

Address for Correspondence: Himanshu Thakkar
South Asia Network on Dams, Rivers & People
86-D, AD block, Shalimar Bagh, Delhi 110088 INDIA
ht.sandrp@gmail.com/ www.sandrp.in
June 8, 2011

To

The CDM Executive Board
Martin Luther King Strasse 8
P. O. Box 260124 D-53153
secretariat@unfccc.int, kuroki@tky.iecej.or.jp

Re: Objections to Application of registration for Rampur Hydroelectric Project.

Dear Chair of the CDM Executive Board:

We have noticed that Validation Report for the 412 MW Rampur Hydropower project in Himachal Pradesh in Northern India has been filed on May 23, 2011, along with request for registration, see: <http://cdm.unfccc.int/filestorage/L/J/7/LJ7PA4DQRF6HI9M80ZB1GUWEY5CTOX/Validation%20Report%20SJVNL%20v02.pdf?t=Z3B8MTMwNjMwOTk5Ny4xNA==jim6tBz4JjRtomkhXLkOOuTCMYHI=>

In this regard, we have sent a detailed email letter to DOE, raising objections to the acts of omission and commission in the Validation Report, see a copy of the same at Annexure 1 in this document.

In the Validation report, the DOE has NOT responded to the attached comment (see attached PDF file titled: Himniti to UNFCCC 0609) from the local groups in Himachal Pradesh. Due to lack of proper internet connectivity, the comment was sent on June 26, 2009, five days after the comment period was closed. The comment was sent to the UNFCCC secretariat, see the email, acknowledging receipt of the Himniti comments from Noemi Monin Wolter from UNFCCC secretariate dated June 30 2009 at Annexure 2. We are surprised that UNFCCC secretariat do not seem to have forwarded a copy of the Himniti objections to the DOE, in spite of the promise of action in the above cited email. We request the secretariat to do the needful urgently.

Secondly, the Validation report does not respond to the comments I had filed (during the public comment period), but the responses are far from adequate. Firstly, the DOE/ developer have accepted many of the critical issues raised by me and accordingly changed the PDD. If the DOE/ developer has accepted so many of my submissions that is a fit ground for withdrawing the application for registration of the project, since my submissions were in objection to the application of the project for CDM status.

Moreover, if the PDD has been changed so substantially that the costs, benefits, barrier analysis and datelines have been changed or added, then the PDD used for public comment period and the process there after should be declared null and void. The validation report filed based on comments received on old PDD is clearly inadequate, insufficient and invalid. Some of the reasons why this validation report should be rejected include:

1. The Validation Report says that Yes, the project signed an implementation agreement with Himachal Pradesh govt on Oct 20, 2004, and that this fact was omitted in the PDD but has now been included in revised PDD. This proves that the project is non additional.
2. The Validation report says that Yes, an application to India's Central Electricity Authority was made for the Techno-Economic Clearance for the Rampur project in June 2005 as required under the law. This Techno Economic clearance is also supposed to assess the economic viability (Benefit cost analysis, which would certainly involve calculation of CDM benefits and these were not mentioned in application to CEA), cost of electricity, costs of the project and sources of finances, etc. This application made no mention of CDM benefits for the Rampur project. This again proves that the project is non additional.
3. The Validation report has several times repeated claims, "Barriers have been removed from PDD during the course of validation." In that case the old PDD as basis for consultation is no longer adequate or valid document.
4. The response in the validation report does not contest my contention that "There are no barriers to large hydro projects in India. It is the government policy to push large hydro projects to the maximum possible extent, with provision of all the available resources. In case of Rampur, the financial resources are already in place with the debt portion being funded by the World Bank, and the equity portion coming from SJVN, the project developers and the Himachal Pradesh Government, which is partner in the project. The decision to allocate these resources have been taken long back". This provides further support to the conclusion that project is non additional.
5. SJVN has agreed that they have *not* looked into other alternatives to the project.

6. In response to my contention "The calculation of project IRR as 9.85% as against the calculated Weighted Average Cost of Capital of 10.95% is wrong and misleading", the developer has said: "During the course of validation, WACC is removed." and in stead new benchmark has been introduced. In that case the old PDD is no longer a valid document for stakeholder comments and new PDD would have to be put up, inviting fresh stakeholder comments.

7. The contention of the Validation report that "it must be noted that the gestation period of the project is not accounted for in the tariff estimations" is WRONG. The calculation of electricity tariff from the project includes all costs, including financial costs on actual basis, through out the life of the project.

8. The Validation report has not contested my contention "The power purchase agreement for RHEP is on a cost plus basis and thus the project should be considered non-additional, since the returns of the project are all but guaranteed at 14%. This is well above the stated benchmark. In India, hydropower projects rarely have difficulty finding a developer. So if SJVNL would not have developed the project, another developer almost surely would have. The IRR analysis spreadsheet is not shown for the actual lifetime of the project." This provides further support to the conclusion that project is non additional.

9. The claim in the validation report that the project is going to generate only 1770 MU electricity and not 1970 MU as per the CEA concurrence is wrong and misleading. Firstly, if this changed generation figures are correct one than the current CEA concurrence, a legal requirement, is no longer valid and a fresh application will have to be done and project can go ahead only when it gets fresh concurrence from CEA. Secondly, its contention that the generation from Nathpa Jakhri in the upstream is low is wrong. The Nathpa Jakhri project generated 7019 MU (Million Units or Million Kilowatt-hours) of electricity in 2009-10 and 7140 MU in 2010-11, higher than its design energy of 6980 MU and much higher than what it generated in earlier years. Thus the contention that lower generation at Nathpa Jakhri would lead to lower generation at Rampur is completely WRONG.

