India's Energy Overview

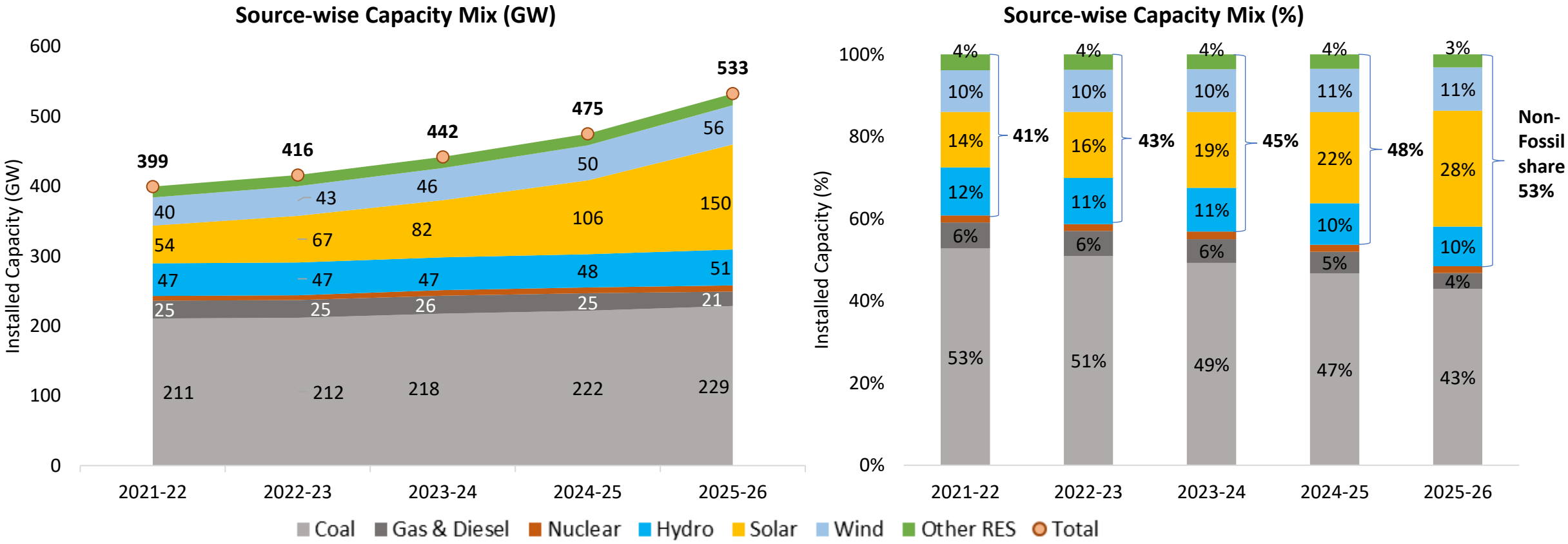
Yearly Highlights of 2025-26

VASUDHA FOUNDATION

Green ways for a good earth!

Contents

India’s Electricity Capacity Mix (Utility-scale)



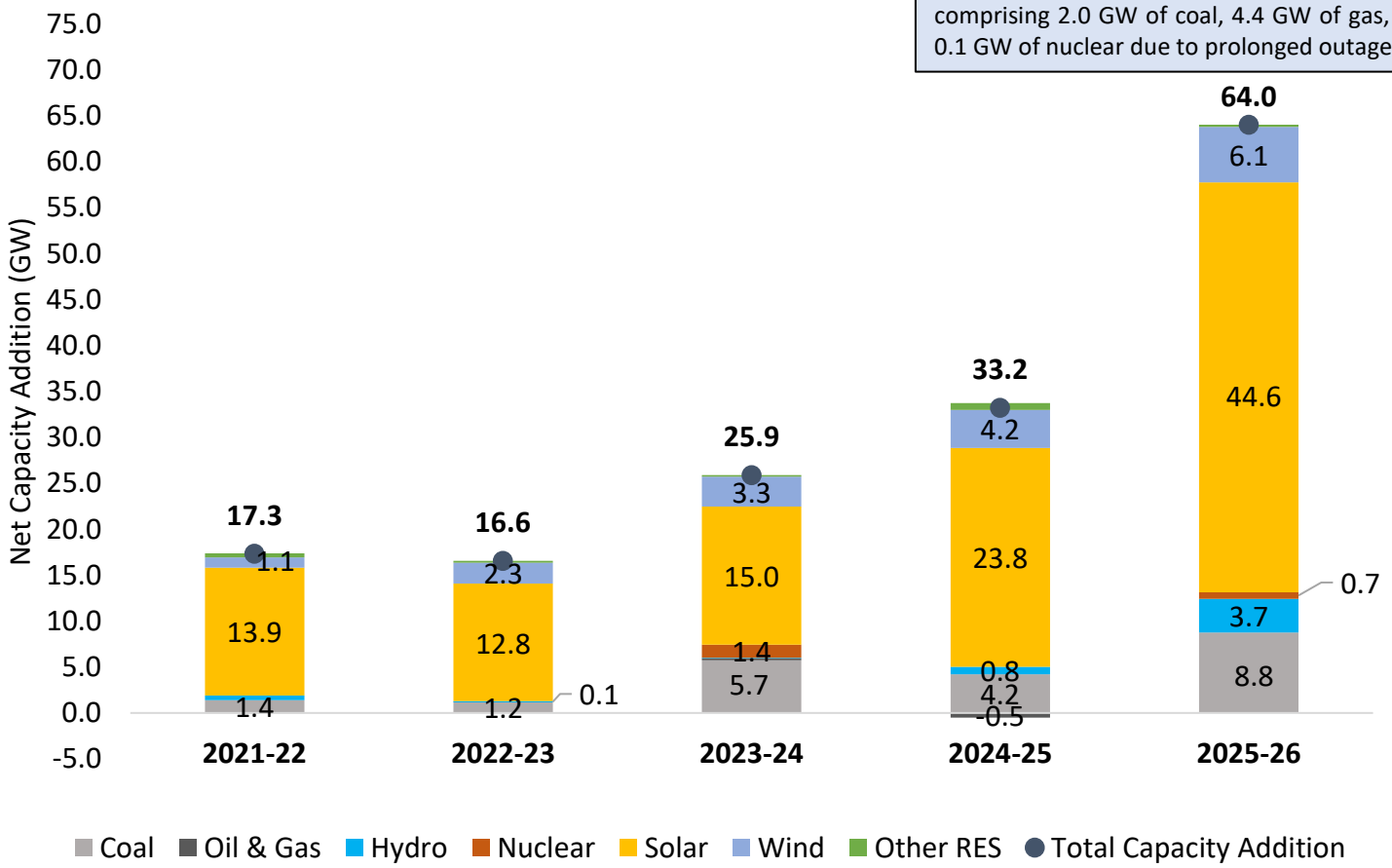
- India’s total electricity generating capacity is 533 GW [coal 229 GW (43%), solar 150 GW (28%), wind 56 GW (11%), and large hydro 51 GW (10%)].
- India’s renewable energy capacity (including large hydro) stood at 275 GW out of total capacity of 533 GW.
- India has updated its NDC target to achieve 60% non-fossil capacity by 2035, after meeting the earlier 50% target for 2030 five years ahead of schedule.

Source: CEA

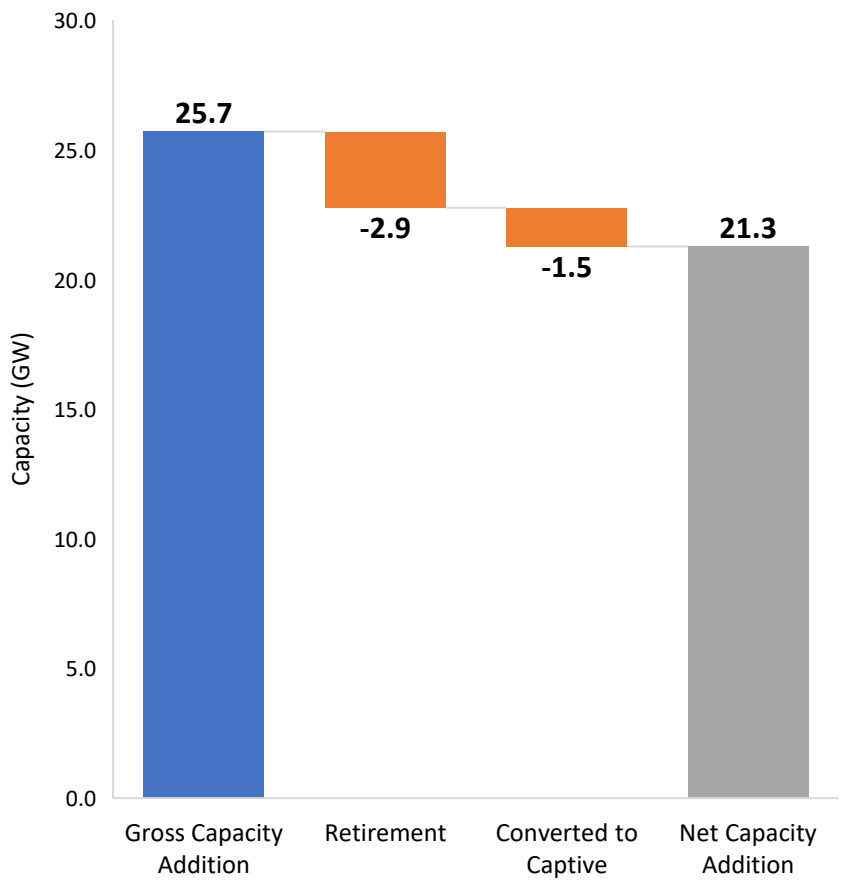
India’s Electricity Capacity Addition in last 5 years

Source-wise Net Capacity Addition (GW)

From Apr’2025 to Mar’2026, the CEA has temporarily closed 6.5 GW of capacity, comprising 2.0 GW of coal, 4.4 GW of gas, and 0.1 GW of nuclear due to prolonged outage.



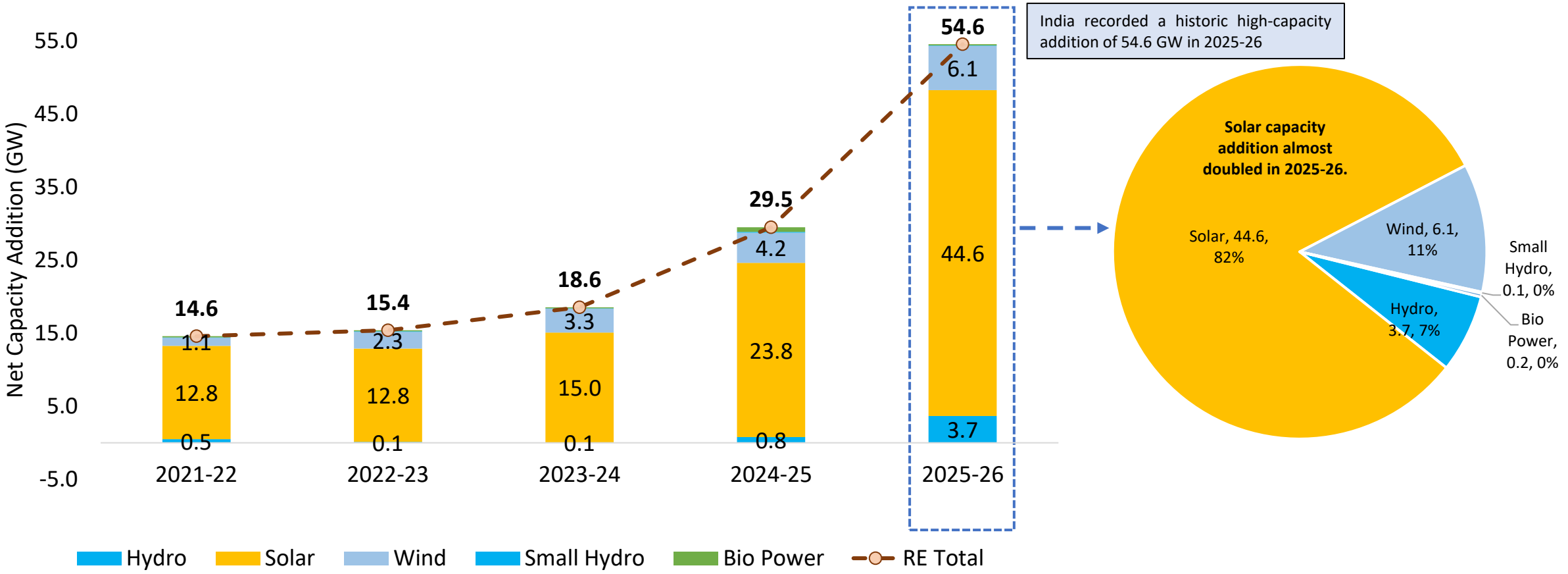
Net Coal Capacity Addition during 2021-22 to 2025-26



- A total of 134 GW of generation capacity has been added in RE (Hydro, solar, wind, and other RES) over the past 5 years, whereas the net coal capacity addition during the same period was 21 GW, mostly in the central sector.

