

# **POWER SECTOR**

Demand growth continues to remain strong in Jan '23

**JANUARY 2023** 



#### Agenda











Trend in Renewable Energy Generation



Trend in Short-Term Tariff and Thermal PLF





Trend in Indonesian Coal Price Index



### Agenda





# Overview

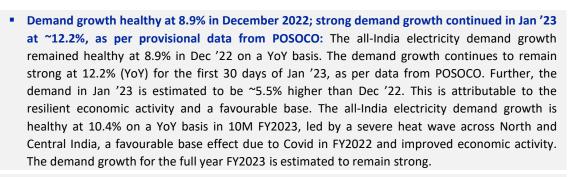
## **Overview**



Electricity demand growth robust at ~12.2% (YoY) in January 2023 after having increased to 8.9% in December 2022.

Spot power tariffs spiked in Jan '23 over Dec '22 and are expected to fluctuate at elevated levels in FY2023 due to strong demand growth in recent months and high coal prices.





- Average tariffs in the day-ahead spot power market increased to Rs. 6.2 per unit in Jan'23 from Rs. 5.2 per unit in Dec'22: The average tariffs in the day-ahead market (DAM) of the Indian Energy Exchange (IEX) rose to Rs. 6.2 per unit in Jan'23 (as on Jan 30, 2023) from Rs. 5.2 per unit in Dec '22. While the prices had moderated post Q1 FY2023 following the moderation in demand and higher supply from RE and hydro stations, they are expected to fluctuate at elevated levels in FY2023 due to strong demand growth and high coal prices.
- Coal stock movement flat; remains lower than normative levels: The stock level remained largely similar at 11.9 days as on January 28, 2023 compared to 11.6 days as on December 31, 2022, although lower than the normative level of 22.4 days. This reflects that the higher supply by the coal companies on a MoM basis is matched by the higher electricity demand. In this context, the Government has directed all domestic coal-based generators to import and blend coal to the extent of 6% of their needs for the balance period of FY2023 and H1 FY2024.



	Sabyasachi Majumdar	Girishkumar Kadam	Vikram V
	Senior Vice-President	Senior Vice-President	Vice-President
<u></u>	sabyasachi@icraindia.com	girishkumar@icraindia.com	vikram.v@icraindia.com
C	0124- 4545 304	022 – 6114 3441	040 – 4547 4829





	Vinayak Ramesh	Dhruv Consul
	Senior Analyst	Senior Analyst
<u></u>	r.vinayak@icraindia.com	dhruv.consul@icraindia.com
	040 – 4547 4829	022 – 6169 3326





	L. Shivakumar	Jayanta Chatterjee	Naznin Prodhani
	Executive Vice-President	Executive Vice-President	Head Media & Communications
Ŵ	shivakumar@icraindia.com	jayantac@icraindia.com	communications@icraindia.com
C	022- 6114 3406	080 – 4332 6401	0124 – 4545 860







#### © Copyright, 2023 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



# **Thank You!**