

Dear Prospective Bidder:

The 4000 MW Cheyyur UMPP is unlikely to materialise. As a potential bidder, it is important that you are fully conversant with the risks associated with this project.

The entire site selection and impact assessment processes are fatally flawed as they are based on fraudulent statements and incomplete analyses. The risks are heightened as the project proponent has commenced land acquisition based on fraudulent claims regarding site selection.

These flaws expose the project to serious risks in the lawsuits against the project clearances that are currently ongoing in the National Green Tribunal, Chennai. The National Green Tribunal, Chennai, has also issued an interim order dated 3 October, 2013, restraining M/s Coastal Tamil Nadu Power Ltd from “giving any final award of the work to any third party in respect of any part of the project until further orders of the Tribunal.”

Further, the project is located in an ecologically sensitive area, rich in water and fisheries resources. In fact, with more than 80 irrigation tanks, Cheyyur Taluk – where the power plant and ash pond – are to be located is known as a water hotspot. Several vigilant citizen groups from Pondicherry and Tamil Nadu are already engaged in the task of collecting baseline environmental quality information, with a view to continuously monitoring the environmental quality. Any potential bidder must also consider the inevitable risk and exposure arising from lawsuits for loss and restoration of ecology.

Already, prosecution proceedings are being pursued against officials of Coastal Tamil Nadu Power Ltd, its project consultants, and regulatory officials and experts who have made fraudulent statements, falsified evidence or processed the applications for statutory clearances on the basis of such information.

In addition to all this, prospective bidders also need to be aware that land-losers are already agitating for higher land prices under the newly enacted Land Acquisition and Rehabilitation and Resettlement Act.

We urge you to consider visiting the project site and verifying for yourself the claims made in the enclosed report before incurring the expense of bidding for this ill-fated project.

An abstract of fraudulent statements is pasted below for your quick reference.

Sincerely,

350.org, New Delhi  
India Climate Justice, New Delhi

National Alliance of People's Movements, New Delhi  
All India Forum of Forest Movements, New Delhi  
Delhi Solidarity Group, New Delhi  
Bharat Jan Vigyan Jatha, New Delhi  
Beyond Copenhagen Collective, New Delhi  
Community Environmental Monitoring, Chennai

**Fraudulent Statements and Misrepresentations Used by Coastal Tamil Nadu Power Ltd to Facilitate Environmental Clearances for 4000 MW Cheyyur Ultra Mega Power Plant**

| <b>LIES</b>  | <b>TRUTH</b>  |
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| There are no sensitive ecosystems, including estuaries, in the vicinity of the project   | <i>The site is surrounded by sensitive ecosystems (all within 10 km radius of the project) – sand dunes, kazhiveli (lagoons), mangroves and seagrass – are all identified as ecologically sensitive in the Coastal Regulation Zone Notification, 2011.</i>  |
| There are no areas containing scarce resources such as surface or ground water in the vicinity of the project.   | <i>The area is dotted with nearly a 100 tanks, ponds and waterbodies, including the Vedal eri, Chittarkadu eri, Arkadu eri, Boothoor eri, Palaiyur eri, and several Vanchi kulams (spring-fed ponds). The Tamil Nadu Public Works Department identifies 82 irrigation tanks in Cheyyur Taluk, which together irrigate more than 16000 acres of farmland.</i>  |
| The site is barren, and has minimum agricultural land.   | <i>Agriculture is the mainstay of the local economy. According to the Expert Appraisal Committee's (MoEF) meeting minutes, "Land requirement [for the project] will be 416.45 ha, out of which 342.62 ha is agriculture land ." By the EAC's own admission, more than 80 percent of the site chosen is agricultural land.</i>   |
| The power plant site was visited and selected by the site selection team of the Central Electricity Authority in October 2006.   | <i>It is true that a team of the CEA visited Cheyyur to assess a site for the UMPP. However, the site visited by the CEA team was at an entirely different locations, and centred around the village Cheyyur of Cheyyur Taluka. The previous project location and current location are non-overlapping, with the latter falling in Vedal, Chitarkadu, Gangadevankuppam, Cheyyur B, Vilangadu, Kokkaranthangal, Vilambur and Panaiyur villages.</i>  |
| Panaiyur was chosen as the site for the port based on an inspection by a multi-departmental team.  | <i>Documents obtained through RTI including minutes of meetings held by Chairperson, Tamil Nadu Electricity Board, and the Chief Secretary, Government of Tamil Nadu, reveal that successive interdepartmental teams that undertook site selection visits had rejected Panaiyur site as unsuitable for the location of port. PFC was directed to locate the port at Tharuthazhaiyur. Contrary to this direction, however, Power Finance Corporation has sought clearance for the rejected site.</i> |
| The 650 metre shorefront proposed to be used for the port is empty and unused by local fisherfolk.   | <i>Fishermen from Chinnakuppam and Periakuppam use the above shorefront. People from inland villages too use the beach for shore-based fishing using hook and line, and hand cast nets.</i>   |
| The local seas are not significant fishing grounds. All villages in the vicinity, including Tharuthazhaikuppam, Chinnakuppam, Periakuppam and Kadapakkam together only land 50 tonnes of fish per month. | <i>At least 8 villages – from Paramankenikuppam to Alhambraikuppam – are entirely dependent on the local seas. Several thousands of people, including people from as far off as Kalpakkam, fish in the kazhivelis during the monsoon. This cannot be dismissed as insignificant. The 13 launch boats in Kadapakkam alone catch a minimum of 3 tons daily (or about 90 tons/month).</i>  |
| There are no fish breeding or feeding grounds in the vicinity of the project site.   | <i>The Mudaliarkuppam estuary and the Alhambrai estuary are important sites for fish breeding. Further, the seagrass and mangrove ecosystems of Yedayanthittu/Alhambrai estuary are recognised as ecologically sensitive also owing to their role as</i>  |

