



2Q 2026

1. Installed capacity

Second quarter 2Q (April–June) 2026 update:

Non-fossil fuel-based power capacity accounted for 86.2% of all new capacity installed in 2Q 2026. Solar remained the leading source of capacity additions.

India added net power generation capacity of **16,119 megawatts (MW)** in the second quarter of 2026 (April–June), bringing India's total power generation capacity to **548.8 gigawatts (GW)**. Non-fossil fuel-based capacity accounted for **86.2%** of all additions (Table 1).

Solar continued to dominate capacity additions with a **73.8%** share, followed by coal (13.8%), wind (8.4%), and large hydro (4%). Notable additions from energy sources other than solar and wind were as follows:

- **Hydropower capacity additions** included the commissioning of THDC India's Tehri Pumped Storage Project Unit 4 (250MW) in Uttarakhand; NHPC's Subansiri Lower Unit 4 (250MW) in Arunachal Pradesh; and JSW Energy's Tidong-I Units 1, 2 and 3 (50MW each) in Himachal Pradesh.
- **Thermal capacity additions** included the commissioning of PVUNL's Patratu Unit 2 (800MW) in Jharkhand, TGGENCO's Yadadri Unit 3 (800MW) in Telangana, and NUPPL's Ghatampur Unit 3 (660MW) in Uttar Pradesh. In addition, NTPC's Dadri Units 5 and 6 in Uttar Pradesh were uprated from 490MW to 500MW each.

A total of 237.5MW of coal- and gas-fired power generation capacity was retired in the quarter. This included TGGENCO's Ramagundam-B Thermal Power Station Unit 1 (62.5MW) in Telangana and JKSPDC's Pampore Gas Power Station (175MW) in Jammu and Kashmir, which comprised seven 25MW units. The Pampore Gas Power Station is reportedly being redeveloped as a 10MW solar power plant.

The share of fossil fuel-based power in total power capacity was **45.8%** as of June 2026, with non-fossil fuel-based power capacity accounting for **54.2%**, up from **53.2%** in the last quarter.

Table 1: Installed power generation capacity by source (MW), 2Q 2026

Energy source	As of 31 March 2026	As of 30 June 2026	Net new capacity added	% of new capacity added
 Wind power	56,095	57,443	1,348	8.4
 Solar power*	150,261	162,152	11,891	73.8
 Small hydro	5,171	5,182	11	0.1
 Biomass	10,869	10,869	0	0.0
 Waste-to-energy*	877	878	1	0.0
 Large hydro	51,415	52,065	650	4.0
 Nuclear	8,780	8,780	0	0.0
 Coal (+ lignite)	228,560	230,778	2,218	13.8
 Gas	20,122	20,122	0	0.0
 Diesel	589	589	0	0.0
Total	532,739	548,858	16,119	100.0

*Includes grid and off-grid capacities

Source: Central Electricity Authority, Gol; IEEFA

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Year-to-date (YTD) – 1H (Jan–June) 2026 update:

Capacity installations increased by 54.0% in 1H 2026 compared with 1H 2025.

Renewables accounted for 87.1% of net capacity additions.

India added **35,129MW** of net new power generation capacity in 1H 2026 (January–June 2026) compared with **22,817MW** in 1H 2025, marking **an increase of 54.0%** in capacity additions (**Table 2**). This growth was driven by increased capacity additions in solar, wind and coal.

Renewables accounted for **87.1%** or **30,581MW** of total installations. Solar alone added **26,342MW** capacity in 1H 2026, accounting for **75.0%** of the total capacity increase during the period. The rapid expansion of renewable energy generation capacity underscores the need for policy and planning frameworks that can support the power sector's transition while ensuring system reliability and financial viability.

This need is reflected in the [Draft National Electricity Policy](#), released in January 2026, which prioritises renewable energy, energy storage, grid planning and efficient power markets to support India's transition to a low-carbon power system.

The Central Electricity Authority's Long-Term National Resource Adequacy Plan further projects that India's energy storage requirement will increase more than tenfold, from 87GWh in 2027–28 to [888GWh by 2035–36](#), with battery energy storage systems (BESS) and pumped storage plants (PSPs) expected to meet much of this requirement.

