

India's renewable generation crosses 100 billion units in one quarter for the first time

Solar accounted for 10% of India's total electricity generation, jumping by nearly 40% year-on-year.

New Delhi, 12 October 2026 - India's electricity generation increased 11% year-on-year to 536 billion units (BU) in Q2 FY2026-27, while peak electricity demand reached a record 270 GW, 18% higher than the peak recorded in Q2 FY2025-26. Amidst this growing demand, renewable electricity generation (excluding large hydro) crossed 100 BU for the first time, reaching 101 BU, as combined non-fossil generation reached a record 177 BU, up from 163 BU in Q2 FY2025-26.

Solar remained the fastest-growing major power source, with generation increasing 39% year-on-year to 51 BU, while wind generation rose 29% year-on-year to 45 BU. Solar accounted for 10% of total electricity generation in Q2 FY2026-27 for the first time and reached a new daily record of 705 MU on 30 September. Non-fossil sources, including renewables, hydropower, and nuclear, accounted for around 33% of total generation in Q2 FY2026-27.

Large hydropower generation rose from 39 BU in Q1 FY2026-27 to 60 BU in Q2 FY2026-27, a 53% quarter-on-quarter increase, but remained 20% below Q2 FY2025-26. The increase in hydropower between Q1 and Q2, together with strong year-on-year growth in solar and wind, contributed to renewable generation crossing 100 BU in Q2 FY2026-27. Coal accounted for around 64% of total generation, broadly unchanged from Q2 FY2025-26.

Even as national peak demand reached a record 270 GW in Q2 FY 2026–27, coal power plant utilisation remained at just 68%, down from 73% in Q1. This indicates that the coal fleet had substantial unused capacity even during periods of record electricity demand. Coal consumption remained broadly stable at around 79 million tonnes per month from May through September, but coal dispatch to power plants declined from 74 million tonnes in May to 66 million tonnes in August, the lowest level in 2026.

Average freight train rake loading also fell from around 290 rakes of coal per day in June to 280 in August, indicating a weakening flow of coal to power plants despite continued coal

consumption. Rake loading was subsequently ramped up sharply in early September, reaching 444 rakes on [6 September](#).

Despite these efforts, coal stocks at power plants fell to 21 million tonnes by 30 September, just 36% of the normative requirement of 58 million tonnes, while the number of plants with stocks below 25% of their normative requirement rose sharply from 32 on 22 August to 91 on 6 October.

India's installed power capacity reached 555 GW by August 2026, with non-fossil sources accounting for around 55% of installed capacity. Renewable energy excluding large hydro increased to 243 GW, including 168 GW of solar capacity. Renewable capacity additions also outpaced thermal additions in Q2 FY2026-27, with around 7 GW of renewable capacity added compared with 0.8 GW of thermal capacity.

India's energy storage pipeline is also expanding, with around 290 GWh of storage capacity tendered by August 2026, including pumped storage and battery energy storage systems. Around 9.1 GWh of battery storage was operational, with storage contributing up to 5.5 GW during nighttime peak demand.

'Even with national peak demand reaching a record 270 GW, India's coal power plants only reached 68% of their utilisation rate in Q2 FY2026-27. As solar increasingly meets daytime electricity demand and storage helps meet evening and nighttime peaks, new thermal capacity should be assessed against expected demand, renewable generation, and storage availability. This will help avoid building capacity that could remain underutilised as India's power system evolves,' said Manoj Kumar, India Analyst at the Centre for Research on Energy and Clean Air (CREA).

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Note: All data used in this assessment has been sourced from GRID-INDIA, Ministry of Coal, Central Electricity Authority (CEA), and the National Power Portal (NPP).

Contact

Manoj Kumar
India Analyst
Centre for Research on Energy and Clean Air (CREA)
+91 9842350543
manojkumar@energyandcleanair.org



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