

POWER SECTOR

**Moderate increase in all-India
electricity demand in September
2025**

September 2025



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Overview



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Electricity demand increased by a moderate 2.5% year-on-year in first 25 days of September 2025, following subdued growth in Q1 FY2026 and modest gains in July–August due to the early onset of the Southwest Monsoon and above-normal rainfall



- **India's electricity demand recorded a year-on-year (YoY) increase of 2.5% during the first 25 days of September 2025, based on provisional data from the Power System Operation Corporation (POSOCO).** This follows a contraction in demand in Q1 FY2026 and modest growth in July and August 2025, largely attributed to an unfavourable base effect, the early onset of the Southwest Monsoon, and above-normal rainfall across much of the country. The electricity demand growth has shown a mixed trend in FY2026 so far. The full-year demand growth for FY2026 is now projected at 4.0–4.5%, down from the earlier estimate of 5.0–5.5%, and trailing ICRA's GDP growth forecast of 6.5%.



- **Spot power tariffs on the Indian Energy Exchange (IEX) averaged Rs. 3.2 per unit as of September 15, 2025, down from Rs. 4.2 per unit in August 2025.** Prices were also lower than the September 2024 levels at Rs. 4.2 per unit, continuing a year-on-year declining trend observed from May to September 2025 due to improved supply and low demand growth.



- **Coal stock at power plants remained moderate at 15.8 days in September 2025:** As on September 13, 2025, the coal stock at power plants stood at 15.8 days, moderating from 16.9 days on August 31, 2025, owing to slowdown in supply amid the impact of monsoons on mining operations. Nonetheless, the coal stock remains better than the level seen in September 2024 and September 2023. Over the past three months, coal inventories have remained close to the normative levels. While this is a positive indicator for the power sector, a few state utilities continue to face a shortfall in coal availability.



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