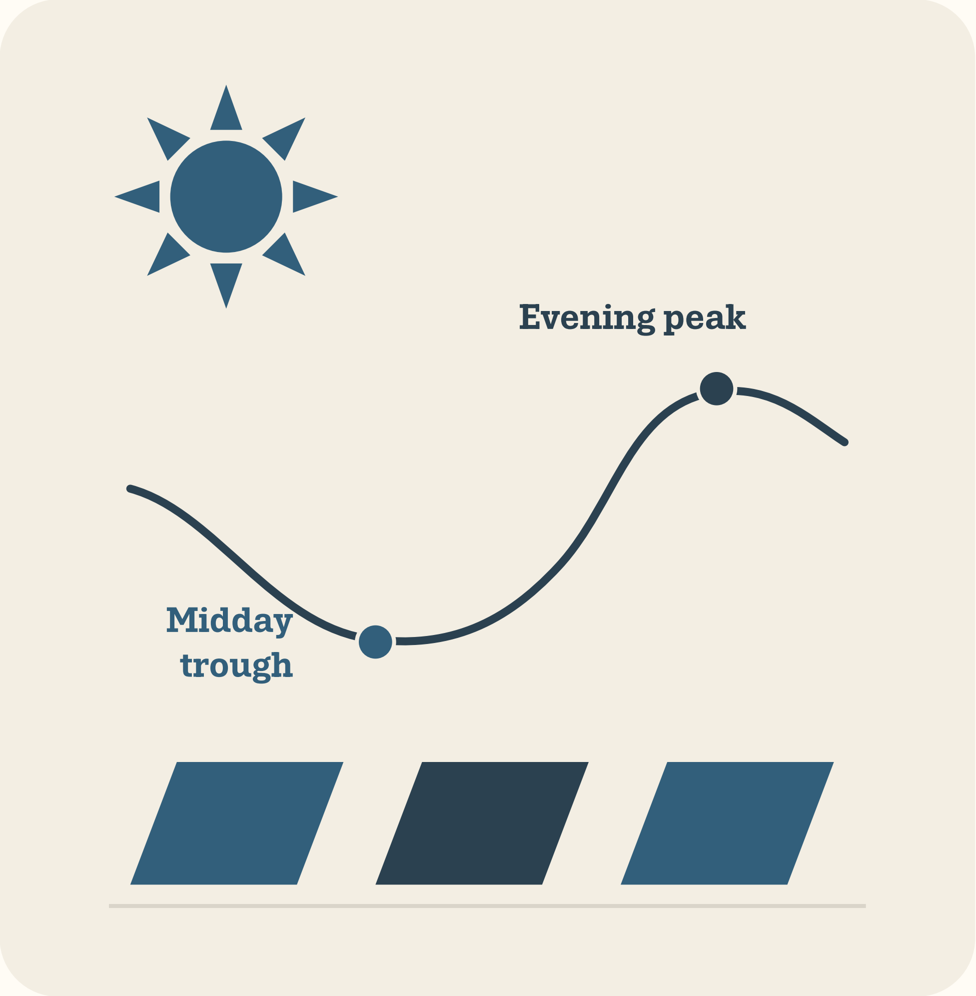
RESEARCH NOTE | POWER & UTILITIES

India's Solar Flexibility Gap

Generation isn't the problem - timing is

Record renewable build out has shifted the binding constraint from capacity to grid flexibility. This note traces the steepening duck curve, the widening price spread and the storage gap.

August 2026



Source: EAC Working Paper & BS

Generation Isn't the Problem - Timing Is

283 GW
Total renewable capacity, May 2026-27 (from 58 GW in 2020-21)

157 GW
Installed solar capacity - the fastest-growing block

55.29 GW
Non-fossil capacity added in FY26 - highest ever in a single year

The constraint has moved downstream

The Economic Advisory Council notes India is ‘not running short of electricity in the middle of the day’. Daytime demand is comfortably met by solar; system stress now appears after sunset, when solar output collapses but demand peaks. Capacity addition has outpaced the grid's ability to shift that energy across hours.

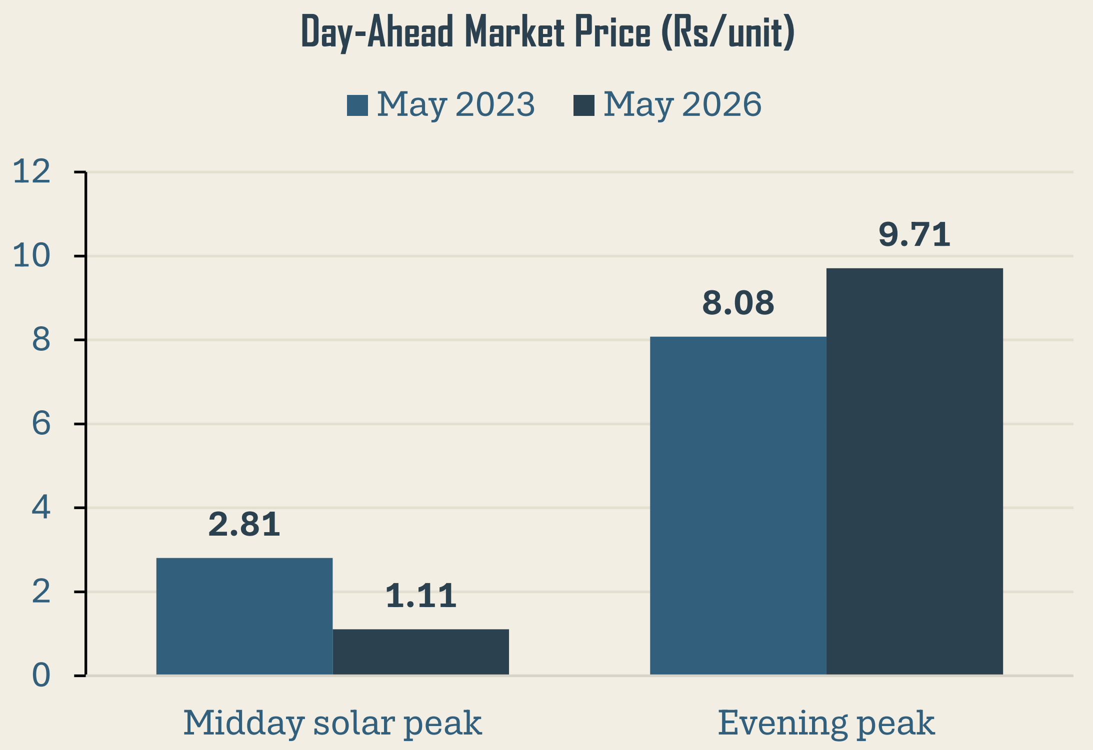
The framing shift matters for capital allocation: the binding constraint is no longer generation capacity but grid flexibility - storage, ramping capability, and time of day price signals.

