

In the absence of a well-laid down policy, land acquisition proved to be a major obstacle, derailing project development from its time schedule. Forest land clearances were received with delays ranging from 85 days to 295 days in many cases.

In a certain case, grid infrastructure for power evacuation was not installed well in time resulting in energy losses and deferment of royalty payments to the Government.

6.1 Land Acquisition

The National Policy for hydro-power development stressed on the need to insulate the project developers from problems arising out of land acquisition and resettlement and rehabilitation (R&R) issues. It clearly specified that the responsibility of the concerned State Government with regard to land acquisition covering all kinds of land i.e government, private and forest, for the projects would be in terms of the provisions made in the power policy of the concerned State.

However, audit analysis revealed that the policies promulgated by the GoU for all the three categories of hydro power projects, were found to be silent on the issue of land-acquisition; as is evidenced from the findings discussed below:

6.1.1 Private land

For projects with a capacity of more than 100 MW, the policy stated that the State Government will provide necessary assistance to the project developer with regard to rehabilitation of persons and families affected by the project. The policy document contained a reference to the R&R policy of the State. However, audit noticed that no such policy has been laid down by the GoU as yet. As intimated by UJVNL, R&R policy for hydro power projects in Uttarakhand has been framed, but is awaiting approval.

As a result acquisition efforts were beset by delays as varied demands of the affected people viz. for employment in lieu of land and land at places of choice in lieu of acquired land could not be resolved. This converted into undue delays for many projects. Like Audit noticed that the project at river Alaknanda, being developed by GMR involved acquisition of 5.415 hectares of private land affecting 134 families. The developer failed twice in negotiating terms and conditions for acquiring land and the matter remained unresolved as of August 2009.

6.1.2 Forest land

The policy document for projects below 100 MW made UJVNL responsible for providing assistance to project developers in obtaining the necessary clearances for forest land in a time-bound manner.

As per the Forest (Conservation) Act, 1980 every user agency who wants to use any forest land for non-forestry purposes, shall seek prior approval for transfer of forest land from Ministry of Environment and Forest (MoEF), Gol. In terms of the procedure laid down, the process of obtaining clearance for transfer of forest land should be completed within a period of 150 days from the date of submission of the proposal for requirement of forest land to the concerned DFO. Ninety days have been given

for finalization of the proposal at the State level and 60 days for obtaining final clearance from MoEF, Gol.

Scrutiny of records revealed delays ranging from 85 days to 295 days in getting forest clearances as detailed in the table 13.

The delays were mainly attributed to the time taken by the project developer in providing vital information for filling up the proposals. Time is also taken in obtaining follow-up reports from the project developers on the conditions laid down by the MoEF, Gol while granting 'in principle' approvals. It is only on receipt of follow-up reports that final approval for transfer of forest land is granted by the MoEF, Gol. Thus, such delays not only resulted in derailing project development from its time schedule but also deprived the State supply of electricity.

On being pointed out the State Government assured that as far as the delays at State level are concerned, it will be looked into and streamlined. The delays at Gol level will be taken up with the concerned Ministry at the appropriate level.

6.2 Power Evacuation facility

In terms of the policy for hydro-power projects, the Government is mandated to provide power evacuation facilities through the Uttarakhand Power Corporation Limited/Power Transmission Corporation of Uttarakhand Limited (UPCL/PTCUL) grid beyond the inter-connection point between the grid and the project's transmission line. Even the Central Electricity Act advocates a well planned transmission system for optimal utilization of generating facilities and for secure and reliable grid operation.

There are many constraints - forest, environmental, rehabilitation and availability of space in establishing power evacuation facilities that need to be dealt with effectively. An integrated approach in this regard is essentially required so that creation of evacuation facilities is synchronized with commissioning of power plants. The following case is an example of the consequences of not doing so.

Audit scrutiny revealed that the Hanuman-Ganga project was completed in September 2003, but UPCL provided facility for evacuation of power only in March 2005. This delay caused

Table : 13

NAME OF THE PROJECT	DATE OF RECEIPT OF PROPOSAL	DATE OF SUBMISSION TO MOEF BY NODAL OFFICE	DELAY (DAYS)	DATE OF FINAL APPROVAL	DELAY (DAYS)	COMBINED DELAY (DAYS)
Debal	18.5.2004	12.8.2004	--	15.3.2005	156	156
Agunda Thati	1.1.2004	9.3.2004	--	26.2.2005	295	295
Birahi Ganga	24.12.2004	16.6.2005	85	26.9.2005	43	128
Bhyunder Ganga	9.5.2008	6.12.2008	122	19.1.2009	--	122
Bhilangana-III	18.9.2006	22.11.06	--	15.4.2007	85	85

Source : Information extracted from the records of CCF & DFOs.

an energy loss worth Rs. 6.22 crore²⁹ and deferment of royalty payments by 18 months, besides depriving the State from the benefits from the project.

Thus, non-installation of grid infrastructure for power evacuation, in time, resulted in energy losses and deferment of royalty payments to the Government.

On being pointed out (November 2009) the State Government accepted that due to this, UPCL had to compensate Rs. 6.80 crore to Hanuman Ganga Power Project.

Recommendations

- ◆ *The State Government may urgently constitute a nodal authority for addressing the problems of land acquisition, forest clearance and resettlement & rehabilitation for all the projects.*
- ◆ *It is an essential requirement that reliable grid infrastructure should be made available well before the expected synchronization of the hydropower projects to avoid energy losses in absence of evacuation facilities.*

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²⁹ Average monthly generation of year 2006-07: 13,83,575 kwh * 18 * Rs. 2.50 = Rs. 6.22 crore.