ICRA

POWER SECTOR

Decline in all-India electricity demand in October 2025

OCTOBER 2025

Agenda

ICRA

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

Agenda

7 Trend in Coal Production and Availability

8 Key Sector Updates

9 Key Rating Actions in Power Sector in 2025

Overview

Highlights

Click to see full report

Electricity demand declined by 5.0% YoY during the first 20 days of October 2025, primarily due to the prolonged monsoon . Earlier in FY2026, demand remained subdued in Q1 and recorded only modest growth during July–September, impacted by the early onset of the Southwest Monsoon and higher-than-average rainfall

- **India's electricity demand declined by 5.0% on a year-on-year basis during the first 20 days of October 2025, based on provisional data from the Power System Operation Corporation (POSOCO).** Earlier the demand grew modestly between July and September 2025 with a contraction in Q1 FY2026, 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 projected at 4.0–4.5%, trailing ICRA's GDP growth forecast of 6.5%.

- **Spot power tariffs on the Indian Energy Exchange (IEX) averaged Rs. 3.6 per unit as of October 10, 2025, down from Rs. 3.7 per unit in October 2025.** Prices were also lower than the October 2024 levels at Rs. 3.9 per unit, continuing a year-on-year declining trend observed during May–September 2025 due to improved supply position and low demand growth.

- **Coal stock at power plants remained moderate at 14.7 days in October 2025.** As on October 17, 2025, the coal stock at power plants stood at 14.7 days, moderating from 15.8 days on September 30, 2025, owing to slowdown in supply amid the impact of the monsoons on mining operations. Nonetheless, the coal stock remains better than that in September 2024 and September 2023. Over the past few 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.

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

ICRA

ICRA

Thank You!