Table 2: Net power capacity additions by source (MW)

Energy source	Net capacity addition (MW), 1H 2025	% of net new capacity added, 2025	Net capacity addition (MW), 1H 2026	% of net new capacity added, 2026
 Wind power	3,512	15.4	2,932	8.3
 Solar power*	18,383	80.6	26,342	75.0
 Small hydro	2	0.0	23	0.1
 Biomass	15	0.1	112	0.3
 Waste-to-energy*	233	1.0	21	0.1
 Large hydro	2,410	10.6	1,150	3.3
 Nuclear	600	2.6	-	0.0
 Coal (+ lignite)	2,348	10.3	4,548	12.9
 Gas	(4,686)	(20.5)	-	0.0
 Diesel	-	0.0	-	0.0
Total	22,817	100.0	35,129	100.0

*Includes grid and off-grid capacities

Source: Central Electricity Authority, GoI; IEEFA



Net capacity additions trend: Table 3: Net power capacity additions by energy source (MW), last five quarters

India added 16,119MW of net power generation capacity in 2Q 2026, up 67.8% year on year (YoY).

India added net capacity of **16,119MW** in 2Q 2026, a **67.8%** increase compared with 2Q 2025 (Table 3). Solar capacity additions have also seen a **12.2%** increase YoY. Unlike in 2Q 2025, when coal retirements exceeded new additions resulting in a net reduction of **495MW**, coal recorded **2,218MW** of net new capacity in 2Q 2026.

Total quarter-on-quarter (QoQ) additions dipped by **15.2%** in 2Q 2026. Large hydro power was the only generation source to record an increase in net capacity additions of about **30%** in the quarter. Solar remained the dominant source of new capacity, having contributed **73.8%** of total net additions in 2Q 2026 despite a **17.7% QoQ** decline from record commissioning levels in 1Q 2026. Wind capacity additions remained stable at about **1,481MW** each quarter since 2Q 2025. Coal capacity additions also declined by **4.8% QoQ**.

Capacity additions among large states:

Among large states (with installed renewable energy capacity of around 10GW or more), Gujarat led renewable energy capacity additions in 2Q 2026 with **4,428MW**, followed by Rajasthan (**2,509MW**) and Uttar Pradesh (**1,688MW**) (Table 4).

Utility-scale solar was a driver of capacity additions during the quarter, with Gujarat, Rajasthan, Andhra Pradesh and Tamil Nadu accounting for most monthly utility-scale solar installations. Gujarat and Maharashtra also recorded the highest wind capacity additions, further boosting renewable capacity. However, the expiry of the Inter-State Transmission System charge waiver could encourage developers to locate projects closer to demand centres, resulting in a more even distribution of future capacity additions across states rather than continued concentration in a few states.

Uttar Pradesh recorded the largest **QoQ** increase in renewable energy capacity additions in 2Q 2026, with installations rising by **1,323MW** compared with 1Q 2026.

Energy Source	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
 Wind power	1,637	1,449	1,387	1,584	1,348
 Solar power*	10,602	11,084	8,478	14,451	11,891
 Small hydro	1	32	25	12	11
 Biomass	0	14	-	112	0
 Waste-to-energy*	13	1	2	20	1
 Large hydro	1,650	730	807	500	650
 Nuclear	600	0	-	0	0
 Coal (+ lignite)	-495	2,760	2,152	2,330	2,218
 Gas	-4,401	0	-10	0	0
 Diesel	0	0	-	0	0
Total	9,607	16,070	12,841	19,010	16,119

*Includes grid and off-grid capacities

Source: Central Electricity Authority, Gol; IEEFA

Uttar Pradesh's renewable energy capacity exceeded 10GW in 2Q 2026, increasing by 1,323MW QoQ.

Table 4: Renewable energy capacity installations (MW), large states*

	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
Rajasthan	3,735	2,613	2,161	4,512	2,509
Uttar Pradesh	105	340	79	365	1,688
Gujarat	4,148	2,571	2,630	4,635	4,428
Madhya Pradesh	452	365	249	329	368
Maharashtra	1,911	3,362	2,661	1,714	1,105
Andhra Pradesh	1,358	504	859	1,145	621
Karnataka	613	970	484	739	600
Tamil Nadu	507	840	524	1,995	668

*States with an installed renewables capacity of close to 10GW or more.

Source: Central Electricity Authority, MNRE, IEEFA

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Madhya Pradesh was the only other large state to record an increase, with capacity additions rising by **38.4MW**. Capacity additions reduced for the remaining states this quarter, particularly for Rajasthan and Tamil Nadu, which saw significant increases in 1Q.

