned phases one and two of the BESS components of its 300MW/1,200MWh FDRE project with SJVN in Kelan, Bikaner. The project is structured to provide assured off-peak power supply, taking ACME's cumulative BESS capacity to about 4.3GWh. Juniper Green's cumulative BESS capacity reached about 0.6GWh as of September 2026.

Table 3: ESS projects commissioned in September 2026

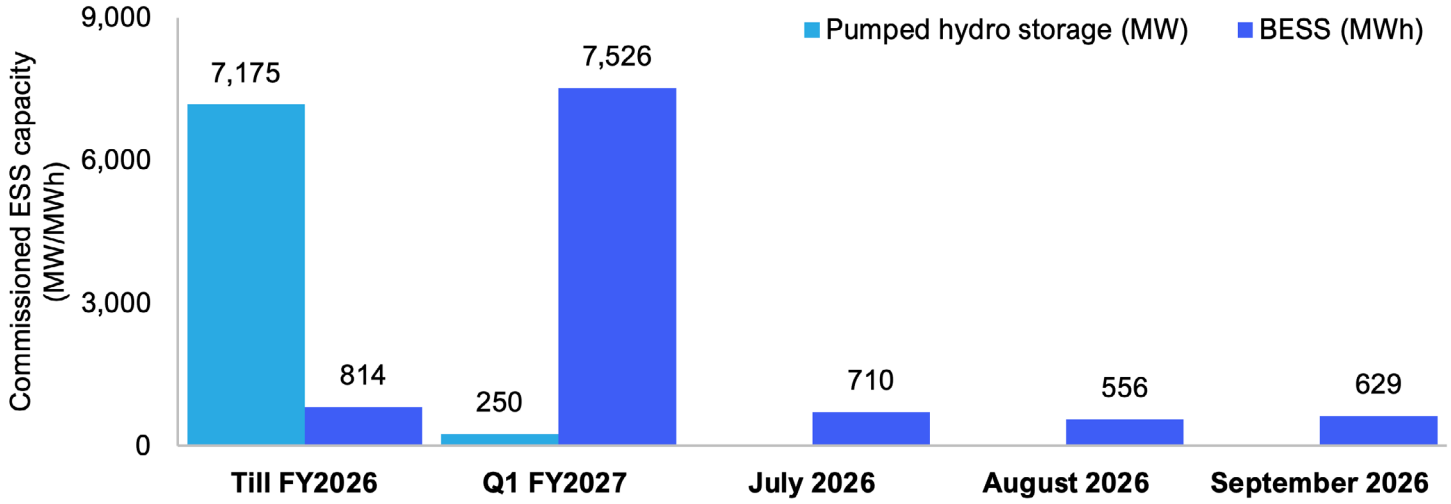
Developer/owner	Location (state)	Project type	Capacity (MW/MWh)	Offtake model
ACME Solar Holdings Limited	Bikaner, Rajasthan	FDRE	53.6MW/300MWh	Utility-contracted
ACME Solar Holdings Limited	Bikaner, Rajasthan	FDRE	52.32MW/209.28MWh	Utility-contracted
Juniper Green Cosmic Private Limited	Bikaner, Rajasthan	Standalone	50MW/100MWh	Merchant
Not disclosed (EPC by GEON, a subsidiary of Kabra Extrusion Technik)	Phalodi, Rajasthan	Standalone	10MW/20MWh	Open access

Source: BSE/NSE filings, press release, IEEFA-JMK Research

Cumulative commissioned BESS capacity reached 10.2GWh, with additions in FY2027YTD contributing 9.4GWh, driven largely by merchant projects. Of the total utility-awarded pipeline of 50GW, about 1.9% of this capacity has been commissioned so far, highlighting the widening gap between capacity awards and on-ground project realisation (Figure 2).