Source: CEA & MNRE

India’s Renewable Energy Capacity Addition in last 5 years



- In 2025-26, India recorded a **historic addition of 54.6 GW renewable energy capacity** (including large hydro), marking an **85% increase** over RE capacity addition during from last year.
- In total RE capacity addition, solar dominated with **44.6 GW (82%)**, followed by **6.1 GW (11%) from wind**, while **large hydro and other sources contributed 3.7 GW and 0.3 GW**, respectively.

Source: CEA & MNRE

Top Performing States: RE Capacity (in GW)

(as on March 2026)

Solar (incl. Solar Rooftop)

Rajasthan	41.0
Gujarat	29.3
Maharashtra	19.6
Tamil Nadu	13.6
Karnataka	11.1

Wind

Gujarat	15.6
Tamil Nadu	12.1
Karnataka	8.7
Maharashtra	5.9
Rajasthan	5.3

Large Hydro

Himachal Pradesh	11.4
Uttarakhand	4.8
Karnataka	3.7
Jammu & Kashmir	3.4
Andhra Pradesh	3.0

Biopower

Maharashtra	3.0
Uttar Pradesh	2.3
Karnataka	1.9
Tamil Nadu	1.1
Andhra Pradesh	0.6

Small Hydro

Karnataka	1.3
Himachal Pradesh	1.0
Maharashtra	0.4
Kerala	0.3
Uttarakhand	0.2

Solar Rooftop

Gujarat	6.9
Maharashtra	5.4
Rajasthan	2.1
Kerala	1.9
Tamil Nadu	1.5

Total Renewable Energy

Gujarat	47.2
Rajasthan	47.0
Maharashtra	32.0
Tamil Nadu	29.1
Karnataka	26.7

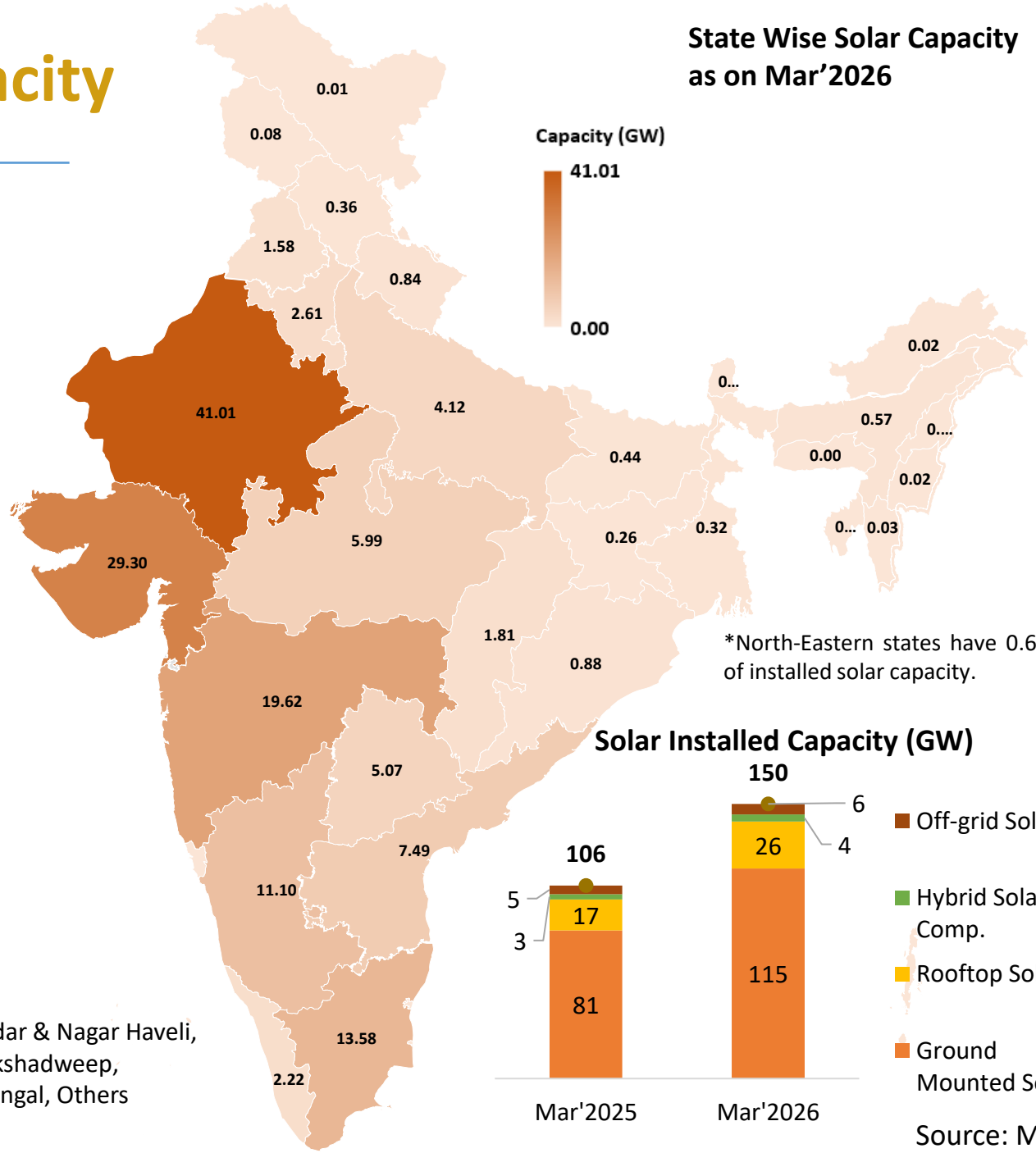
Source: CEA & MNRE

State-wise Solar Installed Capacity

State-wise installed capacity of Solar Power (GW)			
States	**2024-25**	**2025-26**	**Change over previous year (%)**
Rajasthan	28.29	41.01	45%
Gujarat	18.50	29.30	58%
Maharashtra	10.69	19.62	84%
Tamil Nadu	10.15	13.58	34%
Karnataka	9.68	11.10	15%
Andhra Pradesh	5.37	7.49	40%
Madhya Pradesh	5.12	5.99	17%
Telangana	4.84	5.07	5%
Uttar Pradesh	3.36	4.12	23%
Haryana	2.06	2.61	26%
Kerala	1.54	2.22	44%
Chhattisgarh	1.35	1.81	35%
Punjab	1.42	1.58	12%
Odisha	0.62	0.88	41%
Others	2.65	3.87	46%
All India	**105.65**	**150.26**	**42%**

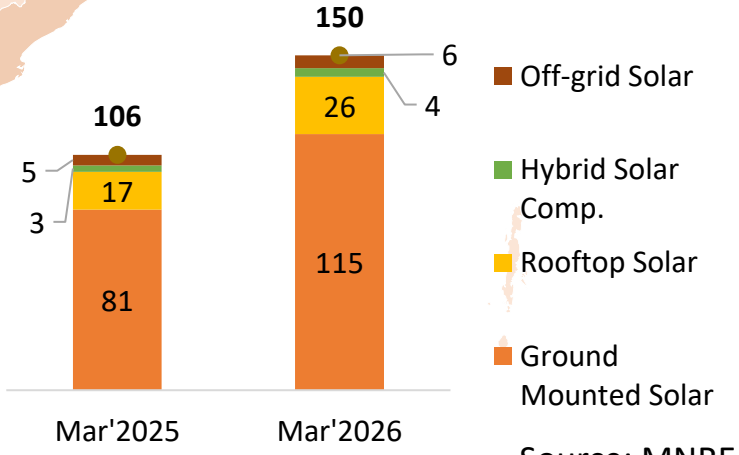
Others include- Andaman & Nicobar, Arunachal Pradesh, Assam, Bihar, Chandigarh, Dadar & Nagar Haveli, Daman & Diu, Delhi, Goa, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Ladakh, Lakshadweep, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Sikkim, Tripura, West Bengal, Others

State Wise Solar Capacity as on Mar'2026



*North-Eastern states have 0.69 GW of installed solar capacity.

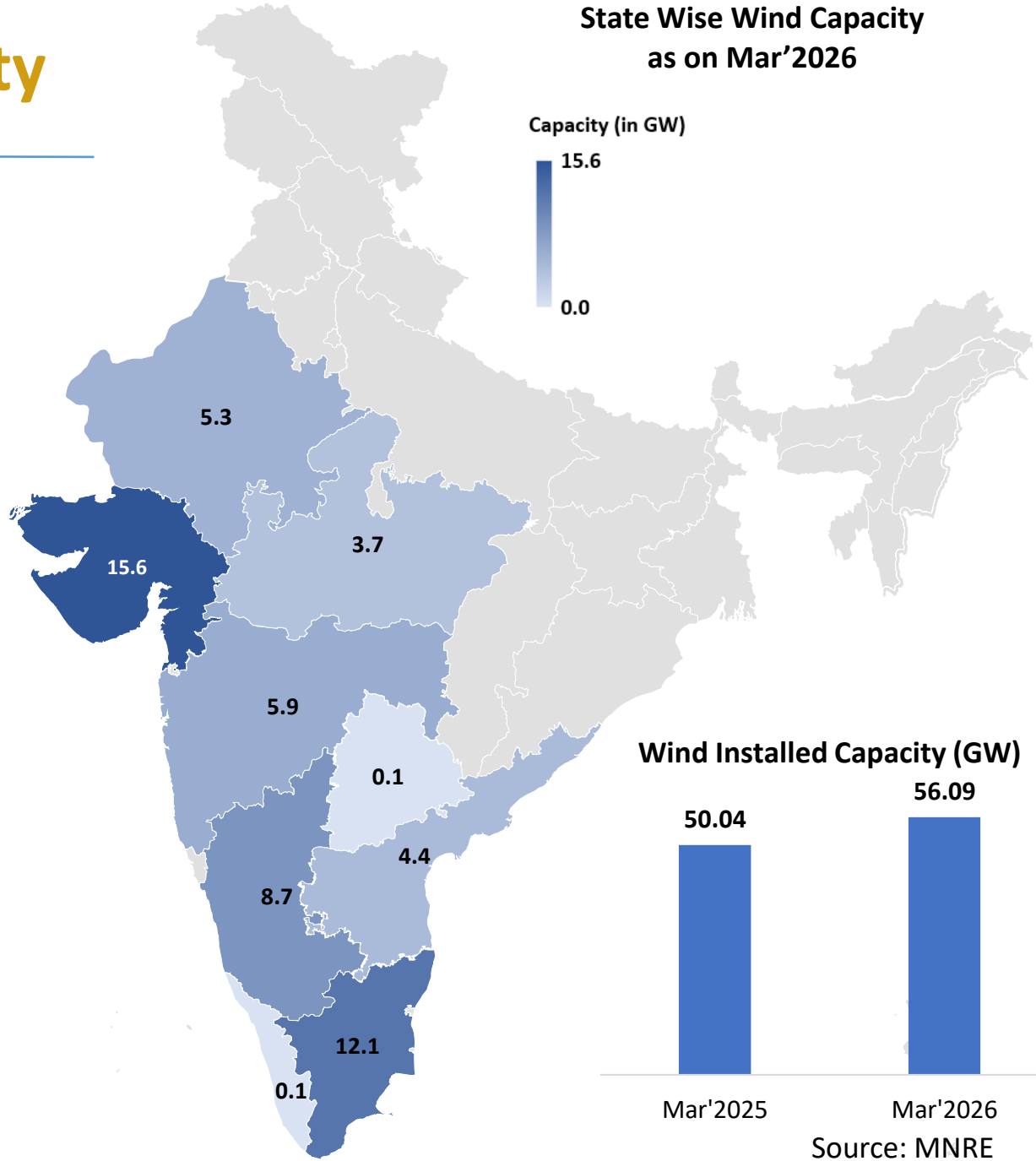
Solar Installed Capacity (GW)



