

Challenges to financing the growth of battery energy storage. Presently, the adoption of BESS is low, and the growth of adoption is less than desired. As per the International Energy Agency (IEA), global BESS capacity was 85 GW at the end of 2023 and needs to reach 1200 GW by 2030 to enable seamless grid-integration of renewable energy, with ...

Overall, total energy storage in Europe is expected to increase to about 375 gigawatts by 2050, from 15 gigawatts last year, according to BloombergNEF. We spoke with Grebien about electricity market trends, energy storage technologies, as well as the investment and financing opportunities emerging from these technologies.

Storage is indispensable to the green energy revolution. The most abundant sources of renewable energy today are only intermittently available and need a steady, stored supply to smooth out these fluctuations. Energy storage technologies are also the key to lowering energy costs and integrating more renewable power into our grids, fast.

Global energy storage's record additions in 2023 will be followed by a 27% compound annual growth rate to 2030, with annual additions reaching 110GW/372GWh, or 2.6 times expected 2023 gigawatt installations. Targets and subsidies are translating into project development and power market reforms that favor energy storage.

The general principles of project finance that apply to the financing of solar and wind projects also apply to energy storage projects. Since the majority of solar projects currently under construction include a storage system, lenders in the project finance markets are willing to finance the construction and cashflows of an energy storage project.

"Energy Storage Financing Opportunities and Barriers" focused on various aspects of financing energy storage, including steps and roles in the financing cycle and key enabling factors or barriers for energy storage finance.

According to Eurelectric's Decarbonisation Speedways study from 2023, the financing required to support a major and much-needed step-up in energy storage systems leading to 2050 is estimated between EUR100 billion (\$108.2 billion) and EUR300 billion (\$324.5 billion).

A roundup of the biggest projects, financing and offtake deals in the energy storage sector that we have reported on this year. It's been a positive year for energy storage in 2023, with new markets opening up and supply chain bottlenecks and price spikes for battery energy storage systems (BESS) easing, though challenges remain.

MITEI's three-year Future of Energy Storage study explored the role that energy storage can play in fighting



Energy storage finance

climate change and in the global adoption of clean energy grids. Replacing fossil fuel-based power generation with power generation from wind and solar resources is a key strategy for decarbonizing electricity.

Our model, shown in the exhibit, identifies the size and type of energy storage needed to meet goals such as mitigating demand charges, providing frequency-regulation services, shifting or improving the control of renewable power at grid scale, and storing energy

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