

US Energy Storage Monitor

Q3 2026

Wood Mackenzie Power & Renewables
American Clean Power Association

September 2026



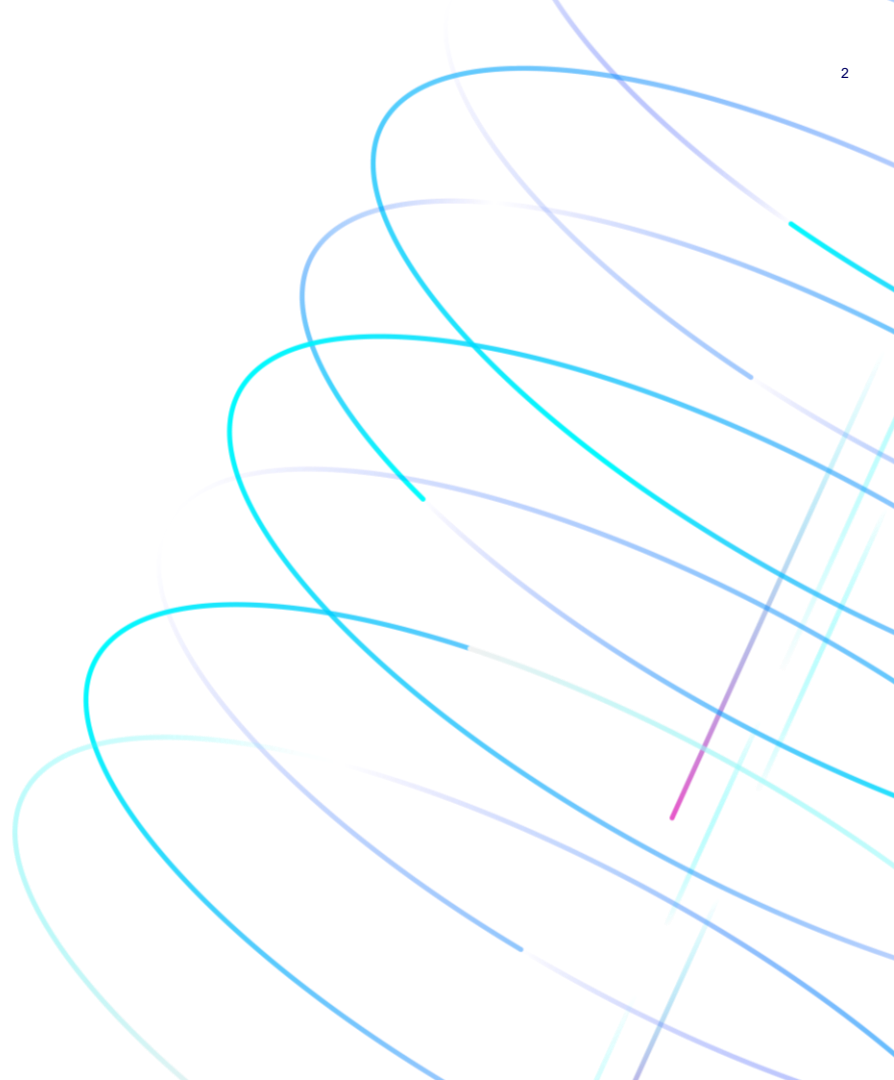


About this report

The US Energy Storage Monitor is a quarterly publication of Wood Mackenzie Power & Renewables and the American Clean Power Association (ACP). Each quarter, new industry data is compiled into this report to provide the most comprehensive, timely analysis of energy storage in the US.

Notes:

- All forecasts are from Wood Mackenzie Power & Renewables; ACP does not predict future pricing, costs or deployments.
- References, data, charts and analysis from this report should be attributed to “Wood Mackenzie Power & Renewables/ACP U.S. energy storage monitor”
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- For ACP membership inquiries, please contact membership@cleanpower.org
- For more information or to purchase the full report, visit <https://www.woodmac.com/industry/power-and-renewables/us-energy-storage-monitor/>.





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Introduction and key findings



Executive Summary

Installations

The US energy storage market installed a record 18.9 GWh in Q2 2026 even as installed power fell 7% y-o-y.