[Maharashtra, Uttar Pradesh and Gujarat](#) also contributed significantly to meeting the record high peak demand this quarter.

2. Generation

Power generation increased 8.7% YoY, with renewable generation increasing by 12.0% in 2Q 2026.

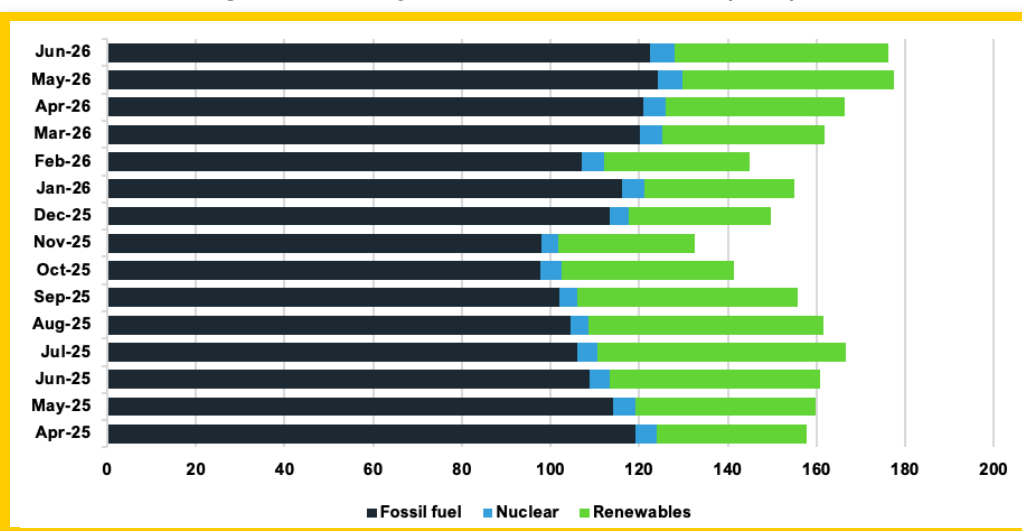
Power generation increased in India by **8.7%** from 478.2 billion units (BUs) in 2Q 2025 to **520BUs in 2Q 2026**. The country witnessed an [all-time high demand](#) of **270.8GW** this quarter on 21 May, amid a severe heatwave. Renewable energy sources, including hydropower, contributed **34%** to the peak demand while contributing 28.9% to the total energy generation for the day.

Renewable generation saw a **12.0%** increase YoY this quarter from **121.64BUs** in 2Q 2025 to **136.22BUs** in 2Q 2026. Non-fossil fuels currently comprise **29.3%** of India's generation, with nuclear also increasing generation by **12.5%**, from **14.58BUs** in 2Q 2025 to **16.40BUs** in 2Q 2026.

Thermal power continued to account for most of India's generation (**70.7%**). Thermal generation increased **7.4%**, from **341.98BUs** in 2Q 2025 to **367.4BUs** in 2Q 2026.

Transmission delays and renewable energy curtailment are emerging as significant barriers to renewable energy expansion in India. Grid India data shows solar curtailment in April was **74% higher** than the combined total for January–March, highlighting growing grid constraints amid rising daytime electricity demand. This makes investment in grid infrastructure and battery storage just as critical to the energy transition as adding new renewable capacity.

Figure 1: Power generation by source in billion units (BUs), 2025–26



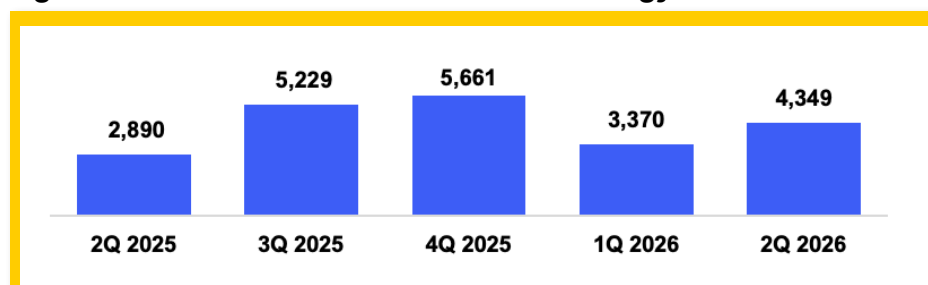
Source: Central Electricity Authority, MNRE, JMK Research, IEEFA

3. Investments

Investments in India's renewable energy sector stood at USD4,349 million in 2Q 2026, up 50.5% from 2Q 2025.

