

COVID19 – Flash Series – Market Research



# COVID 19 & Aftermath of Electric Power Demand Supply in India and Outlook 2022

An impact assessment on commercial, industrial & domestic consumers in state wise indexation with focus upon open access transactions & exchange-based market

June 2020



# Market Research Flash Report

## Why eninrac's market research on assessing power demand-supply matrix of India post COVID19?

### Lockdown 3.0 announced, what shall be the aftermath of COVID 19 upon power demand supply in India?

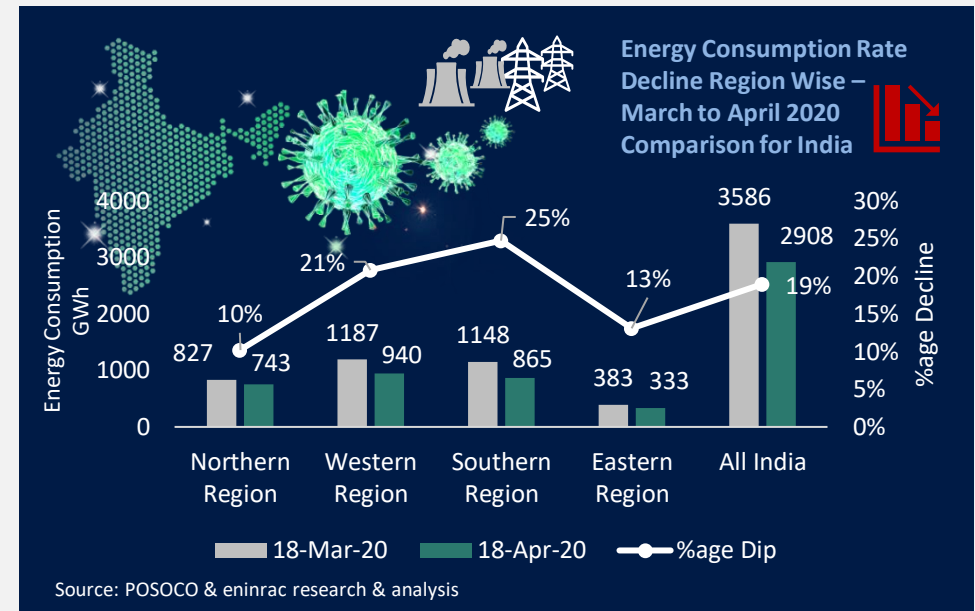
The unprecedented circumstances have already seen a **decline** of 25% and 21% from southern & western regions respectively, where in the commercial and industrial demand absence is prevalent!

Entire world has never seen anything prior to deal with a very stiff challenge prompted by the outbreak and then the gradual massive spread of COVID19. Naturally, it did not only put severe restraints on economy and has tested the best of health infrastructure set ups but also the backbone of necessary services also. One such segment which needs no fresh introduction is the electric power segment. We typically do not realize the importance of the sector till a force majeure crisis like the novel corona virus strikes. The first impression of the pandemic is a plunge in electric power demand in the country seen across all the regions. Worst decline are observed in southern and western regions with **national demand tanking by 19%**. The demand has seen a reduction of ~ 680 GWh from March 18 to April 18, 2020 itself wherein the peak summers are yet to be witnessed in the country. This necessitates demand of an in-depth research to unravel the future demand-supply scenarios for electric power. It is sure with a severely impacted value chain the sector must cope with many cascading challenges in near future, if the country needs to be able to strike sustainability for the sector.



