

BESS project financing options in India 2026



Overview

What is the Bess funding scheme?

This scheme covers projects approved between 2023 and 2026. The funding is planned to be disbursed in five tranches: 10% upon financial closure, 45% upon achieving the Commercial Operation Date (COD), and 15% per year for the next three years from COD. Initially, the scheme aimed to support 4,000 MWh of BESS capacity.

How much does Bess cost in India?

Solar Energy Corporation of India (SECI): INR 3.24 billion for 1.2 GWh of BESS.
State Governments: INR 16.2 billion for 6 GWh of BESS across Rajasthan, Tamil Nadu, Karnataka, Gujarat, Maharashtra, Telangana, Bihar, and Kerala.
Public Sector Entities: INR 13.5 billion allocated to NTPC, NHPC, and Satluj Jal Vidyut Nigam for 5 GWh of BESS projects.

Can a Bess project be issued as a green bond?

Independent BESS projects can be bundled together and issued as green bonds to potential large investors. A partial credit guarantee can be provided by public capital providers to improve the credit ratings of green bonds, which is necessary to attract these low-risk-seeking investors.

When will Bess project go live in India?

ion and BESS projects in India
BSES Rahdhani Power Limited (BRPL) and Global Energy Alliance for People and Planet (GEAPP) together have launched India's first ever commercial standalone BESS, expected to go live by March 2025. In 2024, tenders to develop projects with 3625 MW/8100 MWh of Standalone BESS were floated.

What is the budgetary provision for Bess in 2024-25?

For the financial year 2024-25, a budgetary provision of ₹96 crore was made for 1,000 MWh of BESS, assuming a 10% disbursement at financial closure.

But with the reduction in BESS capital costs, the VGF support per MWh was lowered from ₹96 lakh to ₹46 lakh or 30% of the capital cost, whichever is less.

Is blended financing a viable financial model for Bess projects?

As per McKinsey & Company, the market size of the BESS ecosystem is expected to reach \$150 billion by 2030. Thus, blended financing as a financial model should be considered, where public capital can be used as a first-loss capital for BESS projects. This offers private financiers the comfort of providing capital at a competitive rate.

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India's Installed Battery Storage Capacity Hits 219 MWh

India's total Battery Energy Storage System (BESS) capacity reached 219.1 MWh as of March 2024, according to Mercom India Research's newly released report, India's Energy Storage Landscape. According to the ...

Statera obtains debt funding for 600MWh UK BESS

The battery energy storage system (BESS) and flexible generation projects are expected to begin operations in late 2026. Credit: Statera Energy. UK-based energy company Statera Energy has received £300m ...



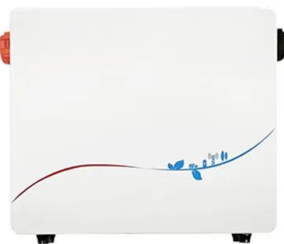
IndiGrid Commissions India's First BESS Project for DISCOM in ...

India's first commercial standalone battery energy storage system (BESS) project with a 20MW/40MWh capacity at the distribution company level and a tariff approved by ...



Prepared by: International study on Financing Needs for New ...

ge-scale deployment and grid integration of variable renewable energy sources like solar and wind. This study suggests low-cost financing mechanisms for BES projects which include a ...



"Battery energy storage market in India is on the cusp ...

Our efforts focus on mobilising technical expertise and concessional financing to support the development of around 1 GW of BESS projects by 2026. We are currently working closely with several state ...

Battery Energy Storage Systems (BESS): The Future ...

As India progresses towards a greener and more sustainable energy future, Battery Energy Storage Systems (BESS) are emerging as a critical solution for energy storage, grid stability, and renewable



India's First Commercial Utility-Scale Battery Energy ...

The BRPL BESS project is the first commercial standalone BESS project at the distribution level in India to receive regulatory approval for a capacity tariff and will play a pivotal role in facilitating the uptake of low-cost ...

New Subsidy schemes for Battery Energy Storage ...

In autumn 2024 two draft regulations were published regarding state aid for large-scale electricity storage systems (BESS), one from the Modernisation Fund ("MF ") 1 - and the second under the National Recovery ...



The standalone energy storage market in India , IEEFA

Beyond contracting delays, the sector faces structural hurdles related to supply chains, manufacturing and financing. India's installed BESS capacity remains limited, with most utility-scale projects relying on a small pool ...

Overview of ESS Tenders & Projects India

L& T Solar + ESS Project for Frequency Regulation & PV Smoothing in India Project Name - NLC's 20MW solar with 16MW/8MWh BESS in Port Blair, South Andaman, India.



India's INR3,760 Crore BESS Viability Gap Funding Targets 13,200 ...

This scheme covers projects approved between 2023 and 2026. The funding is planned to be disbursed in five tranches: 10% upon financial closure, 45% upon achieving the ...

Battery Energy Storage System in India , Benefits & Use Cases

Explore how battery energy storage system in India help C& I consumers reduce energy costs, improve reliability, and align with evolving energy policies.



Nine BESS projects now operational in India, says MoS Shripad ...

New Delhi: A total of nine Battery Energy Storage System (BESS) projects with a cumulative installed capacity of 204.5 MW/505.6 MWh are currently operational in the ...

SNAP's battery storage projects gain financial backing for 2026

At a ceremonial signing on February 17, 2025, BPI and Chinabank formalized their commitment to fund the Magat BESS Phase 2, while BPI and BDO agreed to finance the ...



