ELECTRICITY EMPLOYEES FEDERATION OF INDIA

INDUSTRY REPORT

Major developments in India’s power sector

March 2025 – September 2026

GENERAL COUNCIL · 3 & 4 OCTOBER 2026

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A new power ecosystem, a new policy regime

- Electricity is being turned from a public service into a speculative commodity
- Private capital takes the profitable slices: urban feeders, data-centre parks, virtual contracts, nuclear licences

PUBLIC UTILITIES STILL CARRY

- Universal service
- Rural and farm supply
- Grid discipline
- Public accountability

A milestone on paper, a crisis at night

555.82 GW
installed capacity, 31 August 2026

54.75%
non-fossil — five years ahead of the 2030 target

7.7 GW
night-time shortage, September 2026

₹20/unit
exchange price ceiling, hit in September

2 · THE CENTRAL ARGUMENT

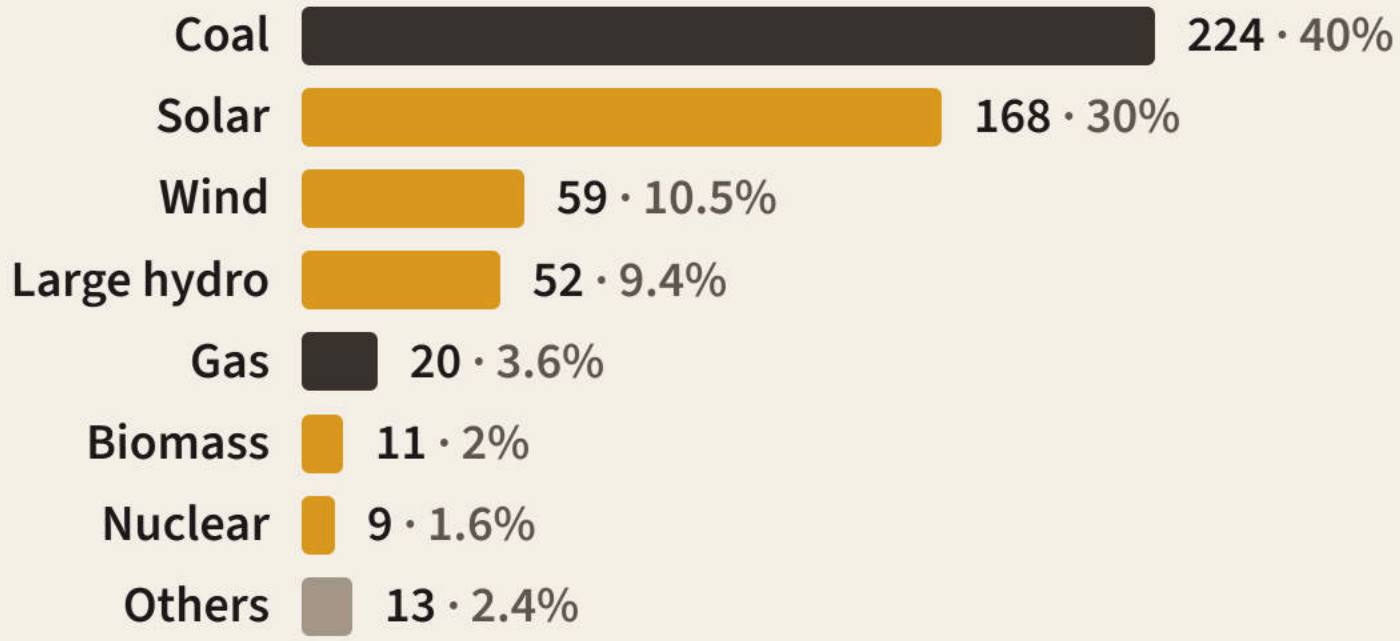
WHAT RAN SHORT WAS FIRM POWER AFTER SUNSET

EEFI said it from the beginning: the transition must be planned with public utilities, with storage to meet the peak.