**Moving forward the power generation mix shall be impacted as per the demand variance governed by the lowered commercial and industrial consumers mainly coupled with spike in demand from domestic consumers as well.**

### Decline in Electric Power Demand Amidst Lockdown in India – March to April 2020

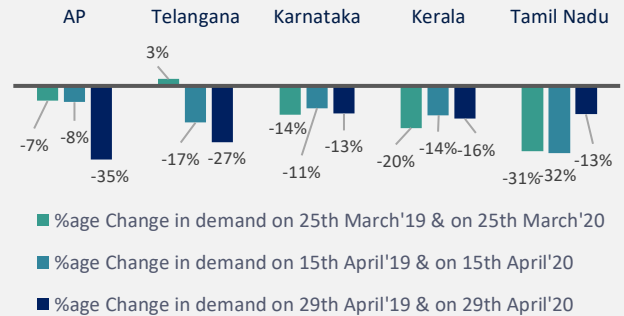
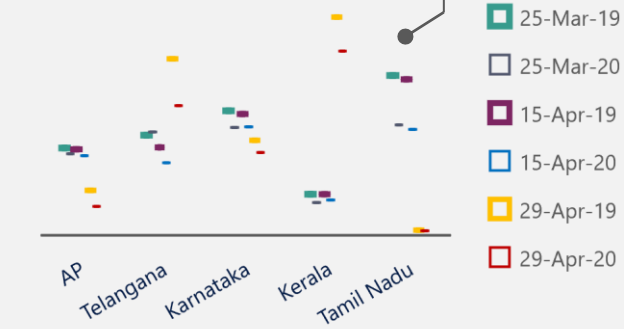
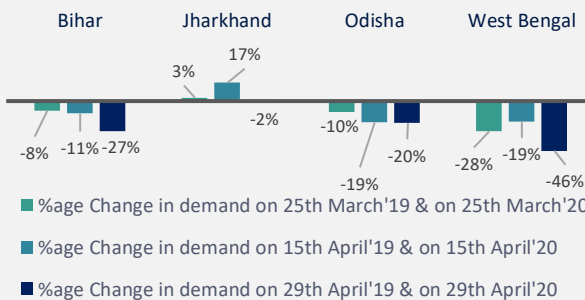
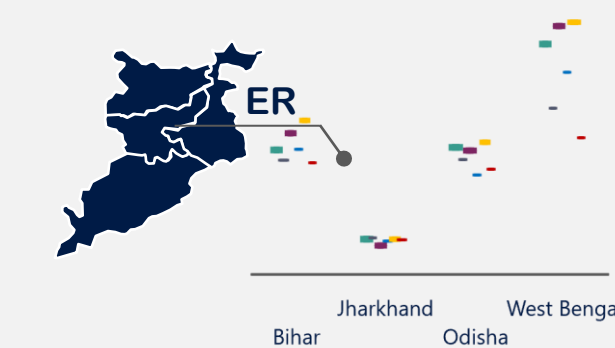
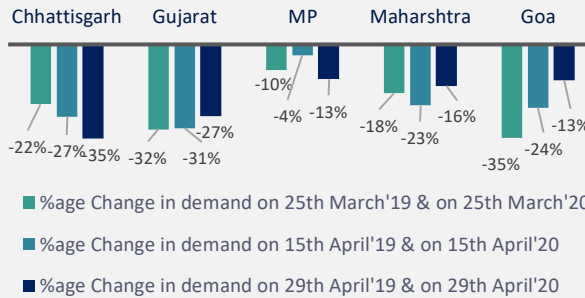
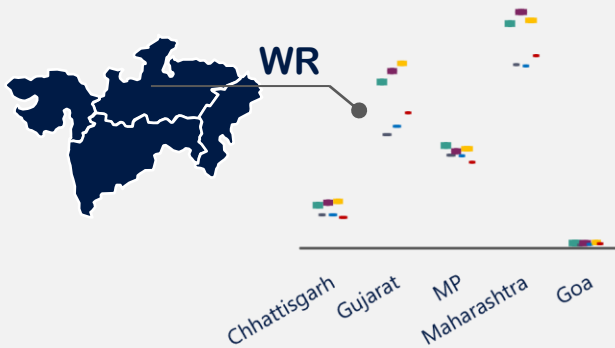
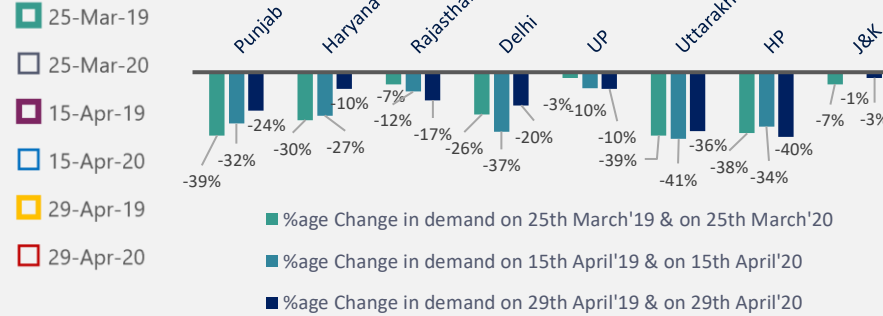
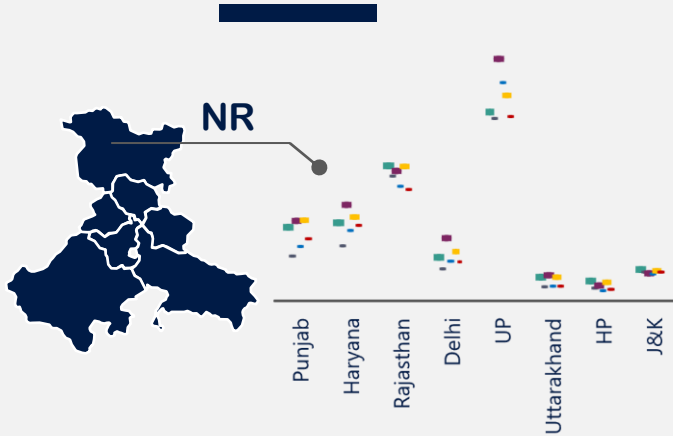


