

POWER SECTOR

**All-India electricity demand growth
at over 6.0% in March 2025**

MARCH 2025



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Overview



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Electricity demand growth recovered to 6.6% during the first 24 days of March 2025 after remaining modest since September 2024



- **Demand growth remained healthy at 6.6% on YoY in March 2025 as per provisional data from the Power System Operation Corporation (POSOCO):** The all-India electricity demand increased by 6.6% on a YoY basis in the first 24 days of March 2025, as per data from POSOCO, with the onset of the summer season. Demand growth recovered in March 2025 after remaining modest since September 2024, with December 2024 being an exception. The demand growth saw a mixed trend in FY2025 owing to impact of heavy rainfall, an unfavourable base and slowdown in economic activity and is expected to end the year at ~4.5%. Nonetheless, demand growth is expected to recover to 5.5% - 6.0% in FY2026, trailing ICRA's GDP growth expectation of 6.5%.



- **Spot power tariffs remain at Rs. 4.4 per unit over past three months:** The average tariffs in the day-ahead market (DAM) of the Indian Energy Exchange (IEX) remained at Rs. 4.4 per unit in March 2025 maintaining the same level seen in January and February 2025. The spot power tariffs are expected to increase over the next few months amid the expected growth in electricity demand with the onset of the summer season.



- **Coal stock at power plants reached five-year-high in March 2025 :** The coal stock level at power plants increased to 19.7 days as on March 24, 2025, from 19.3 days as on February 28, 2025. The coal stocks have significantly improved from the low of September 2024 to reach five-year high since March 31, 2021. It augurs well for the sector amid the expected growth in demand in the coming months.



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