

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:7574
ANSWERED ON:16.05.2002
710 MW KOEL KARO HYDRO PROJECT
KINJARAPU YERRANNAIDU

Will the Minister of POWER be pleased to state:

- (a) whether 710 MW Koel Karo Hydro Power Project in Bihar was originally conceived for benefit of Bihar and was handed over to NHPC in 1981;
- (b) whether the project has not been completed even now;
- (c) if so, the reasons for almost nil progress;
- (d) whether it is proposed to shelve this project; and
- (e) if so, the reasons therefor and the total amount spent by NHPC on this project?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (e) : The Koel Karo Hydro-electric Project (710 MW) in Bihar (now in Jharkhand) was originally approved in June 1981 at an estimated cost of Rs.444.67 crores at March 1980 price level to be executed by National Hydro-electric Power Corporation (NHPC). The project, however, could not take off on account of resistance from the local people to the acquisition of land, financial constraints and Rehabilitation & Resettlement (R&R) issues. In August 1984 a writ petition was filed demanding inter-alia a scheme for rehabilitation of the displaced persons resulting in a stay imposed by the Supreme Court. On submission of the R&R package, the stay was vacated on 6.2.1989.

2. In a meeting of the Central Empowered Committee (CEC) constituted by the Government for reviewing Central Sector projects making slow progress, held on 26.2.1997, it was decided that no further expenditure be incurred on the project without the approval of CCEA.

3. Based on the request of the Hon'ble Members of Parliament from Bihar, Ministry of Power took steps to revive the project. The Government of Bihar was requested to conduct survey of Project Affected Persons (PAPs) in order to enable NHPC in formulating the Environment Management Plan (EMP) in accordance with the guidelines of the Supreme Court. The Project now falls in the State of Jharkhand and the Government of Jharkhand has written to Ministry of Environment & Forests (MOEF) in June 2001, stressing that it would be essential to conduct fresh survey of PAPs to identify the actual beneficiaries for implementing the R&R plan.

4. The anticipated completion cost of the project is Rs.3223.68 crores. The tentative tariff at the completion cost would be around Rs.7.99 per unit. The cost of the project can only be firmed up after the actual beneficiaries have been identified and R&R plan approved based on the fresh survey. Orissa, West Bengal and Sikkim have declined to purchase power from the Koel Karo H.E. Project. The Power Purchase Agreement (PPA) earlier executed with Bihar will need modification, as the project is located in Jharkhand which is yet to sign PPA for the purchase of power.

5. The Government of Jharkhand had filed an affidavit in response to a Public Interest Litigation (PIL) (W.P. PIL No.3316 of 2001) filed by Deen Dayal Upadhyaya Smriti Kendra wherein the State Government had informed the High Court of Jharkhand that various issues and questions of far reaching importance and magnitude have to be taken into consideration and decided by the Government of Jharkhand before the State Government can take a definite stand on whether to construct the project or not. The issue inter alia relate to the acquisition of over 16,000 hectares private land as also taking possession of a large area of forest land. This would involve dislocation of a large number of families. The other major issues relates to the comparatively high tariff of power from the project and the project cost. The State Government also said that they would not be able to commit at this stage any time frame within which a decision could be taken in respect of taking up the implementation of the project. Keeping in view the difficulties expressed by the State Government in their affidavit, the Court dismissed the PIL on 22nd February, 2002. The expenditure incurred on the project till March, 2002 is Rs.51.07 crores.

