Govt opens global bids for 10 GWh battery cell manufacturing capacity

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The Ministry of Heavy Industries (MHI) on Wednesday invited global bids to establish 10 GWh of advanced chemistry cell (ACC) manufacturing capacity dedicated exclusively to grid-scale stationary storage (GSSS) under the government's ₹18,100-crore production linked incentive scheme.

The tender carve out the final 20 per cent of India's 50 GWh battery-manufacturing programme for the power sector in a move aimed at reducing dependence on imported battery cells and strengthening the domestic battery energy storage systems (BESS) ecosystem.

Tender documents became available on July 15, a pre-bid conference is scheduled for July 29, bids close on October 13, and technical bids will be opened on October 14 through a two-stage quality and cost-based selection (QCBS) process.

BESS INDUSTRY

An industry expert said the government has aligned the tender with recent policy support for domestic battery manufacturing, including customs-duty relief on battery-manufacturing equipment, improving the economics of setting up gigafactories. Combined

A pre-bid conference is scheduled for July 29

with incentives under the ACC PLI scheme, the measures strengthen the business case for manufacturing grid-scale battery cells in India, although the eventual cost benefits will depend on localisation, production volumes and execution.

The benefits are expected to extend across the battery value chain. Battery manufacturers with existing or planned cell-production capacity that secure allocations under the tender stand to gain the most.

Companies such as Reliance New Energy, Tata Group's Agratas, Exide Energy Solutions and Amara Raja Advanced Cell Technologies are among those strategically positioned to benefit, although it is too early to identify likely bidders before companies evaluate the RFP.

The gains, however, will not be confined to cell manufacturers. Renewable-energy developers including NTPC Green Energy, Tata Power Renewable Energy, Adani Green Energy, JSW Energy and ReNew Energy could benefit from improved domestic availability of battery cells for solar-plus-storage and round-the-clock renewable-energy projects, reducing dependence on imports and improving supply-chain visibility.

HIGHER DEMAND

Engineering and electrical-equipment companies such as Larsen & Toubro, ABB India, Hitachi Energy India, Siemens India and Schneider Electric India could also see higher demand for battery management systems, power conversion systems, switchgear, thermal-management solutions and grid-integration equipment as domestic manufacturing expands and utility-scale battery projects gather pace.

The announcement marks a strategic shift in India's battery policy.

While the first 40 GWh under the ACC PLI was not reserved for any specific application, the final 10 GWh has been earmarked exclusively for grid storage, creating a dedicated manufacturing pipeline for the power sector rather than forcing utilities to compete with electric-vehicle demand.

Until now, utility-scale BESS projects have relied largely on imported battery cells, exposing developers to freight costs, exchange-rate volatility and supply-chain disruptions.