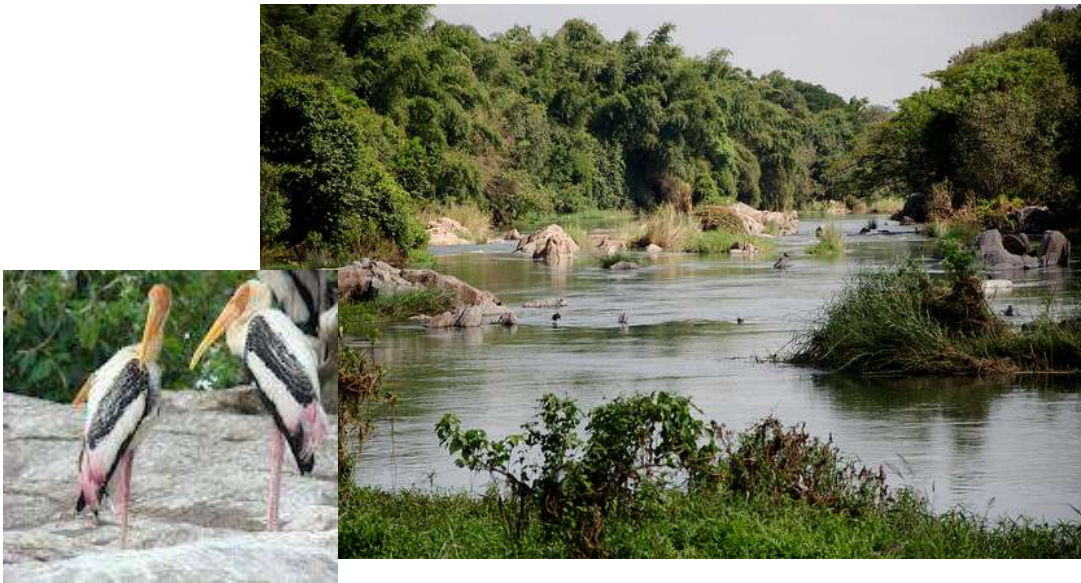


Run of the River 6 MW SHP, affecting a protected bird sanctuary and wildlife habitat is undeserving of Carbon Credits

[South Asia Network on Dams, Rivers and People](#)



Above: Gende Hosahalli Bird Sanctuary where the 6 MW hydropower project will come up

Source: [Flickr](#)

Background:

We are writing to record our concerns about the upcoming 6 MW small hydro project MHS on Cauvery River in Srirangapattana block of Mandya District in Karnataka. Before we go into specific problems with the PDD of this project, we would like to draw the CDM boards attention to an overarching issue.

According to Karnataka Renewable Energy Development Limited (KREDL), Karnataka has built, is building and is in process of sanctioning nearly **142 small hydel projects (SHP) on Cauvery and its tributaries in Karnataka** (<http://www.kredltest.in/hydroreport.aspx>). Many of these hydel projects are placed in close vicinity of each other.

In the stretch of Cauvery in Mandya district alone, where the current project is planned, **86** mini hydel projects are either constructed or are under consideration according to the KREDL. The **Cumulative Impacts** of this very large concentration of projects on the ecology of the river has not been studied. Civil Society Organisations have made submissions to the Karnataka Board of Wildlife, the National CDM Authority of India and KREDL itself against such an unprecedented concentration of projects in a small stretch of river.

The CDM Board should not look at such projects in isolation and should explore ways through which cumulative impacts of such projects are studied before granting carbon credits.

So many projects together not only have a serious impact on downstream ecosystems and water supply to irrigation and drinking water supplies, but are also non additional. The Karnataka

Government itself has indicated concerns about these projects coming up. In July 2011, Karnataka Power Minister Ms. Shobha Karandlje had said that no new SHPs will be considered near existing KPCL hydel projects including Shivasamudram¹, however, this current 6 MW is in Mahadevapura village, again close to Shivasamudram by KREDL. **All these SHPs (less than 25 MW) in a close vicinity are being cleared without any Environment Impact Assessment Studies, public hearing processes of Cumulative Impact Assessment studies.**

Many of these projects are impinging upon protected areas like the Ranganthittu Bird Sanctuary², Cauvery Wildlife Sanctuary and Gende Hosalli Bird Sanctuary. Some of these projects had to be cancelled because of absence of statutory clearances.³ The region is also a documented elephant corridor and projects are coming up in the corridor, destroying forests and affecting the habitat.⁴

The UNFCCC should not further ecological destruction in this area by looking at projects in isolation.