[5] RERC. RERC Green Energy Open Access Terms and Conditions. July 2025

Figure 2: ESS commissioned capacity trend, FY2027YTD 6M (until September)



Source: Central Electricity Authority (CEA), stock exchange filings, IEEFA-JMK Research

3. ESS pricing trends

Lithium iron phosphate (LFP) cell prices increased marginally in September 2026 to around USD54.4/kWh (INR5,191/kWh) in China. In India, landed costs for cells and containers remained about 14-23% above China's after-tax prices.[6]

- The average price of 314 ampere-hour (Ah) LFP cells, widely used in utility-scale BESS applications, increased by 1.4% month-on-month to CNY0.365/watt-hour (USD0.05/Wh; INR5.19/Wh) in September 2026. This was equivalent to approximately USD54.4/kWh (CNY365/kWh; INR5,191/kWh) on a China after-tax price basis.
- Cell prices rose in September 2026, driven by higher domestic tax liabilities in China after an 11-year tax exemption expired. The policy change reinstated a 2% consumption tax effective 1 September 2026, rising to 4% from 1 September 2027.[7]
- Average prices for integrated two-hour alternating current (AC)-side container systems remained stable at CNY0.58/Wh (USD0.08/Wh) in September 2026. The USD-equivalent price rose to around USD86.4/kWh (INR8,249/kWh), driven mainly by foreign-exchange movements.

[6] After-tax price refers to the average price observed across actual market transactions in China, based on InfoLink's China price benchmarks, which include value-added tax (VAT). A two-hour AC container refers to a fully assembled grid-ready system comprising battery packs, power conversion system (PCS), battery management system (BMS), liquid cooling, enclosure, and other balance-of-plant equipment, sized to discharge at rated power for two hours.
[7] Benchmark Minerals. China's finance ministry announces end to domestic lithium-ion tax exemption, with likely boost for sodium ion. July 2026

- Landed LFP cell price in India stood at USD62–67/kWh (INR5,917–6,394/kWh) in September 2026, around 14–23% above China's after-tax price level, representing a premium of roughly USD8–USD13/kWh (INR764–INR1,241/kWh). A similar premium was also observed for assembled AC containers, reflecting freight, duties, and other import-related costs.

4. BESS manufacturing updates

In September 2026, Exide commissioned 6GWh of cell manufacturing capacity, and Odisha approved a 10GWh advanced LFP BESS assembly plant.

Table 4: Key BESS manufacturing updates in September 2026

Entity	Type of update	Location	Manufacturing capacity (GWh)	Other details
Premier Energies Storage Solutions Private Limited	Manufacturing facility planned	Telangana	12	Premier Energies' subsidiary Premier Battery Technologies signed a binding term sheet with RCT India, part of Germany's RCT Group, on 10 September 2026 to form a joint venture for a 12GWh BESS facility at Seetharampur, Telangana, with the first 6GWh phase planned for FY2027-28.
Aare Solar	Manufacturing capacity approval	Odisha	10	Odisha's High-Level Clearance Authority approved Aare Solar's proposal to build a 10GWh advanced LFP BESS assembly plant in Nuapada in two phases, with an investment of INR1,050 crore (USD110 million).
Exide Energy Solutions	Manufacturing facility commissioned	Karnataka	6	Exide Energy Solutions Limited (EESL) has completed commissioning of phase one of its lithium-ion cell manufacturing facility in Bengaluru, Karnataka.
Ayana Renewable Power	Expression of interest (EoI) for cell manufacturing	Pan-India	2–2.5*	Ayana Renewable Power is inviting EoIs from eligible Indian companies or consortiums to partner in establishing an advanced chemistry cell (ACC) and battery manufacturing facility for grid-scale energy storage applications.

Source: News articles, IEEFA-JMK Research

*Plans to establish within the range of 2–2.5GWh

5. Storage deals and partnerships in September 2026

The Indian Railway Finance Corporation signed an INR4,200 crore (USD440 million) agreement to finance Damodar Valley Corporation's renewable projects, including BESS.