Source: MNRE

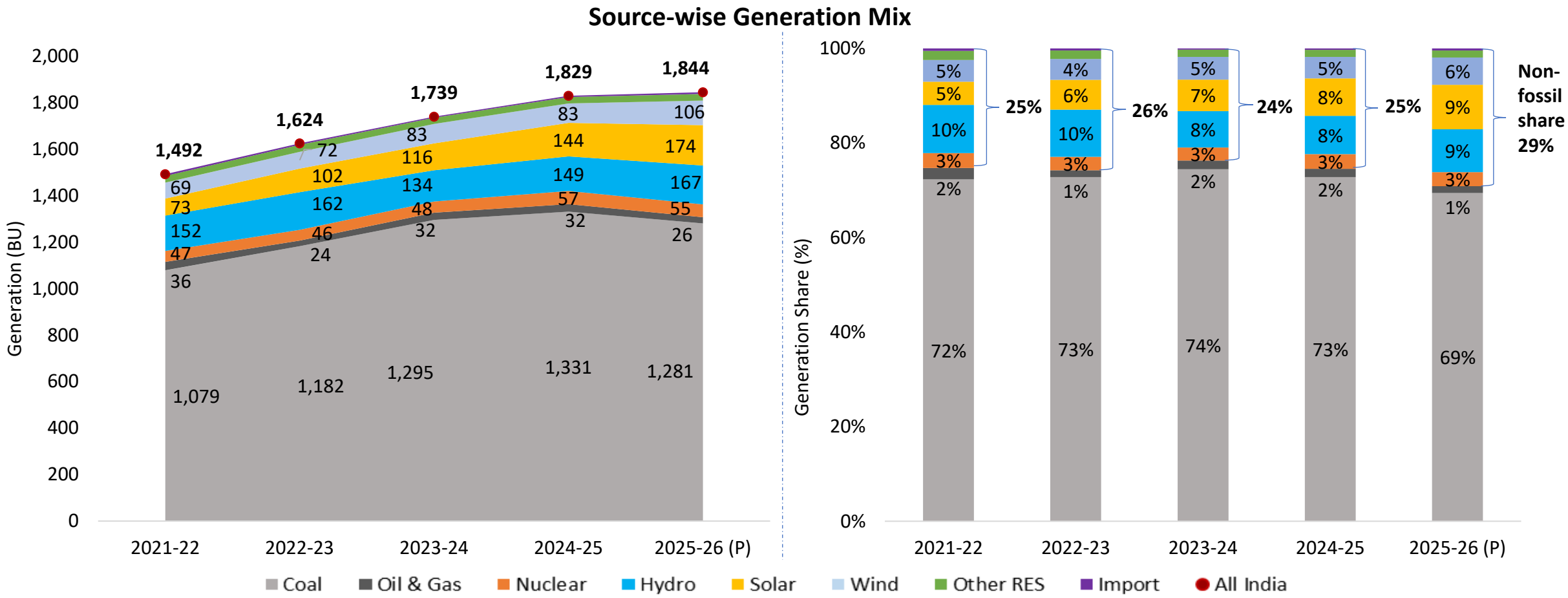
State-wise Wind Installed Capacity

State-wise installed capacity of Wind (Onshore) Power (GW)			
States	**2024-25**	**2025-26**	**Change over previous year (%)**
Gujarat	12.7	15.6	23%
Tamil Nadu	11.7	12.1	3%
Karnataka	7.4	8.7	19%
Maharashtra	5.3	5.9	12%
Rajasthan	5.2	5.3	3%
Andhra Pradesh	4.4	4.4	1%
Madhya Pradesh	3.2	3.7	15%
Telangana	0.1	0.1	0%
Kerala	0.1	0.1	0%
All India	**50.04**	**56.09**	**12%**



Source: MNRE

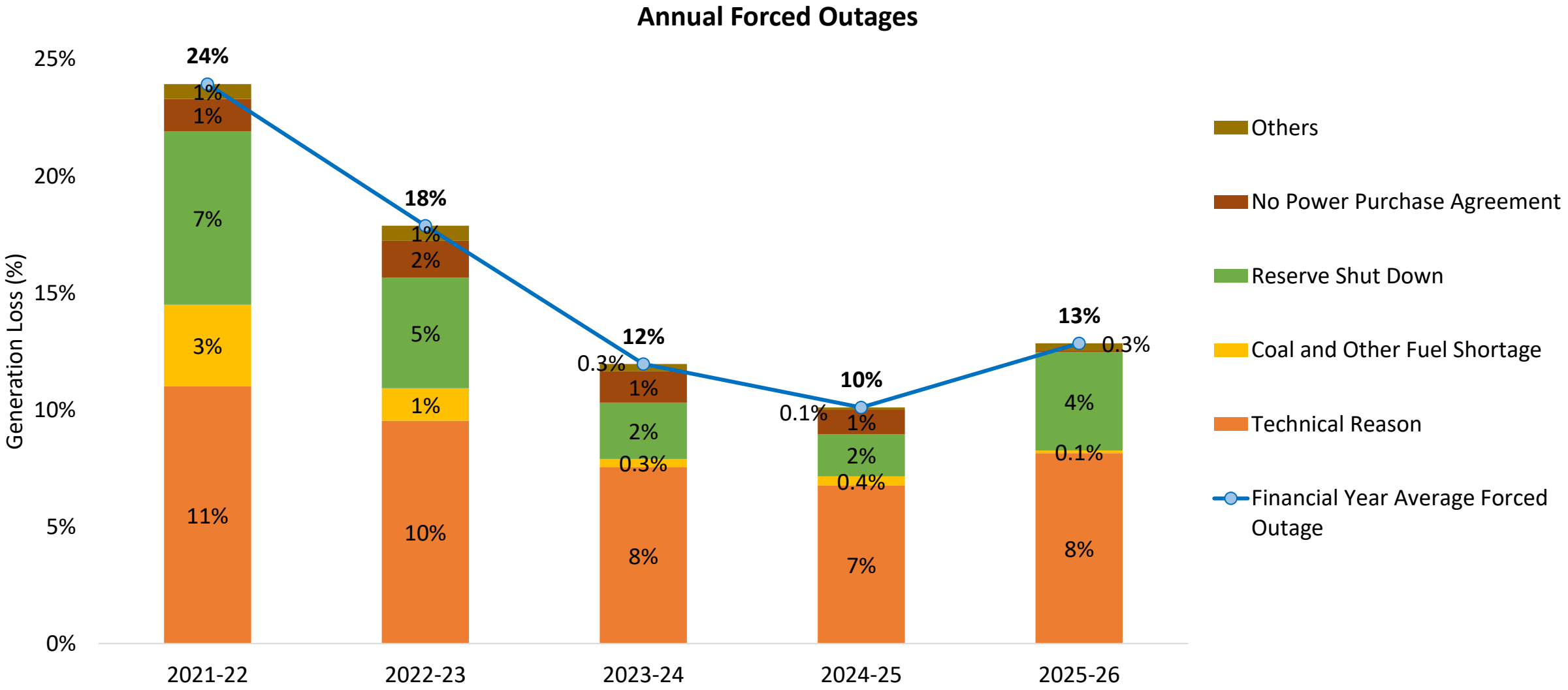
India’s Electricity Generation Mix



- In 2025-26, coal-based generation declined for the first time by 4%, dropping from 1,331 BU in 2024-25 to 1,281 BU, while oil and gas generation also saw a sharp 17% decline during the same period.
- Among all sources, wind recorded the highest growth at 27% (from 83 BU in 2024-25 to 106 BU in 2025-26), followed by solar at 20%, increasing from 144 BU in 2024-25 to 174 BU in 2025-26.

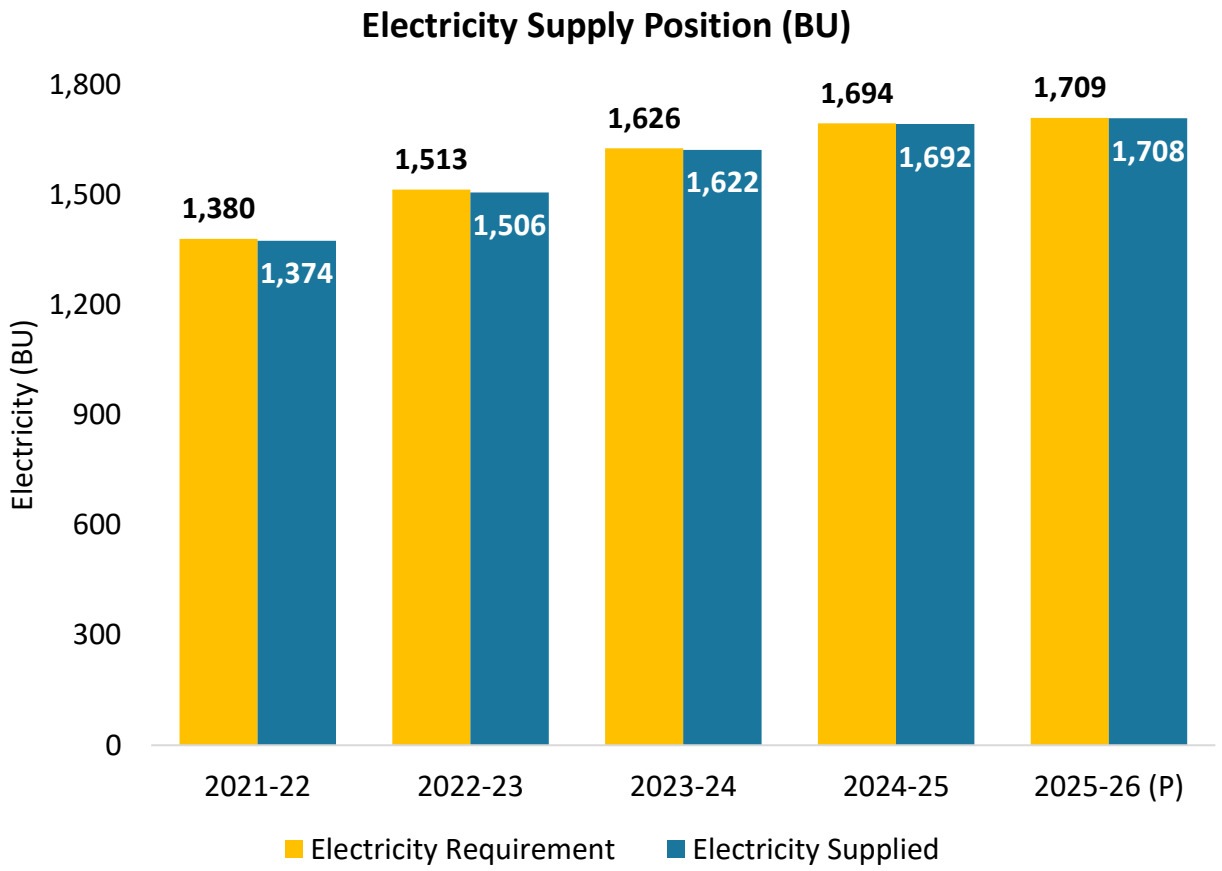
Note: P- Provisional. Source: CEA

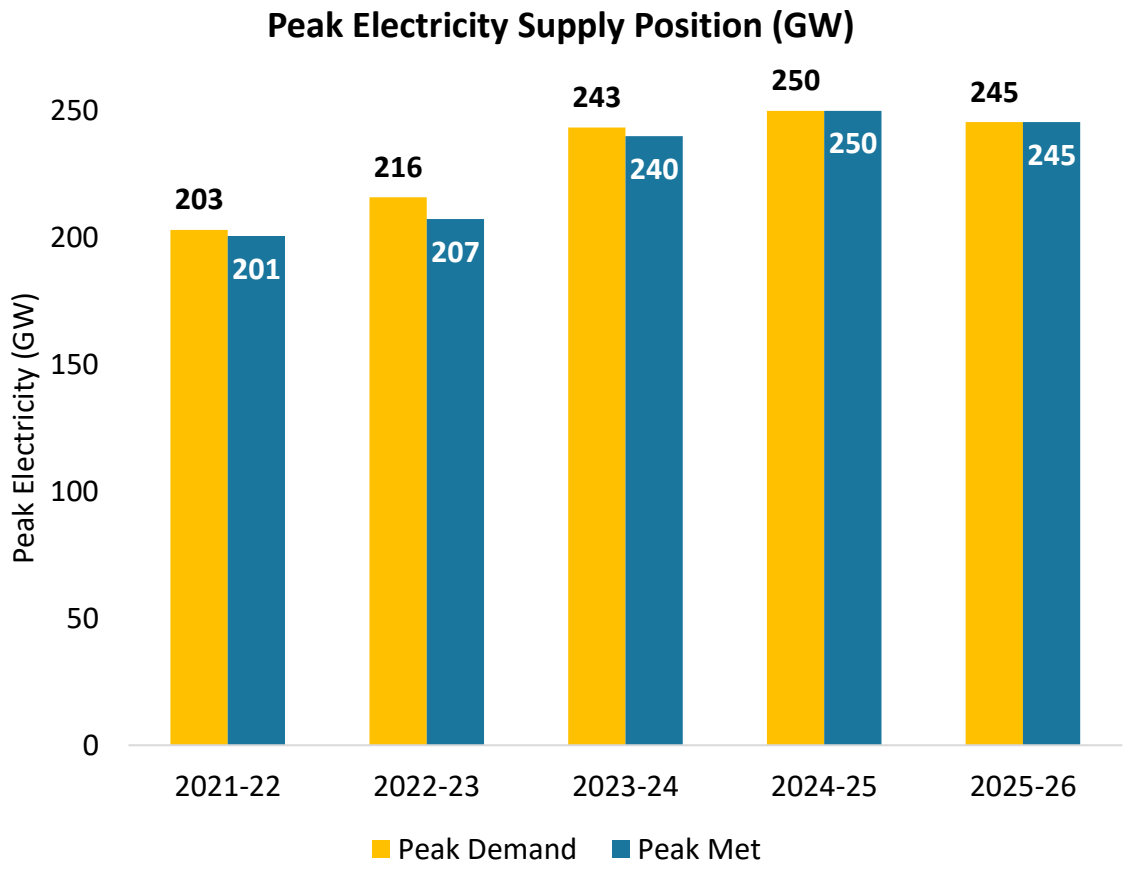
Thermal Generation Loss and Reasons for Forced Outages



Thermal includes only Coal and Lignite Plants.