10. In response to my submission that barrier analysis in the PDD is wrong, the Validation report says, "During the course of validation, the investment barrier, institutional and regulatory barrier and technology barriers have been removed from revised PDD." In that case, we need a fresh stakeholder comments based on the drastically changed PDD.

11. The Validation report agrees that the project has not followed the WCD (World Commission on Dams recommendations. Large Hydro that do not follow WCD recommendations should be rejected as a number of stakeholders, including the European Commission mandates adherence to WCD recommendations for large hydro.

12. The Validation report does not contest my contention that, "The Project cannot be defined as sustainable development, since it will adversely affect the local environment and the communities. The management plan put in place have not been formulated or decided with free, prior and informed consent of the local communities". There is a lot of evidence from ground to show that indeed the project developers are most callous towards the social and environmental impacts of the project. Some evidence of this can also be seen from the attached submission (PDF file from Himniti) and photos mentioned therein. Additional photos are also available at: http://www.sandrp.in/hydropower/Violations_of_Environment_Norms_by_Four_Big_Himachal_HEPs-Photographic_Evidence_Feb_2011.pdf (some of the photos are about Rampur and Nathpa Jhakri, both projects developed by SJVN).

The Project has been facing a lot of protests from the local people. A selected set of news report in English language, one each from the year 2008 to 2011 are attached at Annexure 3 (there are many other clippings in hard copy and local language about the protests against the project). We have been engaged on this project for long. For example, our letter to the Indian government authorities about this project in February 2006 is attached at Annexure 4. Similarly a letter from the affected people to the Indian government authorities in January 2006 is attached at Annexure 5. It is clear from all this that the project developers have consistently ignored the impacts of the project on local communities and environment and also ignored their protests.

In view of the above, we request you to kindly reject the request for registration, request a review of the project and advise the project developer that project cannot get CDM credits. We would look forward to your response on all the above issues.

PLEASE ACKNOWLEDGE RECEIPT OF THIS MESSAGE. Thanking you and best wishes,

Himanshu Thakkar, For SANDRP, Delhi, India

Manshi Asher (manshi.asher@gmail.com), Him Dhara, Environment Research and Action Collective, Himachal Pradesh, India

Annexure 1:

Letter to DOE regarding Rampur Project in India: Validation report by Bureau Veritas

June 1 2011

To
Flavio Gomes (flavio.gomes@uk.bureauveritas.com)
Bureau Veritas,
DOE for Rampur Project

Dear Colleagues at Bureau Veritas,

We have noticed that you, as DOE for the 412 MW Rampur Hydropower project in Himachal Pradesh in Northern India has filed Validation report for the project on May 23, 2011, request for registration, see: <http://cdm.unfccc.int/filestorage/L/J/7/LJ7PA4DQRF6HI9M80ZB1GUWEY5CTOX/Validation%20Report%20SJVNL%20v02.pdf?t=Z3B8MTMwNjMwOTk5Ny4xNA==jlm6tBz4JjRtomkhXLkOOuTCMYHI=>

In the Validation report, you have NOT responded to the attached comment from the local groups in Himachal Pradesh. Due to lack of proper internet connectivity, the comment was sent on June 26, 2009, five days after the comment period was closed. The comment was sent to the UNFCCC secretariat, see the email acknowledging receipt of the email from Noemi Monin Wolter dated June 30 2009. Did you get this message and the comment mentioned therein? If yes, then why are they not responded to in the Validation report? This is first of the many reasons for withdrawing the validation report and request for registration.

Secondly, the Validation report does respond to the comments I had filed, but the responses are far from adequate. Firstly, you have accepted many of the issues raised by me and accordingly changed the PDD. If you have accepted so many of my submissions that that is a fit ground for withdrawing the application for registration of the project.

Moreover, if the PDD has been changed so substantially that the costs, benefits, barrier analysis and datelines have been changed, than that necessitates a fresh application for the project with the new PDD so that stakeholders can submit comment on your vastly changed Project Design Document. The validation report filed based on comments received on old PDD is clearly inadequate, insufficient and invalid. Some of the reasons why this validation report should be rejected include:

1. The Validation Report says that Yes, the project signed an implementation agreement with Himachal Pradesh govt on Oct 20, 2004, and that fact was omitted in the PDD but has now been included in revised PDD.
2. The Validation report says that Yes, an application to CEA was made for the Techno-Economic Clearance for the Rampur project in June 2005 as required under the law. This Techno Economic clearance is also supposed to assess the economic viability (Benefit cost analysis, which would certainly involve calculation of CDM benefits and these were not mentioned in application to CEA), cost of electricity, costs of the project and sources of finances, etc.
3. The Validation report repeated claims, "Barriers have been removed from PDD during the course of validation." In that case the old PDD as basis for consultation is no longer adequate or valid document.
4. The response in the validation report does not contest my contention that "There are no barriers to large hydro projects in India. It is the government policy to push large hydro projects to the maximum possible extent, with provision of all the available resources. In case of Rampur, the financial resources are already in place with the debt portion being funded by the World Bank, and the equity portion coming from SJVN, the project developers and the Himachal Pradesh Government, which is partner in the project. The decision to allocate these resources have been taken long back".
5. SJVN has agreed that they have not looked into other alternatives to the project.
6. In response to my contention "The calculation of project IRR as 9.85% as against the calculated Weighted Average Cost of Capital of 10.95% is wrong and misleading.", the developer has said: "During the course of validation, WACC is removed." and in stead new benchmark has been introduced. In that case the old PDD is no longer a valid document for stakeholder comments and new PDD would have to be put up, inviting fresh stakeholder comments.

