

POWER SECTOR

**Decline in all-India electricity
demand in October 2025**

OCTOBER 2025



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Overview



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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.



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