**~₹ 96,000 Crores**

### Buried under losses of ₹96,000 Crores the Discoms are staring down a bleak future

Indian state power distribution companies already had accumulated AT&C losses of the tune 21% in 2019. On top of this COVID 19 crisis has seen sluggish demand from industrial and commercial consumers due to lowered economic activity. If the lockdown continues and economy struggles with U-shaped recovery the situation shall become worse for the distribution utilities

# The COVID19 cascading effect and demand disaster for electric power segment with significant supply-chain issues to be dealt with



**Maximum demand met during respective days in MW as sourced from POSOCO**



## Key Signpost - The commercial & industrial electric power demand shall show slow recovery path and supply chain issues like coal supply and capacity additions from solar and wind power shall remain muted

Amidst the lockdown under two phases and intermittent relaxation seen under the second phase the demand has shown recovery. On comparison with three dates on 25<sup>th</sup> March 15<sup>th</sup> April and 29<sup>th</sup> April for 2019 and 2020 we found that the demand was on rise barring few states in southern and western region in the country. Although it is anticipated that another quantum of lockdown may come into effect likely for another few weeks coupled with integrated relaxations in green zones. In this milieu the need for an in-depth research is natural as to how will the economic recovery govern the demand-supply dynamics of electric power in India. Therefore, leveraging from its robust market research team backed by its rich industry connect base eninrac consulting has decided to develop a comprehensive dossier which shall cover the transition from lockdown to a new normal for Indian power sector. One more interesting aspect shall also be focused is the scenario-based assessment for the recovery in Indian economy with cases like U-Shaped, V-Shaped and Narrow V-Shaped recovery and thus the cascading impact upon the power demand supply from the perspective of consumers like commercial, industrial and domestic consumers. Also the capacity additions from wind & solar power shall be very slow as the supply pf panels and main components from import markets shall see a sharp decline leading to pressures on peak demand met when the economic recovery gains momentum.



What's our difference margin for market research?