Longer duration utility-scale and residential systems drove MWh growth despite weaker MW installations. Utility-scale deployments totaled 4.7 GW/17.6 GWh in Q2, down 8% y-o-y in MW terms as key markets are saturating. The CCI segment installed 48 MW, returning to historical deployment levels after California's record Q1 driven by the NEM 2.0 grandfathering deadline. The residential segment posted its third consecutive q-o-q decline in Q2, falling 15% to 676 MW amid tax credit elimination, consumer hesitancy and a challenging third-party-ownership (TPO) transition.

Forecast

Annual US energy storage installations will grow over 50% in MW terms over the next five years as low costs propel storage into new regions and use cases.

Utility-scale storage will see 8% average annual growth over the next five years to balance growing large loads and renewable generation. The CCI segment will grow 27% between 2026 and 2031 as growth expands beyond California into emerging markets such as Maryland and Texas. Residential storage will contract 4% in 2026 but return to growth from 2027 through 2031 growing at an average annual rate of 9%.

Implications

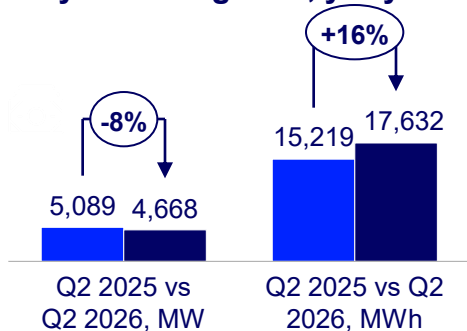
Data center buildout uplifts the US storage outlook across all segments, as storage can provide needed capacity faster, cheaper and more reliably than gas alone.

As hyperscalers increasingly face grid-connection bottlenecks, utility-scale storage will enable speed to power for data centers, either on-site to manage asset load or at the system level to support evolving grid needs. Distributed storage's value proposition is broadening beyond customer-centric benefits to include grid services, as the industry seeks to position virtual power plants (VPPs) as a key enabler of load growth.

