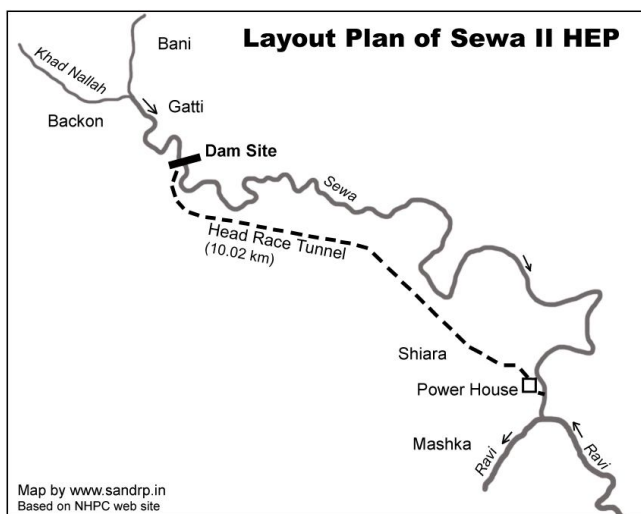


HOW NOT TO DEVELOP A HYDRO PROJECT

The 120 MW Sewa II Hydropower project, under construction by the NHPC Ltd in Kahua district in Jammu & Kashmir seems to have seen all the worse aspects of hydropower development. It has already had huge time over run, cost over run, repression of local people and labour, poor construction, and very poor future prospects. The question is, will there be any penalties for the NHPC?



The construction on the project on Sewa River, a tributary of Ravi basin in Basholi tehsil of Kathua district started in 2001. It was expected to be completed by 2006-07, but latest indications from NHPC suggest that now it may be commissioned in 2010-11, which means a time over run of 5 years. It has seen the cost over run of 53.12% already. The cost has gone up from Rs 665.46 crores to Rs 1018.98 crores. Incidentally, this cost comes to close to Rs 8.5 crores per MW, one of the highest in India, the cost is likely to go up further considering the further delays and leakages.

The latest, much delayed schedule of the project was to commission it by March 2010, but a Central

Electricity Authority (CEA, apex technical organisation of Government of India) report dated 270210 said, "However, due to leakage in Head Race Tunnel, HRT had drained. Rectification of HRT is in progress." Earlier, Greater Kashmir reported on Feb 14, 2010 that the HRT near Adit IV had developed leakage.

In Feb 2008, the Projects Monitor reported, "At a recent meeting, the utility (NHPC) informed that apart from technical problems in the headrace tunnel, the progress had suffered due to go-slow tactics of contractor's labour and problems created by local people." The way NHPC wanted to tackle the local people was interesting, "NHPC has also asked the power ministry to direct the J&K government to deal with the problems created by the local people."

Interestingly, the contract for the civil works including the construction of the 53 m high dam and 10.02 km long HRD were given to a Joint Venture involving the Gammon India Limited, which has by now become known for large number of failures including the metro mishaps in Delhi and flyover collapse in Hyderabad, including others. Earlier updated from CEA reported on 300909, "Poor geology in HRT and small dia i.e 3.3 m of HRT affecting progress of works." And on 011206 CEA reported, "Formation of cavity in Face-III and Face-IV of HRT. Works restarted after re-routing of HRT."

The People's democracy reported in its July 11, 2004 issue, "The dam, disilting chambers and headrace tunnel were allotted to Gammon India and the powerhouse to Patel Engineering. They, however, further sublet the work to numerous smaller contractors. The total workforce at the different sites is approximately one thousand. This subletting style of construction is a new phenomenon, introduced in the last 5 or 6 years. It is highly exploitative in nature, as the main contractor keeps a profit of 10 to 15 per cent of the contract bid, deploys very little staff (out of which, more is of managerial nature), and provides the big construction machines to subcontractors. After ensuring his share of profit, a subcontractor then sublets the work to some other contractor and he, in turn, sublets the work to yet another firm. Thus, at every turn, the firms ensure their respective shares of profit by progressively reducing the workers' wages and facilities. This is the reason that, despite their mutual contradictions, the company and the contractors are found united against the workers." The People Democracy goes on to describe in detail the kind of the repression that the area saw in June 2004.

Here it is very relevant to note that the power generation performance of the 9 MW Sewa III HEP, downstream from the Sewa II HEP, is very poor. Its design 90% dependability generation is 36 Million Units, which means it should have generated more than that amount of power in 90% of years. It was commissioned in 2003-04 and its highest ever annual generation has been just 12 MU. In the current year, that is 2009-10, it is likely to reach a new low of 4.41 Million Units. This shocking

underperformance is likely to repeat for the Sewa II, since to a large extent this shows the poor water availability, which will affect the upstream project too. This indicates that the Sewa II is unlikely to achieve the projected annual generation of 533.32 MU at 90% dependability.

All this also goes to show the very poor project appraisal by the NHPC, but unfortunately, no one is likely to be held responsible for the crores wasted and river, land and livelihoods destroyed.

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