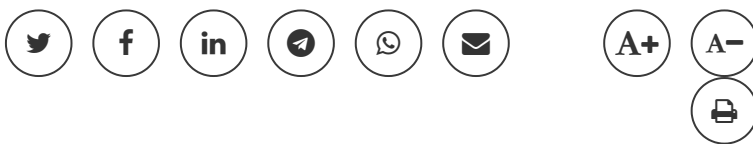


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# Coronavirus impact: Within ten days, 26 per cent fall in India's energy consumption

*The percentage fall in daily energy consumption itself has grown from 15 per cent to 26 per cent during this period.*

Bilal Abdi ETEnergyWorld March 28, 2020, 00:20 IST



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New Delhi: In a significant and historic development, India's daily **power** consumption has suffered a 26 per cent fall in less than ten days since 18 March. The fall, captured in official data released by Power System Operation Corporation (**POSOCO**), is attributed to the slump in the economic activity in the wake of the Coronavirus outbreak.

The drop has already pulled spot power prices to the lowest level in more than two years and could spell further financial troubles for the ailing discoms.

Data released today by POSOCO, a state-run enterprise under the aegis of the power ministry, showed the country's overall energy consumption dropped from 3,586 Gigawatt Hour (GWh) on 18 March to 2,652 GWh on Thursday. The percentage fall in daily energy consumption itself has grown from 15 per cent to 26 per cent during this period.

Data also shows the steepest decline in consumption was recorded in the Western region where it fell 35 per cent to 771 GWh on 26 March as compared to 1,187 GWh on 18 March. The region houses a bulk of India's industrial activity spread across states like Gujarat and Maharashtra.



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Date	Energy Consumption (GWh)					
	Northern Region	Western Region	Southern Region	Eastern Region	North-Eastern Region	All India
18-Mar-20	827	1187	1148	383	42	3586
22-Mar-20	734 (-11%)	971 (-18%)	975 (-15%)	315 (-18%)	36 (-13%)	3030 (-15%)
23-Mar-20	724 (-12%)	996 (-16%)	1030 (-10%)	325 (-15%)	39 (-5%)	3113 (-13%)
24-Mar-20	695 (-16%)	944 (-20%)	983 (-14%)	314 (-18%)	39 (-7%)	2975 (-17%)
25-Mar-20	665 (-20%)	844 (-29%)	911 (-21%)	320 (-16%)	36 (-13%)	2777 (-23%)
26-Mar-20	628 (-26%)	771 (-34%)	891 (-23%)	327 (-15%)	35 (-16%)	2652 (-26%)

Figures in parentheses indicate percentage change from 18<sup>th</sup> March 2020

The power demand in India, the world's third-largest energy consumer, has been falling in the wake of the 21-day national lockdown announced by Prime Minister Narendra Modi last Tuesday in a bid to contain the spread of the Coronavirus pandemic.

Shubhranshu Patnaik, Partner at Deloitte India explained the full impact of the lockdown is now visible on energy consumption but electricity consumption is unlikely to fall beyond the current level. "This (fall) is mainly because of industrial and commercial consumption shifting out. We are seeing the full impact. However, further consumption decline can come even from continuous process industries," he said.

Patnaik added that demand reduction from industries may occur because of both supply chain disruptions and the slowdown in demand itself. "Both are hard to predict and may vary from sector to sector but if it happens it will be a couple of more percentage points and not beyond that," he said.

The steep fall in energy consumption will not have a bearing on grid stability as it is easier to handle the grid in times of a fall in demand. "It is easier to balance the grid when demand is falling as you only need to scale down generation. In an extreme case you may choose to shut down generation also and not give unit commitment on a day-ahead basis. So that is what is happening now, generators are keeping plants on warm-start mode," Patnaik said.

He said the severe fall in demand will have an impact on power distribution companies who are

likely to face huge working capital issues. "Retail tariffs are structured on a variable cost basis. That means an entity pays for the quantum of energy it consumes. Fixed cost components in tariffs are fairly low. Discoms will face huge working capital issues which will be a serious challenge," Patnaik said.

In a communication earlier this week, POSOCO had requested the heads of major generation and transmission utilities to flag any issue impacting reliable operations of the generation and transmission facilities. It had said the electricity demand is expected to fall sharply in the coming days and as more parts of the country go under lockdown further reduction is expected.

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