

Strong RE capacity addition, though below target

- FY24 saw strong capacity addition in renewables, ending the year with 18.5GW, though lower than the targeted addition of 20GW
- Thermal capacity growth was strong, as India added ~6GW of thermal capacity in FY24 (till Feb'24), compared to ~0.5GW in FY23
- The CEA estimates peak power demand to grow 7% to 260GW in FY25, well above the 243GW recorded in FY24

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Solar led renewable energy capacity addition: FY24 saw strong capacity addition in renewables, ending the year with 18.5GW of capacity compared to 15.2GW in FY23, taking renewable energy (RE) capacity to 183GW. This is still lower than the targeted capacity addition of 20GW in FY24. Solar had the lion's share of capacity addition in renewables, accounting for ~80% of the 15GW in RE capacity added (12.7GW in FY23). In FY24, the utility-scale solar segment added about 11.5GW, an increase of 18% YoY, while the rooftop solar segment added about 3GW, an increase of 34% YoY. We expect the government to bid out another 30GW of capacity in FY25. Mar'24 saw a solar capacity addition of 6.2GW.

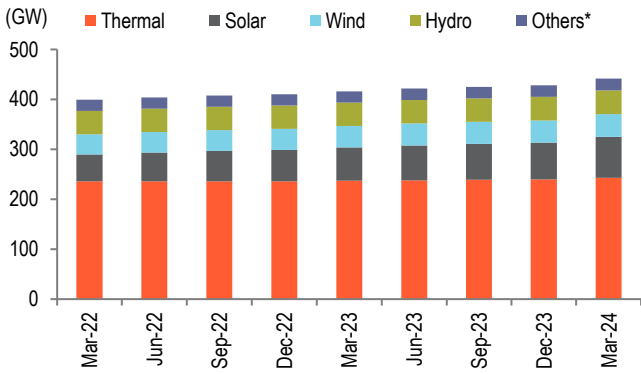
Thermal capacity grew multifold; peak demand to increase 7% in FY25: India added ~6GW of thermal capacity in FY24 (Feb'24) compared to ~0.5GW of capacity in the previous year. The Central Electricity Authority (CEA) estimates peak power demand at 260GW in FY25, well above the 243GW recorded in FY24. This has taken the overall coal capacity in the country to 210GW (Feb'24) and overall thermal capacity to 243 GW and overall installed capacity to 434GW in FY24.

Peak demand was stable in Mar'24: Peak demand in Mar (222GW) nearly matched that of Feb (223GW) – representing 5.9% growth YoY in peak demand. However, the entire peak demand was met in the month of Mar'24. The average thermal plant load factors continue to be in the range of 68-69%, with FY24 likely to end in the same range.

Transmission infrastructure rises MoM, but lags FY target: A total of 14,203ckm of transmission line capacity was added in FY24, of which 3,512ckm was added in Mar. The CEA's monthly capacity addition target was exceeded, but FY addition stood 14.9% below target (36% earlier). Under tariff-based competitive bidding (TBCB), nine projects were commissioned during the year, while 36 new projects were awarded to transmission companies.