7. The contention of the Validation report that "it must be noted that the gestation period of the project is not accounted for in the tariff estimations." is again WRONG. The calculation of electricity tariff from the project includes all costs, including financial costs on actual basis, through out the life of the project.

8. The Validation report has not contested my contention "The power purchase agreement for RHEP is on a cost plus basis and thus the project should be considered non-additional, since the returns of the project are all but guaranteed at 14%. This is well above the stated benchmark. In India, hydropower projects rarely have difficulty finding a developer. So if SJVNL would not have developed the project, another developer almost surely would have. The IRR analysis spreadsheet is not shown for the the actual lifetime of the project."

9. The claim in the validation report that the project is going to generate only 1770 MU electricity and not 1970 MU as per the CEA concurrence is wrong and misleading. Firstly, if that is true that the CEA concurrence, a legal one, is no longer valid and a fresh application will have to be done and project can go ahead only when it gets fresh concurrence from CEA. Secondly, its contention that the generation from Nathpa Jakhri in the upstream is low is wrong. Secondly, the Nathpa Jakhri project generated 7019 MU of electricity in 2009-10 and 7140 MU in 2010-11, higher than its design energy of 6980 MU and much higher than what it generated in earlier years. Thus the contention that lower generation at Nathpa Jakhri would lead to lower generation at Rampur is completely WRONG.

10. In response to my submission that barrier analysis in the PDD is wrong, the Validation report says, "During the course of validation, the investment barrier, institutional and regulatory barrier and technology barriers have been removed from revised PDD." In that case, we need a fresh stake holder comments based on the drastically changed PDD.

11. The Validation report agrees that the project has not followed the WCD recommendations.

12. The Validation report does not contest my contention that, "The Project cannot be defined as sustainable development, since it will adversely affect the local environment and the communities. The management plan put in place have not been formulated or decided with free, prior and informed consent of the local communities". There is a lot of evidence from ground to show that indeed the project developers are most callous towards the social and environmental impacts of the project. Some evidence of this can also be seen from the attached submission and photos mentioned. Additional photos are also available at: http://www.sandrp.in/hydropower/Violations_of_Environment_Norms_by_Four_Big_Himachal_HEPs-Photographic_Evidence_Feb_2011.pdf (some of the photos are about Rampur and Nathpa Jhakri, both projects of SJVN).

In view of the above, we request you to kindly withdraw the request for registration and advise the project developer that project cannot get CDM credits. We would look forward to your response on all the above issues.

PLEASE ACKNOWLEDGE RECEIPT OF THIS MESSAGE and Attachment.

Thanking you and best wishes,

Himanshu Thakkar
For SANDRP

Annexure 2

Email from UNFCCC acknowledging the receipt of objections dated June 26 2009.

----- Forwarded message -----

From: Noemi Monin-Wolter <NMonin-Wolter@unfccc.int>

Date: Tue, 30 Jun 2009 09:24:07 +0200

Subject: Re: Submission regarding CDM benefits to Rampur Hydroelectric Project, India

To: lokvigyankendra@gmail.com

Cc: Kay Merce <KMerce@unfccc.int>

Dear Sirs,

I am writing you on behalf of Mr. Daniele Violetti, Secretary to the CDM Executive Board, to acknowledge receipt of your letter below addressed to the CDM Executive Board.

Please be informed that we have made your submission available to the CDM Executive Board.

In accordance with Procedures for public communication with the CDM Executive Board (version 02), available at <http://cdm.unfccc.int/EB/031/eb31_repan37.pdf>, the Secretary to the Board will initiate action - including consultation with the Board where needed - and answer your communication on behalf of the Chair, as needed.

Kind regards,

For the CDM Team

Noemi

Rahul Saxena
<lokvigyankendra@gmail.com> To
secretariat@unfccc.int,
27/06/2009 05:12 cdm-info@unfccc.int
cc

Subject
Submission regarding CDM benefits
to Rampur Hydroelectric Project,
India

Dear Sir/Madam

We have come to know that the 412 MW Rampur Hydro-electric Project in Himachal Pradesh, India has applied for benefits under CDM. As a group of concerned residents of Himachal Pradesh, we would like to raise our serious concerns regarding the violation of environmental and human rights related norms by the project. We would have submitted our objections to the grant of CDM benefits to this project within the stipulated time period but were prevented due to the comments related information coming to our notice close to the deadline and our inability to connect to the internet on the last day. We hope that our submission shall be accepted and considered in the interest of natural justice.

Our submissions regarding the project are in the PDF file being attached herewith.