The Duck Curve Is Steepening Fast: 2023 vs 2026

METRIC	MAY 2023	MAY 2026
Morning net-load decline	18.5 GW	52.6 GW Nearly tripled in three years
Evening net-load ramp	35.7 GW	73.7 GW Nearly doubled in three years
Midday trough	Flat	Flat Effectively unchanged

Conventional plants do no more at noon than they did in 2023, but must now ramp harder and faster every evening - a duty cycle thermal fleets were never designed for.

Prices and Shortages Confirm the Imbalance



Price spread widened

₹5.27 → ₹8.60

Gap between evening peak and midday trough, per unit

Shortage days, Apr-May 2026

36 of 61 vs 6 of 61

Evening peak vs. solar hours - scarcity is now a dusk phenomenon

Midday power is nearly free while evening power is dearer than ever. The market is already paying for flexibility - the assets to supply it are somehow not being added to the value chain to cover through this run these plants at maximum utilisation.

The Storage Gap: 18% of What the Evening Needs

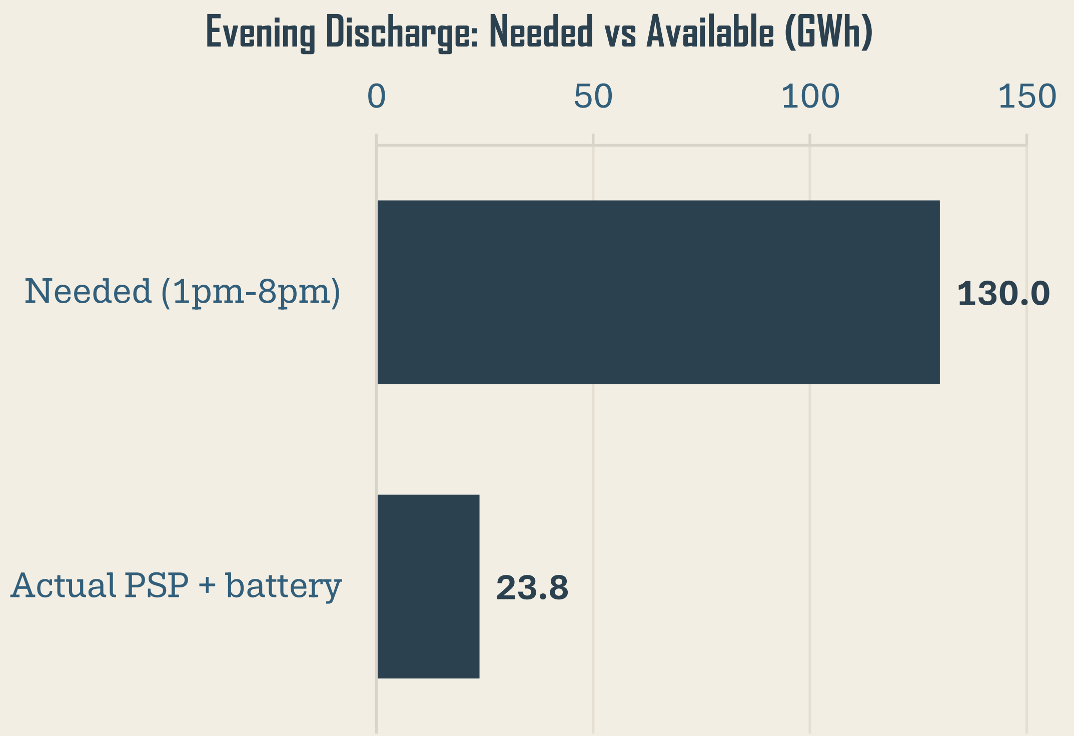
24 GWh/day

Average curtailment in May 2026 - more than 25% of Delhi's average daily electricity consumption, spilled rather than stored.

'Storage is the obvious solution'.

- Economic Advisory Council

The solution is identified; the constraint is the infrastructure that can help bridge this gap.



Even halving a typical evening ramp requires roughly 130 GWh of discharge between 1pm and 8pm. Pumped storage and batteries currently deliver about 23.8 GWh/day - an 18% coverage ratio.

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