India’s Electricity Demand and Supply Position



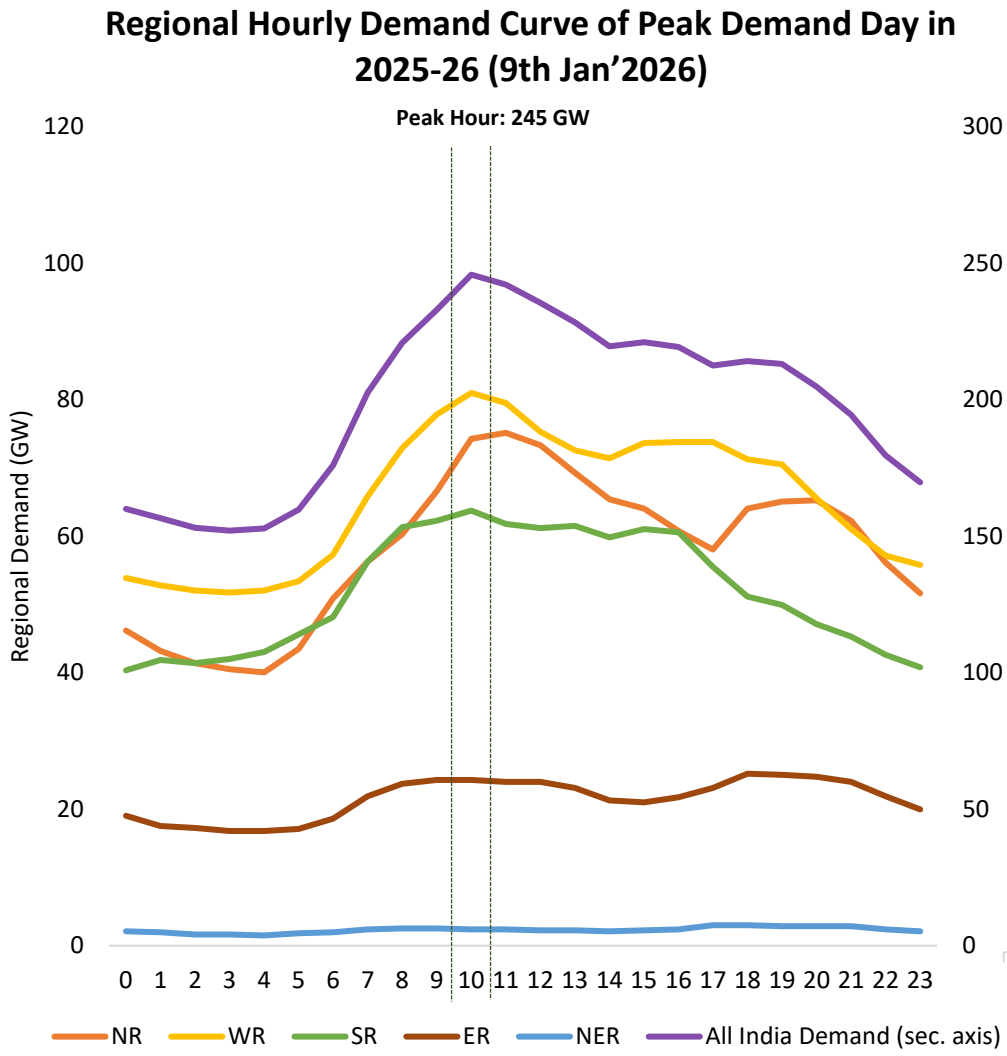


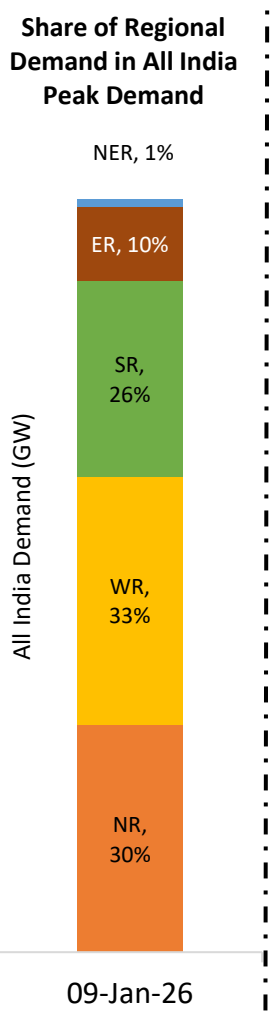
- National electricity demand in 2025-26 increased by 1% compared to the demand in 2024-25.
- National peak electricity demand in 2025-26 has decreased by 2% compared to the peak demand in 2024-25.
- The peak demand deficit has decreased from 1.4% in 2023-24 to 0.0% in 2024-25 and 2025-26.

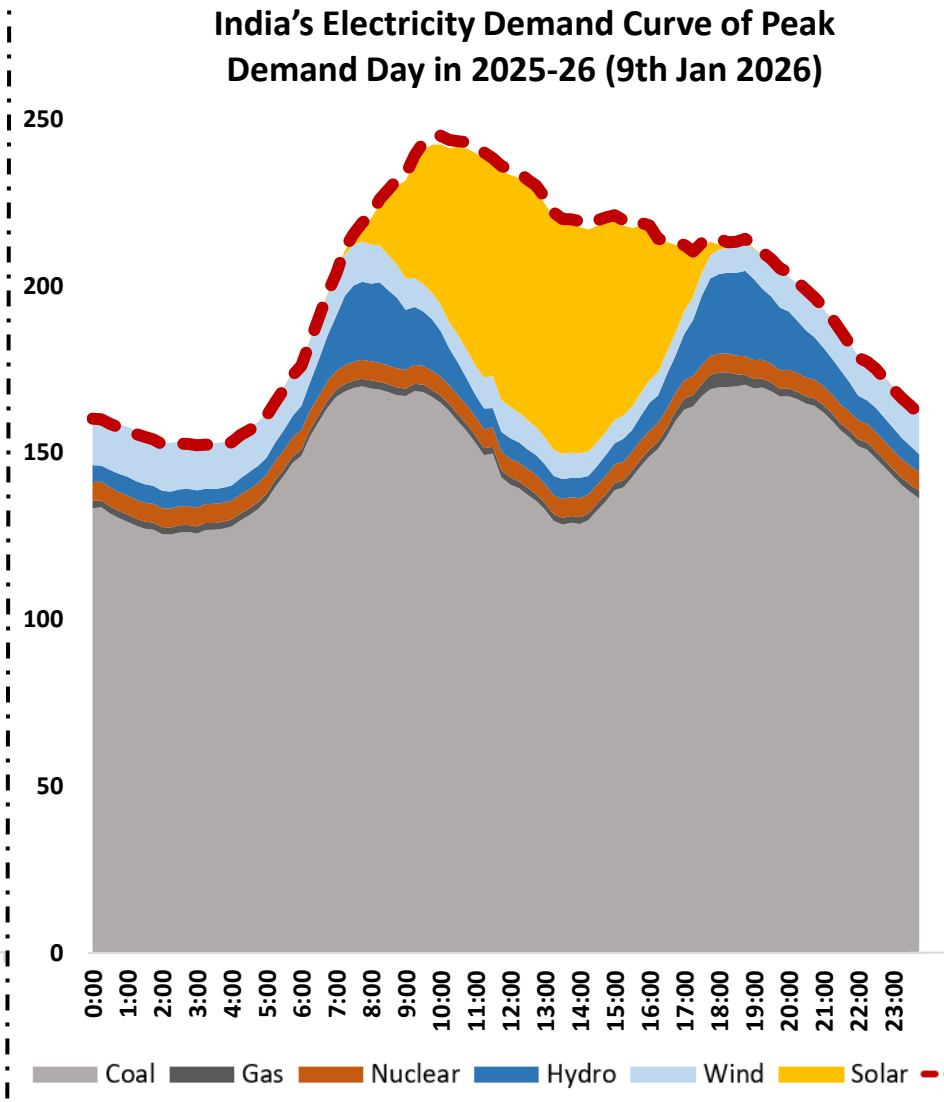
Note: The electricity demand represented above includes intra state T&D losses. P- Provisional.