Specific issues with the proposed 6 MW Project in Mandya:

1. **Project in an eco sensitive habitat, affecting a Bird Sanctuary:** The location of the current 6 MW project is in Mahadevapura village of Mandya district, Mahadevapura village and the stretch of Cauvery which flows along the village homes the Gende Hosalli Bird Sanctuary.

According to the Project Design Document (PDD), the project is envisaged to affect more than a kilometre of the Cauvery River directly, in addition to hydrological changes and impacts of allied activities (Section A3 of PDD: Diversion Structure: 540 mts in length, Tailrace channel: 700 mts in length).

This will severely affect the bird sanctuary. However, the PDD does not even mention the Sanctuary nor does it mention any negative environmental impacts.

In addition to birds, the project site also habitat to endangered otters. Otters, along with crocodiles, the large predators of the river - the equivalent of the tiger and the leopard on land - and they play a vital role in ecosystem balance. **Otters are protected under the highest category of protection in India through the Wildlife Protection Act, 1972.**

This particular stretch of the river - beginning close to Gende Hosahalli and beyond the proposed site of the project - is a critical otter breeding site. Otters - adults, sub adults and cubs - are frequently spotted by local people, including guards employed by the Forest Department.

This particular hydro project will:

- a) destroy holts
- b) segregate populations and prevent genetic diversity, resulting in in-breeding and thereby population decline
- c) increase the probability of human-otter conflict.

The UNFCCC should not issue carbon credits to a project which destroys ecologically fragile habitats.

¹ <http://www.thehindu.com/todays-paper/tp-national/tp-karnataka/article2149255.ece>

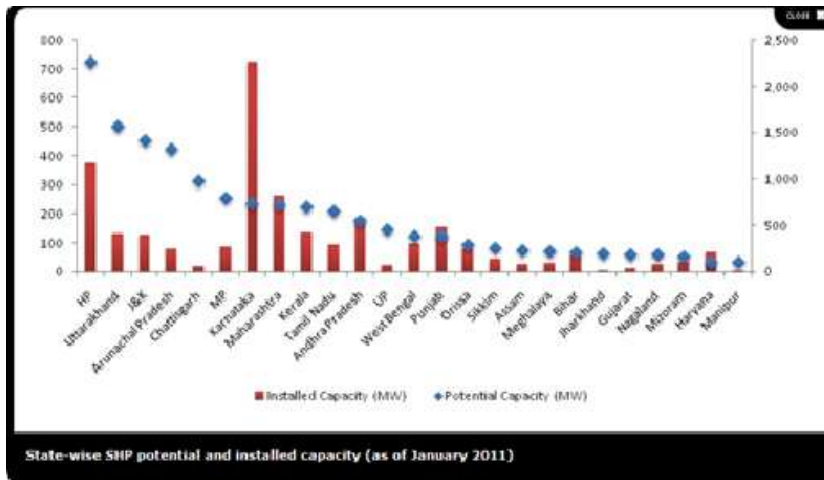
² <http://www.thehindu.com/todays-paper/tp-national/tp-karnataka/article3319234.ece>

³ <http://newindianexpress.com/states/karnataka/article366244.ece>

⁴ <http://newindianexpress.com/states/karnataka/article366244.ece>

2. Non Additional Project:

2.1 Huge push for small hydro in state of Karnataka:



The upcoming 6 MW MHS is not an innovative or different project, but a business as usual small hydro project which has been pushed by the proponent and the state. The project fails in the Common Practise Analysis because of the above mentioned reasons.

Even though such a huge number of projects are coming up on a river in ecologically rich area, no cumulative impact assessment or even an environment impact assessment is being done for these projects. The current 6 MW MHS small hydro scheme is legally exempt from Environment Impact Assessment, Environmental Clearance, public hearing and implementing an Environment Management Plan and Environmental monitoring, these themselves constitute huge benefit for the projects.

