Behind Uttar Pradesh's Heat Stroke Deaths, a Silent Power-Energy Crisis?

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Between June 14 and 19, more than 68 people died in Uttar Pradesh's Balia district alone. Heat stroke was suspected.

Deoria <u>reported 53 suspected heat stroke deaths</u> within a span of 24 hours on June 21. In Bihar too, 45 people have been killed as a result of the heat, taking <u>the number of deaths due to severe weather conditions to more than 100</u> across the states of UP and Bihar.

While <u>local health officials in Uttar Pradesh said</u> that the deceased patients were all "elderly, and most of them had other underlying issues", the Union health ministry, however, <u>highlighted the lack of accurate information</u> from the ground, urging states to share field-level, localised data on heatwaves, including hospitalisations and deaths.

However, it's not just the heat.

Earlier this year, <u>cold wave conditions in UP's Kanpur</u> alone resulted in the deaths of more than 98 people. Those who died, reportedly saw <u>a sudden increase in blood pressure</u> in the cold, and in many, blood clotting caused heart and brain attacks.

There is a silent power-energy crisis in the making that's behind these numbers and reported deaths. This could be linked to the inability of the current Uttar Pradesh government to address the needs of the state's electricity board.

Thus frequent power cuts have added to people's woes with no signs of respite in the heat. The state's peak power demand, during this summer, <u>has already surpassed</u> 25,000 megawatts.

The crisis is more severe in rural UP and small towns that often face <u>emergency load shedding</u> for at least two hours every day in addition to the frequent power disruptions caused by local faults.

Districts like Kannauj, Banda, Chandauli, Deoria, Kaushambi, Ambedkarnagar, and Bareilly are experiencing frequent power cuts. Note that all these areas have also reported high number of deaths from extreme heat and weather conditions. For example, in Kannauj, despite chief minister Adityanath's promise to provide 18 hours of electricity in rural areas, the <u>supply of electricity has</u> been limited to only 14 years a day, as per India Today.

Avdhesh Verma, the chairman of the Uttar Pradesh State Electricity Consumers Council, told the portal recently:

"The availability of electricity is not a major problem, but the existing electricity infrastructure in the state is unable to cope with the new arrangements. There is a lack of load capacity in the power lines, as well as in the machinery and several other aspects, which often lead to faults and delays in the supply of electricity. Uttar Pradesh has achieved consistent availability of electricity, but due to maintenance deficiencies and negligence by the department, there are currently some minor power cuts being observed. The department will have to take prompt steps to address this issue."

The underlying problem highlighted by the chairman here remains closely linked to the fiscal priorities of the state government. The *InfoSphere* team at Centre for New Economics Studies (CNES), recently studied the state budget numbers to provide a closer view on this.



Source: CIEC Data, InfoSphere, CNES

Uttar Pradesh's Electricity consumption in 2021 was roughly round 93,600 gigawatt hours or GWh. This reflects a decrease from the previous consumption level of 94,932.000 GWh for 2020. In 2020 alone, a record high of 94,932.000 GWh and a record low of 23,469.390 GWh were both registered for UP's electricity consumption.

The quality of data coming in from local field level insights appears to be weak, which makes a specific analysis of affected districts (from extreme weather conditions) extremely difficult. Still, what one can get to know is the overall budgetary allocations of the state government to meet the population's increased power demand and to address the needs of an already floundering electricity infrastructure.

The role of fiscal indifference

Previous year budget allocations show that allocations for meeting the state's increased energy needs have barely been addressed.

All values are in Rs. crore.