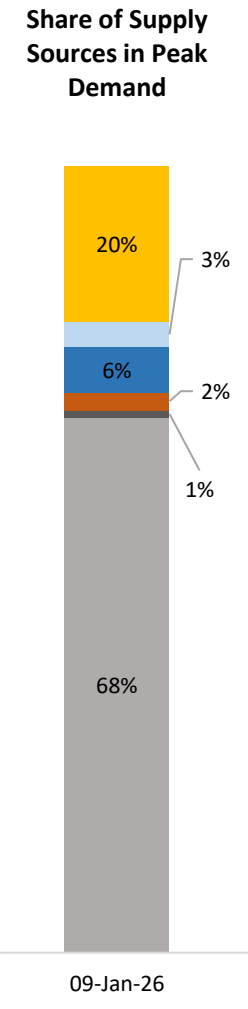
Source: CEA

All India and Regional Electricity Demand Curve of Peak Demand Day





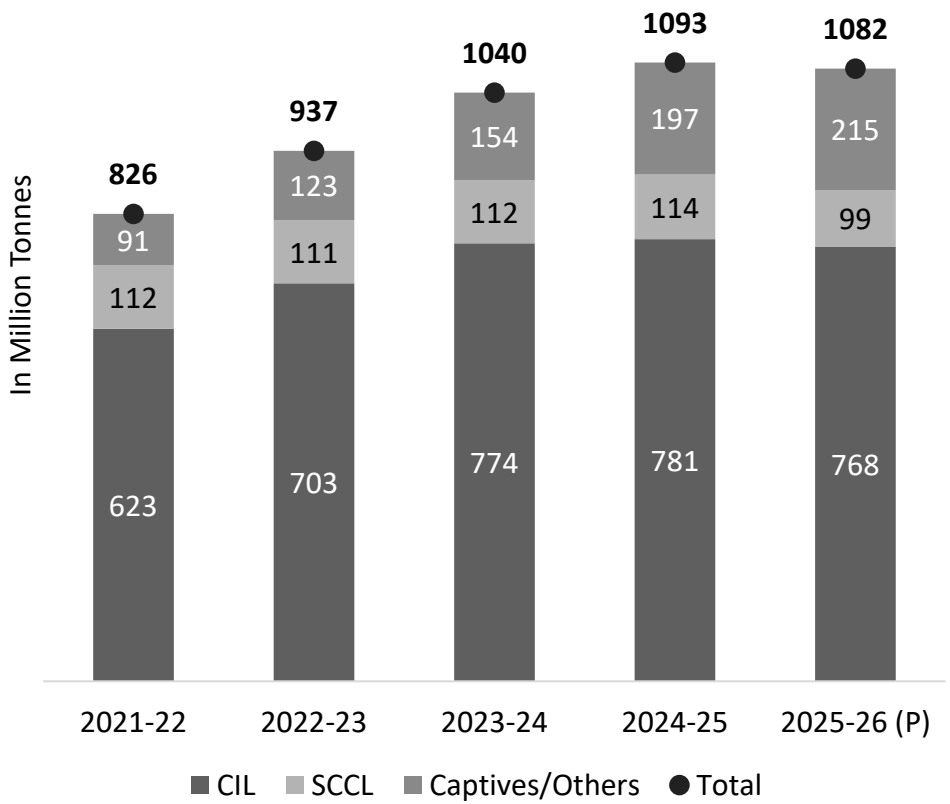




Source: Grid-India

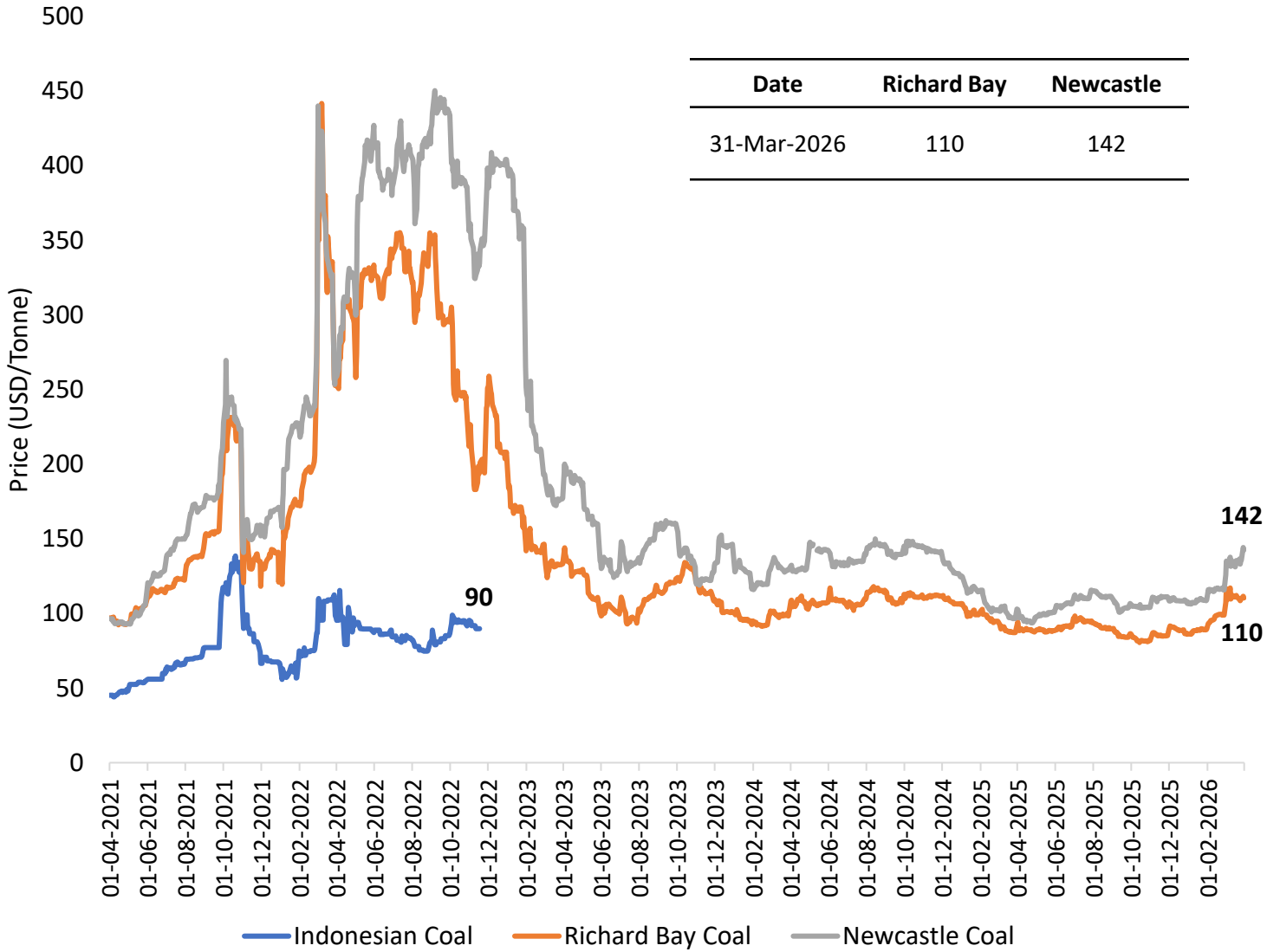
Annual Coal Statistics

Annual Coal Production (in Million Tonnes)



India's coal (incl. lignite) production reached 1.08 billion tonne in 2025-26, recording a slight decline of 1% compared to the previous year's production of 1.09 BT.

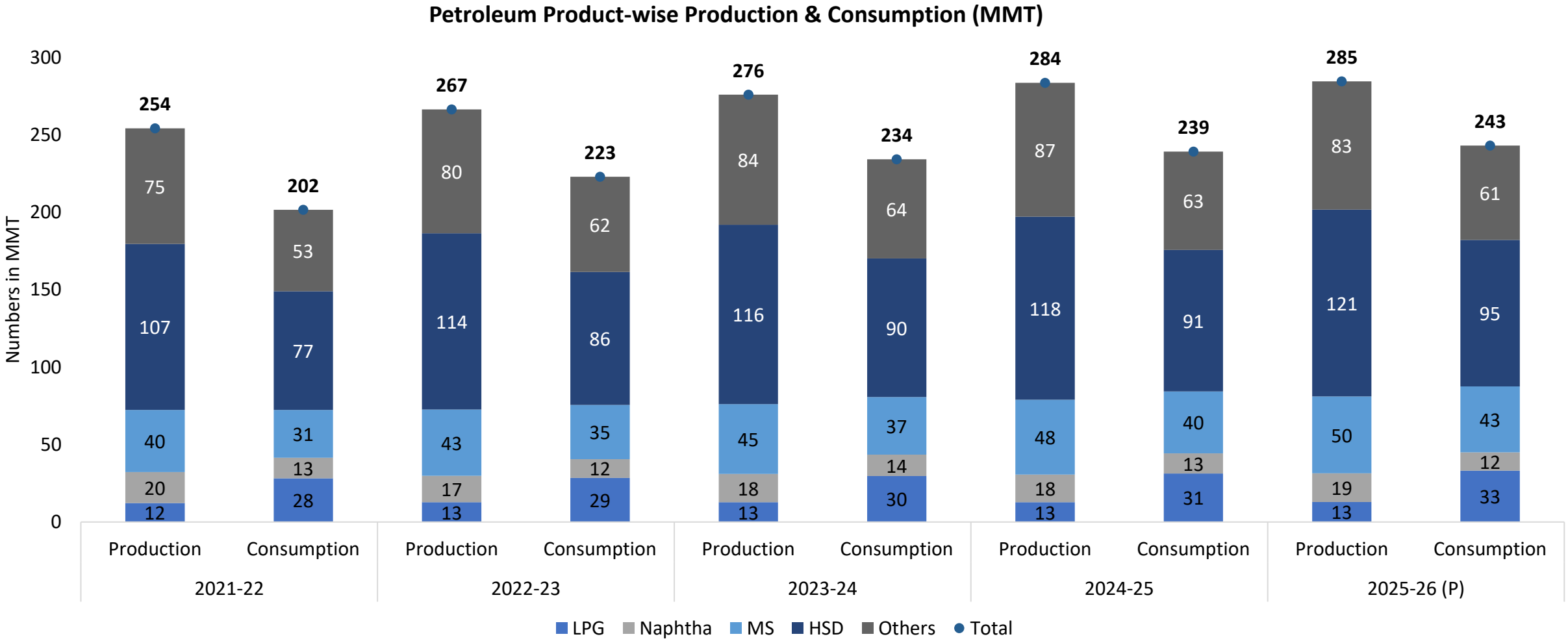
International Coal Prices



Date	Richard Bay	Newcastle
31-Mar-2026	110	142

Note: P- Provisional.

Petroleum Products Market Scenario (1/2)



Others include ATF, SKO, LDO, Lubes, FO, LSHS, Bitumen, pet coke, and others.

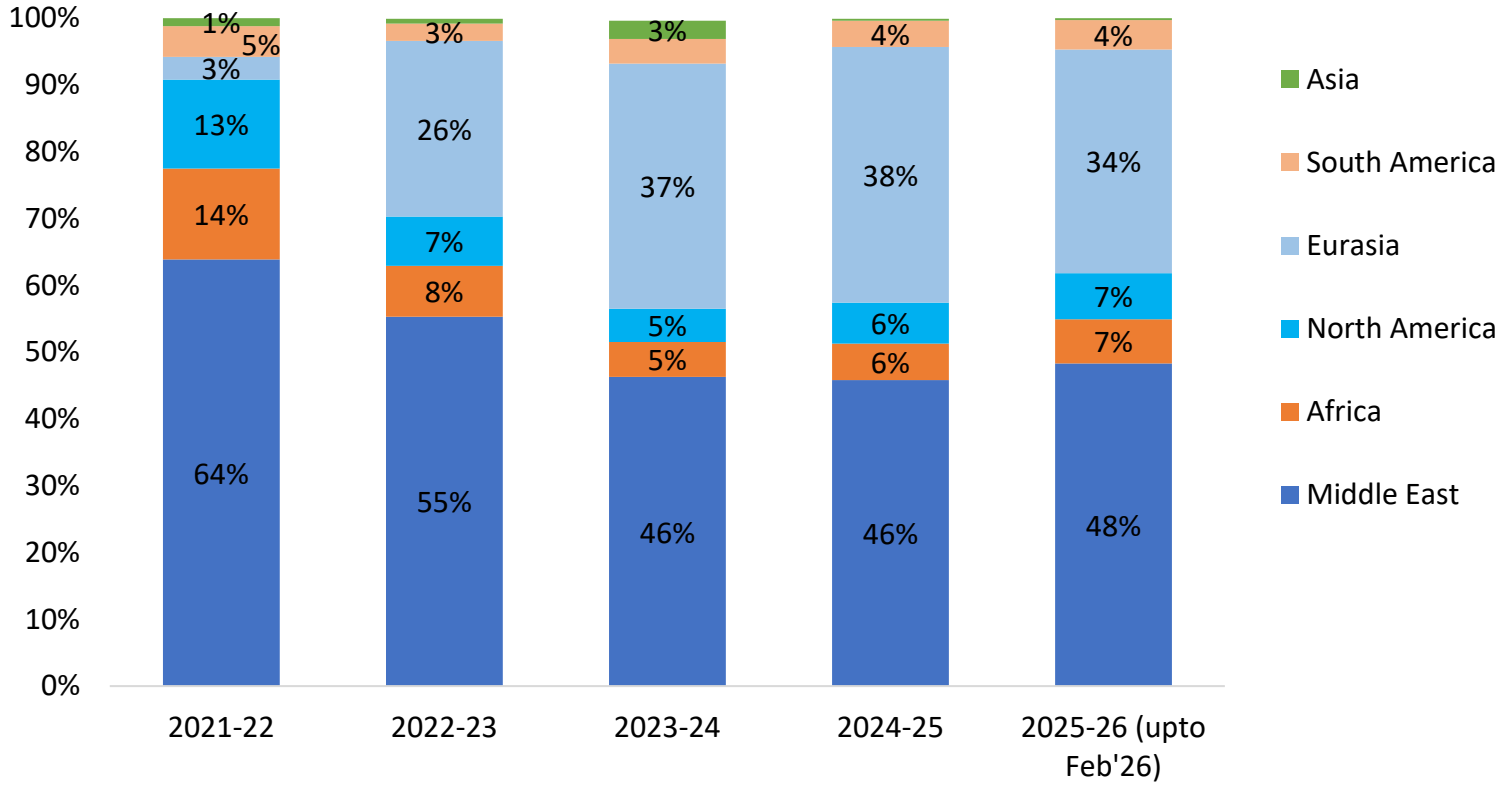
Abbreviations: ATF- Aviation Turbine Fuel, FO- Furnace Oil, HSD- High-Speed Diesel, LDO- Light Diesel Oil, MS- Motor Spirit (Petrol), SKO- Superior Kerosene Oil, LSHS- Low Sulphur Heavy Stock, LPG- Liquefied Petroleum Gas, MMT- Million Metric Tonne

Note: P- Provisional.