2.2 Incentives from the State and the Central government

Apart from procedural incentives including Single Window Clearance (Karnataka Renewable Energy Policy 2009-14) Small Hydro Projects in India receive a number of incentives from the Centre as well as various states which include:

- Financial support given by Ministry of New and Renewable Energy at 1.2 crores of first MW and 20 lakhs for each additional MW⁵
- The Small Hydro Schemes in Karnataka receive a preferential tariff at Rs. 3.40 per unit without any escalation for the first 10-year period from the date of signing of PPA (KERC Tariff Order 2009). Karnataka especially enjoys high tariff as compared to Himachal Pradesh at rates of 2.50 to 2.95 per unit).
- In addition, according to the Karnataka Renewable Energy Policy 2009-14⁶, the state accepts a Renewable Energy Obligation and “is committed to procure & utilize the Renewable Energy power as required and determined by Government of Karnataka. Due grid strengthening will be undertaken to meet this commitment.”
- Small hydro projects in Karnataka also enjoy tax rebates and revisions like with the Value Added Tax (VAT)
- According to ICRA Report on Small Hydro in India, published May 2012 (www.icra.in/Files/ticker/SHP%20note-.pdf) favourable fiscal policies that have helped in accelerating Small Hydro development in India include:
 - accelerated depreciation benefit,
 - tax holiday under section 80 IA
 - Soft loans by Indian Renewable Energy Development Authority,

⁵ Small Hydro Program, Government of India, 2009, Ministry of New and Renewable Energy, Small and Small hydro Projects, Sixteenth Report to the Standing Committee on Energy)

⁶http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=0CFQQFjAC&url=http%3A%2F%2Fkredl.kar.nic.in%2FRenewable%2520Energy%2520Policy%2520Karnataka%2520Draft.doc&ei=IfS5T6SsLIXRrQe03oThBw&usg=AFQjCNEekkiZ-YZ_6ZQY4HOvjAQ1nubEbQ

- IREDA and nil/concessional customs/excise duty benefits),
- state level incentives and
- financial support from MNRE

CDM credits have been listed not as a first benefit, but the last. This clearly implies that CDM credits are not the limiting factor in the growth of SHPs, but just an added bonus. The report states: "Under the Central Financial Assistance (CFA) Scheme of the Ministry of New and Renewable Energy, Govt of India (MNRE), capital subsidy is now provided to both private and State projects and for renovation & modernisation of SHP plants. Besides, technical support is being provided to SHP units through Alternate Hydro Energy Center (AHEC), IIT, Roorkee. MNRE is also organizing technical support towards survey and investigation, preparation of DPRs, project monitoring and training through Alternate Hydro Energy Center (AHEC), IIT, Roorkee.

Since January 2011, SHP projects totalling over 131 MW have been set up in the state of Karnataka. A supportive policy framework has been one of the key factors for achieving this rapid pace of project development. The Karnataka Renewable Energy Policy 2009-14 envisages 600 MW of SHP capacity additions by 2013-14, requiring 100-150 MW of addition every year.

- All the above points make it amply clear that small hydro projects are being pushed hard at the centre as well as the state and receive many financial and procedural benefits. In a latest case, States have actually been selling power generated from small hydro projects by Independent power producers to other states at a very high tariff of 4.14 per unit. (<http://www.tribuneindia.com/2012/20120515/himachal.htm#2>) This has become possible because of the scheme of trading Renewable Energy Certificates, introduced in India by the Central Electricity Regulatory Commission. This underlines the fact that small hydel projects in India enjoy a lot of incentives, which should be included in the cost benefit calculations, not doing that, as is the case with PDD of the current project, means the project proponent is misleading everyone and should be disqualified.
- This goes on to prove that in India small hydel projects are a much supported, profit making business which is currently running without any sort of environmental checks and balances in place. Projects like this do not need external support in terms of CDM on the other hand, governance mechanism around small hydro in India need to be strengthened.

Conclusion:

The current 6 MW Mini Hydel Scheme should not be granted carbon credits by the UNFCCC and the CDM Board should request for an Environment impact Assessment of the current project and a cumulative impact assessment of projects coming up on Cauvery from relevant authorities before granting carbon credits to any more upcoming projects.

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