

# Environment Support Group ®

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## NO WATER IN KABINI FOR CHAMALAPURA COAL FIRED POWER PLANT

Continuing with its unique and unprecedented initiative, the Karnataka Electricity Regulatory Commission (KERC) held the second Public Hearing on the desirability of establishing 1000 MW coal based power projects at different locations in Karnataka, including one at Chamalapura, Mysore District. In the Hearing held on 03 April 2008 at the KERC Hq. in Bangalore, Environment Support Group (ESG) deposed before the Commission and made a detailed written submission arguing that Chamalapura is not an appropriate site for the location of a coal fired thermal power plant.

This Public Hearing is a part of the broader process initiated by the KERC based on the petition filed by Mysore Grahakara Parishat (Mysore Consumers Union) questioning the rationale behind siting coal fired power plants at Chamalapura and three other locations in Karnataka. KERC relies on its power u/s Section 86(2) of the Indian Electricity Act, 2003 to advise Government agencies in such matters.

The first Hearing as part of this process was held on March 06, 2008. This was followed by a visit to Chamalapura by the members of the KERC on March 20, 2008. As with the March Hearing, the 03 April hearing was also very well attended by farmers from Chamalapura & other affected villages, ecologists and energy experts, and social, consumer and environmental action groups.

In the Hearing Leo Saldanha, Coordinator of ESG, strongly contested and questioned the Karnataka Government's rationale for granting in-principle clearance to the allocation of 3.9 TMC (Thousand Million Cubic Feet) of water for use by three power plants from the Cauvery River Basin. Relying on data accessed from the Karnataka Water Resources Department and the Cauvery Neeravari Nigama Ltd. for the decade of 1997-2008, he demonstrated that the Kabini River (which is in the Cauvery Basin) simply does not have 1.56 TMC of water for the 1,000 MW Chamalapura power plant and its ancillary facilities. The situation would get worse if the project expanded its installed capacity in future.

Saldanha argued that this data was always available to the Government, and if only any of its agencies and its officers had cared to review such information, the proposal could never have been advanced. The fact that the proposal has moved through various stages including a *Global Invitation for Expression of Interest* and subsequently *Request for Proposal* stages, is indicative of the cavalier approach that has been adopted in deciding critical issues of concern on the development of the energy sector in Karnataka.

Presenting the inflow, outflow and utilization of water from the Kabini Reservoir, it was pointed out that over the past decade there has been a gradual decrease in the level of inflows into the Kabini reservoir. In addition there has been decreasing availability of water for irrigation of summer crops, including nil releases into the canal for irrigation during the months of January to May in the years 2003 and 2004.

Water releases to power projects ought to be made from surplus available and that too only after meeting drinking water and agricultural needs. This natural justice principle would be fundamentally violated if the power project was advanced relying on waters from Kabini. That Kabini has failed to meet even agricultural needs consistently over the past decade should have been a sufficient warning for concerned agencies to desist from advancing this proposal, Saldanha argued. The Karnataka Government's commitment of Kabini waters to the power plant would further aggravate the water stressed situation in the region.

Saldanha pointed out that any allocation to industry or infrastructure development from the Kabini would have disastrous consequences to wildlife populations, particularly in the Nagarhole National Park. Further, it would accentuate the distress amongst farmers downstream and also pollute and limit drinking water for Nanjangud, Mysore and Bangalore and other urban centres. This would result in the needless development of conflict between the project developer and downstream farming and urban communities.

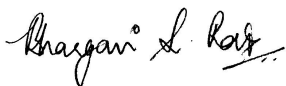
Saldanha also raised critical concerns over the allocation of water for power plants from the Cauvery River basin in the context of highly contested claims to the rivers' waters from the riparian states of Karnataka, Tamil Nadu, Kerala and Pondicherry. The serious social tensions developing in Karnataka against downstream Tamil Nadu's proposals to build dams for providing drinking water at Hogenekkal, simply demanded more prudence in the use of the Cauvery Basin's water. In such a scenario making an allocation for diverting water for thermal power projects, that too without assessing the actual availability or consulting other riparian states, was a wholly inappropriate step on the part of the Karnataka Government, he submitted.

Given that the Government has committed to 85% Plant Load Factor for the power project, the serious impediments of not having water during the summer months would greatly increase the risk of the Government abrogating its commitments. This could have serious economic and business repercussions, as the investor is more than likely to drag the government into an international arbitration (as in the case of the Dabhol Power Plant by the erstwhile Enron Corporation), in addition to suing the State in India. To have not address such concerns before initiating a massive advertisement campaign seeking investors for the project, is an approach that betrays a lack of forethought on the part of the Government, Saldanha asserted.

Considering the widespread implications of this decision, Leo Saldanha argued that the Government should have been more transparent in its approach before taking a decision to call for international bids. Shockingly, he argued, the only piece of information that the Karnataka Government and its agencies had shared with the public, especially affected communities, was the one page advertisement calling for EOI and RFQ. Clearly, this form of secrecy is not healthy in any act of governance, especially energy development given its long term socio-economic and environmental implications, Saldanha submitted.

On this note, he urged the Hon'ble Commission to strongly advise the Government from moving ahead with plans for the Chamalapura power project. He also sought the indulgence of the Commission to initiate *suo moto* proceedings against the relevant agencies of the State for irresponsibly advancing a massive power project without in any reasonable manner surveying the required factors or assessing the impacts.

A copy of the detailed submission made to the Karnataka Electricity Regulatory Commission, along with annexures is available online at: [www.esgindia.org](http://www.esgindia.org).



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