

ONLY 73% OF TARGETED CAPACITY ADDED IN FY26

Thermal projects lag amid jump in power demand

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INDIA ADDED JUST 9.47 GW of thermal power capacity in FY26, only 73% of the targeted 12.86 GW, as persistent delays in equipment supplies, land acquisition and project execution slowed commissioning even as the country braces for peak electricity demand of nearly 270 GW this summer.

The shortfall comes at a time when policymakers are increasingly relying on coal-based generation to support grid stability amid rising electricity demand and rapid renewable energy expansion.

Data from the Central Electricity Authority (CEA) shows only 11 of the targeted 18 thermal generating units were commissioned during FY26, underscoring continuing bottlenecks in project execution.

India's peak power demand has already crossed 256 GW in April, up from 241 GW in the same period last year, and is projected to touch 270 GW during 2026, according to government estimates.

The widening gap between rising electricity demand and slower thermal capacity addition is emerging as a key concern for the power sector, particularly during periods of extreme summer demand and renewable intermittency.

Monthly additions remained weak through the

POWER PLAY

FY26 THERMAL ADDITIONS

9.47 GW vs 12.86 GW target, about 27% shortfall

■ Only 11 of 18 planned units commissioned amid execution delays

BOTTLENECKS

Equipment supply, land acquisition, project execution

■ Peak demand rose to **256 GW**; may hit around **270 GW** in 2026 summer



FY25 MISS

4.5 GW added vs **15.36 GW** planned

FY27 TARGET

7.3 GW; actual likely about **6 GW**, as per ICRA estimate

year, with only about 660 MW commissioned in March and no capacity addition in February. In FY25 too, India added just 4.5 GW thermal capacity against a target of 15.36 GW, or only 29% of planned additions, indicating a second consecutive year of major slippages in thermal project execution.

Industry sources attributed the delays largely to supply chain constraints in equipment and persistent land acquisition hurdles, both of which continue to stall project timelines despite renewed policy focus on thermal expansion.

The Centre has outlined

plans to add 97 GW of coal and lignite-based capacity by 2034–35 to meet growing demand and support grid reliability alongside renewable energy growth.

Among projects commissioned in FY26 were major central and state installations including North Karanpura STPP (660 MW), Barh STPP Stage-I (660 MW), Buxar TPP (660 MW), Patratu STPP (800 MW), Ghatampur TPP (660 MW), Khurja SCTPP (660 MW), Yadadri TPS (800 MW), Obra-C STPP (660 MW), North Chennai TPP Stage-III (800 MW) and Sagardighi TPP Stage-III

(660 MW).

The private sector commissioned four units with combined capacity of 1.65 GW during the year. As of March 31, about 39.36 GW of thermal capacity remained under construction, while another 21.38 GW was classified as stranded projects, where work has stalled or is unlikely to proceed, according to CEA data.

For FY27, the government has set a thermal capacity addition target of 7.3 GW, though rating agency ICRA estimates actual additions may be closer to 6 GW due to continuing execution challenges.