



IESA says India C&I energy storage may reach 31 GWh by 2032: what it means

By Sudarshan Karweer · 26 August 2026 · growthifye.com

What IESA's 31 GWh C&I storage outlook means for Indian consumers, BESS developers and lenders in tariffs, procurement and bankability.

India's commercial and industrial energy storage story is moving from pilot-scale curiosity to procurement reality. A newly highlighted outlook from IESA suggests that India's C&I energy storage market could reach as much as 31 GWh by 2032. Even without the full underlying dataset in hand, the headline alone signals something important: storage is no longer being framed as a niche technology add-on, but as a mainstream cost, reliability and flexibility tool for Indian power consumers.

For Growthifye's audience of C&I consumers, RE and BESS developers, and lenders, the key question is not whether storage will grow. It is how to convert that growth narrative into financeable projects, durable savings and bankable contracts in the Indian market of 2026 and beyond.

What the IESA announcement likely points to

Based on the headline, the IESA view appears to project a sizeable scale-up in battery energy storage deployment within India's commercial and industrial segment through 2032. That likely reflects a combination of converging drivers:

- increasing demand charges and the need for peak shaving
- time-of-day tariffs becoming more relevant across states
- higher penetration of rooftop and behind-the-meter solar
- power quality and backup needs for critical operations
- pressure on large consumers to decarbonise without compromising uptime
- falling storage system costs and improving operating sophistication
- stronger policy support for storage as part of India's power transition

The C&I opportunity is distinct from utility-scale storage. In the C&I segment, batteries are not only about energy arbitrage. They are also about reducing contracted demand stress, smoothing solar generation, protecting against outages, managing diesel replacement in some cases, and improving the economics of open access or captive renewable power.

A projection of up to 31 GWh by 2032 suggests that IESA sees storage demand broadening beyond the earliest adopters such as data centres, large campuses and high-tariff industrial consumers. It implies a future market where storage becomes relevant across manufacturing, logistics, commercial real estate, cold chain, healthcare, IT parks and export-oriented industrial clusters.

Why this matters in India's 2026 market context

In 2026, the business case for C&I storage in India is becoming more state-specific and use-case specific rather than universally obvious. That is a sign of market maturity.

A few years ago, many developers pitched storage as a generic future solution waiting for tariffs to align. Today, the conversation is more practical. The viability of a BESS project depends on a detailed stack of



measurable benefits:

- demand charge reduction
- energy arbitrage under time-varying tariffs
- improved self-consumption of solar
- outage cost avoidance
- diesel displacement
- power quality support
- open access scheduling optimisation
- curtailment mitigation in select structures

This means the same battery system can look highly attractive for one factory and uneconomic for another just 50 kilometres away, depending on tariff category, outage profile, sanctioned load, load factor, shift pattern, existing solar capacity and state regulations.

That is why the IESA projection matters. It validates that enough of these pockets are now opening up at scale. The market is no longer waiting for one perfect pan-India tariff signal. Instead, it is growing because many micro-economics are starting to work simultaneously.

What it means for C&I consumers

For industrial and commercial buyers, the biggest change is strategic: storage should now be evaluated as part of the full electricity procurement portfolio, not as a standalone equipment purchase.

C&I consumers should stop asking only, “What is the battery payback?” and start asking, “What is the lowest-risk delivered power strategy across grid, rooftop solar, open access renewables, backup and storage?”

In practice, storage can create value for C&I users in four common ways.

1) Peak shaving and demand charge management

For consumers with sharp spikes in demand, especially in industrial operations with motors, furnaces, chillers or batch processes, BESS can reduce maximum draw from the grid. In states and tariff categories where demand charges are material, this alone can support the economics.

The key is not battery size in isolation, but correct power-to-energy sizing. Many buyers overfocus on kWh and underappreciate the importance of kW discharge capability and controls integration.

2) Better economics for solar and open access power

As renewable penetration rises, batteries help shift excess daytime solar into evening consumption windows, increasing self-use and reducing spill or low-value export. For open access consumers, storage may also improve scheduling discipline and reduce the commercial pain from mismatch between contracted renewable generation and actual demand profile.

This is especially relevant where procurement teams want more renewable energy without increasing operational complexity.

3) Reliability and power quality



For sectors where voltage dips, short interruptions or poor power quality create production losses, storage-backed systems can deliver value that conventional tariff models do not capture well. If one interruption costs lakhs in lost output or product damage, the business case changes dramatically.

Many viable C&I storage projects in India will be justified less by pure arbitrage and more by avoided operational loss.

4) Diesel replacement and transition planning

Where diesel gensets still play a regular balancing or backup role, batteries paired with renewable power can reduce fuel use, maintenance and emissions. This can be attractive for campuses and facilities with high backup dependency but moderate-duration outage needs.