Looking forward to hearing from you,

Guman Singh Kulbhushan Upmanyu
Manshi Asher Rahul Saxena
(See attached file: To Chair UNFCCC.pdf)

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Himanshu Thakkar

South Asia Network on Dams, Rivers & People,
c/o 86-D, AD block, Shalimar Bagh,
Delhi, India

Annexure 3: Some selected English language News reports about protests against the Rampur project

1. http://www.thaindian.com/newsportal/india-news/rampur-labourers-residents-demand-protection-of-their-rights_10035323.html#ixzz1OTgt1jQv

Rampur labourers, residents demand protection of their rights

Mon Apr 07 **2008** 14:15:13 GMT+0530 (India Standard Time)

Rampur, Apr 7 (ANI): Over a thousand labourers and residents staged a protest against the state-run hydropower company, Satluj Jal Vidhut Nigam Ltd. (SJVN), in Rampur, Himachal Pradesh, demanding protection of their rights.

Labourers working with the SJVN gathered outside the Bayal Tunnel office of the Satluj Rampur Project of Hydropower Company on Sunday and decided to stop the work till the administration meets their demand.

About 1,500 labourers working at the 412MW hydropower project in 'very difficult conditions' felt concerned over the project authorities overlooking their safety.

"We are very worried regarding our safety. We have been repeatedly pleading with the authorities to implement labour laws, but no arrangements for safety have been done so far. The laborers are being exploited by contractors appointed by the administration," said Ranjeet, a labourer.

Labourers and villagers, demanding prompt action from the administration, said that the construction work at two sites of the hydropower project would resume only after their demands are met.

Villagers of the Poshana Panchayat in the Satluj Valley are also protesting against the Goshai tunnel construction as the tunnel is posing threat to their source of drinking water near the village.

"The 412 megawatt power project passes through Panchayat and the SJVN had given us an assurance that the areas affected because of the project would be provided water facilities for which they have to spend Rupees five crores. But SJVN has not facilitated us with any water scheme, in fact the money allocated for the purpose has been spent at some other place in Rampur," said Deep Dayal, president of Panchayat. The labourers seek immediate implementation of the assurance made to them.

On of the largest hydroelectric schemes of the country, the Satluj Jal Vidhut Nigam Ltd project is essentially the stage-II of the 1500 MW Nathpa Jhakri project, commissioned in 2003 by the SJVN. (ANI)

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2. <http://infoway.co.in/tag/hydro-power?wscr=1366x768>
[Farmers protest against Hydro Power Project in Himachal](#)

September 19, 2009 by World News

Rampur (HP), Sept 18 (ANI): Hundreds of residents and farmers here protested against the construction of run-of-river hydropower plant project on the river Satluj.

The campaigners called for Save Satluj drive and complained that the hydropower plant would disturb the ecological balance of the region.

"Our protest is to save our environment and our natural resources. They are being affected by the project. Because of this, the Sutlaj river will dry up, water mammals will die and the temperature of the region will also rise," said Mohan Singh, a farmer.

Environmentalists believe that the 412MW Rampur hydropower project is not suitable to the fragile ecology of the region.

"The project will divert this river through the tunnel leaving the river bed dry which will disturb the ecological balance. This will not only affect the course of river but will also harm the crop grown in the area," said Jai Chand, head of the Village Committee for Environment Protection.

The activists were protesting against the Rampur hydropower project authorities and the district administration.

The campaigners later staged a sit-in-protest outside the office of Sub-Divisional Magistrate demanding his intervention into the matter.

Rampur Hydropower Project will provide renewable and low carbon energy to the country's over-stretched Northern Electricity Grid. (ANI)

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3. <http://www.himvani.com/news/2010/02/18/1500-workers-stage-protest-at-rampur-hydel-project/4068>

1,500 workers stage protest at Rampur hydel project

February 18, **2010**

HimVani

Shimla: About 1,500 workers executing the 420 MW Rampur hydro-electric power project today staged protests to press for their pending demands. Boycotting operations for the last two days, workers today organized four separate demonstrations at Avori, Bayal, Jakhari and Uni project sites.

CITU state president Jagat Ram, who led the demonstrations, told HimVani that workers engaged in the Rampur project had been demanding carriage allowance, dust and project allowance since 2009 but their demands have not been met. He threatened that the ongoing agitation would be intensified if authorities fail to act.

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4. <http://www.inewsone.com/2011/05/08/villagers-oppose-himachal-hydro-project/49024>

Shimla, May 8, **2011** (IANS) Hundreds of people in three districts of Himachal Pradesh have been protesting for the past three days against an upcoming hydropower project of Satluj Jal Vidyut Nigam Ltd (SJVN), but the company said Sunday the affected villagers will be adequately compensated.

SJVN deputy general manager Vijay Verma said the company will provide suitable economic benefits to the project-affected families on the pattern of its earlier projects.

'The company is committed to providing funds for local area development. In Rampur and Nathpa-Jhakri hydropower projects, the company has spent Rs.105 crore as part of its social responsibility,' Verma said.

Around 27 villages in Shimla, Kullu and Mandi districts will be affected with the commissioning of the 775 MW Luhri project in upper Shimla.

Hundreds of villagers have been staging protests for the past three days and boycotted public hearings organised by authorities at different venues.

SJVN holds 51 percent equity in the project, while the state government holds the rest.

Activists say the hydro project will have high environmental costs.

'A 38-km stretch of the Satluj river will disappear in some areas of Kumarsain tehsil in Shimla and Nirmand in Kullu. It will pass through tunnels and traditional water sources in the areas will dry up,' environmentalist Guman Singh told IANS.

He said during the public hearings organised by project authorities, residents of Seraj and Kumarsain tehsils raised concerns about impact of the tunnels on their apple crop.

