

## POWER SECTOR

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**Electricity demand growth recovered marginally in October 2024**

**OCTOBER 2024**



## 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



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## 8 Key Sector Updates



## 9 Key Rating Actions in Power Sector in September 2024





## Overview

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*Electricity demand increased by 1.3% during the first 29 days of October 2024 on a YoY basis as per POSOCO data. Demand growth recovered in October 2024 after two consecutive months of negative demand growth.*



- **Demand growth stood at 1.3% YoY in October 2024 as per provisional data from the Power System Operation Corporation (POSOCO) against de-growth seen in August and September 2024:** All-India electricity demand growth turned negative in August 2024 and September 2024 after remaining healthy during the first four months of FY2025. This is owing to an unfavourable base and the adverse impact of heavy rainfall. The demand growth recovered to 1.3% in the first 29 days of October 2024. While there is a moderation in growth in recent months, the full-year demand growth is expected to remain healthy at 6.0-6.5%.



- **Spot power tariffs in the range of Rs. 4.0-4.3 per unit over the past three months amid subdued demand growth:** The average tariffs in the day-ahead market (DAM) of the Indian Energy Exchange (IEX) stood at Rs. 4.0 per unit in October 2024, marginally lower than Rs. 4.2 per unit in September 2024, given the subdued demand growth and improvement in generation from hydro and nuclear power sources. Nonetheless, the tariffs continue to remain higher than the historical average, thus remaining positive for projects exposed to the merchant market.



- **Coal stock at power plants declined in October 2024; albeit higher than October 2023:** The coal stock levels at power plants declined to 11.6 days as on October 28, 2024, from 12.1 days as on September 30, 2024. While the stocks remained below the normative level, they were better than the year-ago figures. Moreover, the Government extended its order to blend imported coal by thermal power stations to ensure adequate coal stock levels.



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