Source: PPAC

Petroleum Products Market Scenario (2/2)

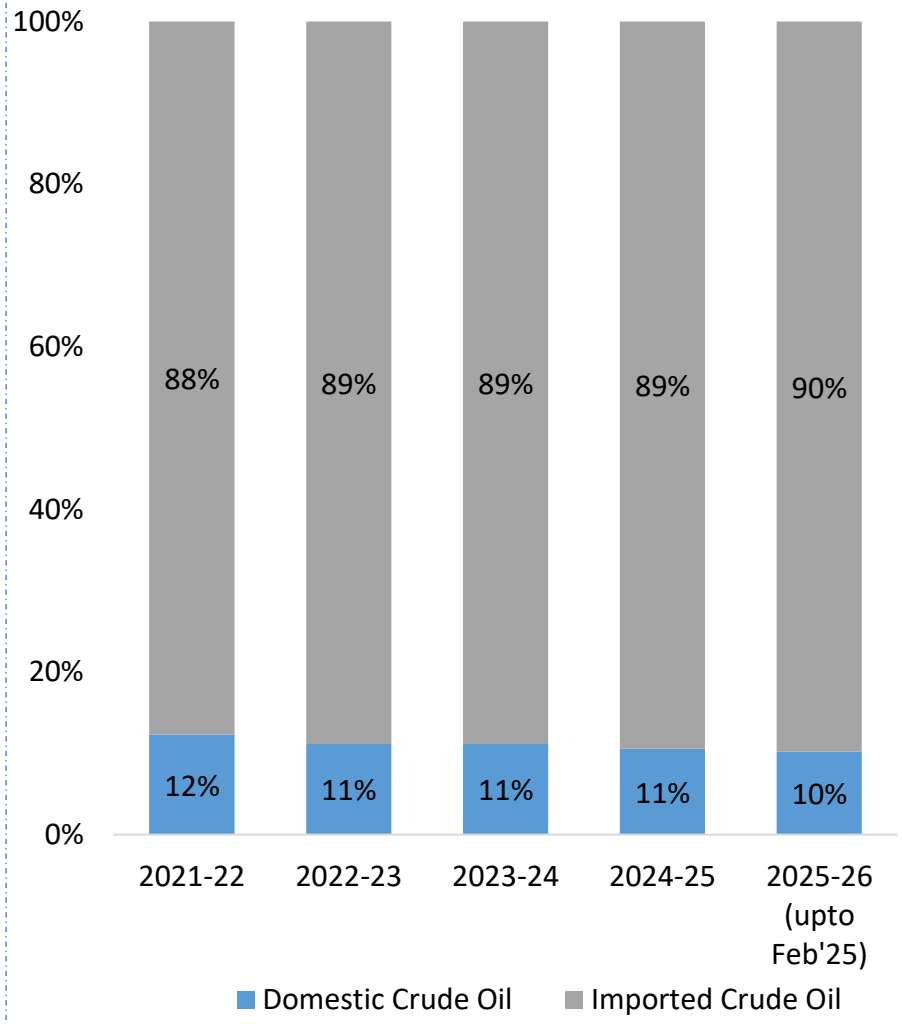
Region-wise Share in Import of Crude Oil (%)



Total Import of Crude Oil (MMT)

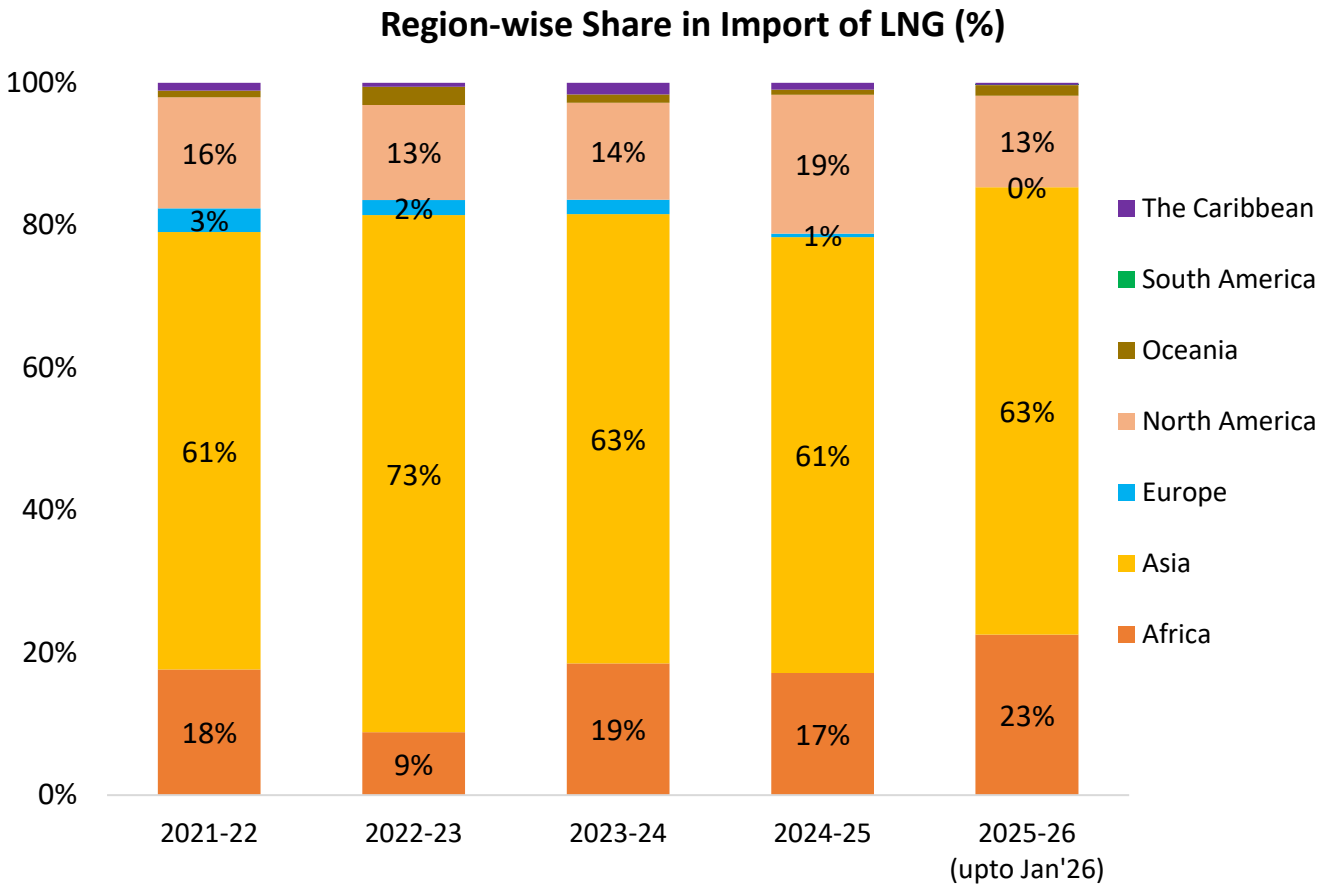
Total Import	2021-22	2022-23	2023-24	2024-25	2025-26 (up to Feb'26)
Crude Oil	212	233	234	243	226

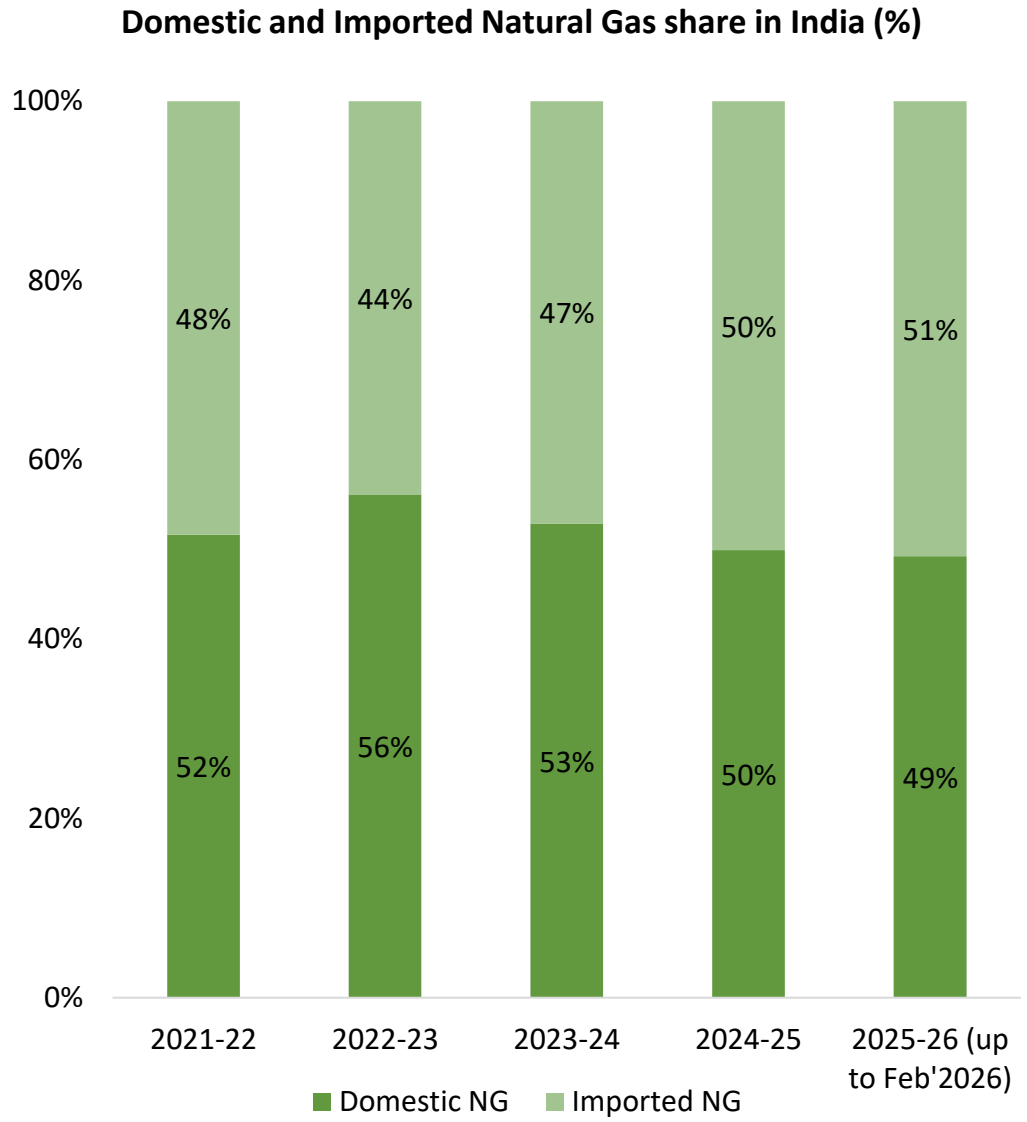
Domestic and Imported Crude Oil share in India (%)



Source: MoPNG and PPAC

Gas Market Scenario





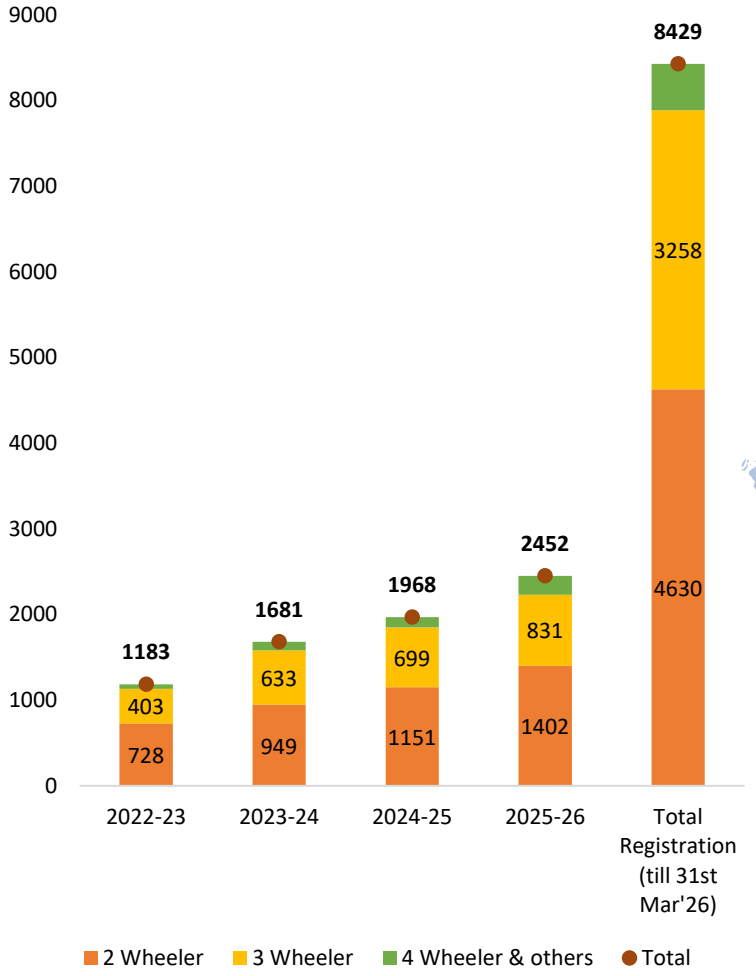
Total Import of Liquified Natural Gas (LNG) (MMT)

Total Import	2021-22	2022-23	2023-24	2024-25	2025-26 (up to Feb'26)
LNG	**23.42**	**19.85**	**24.00**	**25.91**	**24.49**

