

## Indian Sasan Coal Fired Power Project Factsheet

**Ultra Mega Power Plants (UMPP) Background:** UMPPs are coal based power plants that produce around 4,000 MW - compared to an average coal plant which produces 500 MW - making them some of the largest sources of greenhouse gas emissions in the world. India's Ministry of Power, in association with the Power Finance Corporation, Ltd. is playing a critical coordinating role in enabling construction of these plants which often receive critical support from international public funds. These international public funds should be supporting a global transition to a clean energy economy rather than fueling investments in heavily polluting, outdated, fossil fuel technologies.

**Sasan UMPP:** The Sasan project is one of nine UMPP plants being pursued by the Indian government - four of which are pithead locations the other five will be coastal in order to receive coal imports. Of the nine proposed plants, two (in Maharashtra and in Karnataka) are currently delayed due to heavy local protest over the land acquisition process. The Sasan Power Project is controlled by Sasan Power Limited, which is a subsidiary of Reliance Industries owned by Anil Ambani one of the world's richest men.

- **Size:** 3,960 MW coal-fired ultra mega power project (UMPP) - 6x660 MW.
- **Annual Emissions:** 26-27 million tonnes of carbon dioxide per year for both the mine and local refinery. The plant will emit 832 grams carbon dioxide per kilowatt hour.
- **Local Displacement:** About 6,000 people will lose their land and homes once the Rs 20,000-crore (\$4.34 Billion) project takes off. Issues surrounding displacement are critical due to the stark poverty of the area which has just one or two pakka (permanent) houses.
- **Power Use:** The states sharing the power are Madhya Pradesh (Lead Procurer) with a 37.50% share, followed by Punjab (15%), Uttar Pradesh (12.5%), Delhi (11.25%), Haryana (11.25%), Rajasthan (10%) and Uttarakhand (2.5%).
- **Ex-Im Support & Compromise:** The U.S. Export-Import Bank (Ex-Im Bank) is the official export credit agency of the U.S. Government. Ex-Im Bank initially declined to finance the Sasan project pursuant to the agency's carbon policy. However, Ex-Im Bank back-tracked on the decision following political pressure. The reversal came with a "compromise" between Reliance and Ex-Im in the form of a Memorandum of Understanding to potentially generate 250 MW of renewable energy on site to address low carbon policy concerns. The 250 MW of potential clean energy is, however, a small fraction of the 3,960 MW of power that the plant will generate and will do little to mitigate the overall CO2 emissions and local pollution generated by Sasan.
- **Legal Controversy:** US taxpayer dollars are now linked to a project surrounded by legal controversy involving the sale of excess coal from the captive mines supplying the plant. Tata Power Company challenged the use of surplus coal from the captive coal mines for other projects of Reliance Power which would allow Reliance to save Rs 960 crore (\$208

Million) each year due to the Rs 240 crore (\$52 Million) saved for every 1,000 Mw capacity. Ex-Im financing for this project is therefore subsidizing this illegal use of coal. The Delhi High Court dismissed a petition on 14<sup>th</sup> April 2009 however Tata Power has said the company will appeal the decision in the Supreme Court.

➤ **Carbon Credits:** Reliance is applying for carbon credits through the United Nations Clean Development Mechanism (CDM) because it is employing more efficient super critical coal technology. This represents a serious misuse of the CDM which is meant to stimulate investments in clean energy for sustainable development. The CDM Executive Board recently rejected a similar application from the first UMPP – the Tata Mundra in India – clearly demonstrating that these projects are not the investments in sustainable development that are so desperately needed.

**Conclusion:** With issues of displacement and legal controversy added to the enormous levels of pollution generated by this outdated technology, it is clear that Ex-Im financing of the Sasan project represents a serious misuse of scarce public funds.

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