

Comments on the Caojie Hydropower Project (China)

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Project Overview:

- **Status:** Under construction
- **Location:** Jialing River, Chongqing City
- **Project Participants:** Japan (Mitsubishi Corporation); Chongqing Navigation Construction and Development Co. Ltd.
- **Total Installed Capacity:** 500 MW
- **Cost:** 5.33 billion yuan
- **Claimed Emission Reductions:** 1,595,171 tCO₂e/year (47,855,130 tCO₂e over 30 years)

Summary of Concerns

The large Caojie Hydropower Project in Chongqing City is non-additional and has a number of unresolved disputes over inadequate compensation for lost land. There are serious concerns over the project's public participation process as well. Caojie should not be validated as a CDM project.

Additionality

Exploration work on Caojie began in 2003. The Project Design Document (PDD) states that construction started in November 2005, and that the dam is expected to start generating electricity in February 2010. It is extremely unlikely that a dam that is already so close to completion would not be completed unless it were to receive CDM credits. The PDD does not attempt to justify with any extenuating circumstances why at this stage CERs are required for project completion.

The PDD states that the developers decided to apply for CDM credits in May 2005. Purchase agreements for turbines and generators were signed six months later. However, just because the developer decided they would like to make money from selling CERs in no way proves that this was necessary for the project to move forward. In May 2005, no large hydro project, no large energy generation project, and no project in China had yet been registered by the CDM. It is not credible that the developer would have committed themselves to an investment of many hundreds of millions of dollars at this time if its viability was dependent on future CDM validation and registration.

The Caojie project is also a recognized part of the massive North-South Water Transfer Project, intended to siphon water from the Yangtze to the Yellow River.¹ The PDD makes no mention of the water transfer scheme. No assessment of Caojie as additional

¹ <http://en.epochtimes.com/news/7-5-4/54876.html>

can be legitimate without a detailed consideration of how its integration in the water transfer scheme impacted the decision to build the project.

Common practice analysis

Hydropower is common practice in China. Installed capacity was 172,000 MW in 2008. The China National Energy Strategy and Policy 2020 developed by the Development Research Center of China's State Council indicates plans to build 7,000-9,000 MW of hydropower annually through 2020.

The PDD states, "there is no hydropower equipment and system around the proposed project site on Jiangling[sic] River" (p2). However, there are already over 100 hydropower projects in the CDM pipeline in bordering Sichuan Province (most are probably complete or nearing completion).² Chongqing itself is building numerous large hydropower plants, including Caojie. These include Pengshui (1,400 MW), Shidi (400 MW), Renhe (173 MW), Haokou (300 MW) Jiangkou (100 MW), Tengzigou (33 MW), Yujiankou (30 MW), Dizidong (36 MW), and Daxihe (20 MW). Hydropower projects are clearly common practice in Sichuan and Chongqing. Thus, Caojie should fail the common practice test of additionality.

Complaints Over Land Compensation

The PDD claims "there is no flooded effect involved with the proposed project" (p32) but fails to name the number of resettled and affected people. Various Chinese news reports show that the number of people evicted is significant. Four towns in Beibei, Hechuan, Tongliang prefectures and Sichuan's Yuechi prefecture were inundated. More than 7,000 villagers are being resettled and in total 9,281 people's livelihood will be affected.

The PDD describes two questionnaire distribution events, each time to only 95 and 99 "local people," respectively. In failing to state the total number of affected and resettled people, it is difficult to believe the PDD's claims that the majority of stakeholders support the project, or that an adequate public participation process was enacted.

While the PDD published no critiques of the project, complaints were apparently reported in online forums and news outlets. One such complaint was lodged in April 2009.³ A journalist received several complaint documents from Zhaojing village that accused the Hechuan Land Office of tampering with land ownership documents, failing to disclose the total area set for land compensation, and illegally changing the standard for land compensation. The documents were sent by a village representative who had received no response from government officials after approaching them with questions regarding land

² <http://www.cdmpipeline.org/>

³ Complaints on Land Compensation (similar content, in Chinese)

<http://bbs.news.qq.com/b-1000083746/37447.htm>

<http://bbs.news.qq.com/b-1000083746/38163.htm>

<http://www.tianya.cn/publicforum/content/law/1/166246.shtml>

<http://tieba.baidu.com/f?kz=298117562>

<http://zhidao.baidu.com/question/84610284.html>

compensation. The documents claim that when villagers presented a document of land reform indicating that the land was owned by the village collective instead of the state, the Hechuan Land Office insisted that the land below 189 meters of water level was state property, which means the government can expropriate the land without compensation.

Other unresolved land compensation issues raised by this village include an inconsistency in the reported and surveyed figures for the area to be expropriated, and the low compensation standard. (The compensation standard set by the Chongqing government in 2004 is only three-fourths the standard set by the central government.) In March 2009, a journalist planned to conduct a follow-up investigation but found that some of the villagers were being barred from further actions. Since then, several villagers have taken legal action on this.

These problems seriously question whether adequate public participation was pursued by the project developer, as required by the CDM and international standards like the World Commission on Dams.

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