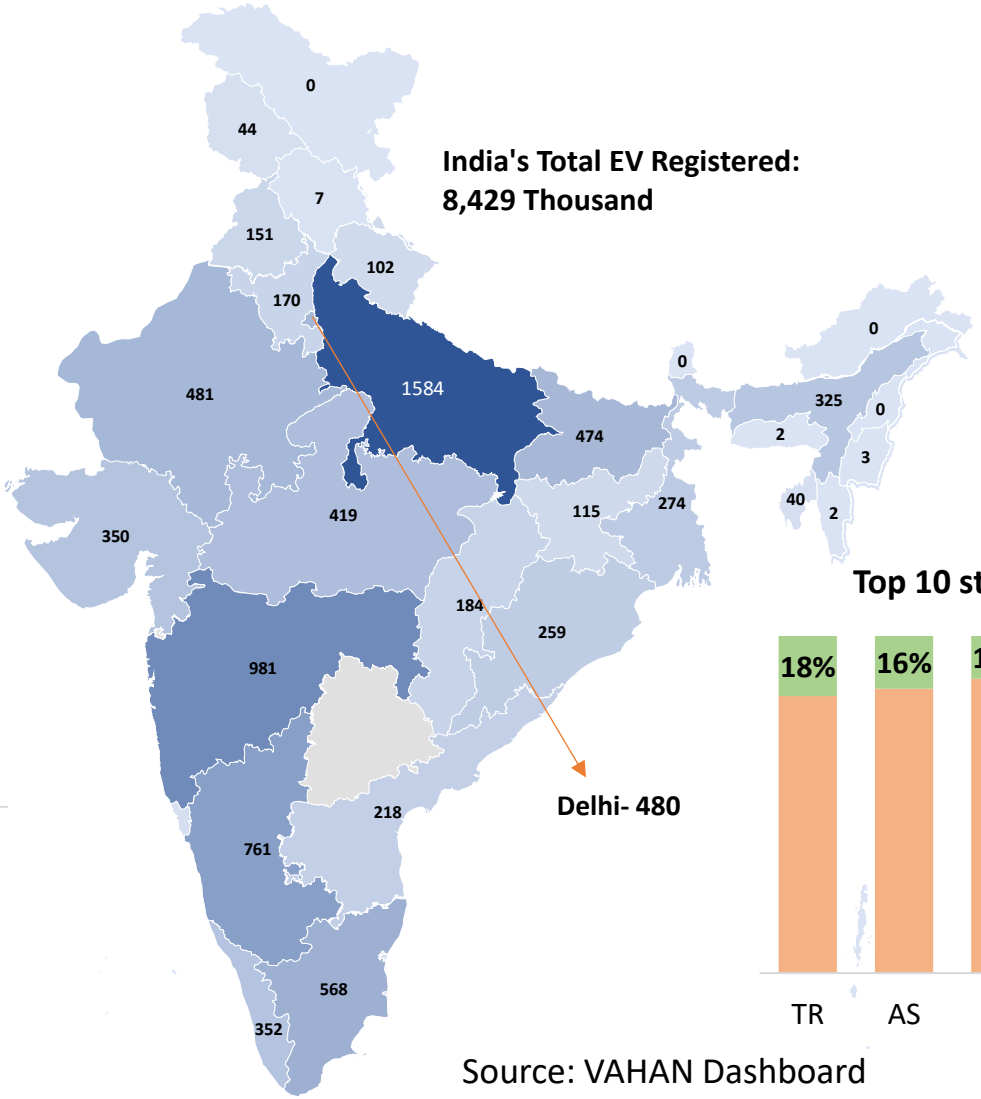
Source: MoCI and PPAC

Status of Electric Mobility in India (1/2)

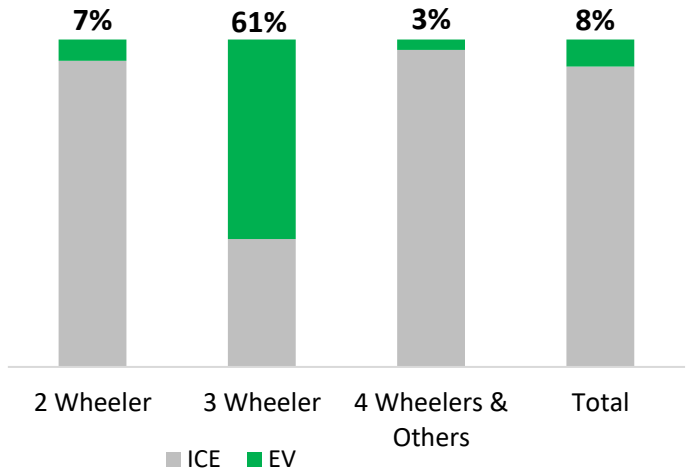
National EV registration (in Thousands)



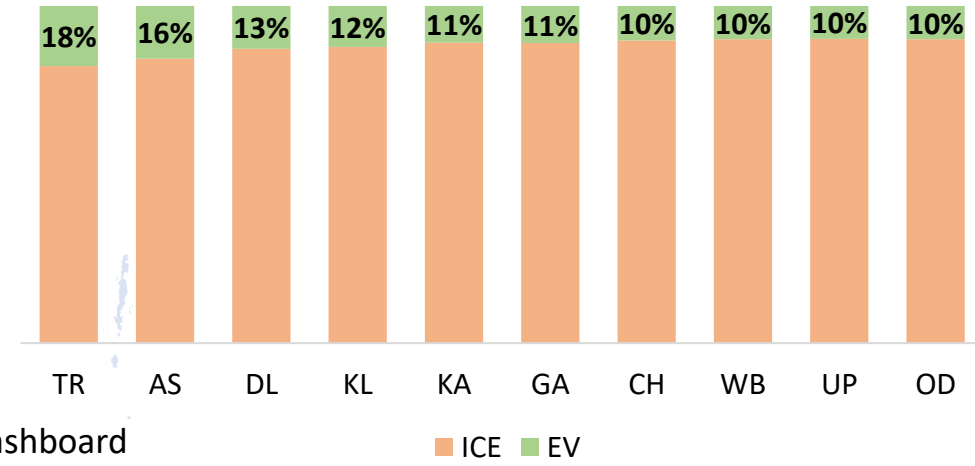
Cumulative State-wise EV registration as on 31st March 2026 (in Thousands)



EV and ICE sale composition in 2025-26

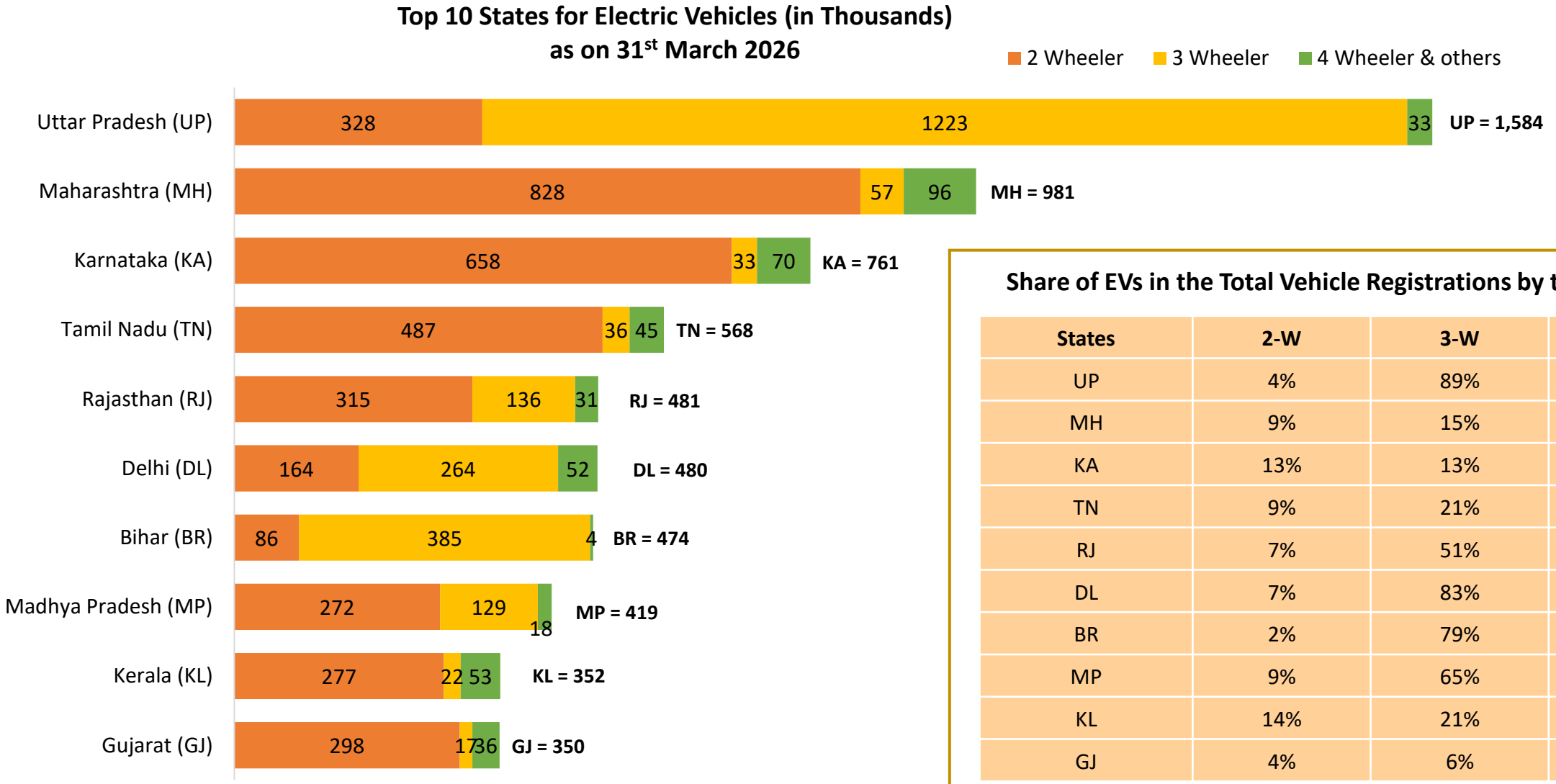


Top 10 states in Electric Vehicle Adoption in 2025-26



Source: VAHAN Dashboard

Status of Electric Mobility in India (2/2)



Share of EVs in the Total Vehicle Registrations by type, 2025-26

States	2-W	3-W	4-W & Others
UP	4%	89%	2%
MH	9%	15%	4%
KA	13%	13%	5%
TN	9%	21%	4%
RJ	7%	51%	3%
DL	7%	83%	9%
BR	2%	79%	1%
MP	9%	65%	2%
KL	14%	21%	7%
GJ	4%	6%	3%

Source: VAHAN Dashboard

National Key Policy Highlights/ Announcements in 2025-26 (1/4)

A. Renewable Energy and New Technologies

- The Ministry of New and Renewable Energy has released the Green Hydrogen Certification Scheme of India under the National Green Hydrogen Mission. The scheme is a foundational step towards creating a robust framework for certifying green hydrogen production and ensuring transparency, traceability, and market credibility. The scheme prioritizes precise emissions reporting, rigorous monitoring, and alignment with international standards, aiming to enhance investor confidence and foster the development of a reliable green hydrogen ecosystem in India.
- The Ministry of New and Renewable Energy has introduced amendments in the guidelines for small hydro projects. The key amendments are: o Projects achieving 80% of projected generation in any single corresponding month (as per DPR) will receive the full balance CFA. o If the 80% target isn't met, the second CFA installment will be reduced proportionally o Grace Period & Penalties: a. 12-month grace period for commissioning (from scheduled date); b. Further delays attract 5% reduction per quarter (max 50% cut from second installment); c. Projects must be completed within 5 years (extensions possible with MNRE approval).
- On 9th June 2025, the Ministry of Power launched an additional Viability Gap Funding (VGF) scheme for 30 GWh of Battery Energy Storage Systems (BESS), with a total outlay of ₹5,400 crore from the Power System Development Fund. This follows the 2023 scheme for 13.2 GWh, highlighting the growing policy push to scale up energy storage infrastructure.
- The Ministry of New and Renewable Energy has launched the Innovative Projects Start-Up Challenge on Rooftop Solar and Distributed Renewable Energy to support breakthrough solutions for India's clean energy sector. Supported by NISE and StartUp India, the challenge offers a prize pool of ₹2.3 crore along with incubation, pilot opportunities, and expert mentorship.
- The Government of India has reduced GST on renewable energy components from 12% to 5% will lower project costs, making clean electricity more affordable for households, farmers, industries, and developers. This cut will reduce rooftop solar costs by ₹9,000 to 10,500 per 3 kW System under PM Surya Ghar, save ₹1,750 crore on 10 Lakh Solar Pumps for farmers under PM-KUSUM, boost RE equipment manufacturing by 3-4% cut on Module and Component Costs , and create 5 to 7 lakh green jobs over the next decade.
- The Government of India has launched the National Policy on Geothermal Energy (2025) to harness India's untapped geothermal potential and advance its 2070 Net Zero goal. The policy provides a comprehensive framework for exploration, development, and utilization of geothermal energy for power generation and diverse applications such as district heating, agriculture, and cooling via GSHPs. It emphasizes research, innovation, public private collaboration, and international partnerships to build a robust geothermal ecosystem. As an initial step, five pilot and resource assessment projects have been sanctioned to evaluate geothermal potential across the country.
- On 19th September 2025, the Ministry of Power issued the Electricity (Amendment) Rules, 2025, providing greater clarity on the ownership, utilisation, and legal status of Energy Storage Systems (ESS). The amendment allows ESS to be deployed independently or as part of generation, transmission, or distribution infrastructure, with ownership open to utilities, system operators, or independent providers. It also defines the legal status of co-located and standalone ESS assets, and permits leasing, renting, or selling of storage capacity across entities in the power sector.

