

OBJECTIVE—TO UNDERSTAND WHETHER AVAILABILITY OF LAND FOR BUILDING POWER PLANTS IS REALLY A CAUSE FOR CONCERN OR ARE WE OVERLOOKING AVAILABLE LAND-Is evacuation necessary?

Land is of basic importance and necessity when it comes to pre-requisites of power generation. Most of the projects get delayed or cancelled due to the effect of non availability of land at market prices. This paper deals with this subject. The first part deals with the need for power generation and is based on statistical evidence. We then study the essential requirements for building a power project. Then, based on historical events and facts we analyze that the availability of land is a severe challenge in growth of a power project. Lastly we look at the problem from the other side and contemplate whether this is really a problem.

Are we really short of land? Is land actually not available or are we overlooking the facts? Is it necessary to buy productive land from farmers at 10 times the market price to undertake rehabilitation projects thereafter? Or are we premitting what is available to us in such huge quantum, waiting to be explored?

The present scenario of Indian power industry suggests a dire need for growth in statistics of power generation. We experienced power supply storage of nearly 68168(MU) in the beginning of the 9th five year plan which has been increasing year on year. The current state of affairs reveals the fact that the peak demand is in tune of 116281 MW and a supply of 101609 MW which shows that there is a shortage of 14672 MW which converts to 12.6 %. The generation till January 2010 has been 638.1 BU which is in itself a fairly large amount but when compared to the demand it highlights the fact that along with looking at AT&C losses to meet the demand, it is also of utmost necessity to look at the core manufacturing of the product itself: 'generation' of power. Under the power programmes initiated in the country we clearly see that most of them concentrate on transmission and distribution sectors. Therefore through this write-up I wish to draw the kind attention of the authorities towards power generation, the biggest challenge to start a power generation project, to understand whether or not it is a real problem and whether we are still unable to look at the other side of the picture.

The region wise installed capacity statement 1 in the annual report of the Power Ministry of India states that the installed capacity (in MW) of power stations in the northern region is 40969 which indicates the fact that the northern region of the country is far behind the other regions as far as generation of power and capacity of power plants is concerned. If thought on

lines of progress, it indicates that the northern region still has much of the required potential to develop power wise and to support the government in its power initiative.

The installation of power plants is not an easy task in our country. The various stages of work and clearances which we need to go through have been touched upon in this part of the paper.

Step 1: Project identification: Depending upon the availability of a suitable site, a project is identified either by the government or the entrepreneur.

Step 2: Project allotment: The government puts a group of projects up for bidding, which sees participation from interested parties. Based on the lowest quotation, the government allots projects

Step 3: Pre-feasibility report: Once the project has been allotted, the entrepreneur is expected to carry out a study of the site and submit a pre-feasibility report to the government. If the project is not found to be viable, the government returns the earnest money it received at the time of the allotment.

Step 4: Detailed project report: If both parties are satisfied about the viability of the project, the entrepreneur works on a detailed project report that closely looks at aspects related to finance, technology, man power, etc.

Step 5: Techno-economic clearance: The detailed project reports are submitted to the government based on which and other aspects, the entrepreneur will have to get a techno-economic clearance from a committee of experts set up by the government.

Step 6: Environmental and other clearances: Only after the techno-economic clearance has been granted by the government, can the private firm approach various departments for clearances. These include the departments such as forest, wildlife, pollution control board, fisheries, PWD, revenue, etc. Local panchayats are also approached for relevant clearances.

Step 7: Financial closure: This involves arranging project finance, paying the relevant levies and taxes, and finalizing contracts for civil and mechanical work.

Step 8: Commencement of construction: With everything now in place, the work on the project is started.

* With inputs from AK Verma, Director, Himalayan Crest Power Ltd

As revealed from the above statements it is a crystal clear fact that selection of site and allotment of land is the first and foremost step on which the entire project depends. If site and land are in order only then the other steps would follow.

Out of these steps and clearances required to set up a project, I opine that the making land available is a herculean task. It poses a major challenge since there is many a stakeholder with varied forms in interest in the making this possible. The other problems (or clearances required in other words) are in form of a closed loop since the power of letting things happen and projects go through lies with people 'on the same side of the table'. They are to be taken from government bodies and since ours is a welfare state it is in the DNA of the government to look at both the positives and the negatives of such steps and then approve the proposals. But as far as land is concerned it poses a major challenge as the negotiating power of the evacuee cannot be overlooked at any cost. There could be many a reason for such opposition and can surface in any form, the major ones enumerated as under.

1. Social reasons- A very recent example of The Hiranandani group's proposed power project at Talegaon in Pune can be featured here, which met a huge roadblock when the residents of the entire region of the village Navlakh Umbre and Maval Taluka, where the project is planned en masse rose up in protest against the project. The reasons for them for doing so where-their worry about what would become of them, pollution and its effect on their lives, sufferings of their families and the future of their children, job opportunities, the company not walking the talk and others, added to these. My question here is- Is it necessary to evacuate an occupied area? Or are we ignoring something here which can solve this problem.
2. Financial reasons- DNA of April 27, 2010 says that the rising cost of 'Land' has put a question mark on the viability of CESC's 600 megawatt Haldia thermal power project in West Bengal. The RPG group power utility needs around 300 acres, where 230 acres have already been acquired. The project is getting delayed because the balance land is not yet in the company's hands. The entire land acquisition is being done by state government agencies. Sources close to the development said that in end-March there was a 40% increase in the land price. The price of land, which was ruling at around Rs 11 lakh per acre, shot up to Rs 16 lakh per acre. CESC is likely to get at least 50% of the required 70 acres at the revised land price in the next 15 days since the state government has already started distributing cheques to the landowners. But CESC requires a crucial 40 acres of these 70 acres for a train line to be laid for transporting of coal and fly ash to the plant. This particular land tract is proving to be elusive and may make or mar the project. The farmers who will be uprooted from the land on which the rail linkage is supposed to be laid want more money — around Rs 20 lakh per acre. If such kinds of things happen, it will be very difficult for the authorities to make the projects viable enough since the payback period will be longer and private players will be discouraged even more to undertake power generation projects of the subject industry.

