

# Environment Support Group ®

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## PRESS RELEASE

### **Chamalapura Power Plant likely to be dropped**

The Karnataka Government has proposed to set up a 1000 MW coal fired thermal power plant in Chamalapura, Mysore District as a public-private partnership through its SPV M/s Power Company of Karnataka Ltd (PCKL). This move has been met with stiff resistance by the local people, environmentalists and social action groups right from the time the State Government's plans became public in February 2007.

In a unique and unprecedented move the Karnataka Electricity Regulatory Commission admitted a petition filed by M/s Mysore Grahakara Parishat (OP 18/07, on 31<sup>st</sup> January 2008) wherein a comprehensive challenge was made to the siting of four coal fired thermal power stations in different parts of Karnataka. Drawing from its advisory power as provided in Sec. 86(2) of the Indian Electricity Act – 2003, the Commission initiated a series of Public Hearings on the desirability of establishing a thermal power plant in Chamalapura, near Mysore, and at other locations in Karnataka. In addition the Commission conducted a site visit to Chamalapura. During this process, a variety of concerns were articulated by various affected persons, eminent persons and social action groups. Highlighting the arbitrariness by which these decisions were taken, the Commission in its report has drawn attention to critical issues of concern: over questions of water availability, diversion of forest and agricultural lands, displacement of over 13,000 people at least (in the case of Chamalapura) and utter disregard for Central and State Guidelines for the siting of power plants.

The Commission, in its order dated 19<sup>th</sup> May 2008, has concluded that "*..... the bidding process initiated by the Power Company of Karnataka Ltd lacks transparency and has been carried out in a very casual manner.*" While disposing of the petition, the Commission advised the Government of Karnataka to take "*a 'de-novo' decision on setting up the power plant after carefully considering questions of water supply, fuel linkage, displacement ensuing from land acquisition, and environmental impacts*" in its order. The Commission has also stressed that the Karnataka Government while taking decisions on siting power projects must adhere to the Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees, 2005, issued by the Union Ministry of Power. (The KERC order can be downloaded from: <http://www.kerc.org/english/index.html>).

### **Key submissions of ESG upheld:**

Environment Support Group (ESG) participated in the Public Hearings and made a detailed submission (accessible at [www.esgindia.org](http://www.esgindia.org)) to KERC raising a range of critical concerns over the siting of a power plant at Chamalapura. In the main it was submitted that:

1. The Chamalapura project was initiated without following the clearance procedure prescribed under the law. The advertisements inviting the Global Invitation for Expression of Interest from investors interested in the project were floated in February 2007, but the project received *in-principle* clearance from the State High Level Clearance Committee headed by the Chief Minister of Karnataka, only on the 29 September 2007. Thereby, the bureaucracy had adopted short cuts in their rush to offer this project to the private sector, and that too without the assent of the State Cabinet.

2. The Government of Karnataka granted in-principle clearance to the allocation of 3.9 TMC (Thousand Million Cubic Feet) of water for use by three power plants (including the one at Chamalapura) from the Cauvery River Basin. However, data accessed from the Karnataka Water Resources Department and the Cauvery Neeravari Nigama Ltd. for the decade of 1997-2008, clearly demonstrate that the Kabini River (which is in the Cauvery Basin, and from where the water allocation is made) does not have even 1.56 TMC of water that is claimed to be needed for the 1,000 MW Chamalapura power plant and its ancillary facilities.
3. Chamalapura as a site for a 1000 MW coal fired thermal power plant does not satisfy the requirements prescribed by the Guidelines for Siting Thermal Power Plants, 1987 of the Union Ministry of Environment and Forests (MoEF) or the Siting Standards prescribed by the Karnataka Dept of Ecology & Environment & the Karnataka State Pollution Control Board (KSPCB).

An examination of the KERC order on OP 18/07 will reveal that the concerns raised by us are considered to be extremely serious by the KERC, and this has guided the Commission's final advice to the State Government of Karnataka.

### **State Government retreats on Chamalapura:**

In subsequent developments which has significant impact on the future of the Chamalapura project, Karnataka Udyog Mitra by its letter dated 06 June 2008, in response to ESG's Right to Information Application, has confirmed that the State High Level Clearance Committee in its 13<sup>th</sup> meeting "took note of the agitations of the farmers, activists of progressive organisations, intellectuals against the project and urging by them to drop the project in view of the environmental issues....(and) decided to defer decision on the project proposal". In a related development, the Karnataka Industrial Area Development Board (KIADB) has also written to ESG that it has not moved ahead with acquisition of the land, as PCKL has not evinced any interest in pursuing the 2007 demand for 1,000 acres of land to be acquired at Chamalapura. (Copies of these letters, with translations, are enclosed).

### **Our demands:**

In light of the KERC order and recent statements by Government agencies, **we demand that the Government of Karnataka must drop its proposal to locate a thermal power station at Chamalapura.** Such a move will send a strong signal to farmers that the new government is sensitive to their just demands and keen to support their agricultural activities with the onset of monsoon without fearing dispossession of their lands. In addition, it would also indicate that the Government is sensitive to environmental and social concerns, and in particular the implications to wildlife and river systems due to pollution from thermal power stations. This decision must not be limited to Chamalapura, but apply to all power projects that have been pushed through based on weak review of their social, economic and environmental impacts. The Government must take into account excellent suggestions made by the Petitioner Mysore Grahakara Parishat and many others who deposed before the Commission on rational and sensitive steps that would provide energy security for all without adversely affective voiceless ecosystems and impacted communities.

We also urge the KERC to conduct similar Public enquiries on all other proposals to site power projects in Karnataka, *suo moto*, and thus help develop a rational approach to energy security of the state.

For Environment Support Group

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