National Key Policy Highlights/ Announcements in 2025-26 (2/4)

- On 6th October 2025, Ministry of New and Renewable Energy (MNRE) has issued guidelines for releasing Central Financial Assistance (CFA) for rooftop solar projects under the Utility Led Aggregation (ULA) model of the PM Surya Ghar: Muft-Bijli Yojana. The key highlights are: o CFA will be released only after successful installation, inspection, and commissioning, with no advance payments allowed. o Implementing agencies must use the ULA redeem option on the national portal, and funds will be disbursed directly to vendors after verification by the national implementation agency. o The framework applies to all ULA proposals, ensuring transparent, uniform, and timely disbursement.
- MNRE has launched the Renewable Energy Equipment Import Monitoring System (REEIMS), an online portal designed to monitor and track imports of designated renewable energy components. The key provisions include: o Mandatory pre-registration of solar and wind equipment on REEIMS before import, along with disclosure of end-use details. o Each registration is valid for 3 months, with applications due at least 2 days before air cargo and 5 days before sea or land shipments. o The policy will be effective from November 1, 2025, and will apply to all entry points- land, air, and sea.
- The Ministry of Power has issued a revised Renewable Consumption Obligation (RCO) framework under the Electricity (Amendment) Rules, 2025, creating a unified national compliance mechanism by subsuming state-level RPOs. The framework applies to discoms, open access consumers, and captive users, and retains the national RCO trajectory through 2029-30. It updates norms for distributed RE projects (≤10 MW) and clarifies exclusions in the compliance denominator. The rules also introduce group-level aggregation and set new annual compliance timelines starting 2025-26.
- The CEA has released a ₹6.4 trillion transmission master plan to evacuate 76 GW of hydropower from the Brahmaputra basin. The roadmap includes 208 hydro and pumped-storage projects across 12 sub-basins, totalling 64.9 GW of hydro and 11.1 GW of PSP capacity. It proposes high-capacity transmission corridors, pooling stations, and redundant routes to connect remote sites to the national grid. The investment plan is split into two phases: ₹1.91 trillion till 2035 and ₹4.52 trillion beyond 2035.
- On 11th November 2025, Union Minister Pralhad Joshi announced a ₹100 crore Call for Proposals for pilot projects to fund pilot projects developing innovative technologies for green hydrogen production from biomass and waste materials. This allocation is in addition to the ₹100 crore already sanctioned for start-ups under the National Green Hydrogen Mission. The scheme will be implemented through the Biotechnology Industry Research Assistance Council (BIRAC) to promote participation from industries, start-ups, and research institutions.
- The Union Cabinet, chaired by Narendra Modi, has approved the Small Hydro Power (SHP) Development Scheme for the period 2026-27 to 2030-31, with an outlay of ₹2,584.6 crore to add around 1,500 MW capacity. The scheme provides higher financial support for North Eastern and border areas, promoting development in remote regions. It is expected to mobilize ~₹15,000 crore investment while strengthening domestic manufacturing. The initiative emphasizes decentralized renewable energy, helping reduce transmission losses and improve rural energy access. It also supports DPR preparation for ~200 projects to create a future pipeline, and is likely to generate 51 lakh person-days of employment, contributing to sustainable socio-economic development.
- India exchanged Green Ammonia agreements under the National Green Hydrogen Mission, a key step toward energy security, as noted by Shri Pralhad Joshi. The 10-year contracts ensure demand certainty and drive investments, with ~7.24 lakh tonnes per annum allocated to fertilizer units to support decarbonization. The initiative reduces import dependence, saving ~$2.5 billion over a decade, while competitive pricing boosts domestic viability. Overall, it strengthens Aatmanirbhar Bharat and creates opportunities in clean energy and jobs.

National Key Policy Highlights/ Announcements in 2025-26 (3/4)

B. Power Sector

- The Central Electricity Authority has launched the STELLAR, a state-of-the-art, totally indigenously developed Resource Adequacy model. This model is designed to integrate generation, transmission, and storage expansion planning with demand response. This advanced tool aims to support states in formulating comprehensive Resource Adequacy Plans, aligning with the guidelines issued by the Ministry of Power in June 2023.
- On 16th May 2025, the Ministry of Power issued directives under Section 11 of the Electricity Act, 2003, instructing all Gas-Based Generating Stations (GBSs) to maximize power generation amid anticipated peak demand due to above-normal temperatures. The key highlights are:
    - GRID-INDIA will notify Gas-Based Generating Stations (GBSs) at least 14 days in advance about expected high-demand days, ensuring timely gas arrangements.
    - GBSs scheduled on a D-1 basis will be guaranteed 50% round-the-clock dispatch during these periods.
    - Unsold power under PPAs will be reallocated to other PPA holders, distribution licensees, or sold in the power market, with any surplus available to GRID-INDIA for grid support.
- Ministry of Power has initiated a stakeholder survey to develop the India Energy Stack (IES), a digital backbone for India's power sector. The IES aims to create a connected, intelligent, and interoperable energy ecosystem. As part of this initiative, a Utility Intelligence Platform will be developed using standardized and open APIs and protocols, in collaboration with selected power distribution utilities. This platform will unlock data from various IT/OT systems to drive innovation and efficiency across the sector.
- The Ministry of Coal has raised the GST rate on coal from 5% to 18% while removing the ₹400 per tonne compensation cess. Despite the higher GST rate, the overall tax burden has significantly declined, with coal grades G6 to G17 witnessing reductions ranging from ₹13.40 to ₹329.61 per tonne. This reduction is expected to lower power generation costs for the power sector by approximately 17 to 18 paise per unit.
- The Lok Sabha passes the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Bill, 2025 on 17th December 2025, marking a significant step toward modernizing India's nuclear sector laws. The key highlights are: o It consolidates and modernises India's nuclear legal framework. o It enables limited private participation in the nuclear sector under regulatory oversight. o It strengthens statutory regulation by granting statutory recognition to the Atomic Energy Regulatory Board (AERB). o It supports India's clean-energy transition and the long-term objective of achieving 100 GW nuclear energy capacity by 2047.
- The Ministry of Power unveiled the Draft National Electricity Policy (NEP) 2026 on 20 January 2026, outlining a comprehensive roadmap to transform the power sector in line with the Viksit Bharat @2047 vision. The key highlights include: o Financial turnaround and commercial viability of the power sector o Reliable, quality power supply to meet peak and energy demand o Competitive electricity prices aligned with Viksit Bharat @ 2047 vision o Increase in the share of non-fossil capacity to meet NDC commitments o Promote competition in electricity supply o Increase in per capita consumption to 2,000 kWh by 2030 and over 4,000 kWh by 2047, with a focus on energy efficiency o Strengthening of grid resilience for large-scale renewable integration, flexible operations, climate adaptation and cybersecurity needs. o Stronger, resilient grid for large-scale RE integration, flexibility, climate adaptation & cybersecurity o Enhanced consumer-centric services and demand-side management o Faster dispute resolution to reduce sectoral and consumer financial burden o Mandatory Resource Adequacy planning at state and national levels.

National Key Policy Highlights/ Announcements in 2025-26 (4/4)

- In the Union Budget 2026-27, the Government of India outlined the following key allocations and reforms for the Power & Energy sector: o ₹32,914 crore allocated to Ministry of New and Renewable Energy, with major focus on solar expansion; o ₹1,000 crore for Viability Gap Funding (VGF) for BESS and Pumped Storage Projects; o ₹20,000 crore Carbon Capture, Utilisation and Storage (CCUS) programme (5 years) to support deep decarbonisation of hard-to-abate sectors; o ₹18,000 crore allocation for Revamped Distribution Sector Scheme (RDSS) to improve the financial stability of DISCOMs and strengthening operational efficiency and network modernization; o Incentives for states to implement Distribution Reforms, with additional borrowing limits (0.5% of GSDP) linked to performance in reducing AT&C losses; o Proposal to restructure Power Finance Corporation (PFC) and REC Limited to improve credit flow for modernizing transmission and distribution infrastructure has been set; o Basic Customs duty relief to boost domestic manufacturing across clean energy value chains.

C. Carbon Capture and Trading

- The Ministry of Environment, Forest and Climate Change has signed a Memorandum of Cooperation (MoC) with Japan on the Joint Crediting Mechanism (JCM) under Article 6.2 of the Paris Agreement. The MoC aligns with the Indo-Japan priority of "Green Energy Focus for a Better Future". The agreement strengthens collaboration between India and Japan on climate change mitigation, with low-carbon technologies approved by the National Designated Agency for Implementation of Article 6 (NDAIAPA) playing a key role in India's long-term low-carbon development pathway towards achieving Net Zero by 2070.

- Bureau of Energy has released three new draft methodologies for public consultation under its domestic carbon market. This comes after the country approved eight methodologies under the mechanism, known as Carbon Credit Trading Scheme (CCTS), in March. The new methodologies for offset mechanism are: o electricity and heat generation from biomass; o production of compressed bio-gas; and o emission reduction through improved management practices in rice cultivation.

- The Ministry of Environment, Forest and Climate Change has notified the establishment of the National Designated Authority for the Implementation of Article 6 of the Paris Agreement. The Authority will evaluate, approve, and authorize carbon market projects, ensure alignment with India's sustainable development priorities, and oversee emission reduction trading under Article 6.2 and 6.4 mechanisms.

- Shri Manohar Lal, Union Minister for Power, inaugurated the Indian Carbon Market Portal (www.indiancarbonmarket.gov.in) at the Prakriti 2026 conference in New Delhi. The portal will serve as a central platform for implementing and administering a transparent and credible Indian carbon market.

State’s Key Policy Highlights in 2025-26

- The Government of Maharashtra has launched the Mukhyamantri Saur Krushi Vahini Yojana 2.0 (MSKVY 2.0) with the goal of achieving 30% feeder solarization by 2025 as a ‘Mission 2025’ . As part of this initiative, the state plans to fast-track the implementation of 7 GW of decentralized solar projects. These projects, ranging in capacity from 0.5 MW to 25 MW, will be set up within a 5 to 10 km radius of agriculture load-dominated distribution substations, providing daytime power supply to farmers.

- Government of Maharashtra has released “Maharashtra Renewable Energy and Energy Storage Policy for 2025-26 to 2035-36”. The key highlights are:
  - Targets 65% renewable energy share in electricity demand by FY 2035–36, positioning Maharashtra as a leader in India’s energy transition
  - Projected demand of 350-360 BU, with incremental demand to be fully met through renewable energy
  - Requires ~100 GW of RE capacity supported by ~100 GWh/day energy storage
  - Mandates DISCOMs to procure energy storage equivalent to at least 10% of demand
  - Promotes co-located storage with RE projects and makes storage mandatory for new projects above 100 kW
  - Provides incentives such as waivers on transmission and wheeling charges for storage systems
  - Encourages both centralized and decentralized energy storage solutions
  - Focuses on grid stability, hybrid RE projects, and thermal-RE bundling
  - Supports MSME adoption of battery storage systems
  - Enables demand flexibility and efficient integration of renewable energy into the grid.

- The Delhi Government has released the Delhi Electric Vehicle Policy, 2026-2030 (Draft), aimed to accelerate EV adoption across all major vehicle segments and improve air quality by reducing reliance on Internal Combustion Engine (ICE) vehicle. The key highlights are:
  - From 1 April 2027, only electric three-wheelers will be registered and from 1 April 2028, only electric two-wheelers will be registered.
  - 100% exemption on road tax and registration fees for EVs priced under ₹30 lakh until March 31, 2030 and 50% reduction for strong hybrid EVs.
  - Scrappage incentives proposed for switching to EVs across categories. These include ₹10,000 for two-wheelers, ₹25,000 for three-wheelers, ₹1 lakh for cars (priced up to ₹30 lakh) and ₹50,000 for goods vehicles.
  - Target of 30% electric school buses by 2030.
  - Continued push for expanding charging infrastructure, including potential mandates for charging points in residential and commercial buildings.

Vasudha Foundation

D-2, 2nd Floor, Southern Park Mall,
Saket District Court, New Delhi - 110017, India
Tel/fax: + 91-11-2437-3680

Visit us at http://www.vasudha-foundation.org/

For more information about Vasudha Foundation, email us at

info@vasudhaindia.org