

IEA sees India's 2022 electricity demand rising a tad

International agency also expects India's coal consumption to grow on account of higher demand

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The International Energy Agency has revised upwards its forecast of India's annual electricity demand to 7 per cent in 2022, from 6 per cent previously, due to exceptionally high summer temperatures spurring a significant surge in consumption.

"The heatwave pushed up use of air conditioning and created a significant surge in electricity demand, including new all-time highs accompanied by supply shortages," the global agency said in its latest report. The international agency also expects India's coal consumption to grow on account of higher demand. However, it also noted that the country's

renewable energy (RE) generation is helping in meeting the higher demand for electricity.

"In India, as opposed to most of the rest of the region, coal is expected to grow significantly in 2022 (up 6 per cent Y-o-Y) and to meet the majority of new demand, with rising renewable generation (up 9 per cent) providing most of the rest," it added.

Supply has been challenged since 2021 due to fuel constraint in coal power plants, which has resulted in a 9-year-low inventory of coal. In response, the Ministry of Power is implementing measures to increase coal supply.

"For 2023, we expect coal growth to slow to less than 2 per cent, at which point it contributes to serving growing demand at a level similar to additional nuclear generation, which could grow by more than one-third as more than 4 GW are scheduled to start operating by 2023. The majority of incremental generation is set to come from renewables, which could grow by more



than 10 per cent." IEA report said.

India's power demand

Ratings agency Crisil in a July 21 report said that India's power demand is seen growing by over 6 per cent for the second straight fiscal, and above the pre-pandemic levels and the long-period average growth of 5 per cent. This trend of above-average growth could continue for two more fiscal years.

Last fiscal (FY22), demand grew 8.2 per cent over FY21 (when it had contracted 1.2 per cent due to the pandemic) and around 6.9 per cent above the pre-pandemic levels (FY20), underscoring the robustness of the recovery. This was driven by the commercial and industrial segments, as manufacturing

and service activity picked up.

According to the Load Generation Balance Report 2022-23 published by the Central Electricity Authority, the all India energy requirement is assessed to be 1,505.20 Billion Units (BU) as against the assessed energy availability of 1,549.60 BU for FY23.

During the April-June period of FY23, against the requirement of 404.76 BU, the energy supplied was 400.65 BU, with a shortage of 1 per cent of the energy requirement. The gap is generally due to factors other than inadequacy of power availability, such as constraints in the distribution network, financial constraints, commercial reasons, forced outages of generating units, etc.

In consideration of the increasing power demand in the country, conventional thermal projects totalling 27,550 MW and conventional hydroelectric projects of 14,103.50 MW capacity are presently under construction. Further, 8,700 MW of nuclear power projects are also under construction.