'If the projected earnings from the hydro project are estimated to be over Rs.800 crore per year, the affected panchayats should also get a 10 percent share as royalty,' said Nek Ram of the Paryavaran Evam Gram Vikas Sansthan, a group comprising more than 20 villages in Karsog in Mandi district.

The project involves construction of an 86 metre high concrete gravity dam with gross reservoir capacity of 35 million cubic metres, from which 38.14 km long twin tunnels of 9 metre diameter would bring water to an underground powerhouse some 40 km downstream of the dam site.

Taking note of a report on the fallout of hydropower projects in Himachal Pradesh, environmentalists last year shot off a letter to union Environment and Forests Minister Jairam Ramesh demanding a temporary moratorium on environmental clearance to new projects in the state.

According to forest department estimates, over 9,000 hectares of forest land has so far been diverted for non-forest uses. Of this, 7,000 hectares have been used for hydel projects.

Annexure 4: SANDRP letter to Indian government authorities in February 2006

SOUTH ASIA NETWORK ON DAMS, RIVERS AND PEOPLE

Project office: 86-D, AD block, Shalimar Bagh, Delhi 110 088. India

Ph: 0091 11 2748 4654/ 5. Email: cwaterp@vsnl.com

Concerns regarding Rampur Hydropower Project On Sutlej River in Himachal Pradesh

February 21, 2006

To
Secretary,
Ministry of Environment & Forests, New Delhi

Secretary,
Department of Science, Technology and Environment
Shimla, Himachal Pradesh

Chairman and Member Secretary,
Himachal Pradesh Pollution Control Board
Shimla, Himachal Pradesh

Copy to: President and Country Director,
The World Bank

Dear Sir or Madam,

I am sending to you a letter of concern about the above subject from the people to be affected by the proposed 412 MW Rampur Hydropower Project in Himachal Pradesh in Northern India. You will find a photocopy of the original letter in Hindi along with English translation of the letter. The letter is copied to the World Bank President and Executive Directors as the World Bank is proposing the fund the project. I am also copying this letter to the India Country Director of the World Bank with a request to send to appropriate persons within the Bank and to the offices of Executive Directors of the World Bank.

We would like to endorse the concerns expressed by the letter and also reiterate the demand from the affected people that full EIA and EMP must be made available to the local people in their language, facilitation meeting conducted by credible independent agencies must be held in the affected villages to explain to the people the project, its impacts and also about the rights of the local people around the public hearing and EIA process. Only a month after this has been accomplished a public hearing should be conducted. The public hearing, if it has to remain credible, should be conducted by credible independent panel where no govt officials or political functionaries should be present. Only after such process is completed, should the project be considered for environmental clearance. Any clearance given without such a due process would not have credibility and is bound to create problems, including misgivings and opposition from local communities.

Moreover, having had a quick look at the EIA document that was put up on the website of the HPPCB, we find that the EIA is fundamentally flawed in following respects, in addition to having a number of other basic deficiencies:

- ⇒ The EIA needs to study the project area at least across one year, but it is based on observations done at just two dates. This is clearly not acceptable from an EIA and this alone disqualifies the EIA to be adequate for impact assessment or for preparing mitigation plans.
- ⇒ The EIA does not have impacts of the proposed transmission line
- ⇒ The EIA does not have impact assessment due to the quarry to be used for the project (see page 6 of executive summary).
- ⇒ The EIA does not have disaster management plan
- ⇒ The EIA does not include an impact assessment study of the various projects existing, under construction and planned in the Sutlej basin. Nor does it have the carrying capacity studies.
- ⇒ The EIA does not analyse the situation about the possible land slides, erosion and such impacts that would happen in the project area and the consequences thereof
- ⇒ The EIA does not have clear maps of the proposed dumping sites, the protective measures required to ensure that the dumped material does not enter the river nor a clear information if the dumping sites are indeed above the HFL mark.
- ⇒ The EIA shows exaggerated energy generation figures. For example, it says that 90% dependable energy generation would be 2077.84 MU (on page 1-2 of salient features, 2021.98 MU on page 1-5 of salient features), whereas the World Bank Project ID gives the same figure as 1800 MU. If we look the performance of the upstream NJP (also WB funded and Rampur is supposed to depend on NJP for water flow for power generation), we see that this level of power generation is impossible.

⇒ The EIA says (page 1-4 of salient features) that it has used discharges observed from 1970 to 1986 to generate the discharge series from 1963 to 2004. This is very strange. Why have the actual discharge figures from 1986 to 2004 also not used?

⇒ The cost figure of Rs 2424 crores for a 412 MW HEP without having to construct a dam or a desilting mechanism is very high. None of the project features justify such a high cost. The EIA does not go into the issue of options assessment in any credible manner to assess the non project options of comparable costs and benefits. Himachal Pradesh already being power surplus, does not need the project for its own requirements. Moreover, most HEPs in North India, as is the case with Rampur, do not provide peaking power, which is in short supply in Northern Grid. Under the circumstances, there are serious question marks about the justification of such a high cost project.

⇒ The statement (page 1-6 of salient features) that “The cost per MW of installation works out Rs 5.39 crores.” is wrong if we care to look at the previous page, where the per MW figures are indicated to be almost Rs 6 crore per MW.

⇒ The EIA shows its biases (see bottom of page 1-6 of the salient features) when it concludes that “The project features suggest that the scheme is technically feasible and economically attractive and should be immediately implemented”. This is a shocking statement to be in EIA in any case. Moreover, there is absolutely no material before the EIA to reach such a conclusion. This in fact makes the EIA agency as unacceptable for the task of taking up EIA.