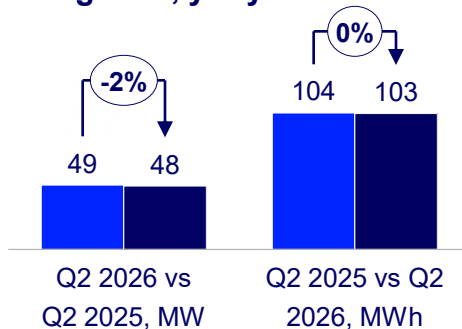


Q2 2026 comparison of energy storage deployments

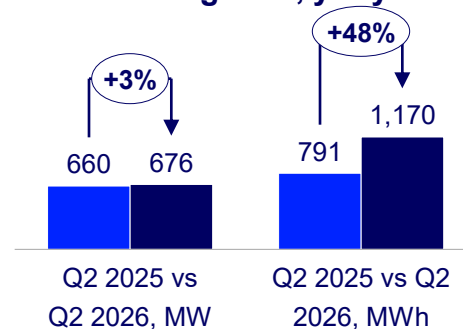
Utility-scale segment, y-o-y



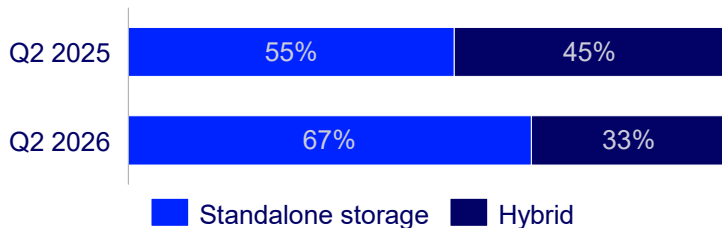
CCI segment, y-o-y



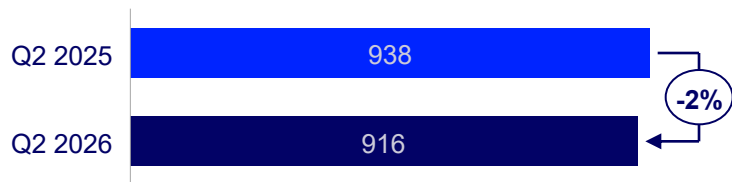
Residential segment, y-o-y



Utility-scale hybrid installations (MW), y-o-y



Utility-scale battery system price (US\$/kW), y-o-y





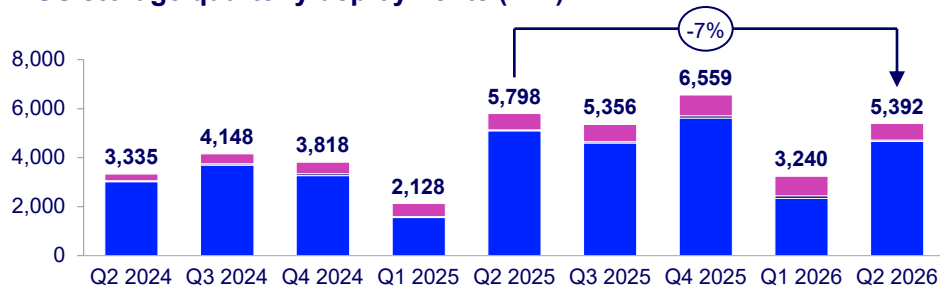
Energy storage market performance



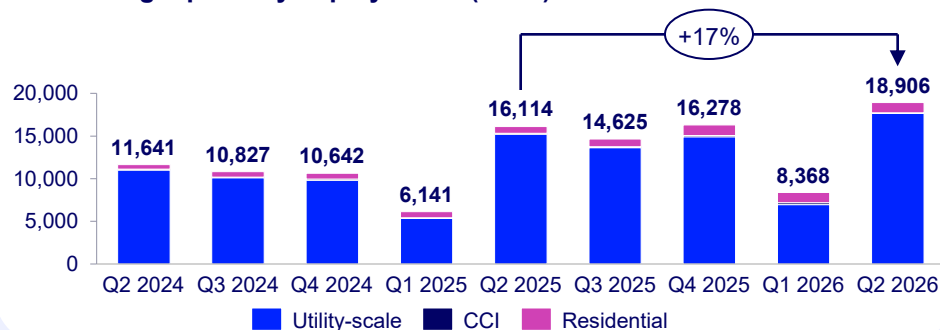
The US energy storage market installed a record 18.9 GWh in Q2 2026

Despite a 7% y-o-y contraction in the US energy storage market in power (MW), the market grew 17% in energy (MWh) y-o-y as the national average duration increased from 2.8 hours to 3.5 hours

US storage quarterly deployments (MW)



US storage quarterly deployments (MWh)



The utility-scale segment installed 4.7 GW/17.6 GWh in Q2 2026

- While Q2 2026 installations were down 8% y-o-y, H1 2026 installations were still up 5% y-o-y, signaling 2026 installations will remain on par with last year.
- Project durations continued to climb in Q2 2026 with the deployment of a long-duration project in California to meet state targets and utility-contracted storage assets in Texas.

The CCI segment installed 48 MW in Q2 2026, returning to more typical deployment levels following a record-setting Q1

- California drove much of the q-o-q decline as developers completed projects for the April NEM 2.0 grandfathering deadline, though the state still deployed more storage than it did a year earlier.
- Growth in Hawaii, New Mexico and Texas helped offset some of the contraction, while New York and Massachusetts remained among the segment's leading markets.