### 1 Our Market Research Coverage Range

- Evaluating lockdown 2.0 and new normal for electric power demand-supply on regional basis with comprehensive market research feed
- The cascading impact of COVID 19 and power market swings upon commercial, industrial and domestic consumers with state wise coverage factoring open access power market transactions as well
- Scenario based assessment for different recovery trajectory post the pandemic with outlook till 2022 for electric power demand with special focus on "Manufacturing shift to India from China" the inevitable paradigm



### 2 Our Market Research DNA & Team of Domain Specialists

- We boast a highly qualified and experienced team of market research professionals having experience of working in top companies across different domains
- Our focus on nurturing industry connect is paramount which helps us generate high quality robust market feed which is filtered and sourced through from different levels
- Any market research report follows strict turn-around-time procedures with cross-vetting from our Knowledge Grid Experts which adds immense value to our research credentials for the deemed subject



### 3 Our Satisfied Patrons and Retention rate of over 97.6% on yoy basis

We have been bestowed with a phenomenal client retention rate and many satisfied clientele. Our client's have been from wide variety of industry domains and from different geographic locations across the globe. Eninrac consulting is a trusted market research partner and an objective resource augmenting value for more than 257+ Group companies & 1000+ organization across 40+ countries.

## Business Case for Market Research on Recovery Paths from New Normal Post Pandemic to Rate of Recovery till 2022 – Will India be an emanating hub of manufacturing in a shift from global attention on China?



The COVID 19 aftermath – Will there be a face-off between the Chinese Dragon and Indian Lion led by US Companies shifting focus to India?

The China – led globalization is going out of style like bell bottoms as US intensifies the trade war, with pandemic being a major driver. The reshoring index clearly depicts a strong reversal of trends which is nothing less than “dramatic” at this juncture. COVID -19 and its management by China has left the world miffed at large and in particular the USA and therefore has triggered a third dimension into the mix, and arguably to the fore with companies of foreign origin in China shifting base to smaller South-East Asian countries and India, which is touted to be the biggest beneficiary in a quantum of one to two years.

**The Business Case for Market Research on Electric Power Demand in India** – With the above development chances for MNC’s China de-risk plan shall be a great shot in arm for economy in India. This shall augur well for a narrow – V shaped recovery pushing GDP growth rate above 6% in a year’s time from now. Arguably, if that happens India shall see a spike in it’s power demand by 6-7% as well and that shall require equal growth in supply credentials as well. This clearly mean that what shall be capacity augmentation at each state and how will the demand shape from commercial and industrial segments. But the quest which remains is how do we get an index based in-depth analysis which factors both the horizons of electric power demand and supply w.r.t to each region and funneled to state wise matrix and has comprehensive coverage on the supply-chain issues, capacity additions by solar and wind & the market development through power exchanges supplemented by open access markets as well. Thus, the answer lies in the market research report covered under COVID 19 Flash Series which shall be contrived by eninrac consulting and shall have 17 dedicated chapters/sections to address each query for the industry.

### V Shaped Recovery Curve – Scenario 1

The pandemic is controlled by end of June 2020 by interventions of Government and public co-operation. The Indian economy might show signs of recovery as early as Q2 FY 2021 and achieves sharp economic growth thereafter

### U-Shaped Recovery Curve –Scenario 2

The supply-chain problem in India multiplies and global demand declines sharply. India, witnesses limited control in controlling the spread. Economy resumes to return to normalcy by Q4 FY2021



## Contents & Coverage – On Power Demand Supply Market Research

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### 01 Pandemic Impact on Indian Power Sector

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Impact of pandemic on power generation mix, power transmission, distribution sector & on market transaction for pan India basis. This shall cover widespread industry feed & opinions as well

### 04 COVID 19 & Cascading Effect upon Commercial Consumers in India

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Probably the worst hit consumer category shall be the commercial category of consumers as the demand center for such consumers is almost absent witnessing no activity. With lockdown 3.0 under implementation and a phased manner exit plan in future the priority to this sector seems low and therefore an in-depth market research shall assess the market swings factoring open access as well

### 07 Recovery Path Scenario Assessment with U, V & Narrow V Functions

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The recovery path of power demand supply dynamics in India with possible reshoring in India for manufacturing under different scenarios with slow, medium and fast paced shift is covered under this section

### 02 Lockdown 3.0 & New Normal for Indian Power Sector

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What shall be the new normal for Indian power sector with in-depth market research upon power generation, transmission, distribution & trading & their post pandemic evolution