Investments in the renewable energy sector increased by **50.5%** YoY, from about **USD2,890 million (INR27,816 crore)** in 2Q 2025 to approximately **USD4,349 million (INR41,855 crore)** in 2Q 2026, and were up **29.1% QoQ** from **USD3,370 million (INR32,436 crore)** in 1Q 2026 (Figure 2).

Figure 2: Investments in India's renewable energy sector (USD million)



Source: JMK Research, news reports



Some significant investments and deals that were announced during the quarter include:

Andhra Pradesh government	The Andhra Pradesh government approved INR1.72 lakh crore (USD17.86 billion) in investments across renewable energy, pumped hydro storage, green hydrogen, and data centre infrastructure.
Avaada Group	Avaada Group secured approximately INR9,143 crore (USD950 million) in debt financing from global and domestic banks for a firm and dispatchable renewable energy (FDRE) project in Bikaner, Rajasthan, and two 300MW solar projects in Rajasthan and Gujarat, marking India's largest fundraise for an FDRE project.
NTPC	NTPC announced an investment of INR5,821 crore (USD604 million) to install 5GWh of BESS at its coal-fired power plants across India. The battery systems will store excess solar and wind power, reduce renewable energy curtailment, and improve grid flexibility.
Evren	Evren secured approximately INR5,788 crore (USD600 million) in financing for a nearly 1GW FDRE hybrid project across Andhra Pradesh and Rajasthan. The project integrates solar and wind generation with BESS to deliver reliable, on-demand renewable power.
CleanMax	CleanMax secured approximately INR5,547 crore (USD575 million) to support the development of 1GW of central transmission utility-connected solar and wind projects in Rajasthan and Karnataka. The funding was raised through multiple debt financing transactions involving domestic and international lenders, including an Indian public sector bank, Société Générale, BNP Paribas, SMBC, Crédit Agricole and HSBC.
Inox Clean Energy Limited	Inox Clean Energy acquired Macquarie-owned renewable energy platform Vibrant Energy for INR5,000 crore (USD519 million), adding a 1.34GW renewable energy portfolio across five Indian states. The acquisition supports Inox Clean Energy's strategy to expand its renewable power generation capacity to 10GW by FY2028.
ReNew	ReNew announced plans to set up a 6GW solar ingot and wafer manufacturing facility in Andhra Pradesh at an investment of approximately INR4,200 crore (USD436 million).
GAIL (India) Limited	GAIL (India) Limited approved an investment of INR3,800 crore (USD394 million) to develop 700MW of solar power capacity integrated with 572MWh of BESS in Uttar Pradesh and Maharashtra. The projects will supply captive renewable power to GAIL's petrochemical and PDH-PP plants.
Torrent Power	Torrent Power raised INR3,800 crore (USD394 million) through a private placement of secured non-convertible debentures, which are proposed to be listed on the NSE Wholesale Debt Market.
ACME Solar Holdings Limited	ACME Solar Holdings Limited raised INR2,800 crore (USD290 million) through a qualified institutional placement, attracting domestic and international institutional investors, including BlackRock, Goldman Sachs, and the Abu Dhabi Investment Authority.
British International Investment	British International Investment (BII) and Copenhagen Infrastructure Partners launched North Star, an approximately INR2,869 crore (USD300 million) renewable energy investment platform for India. The platform, established under BII's British Climate Partners initiative, will finance renewable power projects and mobilise private capital to support India's clean energy transition.
NPSPL Speciality Chemicals Pvt Ltd	NPSPL Speciality Chemicals Pvt Ltd announced an investment of INR2,550 crore (USD266 million) to establish a cathode material manufacturing facility in Chittoor district, Andhra Pradesh. The project aims to localise cathode material production for lithium-ion batteries, strengthening India's electric vehicle, consumer electronics, and BESS supply chains.
Navitas Solar	Navitas Solar announced an investment of INR1,500 crore (USD155 million) to establish a 3.6GW solar cell manufacturing facility and a pilot wafer and ingot production line at its Ankleshwar campus in Gujarat.



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