What it means for RE and BESS developers

The IESA projection is encouraging, but developers should not mistake market size potential for easy execution. The next wave of winners in Indian C&I storage will likely be those who can package storage into clear, contractable savings rather than those who simply quote lower battery capex.

Three shifts are important.

Move from hardware selling to solution structuring

Customers are buying outcomes: lower maximum demand, improved RE utilisation, outage resilience and tariff optimisation. Developers need to model these benefits transparently and contract around them where feasible.

Build state-level tariff intelligence

Storage economics are highly sensitive to tariff design, open access treatment, wheeling and banking rules, and fixed versus variable bill components. A developer with strong commercial intelligence in a handful of target states may outperform a national player with weaker local depth.

Strengthen EMS and operating capability

The margin in C&I storage will increasingly come from controls, dispatch strategy and operational discipline. Poor battery dispatch can destroy expected savings. This is not a passive asset class. The energy management layer matters as much as the cells and PCS.

Procurement implications: buyers will get more selective

As the market scales, procurement standards will tighten. C&I buyers and their lenders will increasingly scrutinise:

- cell chemistry and thermal safety architecture
- round-trip efficiency assumptions
- warranty structure, throughput limits and degradation curves
- augmentation plans
- EMS functionality and cyber resilience
- O&M response obligations
- integration with solar, DG and existing electrical systems



- performance guarantee methodology
- replacement reserve assumptions

This will likely separate serious developers from opportunistic vendors. In 2026, buyers should expect more rigorous technical diligence and should welcome it. A cheap system with weak controls, weak warranty backing or unclear degradation assumptions can erase savings quickly.

Tariff impact: storage works best where pricing signals are real

For many C&I cases, the strongest long-term tailwind is the gradual deepening of time-sensitive pricing. As time-of-day and related tariff structures become more meaningful, storage gains a cleaner economic role through energy shifting.

But tariffs alone will not determine success. In India, fixed charges, demand charges, cross-subsidy considerations, backup practices and outage economics often matter more than pure unit-rate arbitrage. That is why every storage assessment must begin with a bill dissection rather than a generic market benchmark.

The practical takeaway is simple: if your current electricity cost model treats all kilowatt-hours as equal, you are probably missing the storage opportunity or overstating it.

Bankability: what lenders will care about

For lenders, the 31 GWh outlook is positive because it indicates market depth. But debt will not flow just because the segment is growing. Bankability in C&I storage still depends on disciplined structuring.

The strongest projects will typically demonstrate:

- creditworthy offtakers with stable operations
- verifiable baseline consumption and demand patterns
- conservative savings assumptions
- robust OEM and integrator credentials
- enforceable O&M and warranty support
- clear metering and measurement protocols
- contractual allocation of performance, degradation and replacement risks
- realistic residual value assumptions

Lenders will likely remain cautious where revenue depends on too many uncertain value streams. A project backed mainly by one or two well-measured savings levers is often easier to finance than a model claiming six stacked benefits with limited evidence.

For this reason, developers should avoid overengineering the business case. Simplicity, measurability and contractual clarity improve credit outcomes.

Growthifye's practitioner take

The most important signal from the IESA outlook is not the exact 31 GWh figure. It is that C&I storage in India now deserves board-level attention from energy buyers and investment committees.

We see three practical conclusions for the market:

First, BESS should now be evaluated alongside open access solar, rooftop solar, hybrid procurement and backup optimisation as part of an integrated energy strategy.



Second, the winning projects will be those grounded in actual site data, tariff structure and operating realities rather than generic payback claims.

Third, bankability will increasingly favour experienced developers who can combine technical design, tariff insight, performance contracting and lender-ready documentation.

In short, India's C&I storage market is moving from "if" to "where, how and under what contract structure." That is exactly when specialist advisory becomes valuable.

Source & Credits

This article is based on a newly published announcement/report coverage regarding IESA's outlook for India's C&I energy storage market. IESA (India Energy Storage Alliance) and its authors/research team are the original publishers/creators of the underlying research and market projection referenced in the news item. Source link: <https://news.google.com/rss/articles/CBMiyAFBVV95cUxNOFN6TFpvLVBzbkU2dEFIMzV0RXpGdFVDdU51ZkZpekZQ0ZtY2gtSmcyRm1qQUJTVjZfTGRFbk9CUHZjcV9VMTdpOWg2Zm1KbGVwelJ1ZndlaXB4cVV5bTBsRFctWWI1c0dwcENhZTdSa192ZWw0dINxNEZhUjJIQXJBWFpoMkRCTDItX1NyN09HZIRMVWFIVUhZRE4wZWQ2d0lWbENFR0ZqZXhjOG9oY3R3OHAtUkRjMEhPTFA2QnJDaDI1RzRoUA?oc=5>

If you are evaluating a C&I BESS, solar-plus-storage or open access structure, reach out to Growthifye's advisory desk for project screening, commercial modelling and lender-ready diligence support.

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