⇒ The design flood figure given on page 1-4 (salient features) is 7151 cumecs and on page 1-7 (salient features) as 5660 cumecs. This clearly shows the callousness and ignorance of such crucial factors of the project on the part of EIA agency.

⇒ The callousness of the EIA agency is also reflected at many other places, including: Table 2 on page 2-3 of Executive agency has no units for water flow discharge figures, table 4 on page 5 of Executive summary has no units for the figures given,

⇒ The EIA says that more land will be required for the project “temporarily... for storage of quarried material”, but it does not give how much, where, what will be impact, etc. The EIA should have full information about the land requirement, which it does not have.

⇒ The EIA makes a number of statements that shows that the EIA agency has no idea about the reality or is trying to mislead the people. For example on page 7 of Executive summary it says “However, downstream of NJ dam site sediments get settled in the reservoir. Thus, water is relatively silt free downstream of dam site.” This statement is not only wrongly constructed, but it also gives wrong impression as the fact is that silt separated from water at NJP is released to the river downstream from the diversion site.

⇒ If we look at the fact that only 18.3593 ha of land is to be used for disposal (see page 7 of Exec Summary) of 2.76 million cubic meters of muck, we see that average height of muck at the sites would be 15 mts, which is too high considering the terrain of the project area.

⇒ We have seen that many of the crucial measures of EMP for NJP are yet to be completed even two years after project completion. Moreover, NJP faced a lot of surprises during project construction and operation due to inadequate appraisal. We see that worse mistakes are being committed in case of Rampur.

Under the circumstances, there is need for a fresh EIA to be done by a more credible agency, in full consultation with the people of the area and others concerned and only on the basis of such an EIA and EMP can the project be considered for clearance. Till such time, all works related to the project should be stopped in the interests of the people of the area, state, country and in the interest of power sector.

We would be happy to answer any questions you may have. Looking forward to your acknowledgement and responses,

Yours sincerely,

Himanshu Thakkar
For SANDRP

Enclosures: As mentioned above.

Annexure 5: Letter from the people affected by the Rampur Project to Indian government authorities in Jan 2006

ENGLISH TRANSLATION OF ORIGINAL HINDI LETTER

**Concerns regarding Rampur Hydropower Project
On Sutlej River in Himachal Pradesh**

January 31, 2006

To
Secretary,
Ministry of Environment & Forests, New Delhi

Secretary,
Department of Science, Technology and Environment
Shimla, Himachal Pradesh

Chairman and Member Secretary,
Himachal Pradesh Pollution Control Board
Shimla, Himachal Pradesh

Copy to: President and Country Director,
The World Bank

Dear Sir or Madam,

We understand that an application of Sutlej Jal Vidhyut Nigam Limited is before the Expert Committee (River Valley and Hydroelectric projects) of the Union Ministry of Environment and Forests for clearance of the proposed 412 MW Rampur Hydropower project on Sutlej river in Himachal Pradesh. It thus means that the HPPCB and the Monitoring Committee chaired by the Secretary, HP, Dept of Science, Technology and Environment has cleared the project.

We think such clearance by the HP state govt bodies is invalid and the project cannot be and should not be considered for clearance by the Union Ministry of Environment and Forests for a clearance for the following reasons:

1. The affected people did not know about the public hearing (held on Oct 26, 2005) till a couple of days before the public hearing. This is in clear violation of the EIA notification that states that the local people must be informed about the hearing at least 30 days in advance of the hearing.
2. The affected people also did not know about the impacts of the project, basic information about the project, hence they were not in any position to participate in the public hearing in any real sense.
3. The full EIA and EMP of the project was not made available to the local people in their language a month before the public hearing. The EIA-EMP document is the only document that helps local people understand the impacts of the project and helps them participate in the public hearing. Without making this document available in local language there can be no public hearing of the project.
4. As we understand from others, the EIA that is put up on the website of HPPCB (www.hppcb.nic.in) is basically flawed in a number of respects: it does not contain base line survey information over a full year, it does not contain full socio-economic survey of the project, it does not include the impacts due the transmission line, it does not include the provision of minimum 15% flows downstream from the diversion as required under HP laws, it does not include full details and costs of muck disposal proposals, it does not include the upto date hydrological information, it does not include cumulative impact or carrying capacity studies when so many large projects are existing, are coming up or are planned, it does not include the impact of silt (on Nathpa Jakhri and hence on Rampur HEP), flash floods and landslides in the Sutlej basin and how the project would add to all this, it does not include a disaster management plan, etc. Considering all this, the EIA is clearly and fundamentally inadequate and cannot be the basis for a public hearing or clearance. Full and proper EIA and EMP must be completed before a valid public hearing can be held.

Under the circumstance, we urge you all to stop the project clearance process, ask the project proponent to ensure that each of the violations listed above are rectified before the fresh public hearing is held. Any clearance given to the project without going through these steps would clearly be invalid and illegal.

We will look forward to hearing from you at the earliest.