Sector	2019-20 Actuals	2020-21	2020-21	2021-22					
		Budget Estimates	Revised Estimates	Budget Estimates	_				
Health and Family Welfare	19,957	26,266	20,582	32,009	Energy	25,851	23,425	20,443	27,248
Social Welfare and Nutrition	15,136	23,438	21,048	24,420	Irrigation and Flood Control	14,671	19,137	16,808	20,418
Water Supply and Sanitation	3,119	8,869	7,246	17,439					
Rural Development	23,156	31,402	26,431	27,455	Urban Development	9,836	20,461	15,180	23,980

Source: UP Budget Documents, PRS

The percentage change from revised estimates of state budget for 2022-23 to budget estimates for 2023-24 show almost a zero change, which possibly reflects the weak will (and fiscal capacity) of the state government to meet the higher power and energy demands across the years. The state government appears to have failed to allocate more fiscal resources to boost (and improve)

the state's electricity infrastructure. This has happened in a BJP-run state government <u>despite it receiving a higher tax devolution</u> <u>share</u> from a BJP-run Union government.

All values are in Rs. crore.

Sector	2021- 22 Actuals	2022-23 Budgeted	2022-23 Revised	2023-24 Budgeted	% change from Revised Estimates 22-23 to BE 23-24						
Health and Family Welfare	23,360	40,991	39,379	47,404	0.2	-					
Energy	31,642	37,566	43,473	43,330	0	Rural Development	21,054	29,541	28,095	32,771	0.17
Urban Development	14,605	27,111	31,593	28,465	-0.1						
Water Supply and Sanitation	5,100	21,733	19,759	24,504	0.24	-					
Irrigation and Flood Control	12,501	21,431	19,881	22,083	0.11	-					

Source: UP Budget Documents, PRS

Under the Energy sector of the state's fiscal overheads, it is said that Rs 10,150 crore was allocated for providing power subsidy in 2021-22. This number went up to Rs 13,100 crore in 2023-24 budget allocation. From the above table, we see that the government plans to keep the same amount of energy consumption from 2022 to 2023 (despite power demand increasing across the year on a month-to-month estimate).

This allowed for the overall expenditure on electricity and energy to be on a constant rise. This is also provided with regular subsidies by the state government, but less allocation of funds is resulting in the state's electricity infrastructure being tested beyond its limit.

<u>Much of the fiscal indifference</u> on part of the state (and Union) government may broadly relate to <u>the macro-fiscal crisis</u> silently afflicting funds-scarce departments and ministries across both the state and Union governments.

In the 2022-23 budget, the Uttar Pradesh government allotted <u>Rs. 1,000 crores to provide uninterrupted power to villages during</u> <u>night</u>.

It is estimated that the average power demand in the state has doubled in the past give years. A research study by <u>Prayas Energy</u> <u>Group</u> (2020) stated that achieving cost-of-supply optimisation should currently be the state electricity industry's top priority in order to ensure that everyone, particularly the eight million people who have just benefited from extensive initiatives (subsidies), can get high-quality, dependable, and affordable power.

Large AT&C losses, pricey power purchase agreements, revenue losses in the form of additional subsidies, late tariff revisions, and true-up procedures <u>are just a few of the inefficiencies the industry has been dealing</u> with that cannot be fixed only by government bailouts.

So why is the power sector in UP performing so poorly?

An <u>increase in inefficiency and lack of investments large enough</u> to meet the sector's capital requirements are the main causes of the power sector's poor performance in UP. The key reason for the lack of investment is UPSEB's (Uttar Pradesh State Electricity Board's) precarious financial situation.

Without factoring in state subsidies, UPSEB's entire commercial losses were close to Rs 7,000 crores, whereas its total financial obligations were close to Rs 4,200 crores. The UPSEB has struggled to meet its operational cash needs due to significant losses, poor bill collections, and underpaying rates for some consumer groups. The continuous cash shortage has also resulted in inefficient operations and subpar system upgrades.

Without the proper functioning of UP's state electricity board, it is not unfair to assume that there is a structural concern leading to the shortage of electricity amongst the general public-despite the reported numbers of higher power demand.

The state government, under the current chief minister has not only failed to recognise the issue being faced by the state's incapacitated power boards for the last few years, but also, botched the state's fiscal policy (and priorities) to address it.

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