

**ALL INDIA POWER ENGINEERS FEDERATION (AIPEF) and
NATIONAL CONFEDERATION OF OFFICERS ASSOCIATIONS OF
CENTRAL PUBLIC SECTOR UNDERTAKINGS (NCOA)
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PRESS STATEMENT FOR FAVOUR OF PUBLICATION - Dated 9th May 2011

**STOP THE DANGEROUS NUCLEAR VERSION OF
THE ENRON'S DHABOL FIASCO**

Executive Summary of the Press Statement

The engineers of the power sector and the officers of the Central Public Sector have in a joint statement said "No sane power engineer, anywhere in the world, would envisage an almost 200 times increase in nuclear power within 41 years [from the present 3.8 Gigawatt (e) to 655 Gigawatt (e)]. Such an increase has not been achieved anywhere in the world". The statement warns that "such a large expansion would be impossible without compromising quality and safety..... The Prime Minister has agreed to French reactor even without design and safety features being presented and approved by the Atomic Energy Regulatory Board" The statement asks, "in the case of Jaitapur, where would the manpower be trained when there is no EPR nuclear power plant in operation anywhere in the world?"

The statement signed by Shri Padamjit Singh President, All India Power Engineers Federation and Shri K Ashok Rao President, National Confederation of Officers' Associations has said that "when political decisions have already been taken at the level of the Prime Minister and Mr. Sarkozy the French President is himself pushing the French reactors no purposeful negotiations are possible at the official level. All that the officers can do is sign on the dotted line. Consequently, the French nuclear plant would cost upwards of Rs.22 Crores per MW against its Indigenous equivalent nuclear plant at Rs 8 Crores per MW"

The joint statement questions the fuel-energy policy. "who is determining India's fuel-energy balance and the strategy for India's energy security? Dabhol was intended to be a major customer of Enron 20-year contract for 2.1 million tons/year of Liquefied Natural Gas LNG and the nuclear expansion, in the words of Dr. Condoleezza Rice, is meant for *"Diversifying India's energy sector will help to alleviate the competition between India, the United States, and other rapidly expanding economies for scarce carbon-based energy resource"*

Drawing a parallel with the Enron's Dhabol Power plant the statement says, "**It is the very same politicians in the Government and the opposition who facilitated ENRON's Dhabol project and later absolved themselves of any responsibility for the fiasco. They would do the same in the case of Jaitapur nuclear power plant....while the Dhabol power plant left losses of few thousands of crores of rupees, a Jaitapur nuclear power plant will in addition leave behind a few lakh dead, injured and displaced Indians"**

The Power Engineers and Officers of the Central Public Sector Undertakings have demanded a judicial enquiry, under the Commission of Enquiry Act, into the loss of thousands of crores of rupees due to the Enron sponsored Dhabol power plant and the summary rejection of the, nationally accepted, Homi Bhabha's three stage development plan for nuclear power and its substitution with large scale import of high cost, nuclear power plants.

TEXT OF THE PRESS STATEMENT

The All India Power Engineers' Federation (AIPEF) and The National Confederation Of Officers' Associations Of Central Public Sector Undertakings (NCOA) **Demand**

A judicial enquiry, under the Commission of Enquiry Act to

1. Enquire into the loss of thousands of crores of rupees due to the Enron sponsored Dhabol power plant and fix responsibility for the loss.
2. Examine the reasons for the summary rejection of the, nationally accepted, Homi Bhabha's three stage development plan for nuclear power and its substitution with large scale import of high cost, nuclear power plants
3. Review to ensure adequate safeguards so that no accidents threaten the environment and people in the country.

How did the Indian Prime Minister agree to a framework agreement?

How the Indian Prime Minister agree to a framework agreement being signed (commercial agreement is expected to be signed by Mid-June for Jaitapur) **without**

- a) The design and safety features being presented and approved by the Atomic Energy Regulatory Board.
- b) Compliance with para 5.1 of the Tariff policy that mandates that all future requirement of power should be procured competitively. (Especially when it is known that the French nuclear plant would cost upwards of Rs.22 Crores per MW against its Indigenous equivalent nuclear plant at Rs 8 Crores per MW)
- c) Creating adequate manpower (that too when no training opportunities exist anywhere in the world since there is no EPR nuclear power plants in operation anywhere)

Insane nuclear power policy

No sane power engineer, anywhere in the world, would envisage an almost 200 times increase in nuclear power within 41 years [from the present 3.8 Gigawatt (e) to 655 Gigawatt (e)]. Such an increase has not been achieved anywhere in the world. Even if such a programme were to be realised where is the trained manpower or qualified contractors? Without compromising quality and safety it would be impossible to have such a large expansion based on imports from different countries with reactors designed to different philosophies, practices and standards.