Yours Sincerely,

Roop Shandilya, President, Gram Panchayat, Roshna, At and post Roshra, Tehsil Nirmand Dist Kullu, Himachal Pradesh, India

Leela Devi, President, Mahila Mandal (Women's Forum)
Kated, Tehsil Nirmand, Dist Kullu, Himachal Pradesh, India

Gugadi Devi, Mahila Mandal (Women's Forum)
Roshna, Tehsil Nirmand Dist Kullu, Himachal Pradesh, India

Ex President, Gram Panchayat, Roshna, At and post Roshra
Tehsil Nirmand Dist Kullu, Himachal Pradesh, India

June 3 2011

To
Swedish Energy Agency,
SWEDEN

registrator@energimyndigheten.se, registrator@swedishenergyagency.se

Dear Friends at SEA,

We have learnt that the Swedish Energy Agency is participant to and a party to the World Bank funded 412 MW Rampur Hydropower project in Himachal Pradesh in N India. (see: <http://cdm.unfccc.int/filestorage/0/X/S/0XSZ8NJ7GHVBP5RTWMKAF3IQDOU9EY/LoA%20Sweden.pdf?t=WxN8MTMwNjMxNzg5NC44I9whSAxgamCB19QGVP5E4IInCcL8=>). The SEA (a Govt of Sweden body) has also certified that the project is a CDM project.

However, we do not think this is a CDM project. We had already filed objections to consideration of the project as CDM project, see our objections at: <http://cdm.unfccc.int/Projects/Validation/DB/TGJOYXTSGMJN3SP4KLW8VCT0R77DSM/view.html> and on our website at: http://www.sandrp.in/hydropower/SANDRP_Comments_on_proposal_for_CDM_status_for_Rampur_HydroProject_June09.pdf

The Project Validation report

(see: <http://cdm.unfccc.int/filestorage/L/J/7/LJ7PA4DQRF6HI9M80ZB1GUWEY5CTOX/Validation%20Report%20SJVNL%20v02.pdf?t=Z3B8MTMwNjMwOTk5Ny4xNA==|jm6tBz4JjRtomkhXLkOOuTCMYHI=>, see pages 150-163) also responds to SANDRP submission, as it is supposed to and accepts that most of the contentions our submission are correct.

There was an additional submission from Himniti, see attached, which is not mentioned or responded to in the validation report. This is possibly because this submission was sent after the period of comments for validation was over in June 2009 when these comments were sent. But this submission was sent to the UNFCCC and they had promised that the developer will be asked to respond to this.

We have noticed that the DOE for the 412 MW Rampur Hydropower project in Himachal Pradesh in Northern India has filed Validation report for the project on May 23, 2011, and also a request for registration,

see: <http://cdm.unfccc.int/filestorage/L/J/7/LJ7PA4DQRF6HI9M80ZB1GUWEY5CTOX/Validation%20Report%20SJVNL%20v02.pdf?t=Z3B8MTMwNjMwOTk5Ny4xNA==|jm6tBz4JjRtomkhXLkOOuTCMYHI=>

In the Validation report, the DOE has NOT responded to the attached comment from the local groups in Himachal Pradesh. Due to lack of proper internet connectivity, the

comment was sent on June 26, 2009, five days after the comment period was closed. The comment was sent to the UNFCCC secretariat, see the email acknowledging receipt of the email from Noemi Monin Wolter dated June 30 2009. Why are they not responded to in the Validation report? This is first of the many reasons for withdrawing the validation report and request for registration.

Secondly, the Validation report does respond to the comments I had filed, but the responses are far from adequate. Firstly, the DOE has accepted many of the issues raised by me and accordingly changed the PDD. If you have accepted so many of my submissions that that is a fit ground for withdrawing the application for registration of the project, since my submissions provide reasons for non acceptance of the project as a CDM project.

Moreover, if the PDD has been changed so substantially that the costs, benefits, barrier analysis and datelines have been changed, than that necessitates a fresh application for the project with the new PDD so that stakeholders can submit comment on the vastly changed Project Design Document. The validation report filed based on comments received on old PDD is clearly inadequate, insufficient and invalid. Some of the reasons why this validation report should be rejected include:

1. The Validation Report says that Yes, the project signed an implementation agreement with Himachal Pradesh govt on Oct 20, 2004, and that fact was omitted in the PDD but has now been included in revised PDD.

2. The Validation report says that Yes, an application to CEA was made for the Techno-Economic Clearance for the Rampur project in June 2005 as required under the law. This Techno Economic clearance is also supposed to assess the economic viability (Benefit cost analysis, which would certainly involve calculation of CDM benefits and these were not mentioned in application to CEA), cost of electricity, costs of the project and sources of finances, etc.

3. The Validation report repeated claims, "Barriers have been removed from PDD during the course of validation." In that case the old PDD as basis for consultation is no longer adequate or valid document.

4. The response in the validation report does not contest my contention that "There are no barriers to large hydro projects in India. It is the government policy to push large hydro projects to the maximum possible extent, with provision of all the available resources. In case of Rampur, the financial resources are already in place with the debt portion being funded by the World Bank, and the equity portion coming from SJVN, the project developers and the Himachal Pradesh Government, which is partner in the project. The decision to allocate these resources have been taken long back".

5. SJVN has agreed that they have not looked into other alternatives to the project.

6. In response to my contention "The calculation of project IRR as 9.85% as against the calculated Weighted Average Cost of Capital of 10.95% is wrong and misleading.", the developer has said: "During the course of validation, WACC is removed." and in stead new benchmark has been introduced. In that case the old PDD is no longer a valid document for stakeholder comments and new PDD would have to be put up, inviting fresh stakeholder comments.

7. The contention of the Validation report that "it must be noted that the gestation period of the project is not accounted for in the tariff estimations." is again WRONG.

