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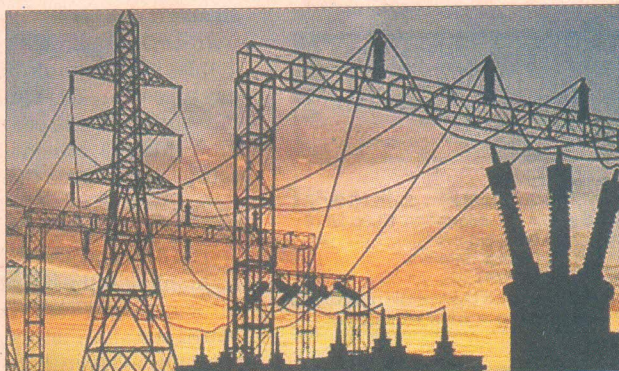
# India to have first power surplus in at least 8 years

July 4

**I**NDIA forecast an electricity surplus for the first time in at least eight years because of transmission improvements and more generation.

The country may have 1.1% excess electricity supplies in the year ending March 2017, according to the power ministry's Central Electricity Authority. A 2.6% surplus for the period is forecast for peak periods, when daily demand is highest. India's power deficit shrank to below 1% in May.

The narrowing gap masks unfulfilled demand in a country where one in five citizens don't have access to electricity and a market for back-up power thrives because of unreliable supplies. Prime Minister



Narendra Modi's plan to light up every household by 2019 and boost manufacturing in the country are expected to help lift electricity demand.

"The overall surplus estimation, while skewed due to the position in Western region, demonstrates the progress In-

dia has made in resolving fuel and power generation issues," said Sambitosh Mohapatra, a partner at PwC India.

"As the economy grows, financials of state utilities improve and rural electrification progresses, the surplus will get absorbed."

Though supplies may surpass demand at a national level, several parts of the country may continue to face shortages, according to the Central Electricity Authority. Part of the reason is that money-losing state distributors curtail power purchases and resort to blackouts. A plan to restructure their debt and make them profitable is underway.

Power demand during the current fiscal year is expected to grow 9 percent to 1.21 trillion kilowatt hours, while supplies are expected to rise almost 13 percent to 1.23 trillion kilowatt hours, according to the Central Electricity Authority.

India, home to a sixth of the world's population, accounts for about 6% of global energy use.

*Bloomberg*