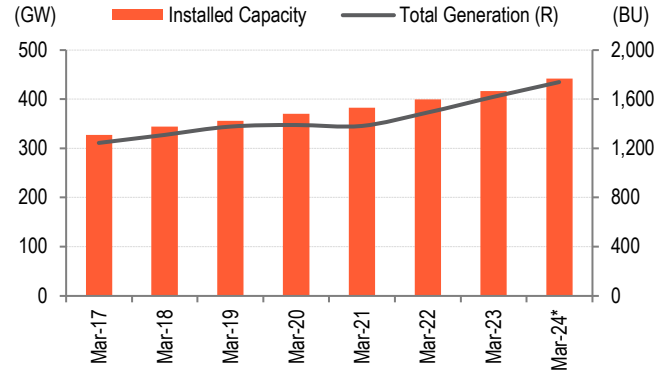


Fig 1 – Installed capacity – Monthly progress



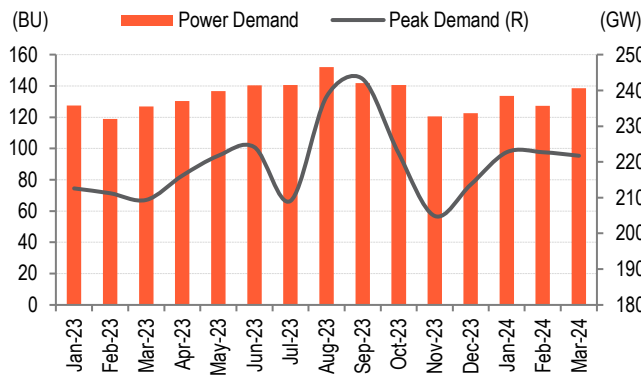
Source: CEA, BOBCAPS Research | *Biopower, small hydro, nuclear

Fig 2 – Installed capacity over the years



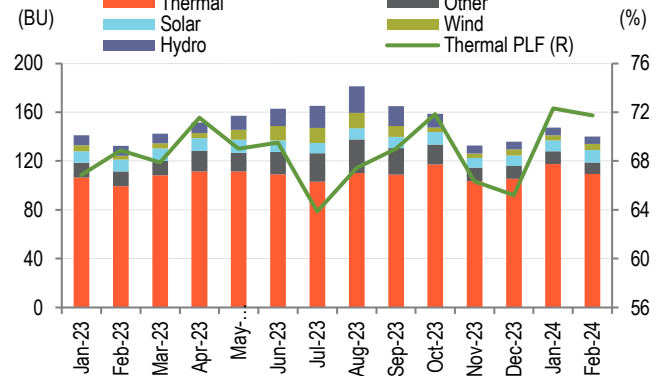
Source: CEA, BOBCAPS Research | *Represents estimated generation for FY24

Fig 3 – Monthly peak power demand



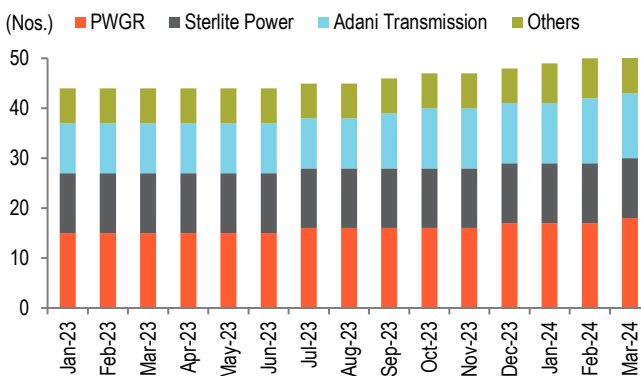
Source: CEA, BOBCAPS Research

Fig 4 – Monthly power generation and thermal PLF



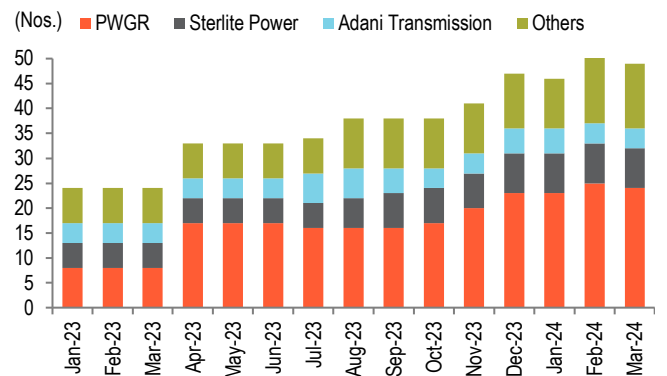
Source: NPP, BOBCAPS Research

Fig 5 – TBCB projects commissioned



Source: CEA, BOBCAPS Research

Fig 6 – TBCB projects under construction



Source: CEA, BOBCAPS Research

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