The calculation of electricity tariff from the project includes all costs, including financial costs on actual basis, through out the life of the project.

8. The Validation report has not contested my contention "The power purchase agreement for RHEP is on a cost plus basis and thus the project should be considered non-additional, since the returns of the project are all but guaranteed at 14%. This is well above the stated benchmark. In India, hydropower projects rarely have difficulty finding a developer. So if SJVNL would not have developed the project, another developer almost surely would have. The IRR analysis spreadsheet is not shown for the the actual lifetime of the project."

9. The claim in the validation report that the project is going to generate only 1770 MU electricity and not 1970 MU as per the CEA concurrence is wrong and misleading. Firstly, if that is true that the CEA concurrence, a legal one, is no longer valid and a fresh application will have to be done and project can go ahead only when it gets fresh concurrence from CEA. Secondly, its contention that the generation from Nathpa Jakhri in the upstream is low is wrong. Secondly, the Nathpa Jakhri project generated 7019 MU of electricity in 2009-10 and 7140 MU in 2010-11, higher than its design energy of 6980 MU and much higher than what it generated in earlier years. Thus the contention that lower generation at Nathpa Jakhri would lead to lower generation at Rampur is completely WRONG.

10. In response to my submission that barrier analysis in the PDD is wrong, the Validation report says, "During the course of validation, the investment barrier, institutional and regulatory barrier and technology barriers have been removed from revised PDD." In that case, we need a fresh stake holder comments based on the drastically changed PDD.

11. The Validation report agrees that the project has not followed the WCD recommendations.

12. The Validation report does not contest my contention that, "The Project cannot be defined as sustainable development, since it will adversely affect the local environment and the communities. The management plan put in place have not been formulated or decided with free, prior and informed consent of the local communities". There is a lot of evidence from ground to show that indeed the project developers are most callous towards the social and environmental impacts of the project. Some evidence of this can also be seen from the attached submission and photos mentioned. Additional photos are also available at: http://www.sandrp.in/hydropower/Violations_of_Environment_Norms_by_Four_Big_Himachal_HEPs-Photographic_Evidence_Feb_2011.pdf (some of the photos are about Rampur and Nathpa Jhakri, both projects of SJVN).

VIOLATION OF SEA CRITERIA

The SEA website

(see: http://213.115.22.116/System/ViewResource.aspx?p=Energimyndigheten&rl=default:/Resources/Permanent/Static/9ccd66f1937f451f8fc64b6f9d505174/ET2010_18w.pdf) says:

- "The Swedish Government's CDM and JI programme is managed by the Swedish Energy Agency. The programme's objectives are to: contribute to the

development of the flexible mechanisms, contribute to cost-effective greenhouse gas reductions and contribute to sustainable development in the host countries of the projects."

- **REALITY:** Considering the severe social, environmental impacts of the project and complete lack of credible participatory processes in the project, Rampur project cannot be called a sustainable development project. Secondly, the project does not lead to any GHG reductions since the project is non additional and was going ahead even without CDM credits as mentioned above.
- "The Swedish Energy Agency supports CDM and JI projects through direct contracts with project owners and active participation in selected CDM and JI funds. In both cases focus is on small- and medium-sized renewable energy or energy efficiency projects."
- **REALITY:** The project is pretty large, it is neither small nor medium sized, nor is it a renewable energy project in true sense. In India projects of capacity smaller than 25 MW are considered renewable energy projects.
- "When selecting a project for the programme, the project's contribution to sustainable development is considered to be of special value."
- **REALITY:** As shown above, the project is NOT a sustainable development project, it has huge social and environmental impacts and evidence shows that the project developer has neither a good track record on these issues, nor is it taking care of these issues in this project in any credible way.
- "Most of the projects in the Agency's portfolio have been contracted in early stages of the project cycle."
- **REALITY:** The SEA contracted this project in 2010, when the project implementation agreement was signed in 2004.

Moreover, your website (see: <http://www.energimyndigheten.se/en/International/For-a-better-climate/Flexible-mechanisms-for-monitoring-green-house-gas-emissions/Swedish-CDM-and-JI-climate-programmes-/>) says:

Criteria for project selection

"The Swedish Energy Agency acquires emission reduction units from small and medium-sized projects. The projects the Agency currently has contracted

are estimated to generate emission reductions between 100,000 to 600,000 tonnes of carbon dioxide equivalents per project over a crediting period of 7 or 10 years."

REALITY: As shown above, in case of Rampur project this criteria is clearly violated. As per the PDD, the project hopes to earn 14 078 016 Tonnes of CO2E during the ten years cycle.

Moreover, your website says: "Our goal - the Swedish Energy Agency works for a safe, environmentally sound and efficient energy systems."

Rampur project is certainly not an environmentally sound or safe project by any stretch of imagination, as shown above. It does not even follow WCD guidelines and accepts that the project does not have to follow them.

In view of the above we are very disappointed to learn that SEA is supporting and participating in this project. The people on ground, adversely affected by the project and environment and socially conscious community in India wont see this in favourable light and SEA is bound to invite strong criticism for this ill advised step.

We would like to request you to kindly reconsider your participation in the project and advise the UNFCCC, the World Bank and the project developer that the project cannot get CDM credits. We would look forward to your response on all the above issues.

PLEASE ACKNOWLEDGE RECEIPT OF THIS MESSAGE and Attachment.

Thanking you and best wishes,

Himanshu Thakkar
For SANDRP