GEORGIA TODAY

Economy

Issue #588
18.11.11 - 24.11.11

SpyLoG
247339
TOP.GE 204
94

DEVELOPED BY WEBO STUDIO

Khudoni hydro-power plant controversy continues

Print version

Enlarge This Image



The prospect of the second biggest hydro-power plant being constructed in Georgia (Khudoni) has spurred public controversy for the second time since 1979. In Soviet Georgia, construction was suspended as a result of a wave of national movements and the protests over environmental concerns in 1989.

Aiming to start construction on the 740 Megawatt capacity Khudoni hydro-power plant, which envisages a 205meter-high concrete arched dam and a 3.5 mln cubic meter artificial reservoir in April of 2012, Trans Electrica Ltd, an Indian company, has signed a deal with the Ministry of Energy and Natural Resources of Georgia.

If the Environment and Social Impact Assessment document of the Khudoni project is approved by the Ministry, the construction will be launched. The hydro power plant will require 528 hectares of the highland Svaneti region to be covered by water, burying more than 260 families and others from adjacent settlements, as well as an 11th century church which was renovated in early 90's and a village cemetery.

While attending a meeting with the interested public along with Trans Electrica officials on November 11, Deputy Minister of Energy and Natural Resources, Mariam Valishvili once again underlined that the Georgian government is sticking to this gigantic hydro-power plant project as it will "best meet" the ever-increasing demands on energy consumption.

Presently, Georgia has 47 small and medium sized HPPs and 6 large plants generating 2,700 Megawatts (slightly over 3,000 Megawatts of total installed capacity). This is enough energy to satisfy local needs; Georgia will only be required to import electricity seasonally during the winter months, as Georgia exports abundant electricity in the summertime. However, the government says there is the potential for an additional 20,000 Megawatts to be generated.

"We are willing to use our own resources in order to ensure our energy independence," Valishvili said and added that another key goal is to boost [Georgia's] electricity export potential.

V.K.Sharma, the Technical Manager of Trans Electrica Ltd. said at the meeting that the positive role this plant can play in the local economic and infrastructure development of the Svaneti region is two-fold.

"Investment of more than one billion dollars in the project will portray Georgia as a stable economy and will kick-start similar investments in other sectors," Sharma said. Out of this sum, as the company later reported, 35% will be invested as equity and the remaining 65% will be in the form of debt attracted from major financial institutions from "across the world."

These arguments still left some of the audience members skeptical - mostly those from the civil sector and environmentalists, who say they are against the construction.

Manana Kochladze, the Head of Green Alternative, a Tbilisi-based environmental NGO, does not seem to be confident in the economic viability of the project. She told *Georgia Today* that "the only gain our state can obtain from the Khudoni project is an increase in export balance."

In her recent analysis in *Liberali Magazine*, a Georgian weekly, Kochladze condemned the so called 'Build, Own, Operate' principle of the project: "As per contract, between the company and the Georgian state, the latter requires a lot of commitments: The land required for project operation will be forwarded to the implementer for a symbolic price; one dollar. In addition, the government takes responsibility to compensate for material losses in the case of legislation changes. Despite these terms, the state does not request any share or bonus, even in the form of free electricity, which is a common practice with hydropower projects," she writes.

One of the crucial concerns about the project is that it would require the newly-built central

One of the crucial concerns about the project is that it would require the newly built central road to Mestia to be submerged under water and environmentalists complain that construction of the new, technically more sophisticated road is not considered in the existing cost estimates.

To assess the possible negative and positive impacts from the proposed project, a group of 22 scientists are engaged including the CENN-Caucasus Environmental NGO Network and the Association for Protection of Landowners Rights, which is working on the resettlement plan.

Resettlement challenge

Before 1979, the number of upper Svaneti residents reached 250,000 but this figure has shrunk by 60%, said Zura Nijaradze, a teacher from Khaishi during a meeting with the investor in Svaneti.

"The reservoir will cover not only Khaishi but paralyze its adjacent villages too" he added. "Energy security is crucial and all the aspects or risks of the project must be studied with scrutiny, but I do not feel any solidarity from you."

A few days later at the meeting in Tbilisi, he reminded everyone that the foremost priority must be a country's citizens and the first issue to be resolved must be the human factor.

"I ask you to imagine your own selves in our shoes, like you are forced to be evicted and leave your ancestors' crypt under water," he said.

Manana Kochladze of Green Alternative told *Georgia Today* that the local residents have no guarantees from any party, which is a matter of concern. "The only responsibility the state takes according to the contract signed with the company is that it will assist Trans Electrica Ltd in preparing a resettlement plan".

The environmentalists' concerns do not end at this point, however. In the statement, Green Alternative explains how the Khudoni project will affect the environment and Svaneti's bio-diversity "dramatically."

The organization predicts that the construction would contribute to river habitat loss, degradation of endemic species of flora and fauna; water quality, the natural flood regimen and the local climate; Precipitation and cloudiness will decrease and the impact will extend to a 5 km radius influencing the climate on the whole territory of Svaneti.

By Salome Kobalava
18.11.2011


Add a comment...
Post to Facebook
Posting as Natalia Ksovreli (Change)
Comment

Facebook social plugin

Top | **Go Back**

Top of Page

Copyright ©2006, "Georgia Today"
Using materials of the site the reference on "Georgia Today" with the indication of the author is obligatory
Webmaster