POWER | Monthly Tracker | 28 December 2023

Peak demand declines in Nov, but up 9% YoY

- **Peak demand for November at 205GW, declining 8% MOM with the onset of winter; Thermal PLFs up ~500bp YoY**
- **India's renewable capacity addition stood at 7.5GW for YTD FY24; FY24 targeted renewable addition estimated at 20GW**
- **New transmission line and substation infrastructure met targets for the month but continued to undershoot YTD goals**

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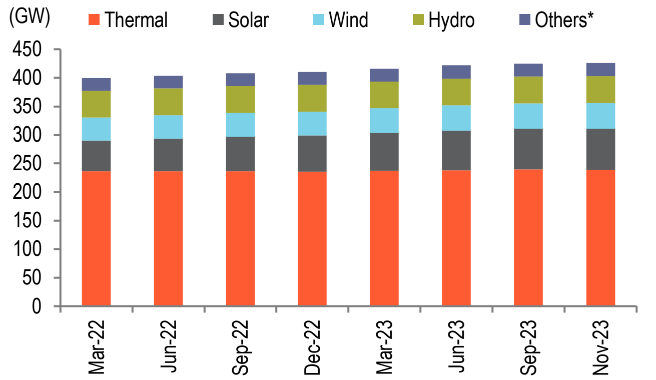
Peak demand declines with onset of winter: Peak demand for the quarter rose 8.7% YoY to 204.9GW for November, while declining 7.8% MoM due to onset of winter in some regions of India. Total generation for the month of November increased by 5.8% YoY to 114.7BU. Thermal generation continues to contribute to the bulk of India's power supply, attributing to 90.4% for November and 85.4% for YTD FY24. This compares to 87.1% in November 2022 and 82.6% for April-November 2022. Thermal PLF for the country stood at 66.3%, up 490bps YoY on account of the rising power demand and improvement in coal supplies.

Renewables addition pace slower: 300MW each was added to solar and wind capacities during November taking the cumulative installed capacity to 72.3GW and 44.6GW respectively. ICRA expects India to add 20GW of renewable energy (RE) capacity during FY24, of which 7.5GW has been added so far. On the thermal side, 1.8GW has been added during the current fiscal.

Transmission infra momentum picks up; still lags YTD: 818ckm transmission line capacity was added in November, and YTD FY24 capacity addition stood at 7,844ckm. Monthly capacity addition target set by CEA was met while YTD addition still runs short by 36%. State and private sectors accounted for majority of the shortfall, indicating the continuing strength (and possibly relatively stronger) performance by central grid companies like PWGR. On the tariff-based competitive bidding (TBCB) front, Adani Transmission has commissioned its Karur project in October after commissioning the Warora Kurnool project in September. Additionally, PWGR has begun construction of its Ramgarh-II transmission project associated with evacuation of power from Rajasthan SEZ.

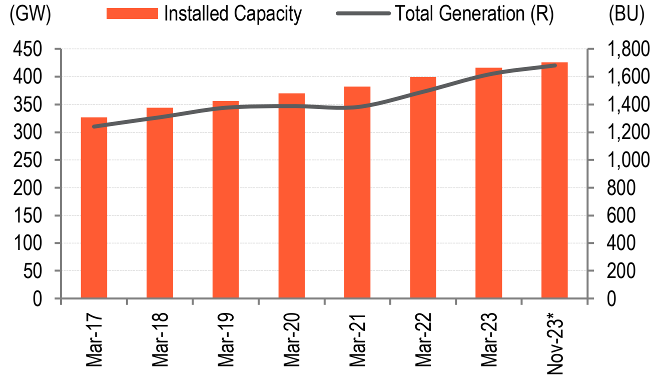
Outstanding dues continue to fall YoY: Outstanding dues payable to PSUs stood at Rs 193bn as of October 2023, rising 2.1% MoM while falling 6.9% YoY. This fall in outstanding payable to PSUs on a YoY basis indicates the successful implementation of the Late Payment Surcharge scheme (LPS), which has ensured timely payment by various state utilities.

Fig 1 – Installed capacity- monthly progress



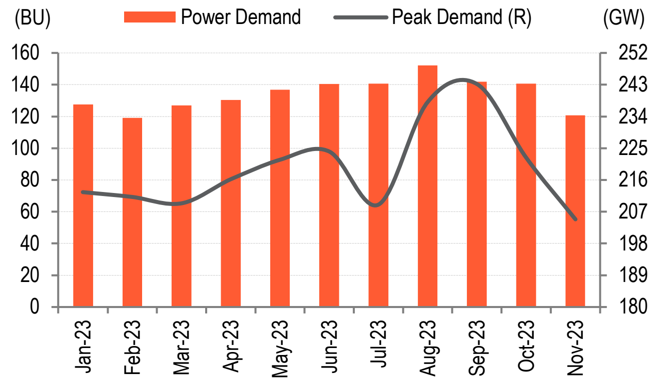
Source: CEA, BOBCAPS Research | *Biopower, small hydro, nuclear