Table 5: Storage deals and partnerships in September 2026

Financing and investments				
Principal entity	**Deal value**	**Counterparty**	**Investment type**	**Other details**
Damodar Valley Corporation	INR4,200 crore (USD440 million)	Indian Railway Finance Corporation	Debt	The Indian Railway Finance Corporation (IRFC) signed a long-term agreement worth INR4,200 crore (USD440 million) with the Damodar Valley Corporation (DVC) to finance renewable energy projects across Jharkhand and West Bengal, including solar photovoltaic (PV) and BESS projects.
AltEons Energy	-	Sanmar Group	-	AltEons Energy has secured investment from Sanmar Group to develop 1.5GW of round-the-clock (RTC) clean power capacity in its pipeline. The investment will help AltEons Energy develop and operate its utility-scale and commercial renewable energy projects for corporate customers.
Project orders and contracts				
Principal entity	**Deal value**	**Counterparty**	**Order type**	**Other details**
Lineage Power Private Limited	INR488.46 crore (USD51.18 million)	NTPC GE Power Services Private Limited	BESS equipment	PACE Digiteks's subsidiary, Lineage Power, secured a BESS order of INR488.46 crore (USD51.18 million) from NTPC GE Power Services for the Barh Super Thermal Power Project in Bihar. The order covers the supply, delivery, testing, and commissioning support for 5.015MWh BESS containers, including the battery management system (BMS) and energy management system (EMS), along with a 12-year comprehensive maintenance contract (CMC).
Replus Engitech	INR217.56 crore (USD22.80 million)	Indus Towers	BESS equipment	Replus Engitech Private Limited, a subsidiary of HEG Advanced Materials, secured domestic orders worth INR217.56 crore (USD22.80 million) from Indus Towers for lithium-ion battery banks for telecom towers.

Strategic agreements, letters of award (LoAs), and partnerships			
Principal entity	**Counterparty**	**Agreement type**	**Other details**
Advait Battery Ecosystem Private Limited	HiTHIUM	Supply agreement	Advait Battery Ecosystem Private Limited (ABEPL) signed a master supply agreement (MSA) with China-based HiTHIUM to procure up to 1GWh of cells over the next year. The agreement will support ABEPL's planned BESS assembly facility, which will have an annual production capacity of 2.5GWh.

Source: News articles, IEEFA-JMK Research

6. Policy and regulatory updates

September 2026 recorded key regulatory developments, with CTUIL revising its standalone BESS benchmark capital cost to INR0.80 crore/MWh (USD83,822/MWh), and its land requirement benchmark to 1.2 acres per 100MWh, while CERC and DERC approved tariffs for two storage-linked projects.

Table 6: ESS policy and regulatory updates in September 2026

Policies and regulations	
Title	**Key provisions**
CTUIL specifies benchmark project cost and land requirement for renewable energy projects	CTUIL specified a BESS benchmark project cost of INR0.80 crore/MWh (USD83,822/MWh) and land requirement benchmark of 1.2 acres/100MWh for general network access (GNA)-related financial closure and land compliance assessment.
CTUIL circulates advisory for modalities for enhancing MWh capacity of grid-connected BESS project	CTUIL now allows developers to enhance the energy capacity (MWh) of existing BESS projects without increasing the sanctioned grid export capacity (MW). While the GNA framework mandates connectivity bank guarantees (Conn-BG1 and Conn-BG3), CTUIL has temporarily deferred Conn-BG3 until CERC clarifies how a MW-based fee applies to capacity additions that add only an MWh component.
CERC enforces new deviation settlement framework for standalone BESS and PHS under CERC DSM (Third Amendment), 2026	CERC's amendment directs that the power injected from the date of first synchronisation until successful completion of the trial run will now be paid at the normal rate of charges for deviations (for each time block) capped at INR2/kWh (USD0.02/kWh) for a stand-alone ESS. For standalone PHS plants governed by Section 62, deviation charges will be calculated using the energy charge rate specified in Clause 3 of Regulation 66 of the CERC Tariff Regulations, 2024.
Tariff approvals	
CERC approves INR3.12–3.13/kWh tariff discovered in SECI's 1,200MW of solar PV with 600MW/3,600MWh of storage	CERC adopted tariffs for SECI's 1,200MW ISTS-connected solar-plus-storage tranche, confirming the results of a January 2026 e-reverse auction that paired 1,200MW of solar PV with 600MW/3,600MWh of storage. The order fixed tariffs at INR3.12/kWh (USD0.032/kWh) for 800MW and INR3.13/kWh (USD0.032/kWh) for the remaining 400MW. It allows SECI to charge DISCOMs a trading margin of up to INR0.07/kWh if it maintains prescribed payment security (through an escrow or an irrevocable revolving letter of credit); otherwise, the margin is capped at INR0.02/kWh.
DERC approves INR35.91 lakh/MW/year tariff for BRPL's 12.5MW/25MWh Shivalik BESS	DERC approved BSES Rajdhani Power Limited's proposed 12.5MW/25MWh, two-hour battery energy storage system at its Shivalik Grid substation in South Delhi. The project will be delivered under a BOOT model by REConnect Energy Solutions, at an approved levelised charge of around INR2.99 lakh/MW/month (USD3,136/MW/month).

