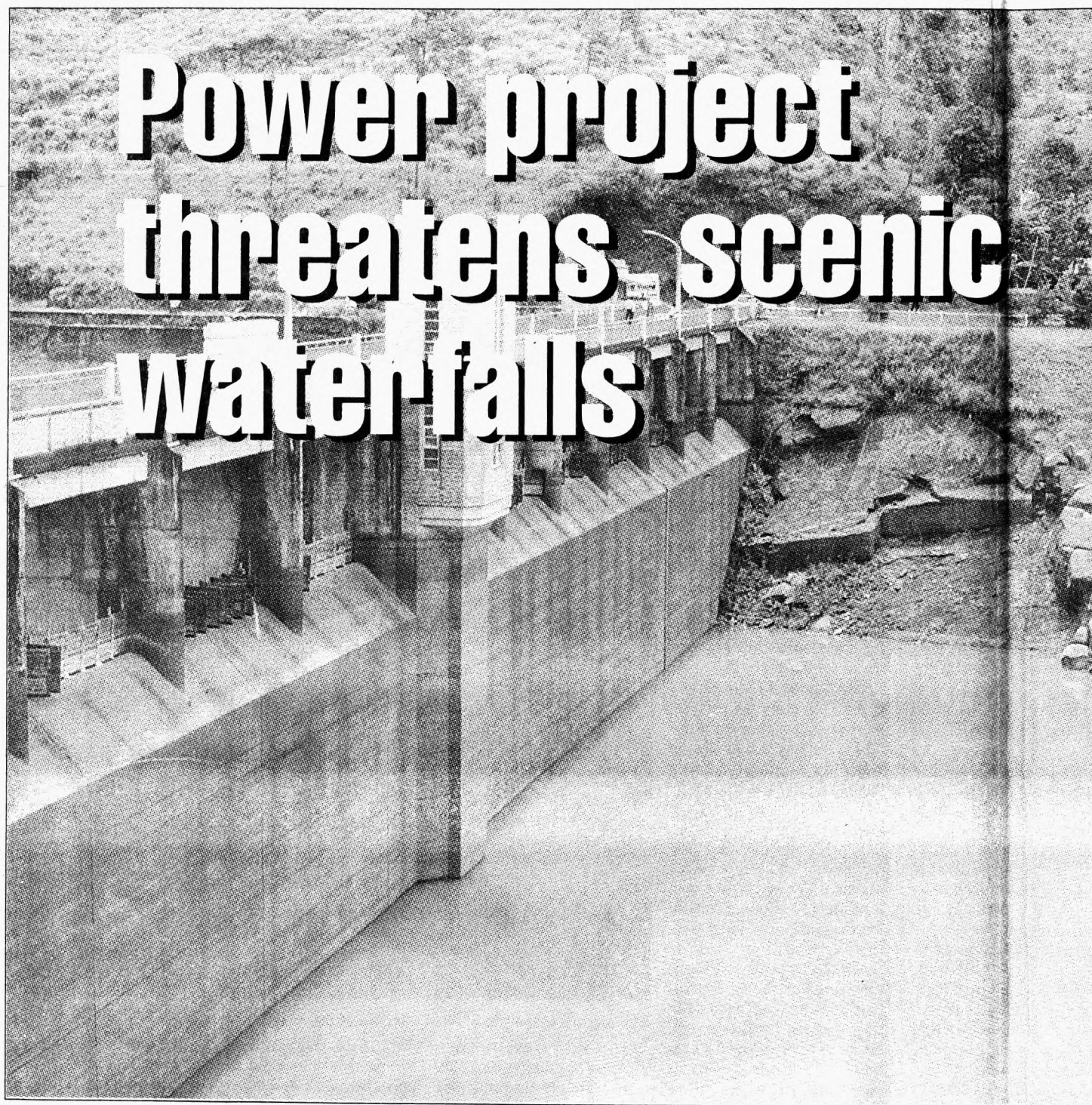


FEATURES

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Power project threatens scenic waterfalls



By Feizal Samath

A semi-government Sri Lankan think tank institute has suggested, in a recent study, that it is not feasible for the government to go ahead with the Upper Kotmale hydropower project based on current economic values of waterfalls.

Seven beautiful waterfalls are threatened under the proposed Upper Kotmale hydropower project (UKHP) and environmentalists have voiced concern over the project.

The Environmental Foundation Ltd. has challenged the project in court on the grounds that the waterfalls should be preserved. Project work appeared to have been stalled due to protests.

The study by the Institute of Policy Studies (IPS) has recommended that the "uncertainty associated with the decision to implement UKHP, relative to the policy objective of minimising the adverse effects on the environment, is too high for a prudent decision-maker to approve UKHP."

It also lamented the absence by state agencies of investigating other hydropower options that don't affect the beauty and flow of waterfalls, and said there was a need to do this.

Researched and authored by Malik Ranasinghe, associate professor of the Civil Engineering Department of the Moratuwa University, the IPS report deals with UKHP as a test case in an exhaustive analysis on unique natural, environmental and cultural assets threatened by infrastructure projects.

While the assessment is highly technical in nature, it appears to support the environ-

mental lobby's basic premise that the government should abandon the project and look at other power options.

"What I am saying is that it is not economically feasible to decide on this project since the economic value placed on waterfalls is just an assumed rate and not an actual one," Ranasinghe told *The Sunday Times Business*, in explaining his study.

He said the situation would be different if there was an actual economic value placed on the waterfalls.

The objective of the IPS study was to develop a framework for prudent decision-making regarding the implementation or rejection of an infrastructure project that threatens natural resources or cultural assets.

It was also intended to develop a method of quantifying the risk and uncertainty associated with the project, and analyse the impact on policy decisions for electrical power generation when faced with such a situation in the electrical power sector.

IPS said that when natural or cultural assets were threatened by development projects, there were disputes as to which should be sacrificed - the asset or the development project.

"The problem is that there are no clear and easy methods to value these assets, which in most cases involve emotional issues," the report said.

It cited the Upper Kotmale project, about 100 km north-east of Colombo, as an example of the growing conflict between the need for development and preservation of a natural environmental asset.

Total estimated hydropower potential in Sri Lanka is about 2,000 megawatts (MW). Of

this 1135 MW has been already installed. Of the remaining hydropower development in Sri Lanka, estimated at 877 MW, the Upper Kotmale project with a capacity of 248 MW is one of the most important. The cheapest and cleanest source of energy in Sri Lanka is hydropower.

The report noted that the environmental issues relating to the UKHP had to be given careful consideration since the project area was well developed with tea estates and a relatively high-density population against a backdrop of beautiful waterfalls.

It also argues that if the next best thermal plan is implemented instead of the economically more feasible UKHP, there is a loss to the economy equivalent to the next present value of UKHP.

In addition there would be environmental costs due to thermal power generation.

But the IPS report noted that one of the problems associated with energy in Sri Lanka is the failure to look at hydropower options that don't tamper with waterfalls.

"This practice of ignoring another hydropower option that may not affect waterfalls or a threatened asset, or a combination of a smaller hydropower option that may not affect the waterfalls with thermal option, as possible 'next best' alternatives is a major shortcoming of the economic analysis in the power sector in Sri Lanka," the report said.