### 05 Industrial demand shall come to the fore but by when under different regions?

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This section shall deal with the industrial consumers demand supply and their open market transactions factoring the already installed capacities, merchant power & captive power plants which are upcoming aided by intense primary market research

### 08 Assessment of outlook for state wise power demand supply till 2022

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Capture of all possible variables and scenarios in assessing a state wise outlook for demand & supply of electric power with a clear split from different consumer categories

## COVID 19 & Aftermath of Electric Power Demand Supply in India and Outlook 2022

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### 03 Power Demand & Supply Dynamics on regional basis

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It's quite natural that the pandemic has hit the economic activity and therefore the electric power supply and demand requires an assessment through pointed market research for all regions in the country and these sections comprise of same. The comparative analysis shall be for both pre & post COVID scenarios

### 06 The landscape for domestic consumers and the agricultural consumers post COVID19

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Region wise assessment of domestic consumers and their consumption pattern with lack of intent in luxury electric goods and a possible fillip to intensify electric vehicles with a focus upon the agricultural consumers and the fate of subsidies factored for demand-supply supported by market research shall also be covered

### 09 Key state wise indexation for manufacturing base shift & our findings/recommendations

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The final sections of dossier shall comprise of index based ranking matrix for manufacturing base shift and therefore the power demand supply dynamics aided by viewpoints of our knowledge grid experts. Our key finding and recommendations shall also be done under this section.



## Key Highlights for Market Research on Power Demand & Supply

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1. Pandemic Impact on Indian Power Sector – Overview
2. Lockdown 3.0 to New Normal of Indian Power Sector – Power Generation, Transmission, Distribution and Market Transactions
3. Pre & Post COVID 19 Power Demand Supply Assessment – Regional Analysis
4. Cascading Impact of COVID 19 upon commercial categories of consumers & the business case of open access transactions – A Region Wise Split Examination
5. Aftermath of COVID 19 and the industrial consumers demand shape up – Tariff based factor analysis with state wise index based upon intense primary market research feed
6. Pandemic and the impact upon the domestic consumers – How shall the work from home alter power demand and supply under this category
7. Manufacturing reshoring from China to India – Definitive impact upon the power supply & demand dynamics on state-based index funneled till city wise parametric analysis



## Differentiating Insights for Market Research on Power Demand & Supply

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1. Cascading effect of COVID 19 upon power demand by commercial, industrial, domestic and agricultural consumers on state wise basis
2. Reshoring of MNC's shifting manufacturing base from China to India and its impact upon the power demand shift with state-based index
3. The recovery path analysis under U, V and Narrow – V shaped and their respective impact upon the power demand supply scenario in India
4. Special focus on meeting the demand needs in-depth analysis for supply strength and therefore shall involve an analysis factoring supply chain issues and capacity augmentation to rise in economic activity in the country
5. Outlook shape under different scenarios of recovery in the country for electric power demand supply as per consumer categories till 2022

## COVID 19 & Aftermath of Electric Power Demand Supply in India and Outlook 2022

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## Must Buy For

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- Power Transmission Utilities
- Power Generation Companies
- Power Distribution Utilities (DISCOMs)
- Original Equipment Manufacturers
- Power Traders
- Banks/Financial Institutions/Project Financing Agencies
- EPC Service Providers
- Consultants
- Research Firms/Research Institutions
- Regulatory Bodies
- Government Agencies



## For Queries

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**Please call at +91 72900 16953/54 for any other queries**

## COVID 19 & Aftermath of Electric Power Demand Supply in India and Outlook 2022

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## Companies Mentioned

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- NTPC
- BHEL
- Siemens
- GE
- Kalpataru Power Transmission
- Tata Power
- Adani Power
- Greenko
- Sterlite Transmission
- Sterling Wilson
- Thermax Limited
- McKinsey & Company
- TPDDL
- BSES





Truth is ever to be found in the simplicity,  
and not in the multiplicity and confusion of  
things

- Sir Isaac Newton



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