The residential segment recorded its fourth largest quarter on record in Q2, installing 676 MW, a 15% q-o-q decline and 3% y-o-y increase

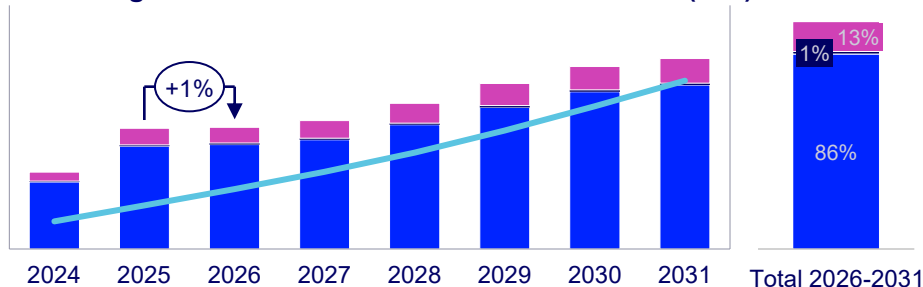
- The national attachment rate in Q2 2026 was 46%, up from 41% in Q2 2025 and down slightly from 47% in Q1 2026.
- The top five markets — California, Texas, Puerto Rico, Arizona and Illinois — accounted for 88% of storage capacity installed in Q2, though all five declined q-o-q. Puerto Rico contracted the most in absolute terms, falling from 129 MW in Q1 to 73 MW in Q2.



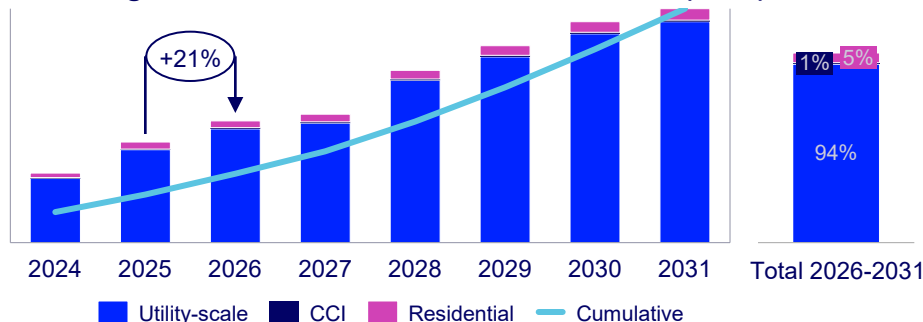
The US storage market will reach 207 GW/715 GWh installed by 2031

The US storage market is positioned for continued growth through 2031 as it enables large load growth and balances growing renewable penetration

US storage annual and cumulative market outlook (GW)



US storage annual and cumulative market outlook (GWh)



Over 130 GW/534 GWh of utility-scale storage will be deployed 2026 to 2031

- The utility-scale segment will stagnate in 2026 and 2027 as the industry adapts to evolving supply chain dynamics.
- Growth will resume in 2028, with the market scaling at 11% AAGR through 2031 as domestic cell manufacturing ramps up. The rebound will be fueled by storage deployed to manage large loads, accelerated renewable installations ahead of the 2030 PTC tax credit cliff and state incentives.

Annual CCI storage installations will grow 29% from 2026 to 2031

- California's record Q1 2026 was driven by the NEM 2.0 April deadline, but the state is expected to remain the largest CCI storage market through 2031.
- New York, Massachusetts and Illinois continue to support growth across both commercial and community storage markets while Maryland and Texas emerge as new markets. Growing project pipelines, new VPP participation pathways and continued storage incentives are broadening deployment beyond California.

The national residential storage market will contract 4% in 2026

- This quarter's forecast reflects stronger Texas growth in 2026, driven by battery-only installations, which offsets a steeper solar-plus-storage contraction nationwide. Excluding Texas, we now expect a 13% decline in 2026, a sharper decline than last quarter's 9% forecast. The downgrade reflects TPO transition challenges, tax equity tightness and soft permit data.



Appendix

- You can find more about our coverage, methodology and assumptions in our [energy storage methodology handbook](#)
- [Energy storage services landing page](#)
- [Americas P&R landing page](#)



Contacts

Comments, feedback and further questions...

- We hope you found this report useful and would welcome your feedback and comments on its scope, contents and findings. Feedback from our clients is an essential input to the continued development, expansion and improvement of our work and always gratefully received.
- Much of the data behind these slides can be found in the associated data file downloads tool. Should you require any further information, please do not hesitate to contact us using the details opposite.
- If you have further questions relating to the content of this report, or any of the broader themes connected to US renewables and power markets, we'd be pleased to hear from you.

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