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|   | <i>feeding grounds for fish. A study commissioned by the proponent, and conducted by the Centre for Advanced Studies in Marine Sciences, Annamalai University, has concluded that the Cheyyur Lagoon/Mudaliarkuppam estuary is a significant feeding and breeding ground for fish.</i>   |
| <p>The fisherfolk in the area are only artisanal. Industrial or mechanised fishing is not prevalent.</p> <p>The project will only have a localised effect, and will not affect fisheries production of the state.</p> | <p><i>At least 15 mechanised boats operate at Alhambrai. All boats, including artisanal boats, catch export-quality fish, which is routinely picked up by traders that visit all the kuppams. In any case, the fact that fishing is only artisanal is to be celebrated as artisanal fisheries are far more sustainable than industrial fishing.</i></p> <p><i>The project will affect not just marine fisheries, but also Cheyyur Taluk's substantial inland fisheries. It is shocking that while the project proponent admits that the project will have a local effect, it dismisses this as insignificant since only this region's fisherfolk will be sacrificed and that the State will not even notice it. The fish from this region is exported and sent to distant markets in Chennai, Pondicherry and Kerala. Contamination of fish is not merely a local problem.</i></p> |
| <p>There are no mangroves, seagrass beds near the project area.</p> <p>The number of "migratory birds" in Cheyyur Lagoon is "negligible."</p>   | <p><i>The Alhambrai estuary and Yedaianthittu lagoon both within 10 km of the project site, have mangroves and seagrass. A study commissioned by the proponent, and conducted by the Centre for Advanced Studies in Marine Sciences, Annamalai University, has reported extensive presence of seagrass beds in the Cheyyur Lagoon.</i></p> <p><i>A 20-year study done by a Pondicherry-based birdwatcher has recorded upto 22,000 birds in the lagoon on one occasion. The Alhambrai estuary and Yedaianthittu kazhiveli, near Marakkanam is part of the Kaluvelli tank complex, which is an internationally recognised bird area. Birds from faraway countries, including Siberia come here in winter months.</i></p>   |
| <p>There are no sand dunes in the project area for the port, and the land where the port is set to come up is entirely flat.</p>  | <p><i>The port site, and most of the route taken by the coal conveyor and stormwater drain will be over sand dunes.</i></p>  |
| <p>Nesting of Olive Ridley sea turtles is only sporadic, and no nests were observed in the nesting season of 2010-2011 in the Panaiyur beaches, according to a study conducted by NIOT.</p>                           | <p><i>A study conducted by Tree Foundation, Chennai, found 1217 eggs in 15 nests in a 3 km stretch of beach starting from Periakuppam in the 2010-2011 nesting season.</i></p>   |
| <p>The shoreline at Panaiyur is "fairly stable."</p>  | <p><i>A study by the Ministry of Environment &amp; Forests concludes that Panaiyur beach is prone to erosion.</i></p>  |
| <p>Mercury emissions to air are 1.1 mg per day.</p>   | <p><i>The power plant could end up releasing up to 46 kg of mercury into the air if run on Australian coal. To put things in perspective, 1 gram of mercury is sufficient to contaminate a 25 acre lake.</i></p>   |