

**'Recovery in energy demand not abiding'**

A sustained energy demand recovery is still absent and the stressed thermal assets are sizeable at about 60 GW, credit rating firm ICRA said on Tuesday.

**Capacity utilisation**

The recent up-trend in electricity demand growth has led to a marginal improvement in the all India thermal PLF (plant load factor or capacity utilisation) to 59.9% for the first five months of 2017-18 as against 59% in the April-August period of last fiscal, ICRA said.

The government recently introduced the Saubhagya Scheme with a thrust on rural electrification, which will improve an energy demand in the near to medium term in ICRA's view, if the scheme is implemented in a timely manner.

In a statement, ICRA said that a sustained demand recovery, however, was still absent and thus energy demand growth from the relatively high tariff paying industrial and commercial segments remained critical for both State distribution utilities and IPPs.

Also, the stressed thermal capacity (in private IPP (independent power producers) segment remains sizeable at about 60 GW, despite the various policy level initiatives undertaken by the government, the credit rating firm added.

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