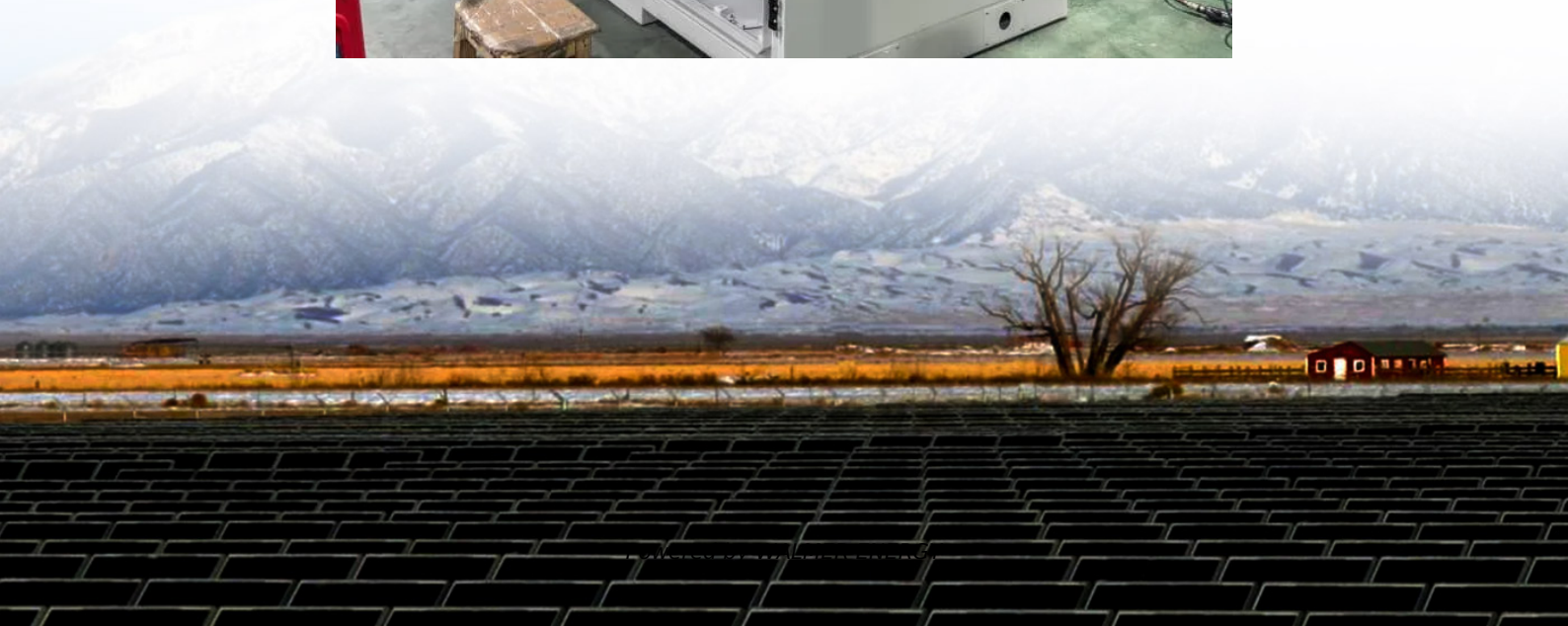


# Oversupply of energy storage cell projects





## Overview

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How has oversupply impacted battery energy storage system costs?

Oversupply of lithium-ion battery precursor and active materials – and of lithium iron-phosphate (LFP) batteries, especially in China – has driven energy storage system costs down, fueling a record 330 GWh of battery energy storage system (BESS) shipments in 2024.

Why is energy storage oversupply a problem?

The expansion is driven mainly by local governments and lacks coordination with new energy stations and the power grid. In some regions, a considerable storage oversupply could lead to conflicts in power-dispatch strategies across timescales and jurisdictions, increasing the risk of system instability and large-scale blackouts.

How are energy storage system prices affecting battery production?

As energy storage system prices drop and production costs fall, global cathode and BESS producers are under significant pressure to constantly improve their products or face consolidation, or even extinction, in an increasingly competitive midstream battery manufacturing market.

Is excessive energy storage a problem?

Spyros Foteinis highlights the acknowledged problem that an insufficient capacity to store energy can result in generated renewable energy being wasted (Nature 632, 29; 2024). But the risks for power-system security of the converse problem — excessive energy storage — have been mostly overlooked.



## Oversupply of energy storage cell projects

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### Oversupply of energy storage cell projects

Oversupply of energy storage cell projects Battery overproduction and overcapacity will shape market dynamics of the energy storage sector in 2024, pressuring prices and providing ...

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### Oversupply? Energy storage cell shipments triple installed ...

Jul 5, 2023 · The global cell shipments in 2022 reached 144 GWh, while the installed capacity amounted to only 44 GWh, a gap of more than three times. InfoLink estimates that the cell ...

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### Energy storage overcapacity can cause power ...

Sep 10, 2024 · In some regions, a considerable storage oversupply could lead to conflicts in power-dispatch strategies across timescales and ...

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### Investment in China's Independent Energy Storage Sector ...

20 hours ago · (Yicai) Dec. 12 -- Investment in independent energy storage projects in China has soared since the National Development and Reform Commission scrapped the previous rule ...

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### Is India's energy storage market headed for ...

Aug 1, 2025 · A recent report by SBICAPS projects that India will add 30 GW of energy storage capacity (battery storage, pumped storage, etc) through ...

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### Energy Storage Battery Project Overcapacity: When Too ...

Aug 3, 2025 · Why the Battery Boom Feels Like a Gold Rush Gone Wild factories churning out lithium-ion batteries faster than TikTok trends, while warehouses stockpile enough battery ...

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### Global Battery Production Surges: Oversupply Raises ...

Dec 16, 2024 · The landscape of battery production is shifting dramatically, and the implications are as vast as they are complex. As of 2023, the total announced cell production capacity on a ...

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### In a world of low-cost batteries, performance matters

Jun 20, 2025 · Oversupply of lithium-ion battery precursor and active materials - and of lithium iron-phosphate (LFP) batteries, especially in China - has driven energy storage system costs ...

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### Battery Storage Cost Collapse Accelerates Global Shift to ...

Dec 6, 2025 · Parameters Cost Reduction Percentage -> 33% (The year-over-year decline in the global benchmark cost for battery storage projects in 2024.) Benchmark Cost -> \$104 per ...

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### Is India's energy storage market headed for oversupply?

Aug 1, 2025 · A recent report by SBICAPS projects that India will add 30 GW of energy storage capacity (battery storage, pumped storage, etc) through standalone and firm and dispatchable ...

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Energy storage overcapacity can cause power system ...

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China Advances Energy Storage Chain with Major New Projects ...

4 days ago · In recent days, China's energy storage and battery industry chain has seen several major project developments. These include the groundbreaking of Ampace's Xiamen Phase II ...

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