

5-3-2007

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Recommended Citation

Leffert, Mike. "Power to the People, or to International Privateers." (2007). <https://digitalrepository.unm.edu/noticen/9507>

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Power to the People, or to International Privateers

by Mike Leffert

Category/Department: Guatemala

Published: 2007-05-03

Electricity came to the little village of Chel, Chajul, in the Guatemalan highlands department of Quiché in April, while elsewhere in the highlands the population turned out to reject the construction of dams for the Plan Maestro de Electrificación Nacional. The Instituto Nacional de Electrificación (INDE) has had a plan on the drawing boards for many years calling for constructing hydroelectric facilities that would displace thousands of residents of the area. The difference between what happened at Chel and what is unfolding around the little town reflects very different approaches to the area's energy problems.

In February, the Consejos Comunitarios de Desarrollo (COCODES) of Ixcán petitioned the Consejo Municipal for a community consultation on building the massive Xalala project (see NotiCen, 2007-03-29). The petition was granted, and, in April, 19,911 people voted. The result was that 18,000 people, or about 93%, voted against the INDE plan. Local residents turned down the plan because the tremendous environmental upheavals they would have to endure would only benefit private investors and the Sistema de Interconexión de las Redes Eléctricas (SIEPAC), which is part of Plan Puebla Panamá (PPP). Municipal mayor of Ixcán Marcos Ramírez said he had been pressured by INDE's Oficina de Promoción de Proyectos Hidroeléctricos and by the Petrolatina Corporation to issue a permit for the dams and for an oil-exploration license without consulting the population.

Jorge García Chiu, vice minister of the Ministry of Energy and Mines (MEM), said that citizen consultation was bypassed because this was a business-development question not a municipal-development question. "It is important that the population express itself, but the decision of some people or a community will not be binding on a project that is of national interest," said García Chiu. The official acknowledged that "undoubtedly five or six communities will be in the area of the dam, and the government will have to negotiate and compensate them with land."

INDE denies, but the record says otherwise García Chiu denied that the project, which will be privatized, was being built to supply the SIEPAC grid to sell electricity to other countries. "This is completely false," he said. But in 2006, INDE told the Inter-American Development Bank (IDB) that it anticipated transferring electricity generated from the project to a substation in Santa Elena, Peten, to be passed through to SIEPAC. INDE officials said at a March 2006 meeting with the bank in the US that the production from the project would net investors as much as US\$150 million a year. The project would cost, García Chiu told Inforpress Centroamericana, US\$350 million, but cost is uncertain because the project is still in the planning stage.

INDE lacks a budget to complete feasibility studies, and they have no partner to start the construction. Inforpress has information from MEM that the Colombian firm Interconexión Eléctrica S.A. is in conversation with the ministry and that the government of Colombia would obtain 54% of the project. Colombia is the southernmost destination of the grid and has recently become the latest partner in PPP.

The dam, when built, would affect more than Garcia Chiu's estimate of five or six communities. At a minimum it would affect 18 communities in Ixcán, Uspantán, Alta Verapaz, and the communities below it on the Río Chixoy. The dam would rise 290 meters and flood an area of nine sq km in Ixcán and 23 sq km between Uspantán and Cobán, according to studies done in 2006 by the Universidad de San Carlos (USAC). The oil-exploration part of the package would impact agriculture and the environment of 80% of the territory of Ixcán.

The results of the consultation will be added to those of a similar exercise in Huehuetenango against a similarly vast mining scheme (see NotiCen, 2006-08-17) and taken by the Asociación Guatemalteca de Alcaldes y Autoridades Indígenas (AGAAI) to the Inter-American Court of Human Rights (IACHR). A case goes to this court, part of the Organization of American States (OAS), in Costa Rica when all legal recourse is exhausted within a country. AGAAI executive coordinator Carlos Humberto Guarquez said, "The magistrates of the Corte Suprema de Justicia (CSJ) have given no response." In contrast to megaprojects of this kind that destroy, disturb, and displace people and places for the benefit of foreign investors in the name of national development, electrification projects scaled to local need are undertaken in rural Guatemala.

The electrification of Chel is an example. The local community worked six years to bring light and power to the town. Working in groups of 20, members of the 432 families that comprise the community carried more than 100 utility poles, cable, generators, and turbines to the town. The Fondo Nacional para la Paz (FONAPAZ) paid for the work, providing somewhere around US \$260,000. President Oscar Berger came to Chel to officiate at the switching-on ceremony.

The plant has a capacity of 165 KW. The people will pay about US\$0.08 per kilowatt hour (kWh) per month for the service. "The message sent," said Berger, "is that we want cheap energy and to conserve the environment. Reasonable hydroelectric projects are the solution to the problem."

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