Fig 2 – Installed capacity- over the years



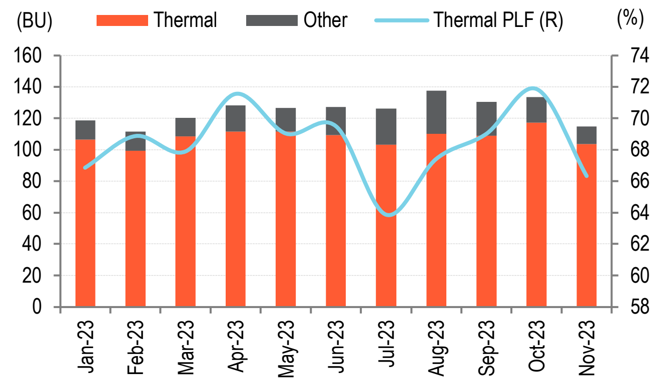
Source: CEA, BOBCAPS Research | *Represents estimated generation for FY24

Fig 3 – Monthly peak power demand



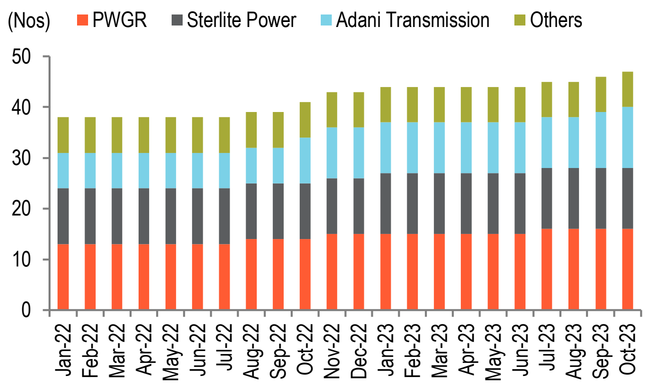
Source: CEA, BOBCAPS Research

Fig 4 – Monthly generation and PLF



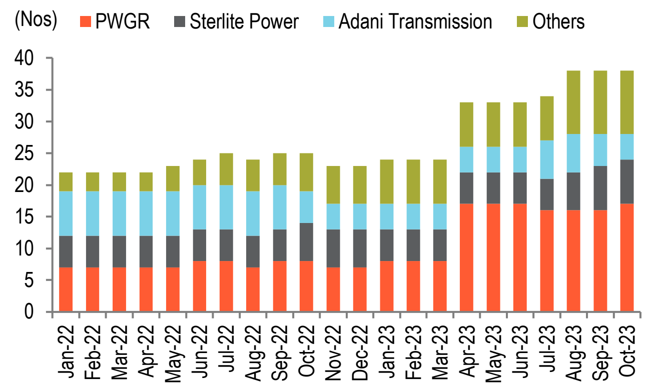
Source: NPP, BOBCAPS Research

Fig 5 – TBCB projects – Commissioned



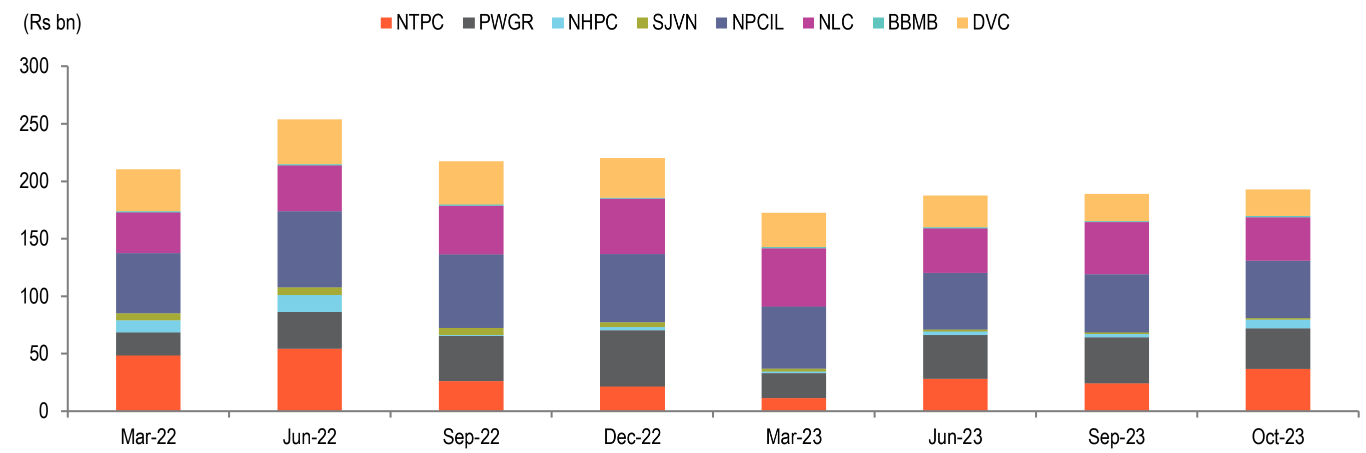
Source: CEA, BOBCAPS Research

Fig 6 – TBCB projects – Under construction



Source: CEA, BOBCAPS Research

Fig 7 – Outstanding dues (>45 days) payable to PSUs



Source: CEA, BOBCAPS Research

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