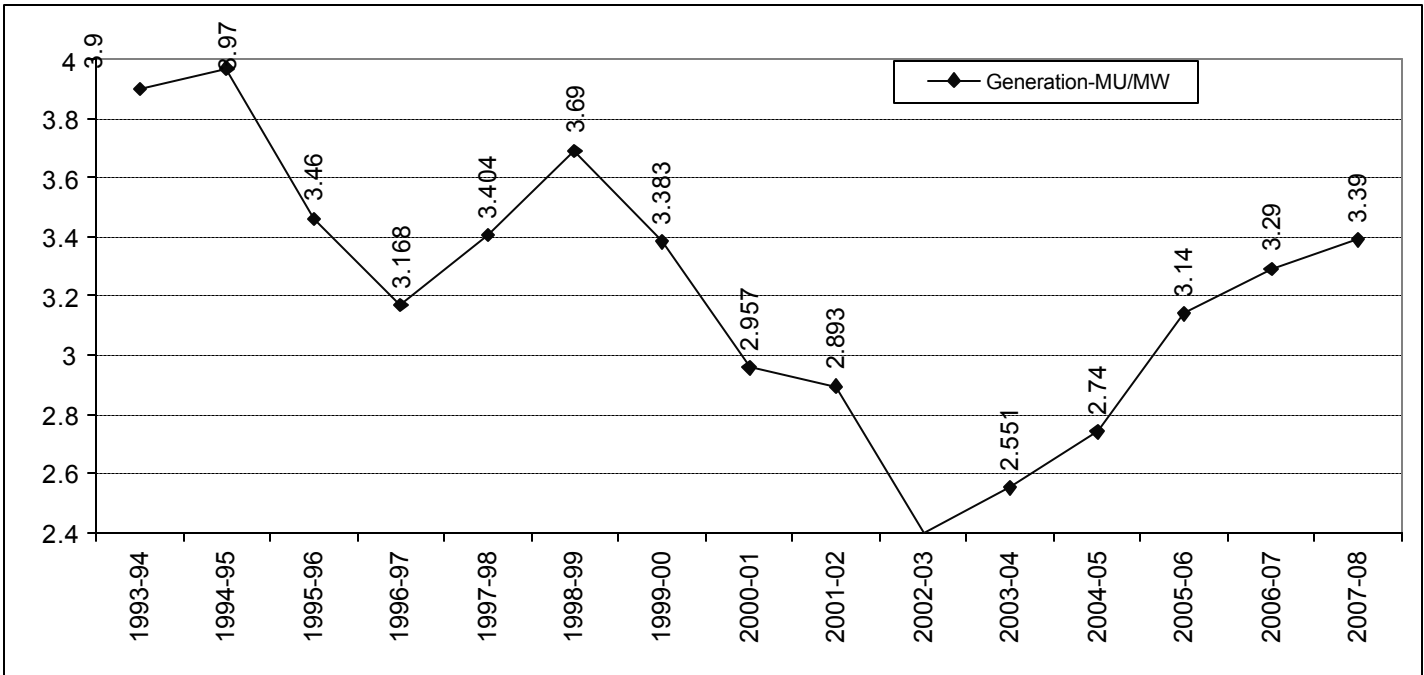


DIMINISHING RETURNS FROM BIG HYDRO



All figures in the above graph are from the various reports of Indian Govt's premier organisation, namely the Central Electricity Authority (www.cea.nic.in). The above graph shows what has been the trend of power generation (Million Units or MU) per Mega Watt (MW) installed capacity of BIG Hydro Power projects has been over the last about fifteen years. It is clear that the per MW generation has been dropping from 1994-95 to 2002-03. After 2002-03, there is some rise in the generation. However, even after this rise since 2002-03, the per MW generation in the last year was 15% lower than the per MW power generation in 1994-95. This is very huge reduction and should warrant at least a study to understand why this is happening.

Here it may be noted that hydropower generation is also dependent on rainfall. The period we are looking at, has generally seen above average national rainfall. In more than half the years under question, the rainfall has been above average.

Some of the possible reasons for this trend include: some rather unviable projects or unviable capacities being added, the old projects not being maintained properly, the siltation of dams and over development in some of the river basins, among others.

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