

POWER SECTOR

**All-India electricity demand
rebounds with onset of summer in
FY2027**

MAY 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 April 2026





Overview



[Click to see full report](#)

Electricity demand has shown an increasing trend in 2M FY2027 due to onset of summer season. Demand for the full year is also expected to recover in FY2027 with normalisation of weather patterns, a lower base and sustained momentum in industrial and commercial activities.



- **Demand increased Year-on-Year (YoY) growth in May 2026 as per provisional data from the Grid Controller of India Limited (GCIL).** India's electricity demand growth was weak in FY2026, impacted by early and prolonged monsoons and a high base effect. However, the trend reversed in May 2026, with demand growing by 4.7% YoY during the first 10 days of the month, as per data from the GCIL. The improvement was driven by a rise in temperatures across several regions. Electricity demand also grew by 4.4% in April 2026. The demand growth is expected to rebound to around 5% in FY2027, supported by expectations of peak summer, normalised weather conditions, a lower base and continued momentum in industrial and commercial activities. Growth will, however, remain contingent on the absence of any unforeseen weather-related events.
- **Spot power tariffs on the Indian Energy Exchange (IEX) averaged at Rs. 3.4 per unit as on May 08, 2026, lower than Rs. 5.3 per unit in April 2026.** Also, prices in May 2026 were much lower than Rs. 4.1 per unit recorded in May 2025, reflecting higher supply availability despite modest demand growth during the month. While spot tariffs are likely to remain moderate amid increased supply during solar hours, the trajectory for FY2027 will depend on the balance between supply additions and demand growth over the year.
- **Coal stock stood at around 18 days as on May 06, 2026, largely unchanged from February 2026.** This trend indicates a stable inventory position. While stocks remain below the normative level of 24 days, they are materially higher than that of September 2023, providing comfort for meeting peak summer demand.



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President and Group Head	girishkumar@icraindia.com	022 - 6114 3441
Ankit Jain	Vice-President and Co-Group Head	ankit.jain@icraindia.com	0124 – 4545 865
Asmita Pant	Assistant Vice-President and Sector Head	asmita.pant@icraindia.com	0124 – 4545 856
Soumya Satapathy	Analyst	soumya.satapathy@icraindia.com	033 – 6521 6809





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2026 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

#35YearsofUnwaveringCredibility



ICRA

35
Years of
Unwavering
Credibility

Thank You!

#35YearsofUnwaveringCredibility

Sensitivity Label : Public