

## PRESS RELEASE

### Suspend Panang HEP for Five Years & take up small Hydro projects

**May 20, 2008**

The Independent Committee on Big Hydro Projects of Sikkim has over the last 4-5 days visited a Completed Public Sector Hydro Project like the 510 MW Teesta V HEP, the under construction private sector HEP like the 1200 MW Teesta III HEP and the Dzongu area, including the site of the proposed 280 MW Panang HEP.

We have talked with the affected people, elected representatives, project officials and contractors (Teesta III HEP), NGOs, Public Relations officer (Himagiri), visited the Central Water Commission office (Dzongu), we have gone through the official documents, data and clearance letters.

We are very concerned about the indefinite fast of the three activists of ACT, now in 72<sup>nd</sup> day today, with the evident deterioration of the health of those on fast.

Broadly, we see that the Sikkim government, partly under pressure from the central govt, has hastily committed itself to develop large number (42 on last count) of big hydropower projects, without much consultation with Sikkim citizens, without considering the implications of the projects for the local people, environment, culture, future generations and even return on investment for the state and the people. It has also not seriously assessed the options available for electricity generation or options for development in general. This is evident in the way the Teesta V has been developed, the way Panang HEP MOU has been signed and Teesta III implementation has started.

For example, there is a huge potential of power generation in Dzongu & other regions of Sikkim through small and micro hydro projects. We were shocked to see that not a single small or micro hydro project has been developed in Dzongu region. In stead of assessing & realizing this potential, the govt has entered into an MOU with an unknown entity like the Himagiri for the 280 MW Panang HEP. This project will completely and permanently destroy the serene environment of the Dzongu, will destroy the culture, deeply affect the place with deep and unique religious sentiments and destroy the Lepcha Community's unique abode. The govt should rather suspend or declare moratorium on this project for at least 5 years and in the meantime take up the small and micro hydro HEPs in this region and also see the how the Teesta V and III (when completed) project performs.

Here it may be noted that the Panang Project still has not been given concurrence by the Central Electricity Authority under the Section 8 of electricity Act 2003. The project had applied for such a concurrence on Oct 17, 2006 and the application was returned without concurrence for lack of sufficient information on November 17, 2006. Without such a concurrence the work that has been now commenced on this project is illegal and should be stopped. This also exposes how improperly the projects are taken up in Sikkim.

On Teesta 3, the Teesta Urja Limited, the company that is developing the project has no track record on such projects. Here the govt should ensure that the company enters into and MOU with the affected communities to ensure that all possible impacts are avoided or minimised and properly compensated when unavoidable. The Environment management plan is implemented as required and local people benefit rather than suffer adverse impacts, as happens in all hydro projects. Complete videography of the houses, water sources, existing landslides and other structures should immediately be done to create a baseline data. The EIA-EMP should be translated in full in local language and made available. All this should be done before project is taken any further. If the project

work continues without implementing all these steps, it would bring greater disaster than the Teesta V project, which has been a disaster as can be seen from the situation on ground.

All these steps should be implemented as a policy for all HEPs.

On Teesta V, it is important that the govt asks NHPC to institute credible independent review and resolution of the outstanding social and environmental issues in a time bound manner. We found that scores of houses have developed cracks, the water sources of the communities have dried up, the project site has been left ugly, without restoring the site as required and the tunnels are already leaking. We just found that the huge amount of silt has also been accumulated behind the dam already and the project had to stop generation of power for the last five days. The state govt should also penalise NHPC for not taking care of these problem before commissioning of the project. We also found from the affected people that there seems to be massive corruption in payments of compensations, unearthed by the affected people through RTI. In some cases, the affected people seem to have been paid Rs 5000/- when records show they have been paid Rs 35000/-. A credible independent investigation into this aspect is also urgently required.

We are glad that the Chief Minister of Sikkim has declared in the assembly the Teesta IV project, earlier awarded to NHPC, would be scrapped. NHPC could have created greater havoc in the fragile geology of Teesta IV area, beside destroying the sanctity of Dzongu region. We also are happy to note that the Sikkim Cabinet has decided to scrap four of the five other HEPs proposed in the Dzongu area. We hope the Sikkim CM will show statesmanship by suspending the Panang HEP for at least five years immediately to protect and preserve the sanctity of the Dzongu area.

For other proposed Big HEPs, the Sikkim govt should take a pause, initiate a credible independent commission with participation of ACT and other concerned groups and persons. It is also important to study the credibility of EIAs, the siltation rates in Teesta basin, the downstream impacts, the cumulative impacts, the incidents of flash floods, requirement of minimum water flows and floodflows in the rivers and so on in the meantime to ensure that whatever projects taken up are indeed in larger interest of the people, environment and future of the people of the state. If the projects now proposed are taken up, the Rivers, environment, culture, forests and mountains of Sikkim will be completely and irreversibly destroyed.

These are the initial recommendations of the committee, we hope to submit a more detailed report to all concerned soon. We also hope to widely disseminate the report and also submit it to the Planning Commission, the Power Ministry, and other concerned ministries and agencies in the Central and the state Govt.

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