Source: CERC, SERCs, APTEL, MNRE, IEEFA-JMK Research

Abbreviations

ABEPL	Advait Battery Ecosystem Private Limited
AC	Alternating current
ACC	Advanced chemistry cell
AFC	Annual fixed charge
Ah	Ampere-hour
APPCC	Andhra Pradesh Power Coordination Committee
APTEL	Appellate Tribunal for Electricity
APTRANSCO	Transmission Corporation of Andhra Pradesh Limited
BESPA	Battery energy storage purchase agreement
BESS	Battery energy storage system
BMS	Battery management system
BOO	Build-own-operate
BOOT	Build-own-operate-transfer
BRPL	BSES Rajdhani Power Limited
BSE	Bombay Stock Exchange
BSPGCL	Bihar State Power Generation Company Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CIL	Coal India Limited
Conn-BG1	Connectivity bank guarantee 1
Conn-BG3	Connectivity bank guarantee 3
CTUIL	Central Transmission Utility of India Limited
DERC	Delhi Electricity Regulatory Commission
DISCOM	Distribution company
DSM	Deviation Settlement Mechanism
DVC	Damodar Valley Corporation
EESL	Exide Energy Solutions Limited
EoI	Expression of interest
EPC	Engineering, procurement, and construction
ESS	Energy storage system
FDRE	Firm and dispatchable renewable energy
FY	Financial year
GNA	General network access
GW	Gigawatts
GWh	Gigawatt-hours
IRFC	Indian Railway Finance Corporation
ISTS	Inter-state transmission system
KPTCL	Karnataka Power Transmission Corporation Limited
KREDL	Karnataka Renewable Energy Development Limited
kWh	Kilowatt-hours
L-1	Lowest bidder
LFP	Lithium iron phosphate
LoA	Letter of award
MNRE	Ministry of New and Renewable Energy
MSA	Master supply agreement
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MW	Megawatts
MWh	Megawatt-hours
NPCL	Noida Power Company Limited
NSE	National Stock Exchange
PCS	Power conversion system
PHS	Pumped hydro storage
PV	Photovoltaic
RERC	Rajasthan Electricity Regulatory Commission
RTC	Round-the-clock
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulatory Commission
SJVN	Satluj Jal Vidyut Nigam
TGNPDCL	Telangana State Northern Power Distribution Company Limited
UPCL	Uttarakhand Power Corporation Limited
VAT	Value-added tax
VGF	Viability gap funding
Wh	Watt-hour
YoY	Year-on-year
YTD	Year to date

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Charith Konda,
Lead Energy Specialist
South Asia, IEEFA

Prabhakar Sharma,
Senior Consultant,
JMK Research & Analytics

Vasu Mor,
Research Associate,
JMK Research & Analytics

Vansh Kathuria,
Research Associate,
JMK Research & Analytics