

# Field Survey Report on the Nagarjuna Coal Power Project in India

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Japan Center for a Sustainable Environment and Society (JACSES)



Photo1: Construction site of the power plant



Photo 2: Soil around the proposed ash dumping site



Photo 3: Pond at the proposed ash dumping site



Photo 4: Construction site of the cooling water pipeline system

Japan Bank for International Cooperation (JBIC) has been under consideration of financing the Nagarjuna Coal Power Project in Karnataka State, India, despite the fact that local people, NGOs and experts have raised concerns about its social and environmental impacts over a decade. In early July 2009, JACSES conducted a field survey around the project site by interviewing local people, NGOs and experts. As a result, the following issues are revealed:

## 1. Inadequacy of Legal Procedure

- **Environmental Clearance**: The environmental clearance granted by the Indian Ministry of Environment and Forest was expired on March 20, 1997 (See Appendix 1).
- **Public Hearing**: It has been required under the Environmental Impact Assessment (EIA) Notification (April 10, 1997). However, it has never been held for the project (See Appendix 1).
- **Approval by Panchayat**: According to the Constitution of India, it is required to obtain approval from Panchayat (representative of local governments in India) at time of carrying out development projects. However, this project has not been approved by Panchayat.
- **Ash Dumping**: Ash dumping is planned in the project, despite the dumping of ash on lands is prohibited under the Fly Ash Utilization Notification (September 14, 1999).

## 2. Significant Changes in Project Planning

- **Generating Capacity**: The capacity of the plant is proposed as 1015 MW in the EIA report disclosed at JBIC (May 2000), and currently the project company has filed for the enhancement of the project capacity to 1200 MW (See Appendix 2). However, EIA with the capacity of 1200 MW has not been disclosed yet.
- **Height of Stack**: According to the EIA report disclosed at JBIC, the stack height would be 275 meters. However, the actual stack was approximately 200 meters high (See Photo 1).
- **Deforestation**: Approximately 300 acres of forest was logged down, although it is stated that the project site is not situated in forest area in the EIA report disclosed at JBIC.

## 3. Environmental Impacts

- **Suitability of Project Site**: The proposed site is not suitable to construct the coal power plant due to the following reasons (See Appendix 3).
  - **Wind Speed**: Due to low wind speed, the exhaust gas from the stack will not be dispersed as expected. Also, the data documented in the EIA report may be inaccurate.
  - **Acidity of Soil**: The soil in the area is lateritic, characterized by high acidity, and the strengthening of acidity due to the project will affect adversely on fauna and flora (See Photo 2).
  - **Ground Water Flow**: The ground water at the site flows close to the surface of the ground, and it is highly possible that waste water will be diffused into underground water vein at the fly ash disposal site and dispersed extensively (See Photo 3).

- **Venerability of Surrounding Ecosystem**: Despite not being designated as Ecologically Sensitive Area, the surrounding area of the project site is almost as venerable as Ecologically Sensitive Area since 12 out of the 13 Primary Criteria and 5 out of the 6 Auxiliary Criteria can be applied to it.
- **Analysis on Alternatives**: Alternative project sites' map in Appendix II of the EIA report were indicated wrongly, and it is doubtful whether those alternatives were reviewed properly.
- **Climate Control**: There is no consideration on mitigation measures against climate change in the EIA report.
- **EIA report on Aquatic Ecosystem**: The document "Marine Environmental Impact Assessment of Coolant Water Intake and Effluent Discharge from Nagarjuna Thermal Power Plant near Mangalore," which was mentioned on p7-9 in the EIA report, is not disclosed at JBIC (See Photo 4).
- **EIA report on Transmission Line**: The transmission line between Mangalore and Bangalore will be laid down to transmit electricity generated at the project. The coal power plant and the transmission line are inseparable, and environmental and social impact by constructing its transmission line should be also reviewed by JBIC. The transmission line will be running across the area with sensitive ecosystem, such as Western Ghats, and it may cause severe environmental impacts. However, EIA report on the transmission line is not disclosed at JBIC.

#### 4. Resettlement Issues

- **Problems at Resettlement Site**: Most of the local people, whose lands and houses were acquired due to the project, have already resettled. However, land rights have not yet allocated to them at the resettlement site. Also, the actual compensation was less than that explained before the resettlement.
- **Inadequacy of Acquisition Process**: When the last land acquisition at the project site was taken place on June 5, 2009, there were no prior notification, which is required under the Land Acquisition Act, and local people were forcibly expropriated from their land by approximately 2000 police officers. Yet those forcibly acquired on that day have not been compensated, and they are forced to rent a house on their own expense.

Consequently, it is obvious that Nagarjuna Coal Power Project has already been controversial, and these serious problems are potential violations of the JBIC Guidelines for Confirmation of Social and Environmental Considerations. Thus, JBIC should not finance this project unless all these problems will be solved appropriately. In addition, it is strongly

recommended that JBIC should conduct field research at the project site and have an opportunity to hear concerns from local people, NGOs and experts.

**Appendixes:**

1. Letter from Ministry of Environment and Forests to Project Company (Dated on October. 5, 2004)
2. Record on Environmental Clearance from Database of Ministry of Environment & Forests (<http://164.100.194.13:8080/ssdn1/>)
3. Note of the objections to the Nagarjuna power plant in Udupi District (Sagar Dhara 2007)