A reform model facing its first stress test

- Parallel licensing on shared public networks
- Cost-reflective tariffs; cross-subsidy phased down for industry and Railways
- Market coupling, capacity markets, VPPAs and electricity futures
- DISCOM and TRANSCO IPOs; competitive bidding in intra-State grids
- Civil nuclear opened to private groups under the SHANTI Act

Capacity by source, 31 August 2026 (GW)



556 GW
total installed

55%
non-fossil

Non-fossil
Fossil
Others

Source: CEA monthly installed-capacity statements, LGBR, Grid-India and Ministry of Power records — latest consistent snapshot, 31 August 2026

Who owns India's capacity, March 2026



- **Private:** most new solar and wind — runs only when the contract pays
- **Public:** thermal, hydro, nuclear and the entire duty to supply
- Capacity rose — yet evening scarcity and prices at the cap remain

Two summers, two stories

485 → 556 GW

50% → 55% non-fossil in just fourteen months — almost all solar

- **2025:** renewables displaced coal; their share of generation rose from 13–14% to about 17%
- **2026:** severe heat, a weak monsoon and El Niño exposed the structure
- The national grid did not collapse — but that is not the whole story

Peak demand through the year

When	Peak	What it showed
25 April	256.1 GW	First record of the year
21 May	270.8 GW	Highest demand ever met
Summer nights	~5.4 GW short	Solar falls after sunset, cooling load stays
Late June	264.8 GW	Monsoon lagged, demand stayed high
10 September	269 GW	Summer-level peak in September
September nights	7.7 GW short	Worst night shortages of the year

4 · THE DUCK CURVE

The evening ramp has doubled in three years

36 → 74 GW
Evening climb, 2023 → 2026

18 → 53 GW
Morning ramp-down

150 → 150 GW
Midday net load — unchanged

21 May: 46.7 GW added between 8 a.m. and mid-afternoon — more than Britain's entire peak

Plenty of power at noon. Not enough after 6 p.m.

Behind ‘demand met’: rationing in the States

Kerala

5,000 MW

peak vs 3,700 normal; daily cuts

Tamil Nadu

₹20/unit

distress purchase plus load-shedding

Manipur

90 MW

gap: 180 available, 270 needed

Karnataka

20,094 MW

record peak on 11 September

Fuel and water ran short together

₹20/unit
price ceiling hit in September

7–9 days
coal stock at plants — a 3-year low

74 of 190
plants critical on coal, 19 Sept

-14% / -12%
hydro generation, July / September

Why the market failed consumers

- Deficit DISCOMs bid against each other
- Sellers set the price: ₹20–30 per unit
- States paid the ceiling — and still cut supply
- Section 11 orders: an official admission the market failed
- Needed: a planned, power-first coal, rail and power chain

5 · RESOURCE ADEQUACY

NAMEPLATE MW IS NOT FIRM MW

Battery and pumped storage, flexible hydro and thermal, demand response, strategic reserves, long-term PPAs, fuel security — by public utilities, not a rat-race for solar.

Draft Electricity (Amendment) Bill, 2025

- **Parallel licences** on the existing public network
- **Cost-reflective tariffs**, fixed suo motu if delayed
- **Cross-subsidy ended** for industry, Railways, metro
- **1 MW exit** from the duty to supply
- **Electricity Council** under the Union Power Minister

Status: not enacted — delayed by our resistance

What the Bill is designed to do

- Ride a public network built over decades
- Pick the high-revenue urban and industrial load
- Leave farmers, rural and subsidised consumers with the residual public DISCOM

The delay is a product of resistance — but it is not a withdrawal of the project.