Who decides India's fuel policy?

The question we would like to ask is who is determining India's fuel-energy balance and the strategy for India's energy security?

Enron had a 20-year contract for 2.1 million tons/year of Liquefied Natural Gas LNG with two Middle Eastern suppliers and Dabhol was intended to be a major customer for that. And in the context of the Indo – United States Civil Nuclear agreement Dr. Condoleezza Rice the then US Secretary of State, asserted in the US Senate that *“Diversifying India's energy sector will help to alleviate the competition between India, the United States, and other rapidly expanding economies for scarce carbon-based energy resource”* And further, *“Help India meet its rising energy needs without increasing its reliance on unstable foreign sources of oil and gas, such as nearby Iran”*.

Whose interests are served?

For the Dhabol Power plant, violating Section 29 of the then Electricity (Supply) Act 1948, the Central Electricity Authority (CEA) was directed not to give a techno-economic approval but to restrict its purview only to technical clearance, while Shri Montek Singh Ahluwalia, the then Finance Secretary, usurped CEA's powers and gave economic clearance for the project. The

very same Shri Aluwalia, now Vice Chairman, Planning Commission, has tailor-made an Integrated Energy Policy to justify large scale import of nuclear power plants including the one being set up at Jaitapur.

First an agreement at the highest level then sham negotiations

Not just in India, but nowhere in the world would there be purposeful negotiations at the official level when political decisions have already been taken at the level of the Prime Minister. All that the officers can do is sign on the dotted line. In the case of Dhabol almost the entire US government – from Commerce Secretary Brown, to Energy Secretary Hazel O’Leary to Secretary of State Colin Powell to Vice President Cheney (with the US Ambassador to India constantly threatening India with withdrawal of foreign investments) were involved. Mr. Sarkosy the French President was himself in India pushing the French reactors. Consequently, the French nuclear plant would cost upwards of Rs.22 Crores per MW against its Indigenous equivalent nuclear plant at Rs 8 Crores per MW”

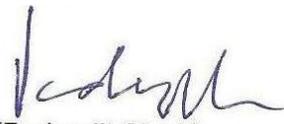
Violation of human rights

Human Rights Watch produced evidence of ENRON lending the police its helicopters as well as direct payment to the police. Amnesty International found that local protests however peaceful were liable to “harassment, arbitrary arrest, preventive detention.” The National Human Rights Commission of India (Enquiry Report, July 1997) determined that the human rights violations committed by the police were due, in part, to an order given by the then Maharashtra Chief Minister Manohar Joshi *“to deal with the situation...firmly or else the wrong signal would be conveyed to the business world”* This time it’s a different Chief Minister but the cause being served, as well as the methods being used to suppress dissent are the same.

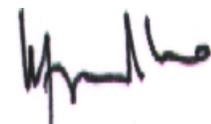
It is the very same politicians in the Government and the opposition who facilitated ENRON’s Dhabol project and later absolved themselves of any responsibility for the fiasco. They would do the same in the case of Jaitapur nuclear power plant.

There is no mystery about the nexus between the politicians and the foreign vendors. In the case of Enron it is well established that \$20 million “education fund” was made available to prepare the way for the project. The equivalent figure for Jaitapur will come into public domain sooner or later.

In national interest, we professionals in the power industry, demand a proper enquiry and transparency in respect of energy policy and more specifically that relating to the nuclear issues that are agitating the minds of the people. **We warn that while the Dhabol power plant left losses of few thousands of crores of rupees, a Jaitapur nuclear power plant will in addition leave behind a few lakh dead, injured and displaced Indians.**



(Padamjit Singh)
President, AIPEF



(K Ashok Rao)
President, NCOA