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Suez is confident that the Jirau power plant will be built

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"I'm certain that we'll receive the installation license, with backing from Ibama [Brazilian Institute of the Environment and Renewable Natural Resources] to build the Jirau hydro plant", said Gil Maranhão, Director of Business Development at Suez, the French-Belgian company heading the consortium that won the bid to build the Jirau plant called Energia Sustentável (Enersus).

This statement was made during the **IV Fórum Acende Brasil**, held today (25th) in São Paulo. The director said that the environmental impacts caused by the change in location of the plant are minimal. "Despite flooding a larger area, our project will save us from having to dig up 46,000 cubic meters of rock, reducing its environmental impact. Furthermore, the number of affected families will be no higher".

On the 12th of this month, the government signed the concession that allows the consortium to run the Jirau power for 30 years. The signature was scheduled for January 2009 and is surrounded by controversy. The Enersus consortium only won the auction against the Madeira Energia S/A (Mesa) consortium because it switched the site of the construction, moving it 9.2 kilometers and enabling it to lower its price by 20%.

Due to the change, Mesa has threatened to go to court to annul the decision. The director said that this fight is already in the past. "We expected our project to be somewhat controversial until it was studied and understood, not only to our competitor but also to Ibama, Aneel [National Electric Energy Agency] and other agencies".

Power on the Madeira

Together with the Santo Antonio dam, the power plant should provide over six thousand megawatts of power, nearly half the power produced by the Itaipu plant. The government issued the license even though construction of the plants is being contested by NGOs and social movements. Environmentalists and researchers believe that building the plants on the Madeira, one of the major rivers in Amazonia, will cause large-scale social and environmental impacts.

Over 5,000 riverbank dwellers will lose their homes and be displaced to build the power plant. The plants may also cause serious human health problems, such as malaria (the area around the plants is of high endemic risk) and problems with mercury, which is deposited on the riverbed.

Moreover, construction of the complex may drive further deforestation in the Amazon, as just the announcement of the project has increased migration to the region. Demographic pressure has made deforestation skyrocket: the National Space Research Institute (Inpe) announced early this year that deforestation increased 400%.