

## POWER SECTOR

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**Power demand surges nationwide in  
January 2026; FY2027 growth  
outlook at 5%**

**JANUARY 2026**



## 1 Overview



## 2 Trend in Electricity Demand



## 3 Trend in Capacity Addition and Generation Mix



## 4 Trend in Renewable Energy Generation



## 5 Trend in Short-term Tariff and Thermal PLF



## 6 Trend in Indonesian Coal Price Index



## 7 Trend in Coal Production and Availability



## 8 Key Sector Updates



## 9 Key Rating Actions in the Power Sector in December 2025





## Overview

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*Electricity demand rose by 5.6% YoY in the first 23 days of January 2026, as per POSOCO data, marking a recovery after contractions in earlier months. Despite this improvement, full-year demand growth for FY2026 is expected to remain modest at 1.5–2%. However, growth is projected to rebound to around 5% in FY2027, trailing expected real GDP growth of 6.0–7.0%.*



- **Demand growth increased to 5.6% YoY in January 2026 as per provisional data from the Power System Operation Corporation (POSOCO):** India's electricity demand growth has been weak in FY2026 YTD, impacted by early and prolonged monsoon conditions and a high base effect. However, demand growth improved to 5.6% on a YoY basis in the first 23 days of January 2026, as per data from POSOCO, led by a recovery during the winter season. Reflecting the growth trend in FY2026 YTD, full-year growth for FY2026 is expected to remain in line with ICRA's growth forecast of 1.5-2.0%. However, demand growth is expected to rebound to around 5% in FY2027, supported by expectations of normalised weather conditions, a lower base, and continued momentum in industrial and commercial activity.
- **Spot power tariffs on the Indian Energy Exchange (IEX) averaged Rs. 4.4 per unit as of January 12, 2026, higher than Rs. 3.9 per unit in December 2025.** Prices were similar to January 2025 level of Rs. 4.4 per unit as the demand growth rebounded in January 2026. However, spot tariffs declined during May–November 2025 due to an improved supply position and low demand growth.
- **Coal stock at power plants stood at 17.4 days as of January 12, 2026, similar to 17.5 days on December 31, 2025,** though slightly below the normative level due to supply slowdown from monsoon-affected mining operations. Stocks remain higher than those in September 2024 and 2023 and have generally stayed near normative levels in recent months, which is a positive sign for the power sector. However, some state utilities continue to face coal shortages.



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