Claim 1: ‘Access is solved’

<58%

of the Saubhagya target actually connected by March 2019 (CAG)

- A village is ‘electrified’ with only 10% of homes connected
- NFHS-5: 96.8% of households — not 100%
- 13.65 lakh more homes sanctioned after ‘100%’

Claim 2: ‘Scarcity is solved’

36 of 61

days short at the evening peak, April–May 2026

- Peak deficit: South 9.6%, East 16.2%
- Day-ahead price: ₹3.42 → ₹7.77 per unit
- Evening prices stuck at the ₹10 ceiling
- Stressed evenings: buy bids ~1,03,450 MWh vs sell bids ~2,418 MWh

What the draft proposes: tariffs and consumers

Tariff shock

Full cost-reflective tariffs from 2026-27; no new regulatory assets

Subsidy condition

Subsidy only if paid in advance under Section 65

USO exemption

Regulators may exempt DISCOMs from supplying consumers of 1 MW and above

Net metering cap

Net metering discouraged above 5 kW

What the draft proposes: structure and finance

Nuclear

100 GW by 2047 with private collaboration on modular and Bharat Small Reactors

Bidding

Competitive bidding as the default, inside the State and between States

Distribution

Multiple licensees, PPP and listing of DISCOMs; shared wires; prepaid meters

Finance

₹50 lakh crore by 2032 and ₹200 lakh crore by 2047 — from private capital

Four moves, one design

1 Shifts the blame
Leftover access and evening scarcity made a DISCOM problem

2 Completes 2003
Intra-State grid, the wire, storage and nuclear opened up

3 Socialises risk
Public money de-risks private profit

4 Commodifies power
Ability to pay decides the right to electricity

This model is bound to fail — and would be the last nail for public utilities.

What EEFI demands

- Public investment in RE, storage, grids and nuclear
- Universal service for all — no 1 MW exit
- Distribution as a publicly owned service
- Public banks funding public assets
- Coal–rail–power as one planned chain
- Access = a wired, affordable home connection

Karnataka: a working-class victory

20 lakh
objections filed at KERC

3 July 2026
Tata Power withdrew

- Tata sought 19 districts — over half of ESCOM sales
- Employees, engineers, farmers and consumers united
- A historic victory — but the law still allows it

Private capital targets the richest areas

Maharashtra

- Torrent, Adani, Tata eye Pune, Nagpur, Navi Mumbai
- MSEDCL IPO of ₹8,000–10,000 crore

Haryana

- Eleven Power targets Gurugram–Nuh
- 42% of DHBVN revenue at stake
- EEFI: reject Petition 30 of 2026

Puducherry, Goa and data centres

Puducherry & UTs

- Adani set up a Puducherry company, August 2025
- After a long fight, the Madras High Court ruled out privatisation
- Goa and other UTs: same template still on the table

Data-centre parks

- Load: 375 MW (2020) → 1,575 MW (2026)
- 26.3 GW AI load expected by 2031-32
- Licence sought for one Noida park alone

23 years of the 2003 Act: the verdict

₹7.26 lakh cr
DISCOM debt, March 2025

₹6.5–6.9 lakh cr
accumulated losses — ₹26,000 cr in 2003

+₹12,138 cr
private DISCOM profit, FY25

−₹9,437 cr
State DISCOM loss, FY25

Listing is the new cure being sold

- AT&C losses fell from ~22% to 15–16% — not the main problem
- Power purchase is 70–80% of DISCOM cost
- Every bailout — UDAY to RDSS — was followed by new debt
- MSEDCL IPO first; Assam, Bihar, **West Bengal** next
- Listing opens the way to disinvestment and privatisation

One Nation, One Grid, One Price

- **Market coupling** — one national price; IEX holds ~85% of volume
- Control shifts from State utilities to a central algorithm
- DISCOMs lose the choice of the cheapest exchange
- **5-minute markets** — more room for speculation

Those who control the market will control the power sector.

Virtual Power Purchase Agreements

A financial contract

Between a renewable developer and a corporate buyer

No physical power

The buyer never receives the electricity

Swaps and certificates

Price differences are settled; certificates move to the buyer

Green on paper

Corporations claim ‘green energy’ without buying clean power

Payments, futures and the courts

- **Capacity market** — payment for capacity, not energy
- **GNA charge** — developers pay a fee to keep grid connectivity
- **NSE futures** — 4,000+ contracts, ~200 million units on day one
- **SC, 8 May 2026:** Railways must pay surcharges — a gain for DISCOMs
- **But** regulatory assets and carrying costs go into future tariffs — households pay

Storage, consumers and meters

Storage

- BESS and pumped storage brought under the tariff framework
- Stressed public utilities pushed to pay for storage for private RE