How BESS Tenders Are Powering India's Grid

The next-gen offering that appears to be on the cusp of development is hybrid RE + BESS + green hydrogen projects. India's clean energy transition depends on the ...

Government Triples Battery Storage Target to

India has increased its Battery Energy Storage Systems (BESS) target under the VGF scheme from 4,000 MWh to 13,200 MWh by 2027-28, leveraging falling costs. The move aims to enhance renewable energy ...

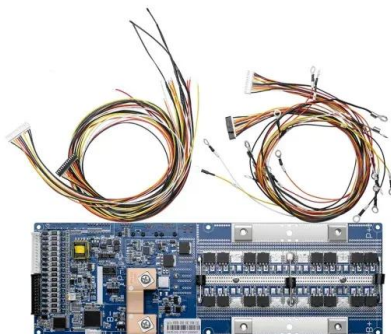


Battery Energy Storage System in India , Benefits

Explore how battery energy storage system in India help C& I consumers reduce energy costs, improve reliability, and align with evolving energy policies.

Cummins India Limited Launches Battery Energy Storage ...

Cummins India Limited ("Cummins"), one of the leading power solutions technology providers, today announced the launch of its Battery Energy Storage Systems ...



What Investors Want to Know: Project-Financed Battery Energy ...

Battery energy storage systems (BESS) store electricity and flexibly dispatch it on the grid. They can stack revenue streams offering arbitrage, capacity and ancillary services ...

We are strongly committed to driving the growth of India's BESS ...

With concessional and de-risking capital from the public or philanthropic sector, these projects can become highly attractive to the private sector. A blended finance ...



Financing Battery Energy Storage Systems - Meeting ...

Co-authored by Harry Brunt, a partner in our Energy and Infrastructure team, and Dan Roberts of Frontier Economics Introduction In this article we consider the role and application of battery energy storage systems ...

Project Finance Brief: SMT Energy Secures Funding for 160 ...

From: Mercom Capital Group SMT Energy, a developer, owner, and operator of battery energy storage projects, secured \$135 million in project financing to develop a 160 ...



Warranty
10 years

LiFePO₄

Intelligent BMS

Wide Temp:
-20°C to 55°C



India Accelerates Energy Storage Push with BESS Developments

On the financing front, Indigrid partnered with the International Finance Corporation (IFC) to develop a 180 MW/360 MWh standalone BESS project in Gujarat, with ...

Nine BESS projects now operational in India, says ...

New Delhi: A total of nine Battery Energy Storage System (BESS) projects with a cumulative installed capacity of 204.5 MW/505.6 MWh are currently operational in the country, Minister of State for New and Renewable ...



India BESS Market Growth: Subsidized Storage ...

India's BESS market is expanding rapidly with a new 13.2 GWh subsidized storage target. Discover investment opportunities, funding allocations, and key market trends.

India's expanding battery energy storage ecosystem ...

An SBICAPS report says funding of the battery energy storage ecosystem in India (spanning the project as well as the upstream level) presents an INR 3.5 trillion opportunity till FY32, with an INR 800 billion medium-term ...

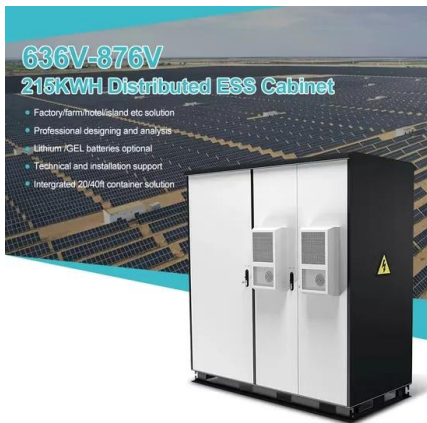
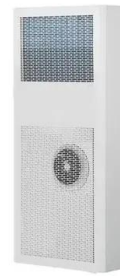


SWREL wins EPC mandate of India's largest BESS ...

Sterling and Wilson Renewable Energy Ltd (SWREL) has won an EPC mandate for what could be India's biggest battery energy storage system (BESS) project.

India's battery storage to reach 66 GW by 2032, INR5 ...

The report notes that capital cost considerations, financing structures, and policy support will determine the sector's long-term viability. It highlights that strategic investments in BESS projects will optimize energy ...



Press Release:Press Information Bureau

The Union Cabinet approved the Viability Gap Funding (VGF) Scheme for Battery Energy Storage Systems (BESS) on 6th September 2023, to support the development of ...

Financing BESS: Innovative models needed to ...

Independent BESS projects can be bundled together and issued as green bonds to potential large investors. A partial credit guarantee can be provided by public capital providers to improve the credit ratings of green ...



- ✓ LIQUID/AIR COOLING
- ✓ INTELLIGENT INTEGRATION
- ✓ PROTECTION IP54/IP55
- ✓ BATTERY /6000 CYCLES



India's First Utility-Scale Standalone Battery Energy ...

The GEAPP Leadership Council (GLC) today officially announced the launch of India's first utility-scale, standalone BESS project.

The BESS Brief - Part 2: BESS Financing is Entering a New Phase

Today, we are seeing non-recourse project finance for 600+ MW portfolios, mezzanine debt entering the capital stack, and public banks co-financing with private lenders. ...



Project Finance Brief: S4 Energy to Acquire 310 MW BESS ...

Field, an energy storage project developer, announced the acquisition of the 200 MW/800 MWh Hartmoor battery storage project near Hartlepool, England, UK, from ...

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