

POWER SECTOR

**India's electricity demand declined
by 1.8% in June 2025**

June 2025



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Overview



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Electricity demand continued to decline, falling by 1.8% during the first 26 days of June 2025, driven by subdued consumption following the early onset of the Southwest Monsoons



- **India's electricity demand declined by 1.8% on a year-on-year (YoY) basis in June 2025 as per provisional data from the Power System Operation Corporation (POSOCO):** Electricity demand growth slowed to 2.1% YoY in April 2025, down from 6.6% in March 2025, primarily due to an unfavourable base effect. In May 2025, demand contracted by 4.4%, and further declined by 1.8% in June 2025 (as on June 26, 2025), impacted by both the base effect and the early onset of the Southwest Monsoons across most of the country. With forecasts indicating an above-average monsoon, electricity demand is expected to remain subdued in the coming months. However, a recovery is anticipated after the monsoon, with full-year demand growth projected at 5.0–5.5% for FY2026, trailing ICRA's GDP growth estimate of 6.2%.
- **Spot power tariffs fall to Rs. 4.0 per unit in June 2025 from Rs. 4.1 per unit in May 2025:** Average tariffs in the day-ahead market (DAM) on the Indian Energy Exchange (IEX) declined to Rs. 4.0 per unit in June 2025 (as on June 27, 2025), down from Rs. 4.1 per unit in May 2025 and much lower than the Rs. 5.4 per unit recorded in June 2024. This softening in prices was primarily driven by subdued summer demand and the early arrival of the Southwest Monsoons. The monsoon is expected to keep tariffs subdued in the near term.
- **Coal stock at power plants remains healthy at 21 days in June 2025:** As on June 25, 2025, coal stock levels at power plants stood at 21 days, marking a significant improvement from the lows observed in September 2024. Over the past three months, coal inventories have consistently remained around a five-year high of approximately 20 days. This healthy stock position is a positive indicator for the power sector, although a few state utilities continue to face shortfall in coal availability.



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