3. Political reasons- Open the Orissa news for 29 May 2010 and find what it says “**We oppose farm land for power projects: BJP**”. It further says” While the steel project of Posco is hanging fire due to stiff resistance from the public over land acquisition, the BJP today announced its support to the farmers of Angul and Dhenkanal districts opposing acquisition of agricultural land in the Rengali right canal command area for independent power projects (IPPs). Three senior leaders of the party - KV Singhdeo, Bijay Mohapatra and Dharmendra Pradhan - questioned the rationale of acquiring over 3,000 acres of agricultural land in the command area of Rengali Irrigation Project. “There could be many obvious reasons for doing so, but I urge the authorities to think rationally and take the point-Is it necessary to build a project on an agricultural land which will be made available only after getting it evacuated?”

These kinds of actions can bring two fold negative effects.

One, that we are compromising with the availability of productive land and also with the food production statistics which could affect the supply for an ever increasing population of ours, and two that we are taking away from the evacuees, the right of living on their own land which is rather merciless.

These forms of opposition- whether with a sound base or baseless have been in the past and will be in the future, detrimental to the growth and progress of India.

Power industry is the backbone of and economy and especially a developing one. It gives impetus to its growth and if played with, can mar the growth story of a nation at any point of time.

The transmission section of annexure1 ‘existing inter-regional power transfer capacity (MW)’ of the annual report for the year 2009-10 of the Ministry Of Power talks about transmission lines region wise. We cannot ignore the fact that power is carried into the northern and far northern states from the eastern regions. Elsewhere in the same report I find written that evacuation from the eastern states is a big problem. Then why (may I take the liberty to ask) do we need to lay transmission lines of such a length which increase transmission losses and also pose a burden on the east? Why cannot the north (or any other region for that matter) produce its own power?

I wish to draw the authorities’ attention towards those vast tracts of land lying vacant and waiting to be utilized in projects such as the subject ones.

Since I belong to northern Punjab, I talk about the area within my reach which I have seen very closely since my childhood days, lying vacant and seemingly waste and having in itself a great potential to be utilized, waiting to be explored. I am a firm believer of the fact that such tracts exist all over the country. But I have taken the liberty to study the area within my reach.

I take the opportunity to talk about the land on both sides of the highway number 1A, the part between Pathankot and Jammu and then from Jammu to Srinagar.

I talk of a specific area between Jammu and Pathankot. I would want to introduce the authorities to the riverbed of an extinct river called “Basantar” which flowed near a small town of ‘Samba’. The river is extinct can be registered from the fact that an ‘Adarsh College Of Education’ has already been constructed in the riverbed itself.

ADARSH COLLEGE OF EDUCATION HAS BEEN BUILT IN THE RIVERBED.

Attached herewith is the satellite image as taken from google maps. The vast ‘empty’ land which can clearly be seen and has been highlighted is the subject land.



This land or other such pieces of land cannot be converted to cultivable land. If utilized in projects such as these, it would give relief to the biggest challenge of the Power industry-

- 1. Making land available for such projects without compromising with the prosperity of farmers who have to evacuate their land.**
- 2. Spend much more than the market prices to buy the land and get it evacuated.**
- 3. Compromising with using productive land elsewhere and playing havoc with the food production.**
- 4. Spending massive amounts for undertaking rehabilitation and resettlement programmes.**

The length of the bridge which we cross is about a mile and a half which according to the images is the narrowest part of the river. Imagine the vastness of the land which can be seen further down the image which has a diameter of nearly ten times the length of the bridge.



The land not only in river Basantar but also on both sides of Jawahar tunnel especially beyond it, and at Qazikund, which is flat can be utilized and the northern regions can have their own power generation capabilities.

Staying in the state of Srinagar as a child makes me realize how important it is for the country to provide electricity to these states. Jammu and Kashmir gets a voltage of barely equivalent to single phase of electricity in other states, that too electricity cuts are rampant in most of the areas. Shortage of electricity is one of the major causes of backwardness and under-development of Kashmir and Jammu districts. Education, technology, medical science and health-all are hampered due to this dearth. Political progress and development also suffers because of this. This scarcity attributes to the shifting of capital and secretariat from Kashmir to Jammu each year in winters. Hence the need of the hour is power generation in the north. Such states where tourism is as an industry the growth engine for incoming foreign exchange for the country, it makes it even more important.

Also social and political unrest is usual here. Such initiations could give respite to such incidents and can bestow strength to the government in power. Survey needs to be conducted and as earlier mentioned the whole area (and all such areas in the country for that matter) has to be explored to meet such opportunities.

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