Consumer rules and meters

- New connections in 3, 7, 15 or 30 days
- Abnormal bills fixed in 30 days — a response to our fight on ghost billing
- Prepaid meters through AMI
- RCO: 29.91% → 43.33% by 2029-30

Coal and hydro: less public scrutiny

Coal deregulation

- Mine approvals moved to company Boards
- Surplus linkage coal on exchanges — speculation in coal too
- ₹37,500 crore gasification scheme
- GST hike passed on to consumers

Hydro concurrence

- CEA scrutiny only above ₹3,000 crore
- Closed-loop pumped storage exempt
- Private pumped storage raises the risk of environmental accidents

Accountability diluted

FGD rollback

- 78% of thermal capacity exempted
- NTPC told BHEL to suspend FGD work
- Pollution in nearby communities

Jan Vishwas

- 79 Acts, 717 provisions decriminalised
- Fines are a cost of business for big companies

Cybersecurity

- ~2 lakh attacks during Operation Sindoor
- Private grid operation raises the risk

Public science, private entry

Public milestone

- Kalpakkam PFBR critical, 6 April 2026
- Built by IGCAR and BHAVINI
- The bridge to thorium

Private opening

- SHANTI Act, December 2025
- Supplier liability for defects removed
- Who pays for a major accident?
- Adani plans up to 10 GW by 2035

Generation auctioned faster than the grid

Curtailment

Rajasthan wasted ~4 GW of solar — grids lagged behind private capacity

Rooftop solar

Households get a subsidy, the panel industry a market — the DISCOM loses it

URET withdrawn

The uniform RE tariff pool collapsed in 2025

Who will build the transition?

BHEL

India’s first indigenous SCR catalysts — public capability works

Critical minerals

58 firms under a ₹1,500 crore recycling scheme — cannot be left to private concessionaires

$2.2 trillion pitch

An investment summit is not an adequacy plan

Public ownership of meters costs less

Monthly cost per meter	TOTEX	CAPEX
Single-phase	₹80	₹60
LT-CT	₹283	₹113

TOTEX: a private owner recovers cost over 93 months, with only a 15% grant

Phase I CAPEX bids: 24–55% below estimate

₹2,800
per meter in Phase II — a national low

How the fight was won

Aug 2023
Kerala chooses CAPEX

Feb 2026
Phase II: 50 lakh meters

5 Sep 2026
GridCrest lowest; Adani last

26 Sep 2026
Kochi meeting confirms CAPEX

EEFI opposed not smart meters, but private control of them.

What the eighteen months show

1 **Nameplate is not security**
556 GW did not prevent night shortages and ₹20 prices

2 **The gaps are public tasks**
Firm evening power, storage, fuel and transmission

3 **One mechanism**
Licences, open access and IPOs move paying load to private hands

4 **Markets fail under scarcity**
Coupling, VPPAs and futures do not protect consumers

What the eighteen months show

5 **Nuclear and hydro are strategic**
PFBR is public science; SHANTI is a different project

6 **The Draft NEP is one design**
Public money to de-risk private profit

7 **Resistance works**
Karnataka, the stalled Bill, Haryana, Kerala CAPEX

IMPLICATIONS FOR EEFI

The Conference line stands

- Not another inch on privatisation of distribution
- Generation, wires and meters in public hands
- Regularise contract workers
- Worker–consumer forums against tariff shocks and cuts

IMPLICATIONS FOR EEFI

Immediate tasks

- Fight every parallel-licence petition
- Take Kerala’s CAPEX model to every State
- Count firm power at 7 p.m.–midnight
- Answer the Draft NEP point by point
- Defend State control over power buying
- Public-led storage and pumped hydro
- Keep nuclear in public hands
- Resist FGD, Jan Vishwas and cyber rollbacks

A more private power sector, less secure after sunset, awaits us **only if we do not stand strong today.**

LET US STAND STRONG TO PROTECT OUR ASSETS AND OUR RIGHTS

EEFI · GENERAL COUNCIL · KOLKATA · 3–4 OCTOBER 2026