

## European Solar and Energy Storage Solutions

# Energy Storage Battery System Cost Forecast



## Overview

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This report updates those cost projections with data published in 2021, 2022, and early 2023. The projections in this work focus on utility-scale lithium-ion battery systems for use in capacity expansion models. These projections form the inputs for battery storage in the Annual Technology Baseline (NREL 2022).

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Base year costs for utility-scale battery energy storage systems (BESSs) are based on a bottom-up cost model using the data and methodology for utility-scale BESS in (Ramasamy et al., 2023). The bottom-up BESS model accounts for major components, including the LIB pack, the inverter, and the balance of system (BOS) needed for the installation.

In this work we describe the development of cost and performance projections for utility-scale lithium-ion battery systems, with a focus on 4-hour duration systems. The projections are developed from an analysis of recent publications that consider utility-scale storage costs.

This battery storage update includes summary data and visualizations on the capacity of large-scale battery storage systems by region and ownership type, battery storage co-located systems, applications served by battery storage, battery storage installation costs, and small-scale battery storage trends. This data is collected from EIA survey .

What opportunities do battery energy storage systems offer the grid?

Our forecasting suggests considerable growth in utility- and customer-owned battery energy storage systems by 2030. The potential benefits these systems offer include: Increased use of renewable energy; Savings on utility customers' bills and demand-charge management

What are base year costs

for utility-scale battery energy storage systems?

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How are battery storage cost projections developed?

The projections are developed from an analysis of recent publications that include utility-scale storage costs. The suite of publications demonstrates wide variation in projected cost reductions for battery storage over time. We use the recent publications to create low, mid, and high cost projections.

How much does battery storage cost?

The suite of publications demonstrates wide variation in projected cost reductions for battery storage over time. We use the recent publications to create low, mid, and high cost projections. Projected storage costs are \$245/kWh, \$326/kWh, and \$403/kWh in 2030 and \$159/kWh, \$226/kWh, and \$348/kWh in 2050.

Are battery storage costs based on long-term planning models?

Battery storage costs have evolved rapidly over the past several years, necessitating an update to storage cost projections used in long-term planning models and other activities. This work documents the development of these projections, which are based on recent publications of storage costs.

What is included in the battery storage update?

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When are battery cost projections updated?

In 2019, battery cost projections were updated based on publications that focused on utility-scale battery systems (Cole and Frazier 2019), with a 2020 update published a year later (Cole and Frazier 2020). This report updates those cost projections with data published in 2020 and early 2021.

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### Cost Projections for Utility-Scale Battery Storage: 2023 Update

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### Lithium-Ion Battery Pack Prices Hit Record Low of ...

BloombergNEF's annual battery price survey finds a 14% drop from 2022 to 2023. New York, November 27, 2023 - Following unprecedented price increases in 2022, battery prices are falling again this year. The price of ...



### Energy storage

Technology costs for battery storage continue to drop quickly, largely owing to the rapid scale-up of battery manufacturing for electric vehicles, stimulating deployment in the power sector. The rapid scaling up of energy storage ...

### Storage Futures , Energy Analysis , NREL

Released January 2022, the sixth report in the

series focuses on how the grid could operate with high levels of energy storage. NREL used its publicly available Regional Energy Deployment System (ReEDS) model to identify least-cost ...



## Utility-Scale Battery Storage , Electricity , 2023

Future Years: In the 2023 ATB, the FOM costs and the VOM costs remain constant at the values listed above for all scenarios.. Capacity Factor. The cost and performance of the battery systems are based on an assumption of ...

## Utility-Scale Battery Storage , Electricity , 2022 , ATB , NREL

Current Year (2021): The 2021 cost breakdown for the 2022 ATB is based on (Ramasamy et al., 2021) and is in 2020\$. Within the ATB Data spreadsheet, costs are separated into energy and ...



## Battery cost forecasting: A review of methods and ...

21 Ciez and Whitacre (2016, a) The cost of lithium is unlikely to upend the price of Li-ion storage systems 22 Cole et al. (2016) Utility-scale lithium-ion storage cost projections for use in

## Cost Projections for Utility-Scale Battery Storage: 2021 Update

In this work we describe the development of cost and performance projections for utility-scale lithium-ion battery systems, with a focus on 4-hour duration systems. The projections are ...



## 2022 Grid Energy Storage Technology Cost and ...

The 2022 Cost and Performance Assessment analyzes storage system at additional 24- and 100-hour durations. In September 2021, DOE launched the Long-Duration Storage Shot which aims to reduce costs by 90% in storage ...

## Trends in batteries - Global EV Outlook 2023 - Analysis

In 2022, the estimated average battery price stood at about USD 150 per kWh, with the cost of pack manufacturing accounting for about 20% of total battery cost, compared to more than ...



## Residential Battery Storage , Electricity , 2024 , ATB , NREL

This report is the basis of the costs presented here (and for distributed commercial storage and utility-scale storage); it incorporates base year battery costs and breakdown from (Ramasamy ...



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