



Dispute over the Shanan Hydropower Project

For Prelims: [Shanan hydropower project](#), [Supreme Court](#), [Hydropower project](#), [Punjab Reorganization Act, 1966](#)

For Mains: Importance of hydropower projects in advancing India's development.

Source: IE

Why in News?

Recently, the central government ordered that the **status quo** be maintained on the [Shanan hydropower project](#), over which **Punjab** and **Himachal Pradesh** have made competing claims.

- Punjab has moved the [Supreme Court](#) over this issue.

What is the Shanan Project and the Claims of Different Parties over it?

- **Historical Background:**
 - During the British era in **1925, Punjab** was granted a lease for the **110-MW hydropower project** situated in **Jogindernagar, Mandi district of Himachal Pradesh** on river Uhl, a tributary of the **Beas River**.
 - **Lease Agreement:**
 - The lease agreement was formalised between **Raja Joginder Bahadur**, the **ruler of Mandi** at the time, and **Col BC Batty**, who represented the **British government** and served as the **Chief Engineer of Punjab**.
 - **Project Utility:**
 - The hydropower project served the energy needs of the **undivided Punjab** and **Delhi** before India gained independence.
 - Following the partition, the supply to Lahore was halted, and the transmission line was terminated at **Verka village in Amritsar**.
 - **Legal Control under Punjab Reorganisation Act, 1966:**
 - During the reorganisation of states in 1966, the hydropower project was transferred to Punjab, as **Himachal Pradesh was then** designated as a **Union Territory**.
 - Punjab was officially allocated the project through a **central notification issued on 1st May 1967**, by the Union Ministry of Irrigation and Power.
 - The notification specified that Punjab's legal control over the project was governed by the provisions outlined in the **Punjab Reorganisation Act, 1966**.
- **Claim of Himachal Pradesh:**
 - **Before the lease of 1925**, which granted the project to Punjab, **Himachal Pradesh had both ownership and operational rights over the project**.
 - The **1925 lease only granted operational rights to Punjab for a specific period** and not ownership rights.
 - In the past few years, **Himachal Pradesh** has contended that the **project should stay with it once the lease ends**.

- The Himachal Pradesh government has raised concerns, alleging that the project is in a deteriorating condition due to a **lack of repair and maintenance by Punjab**.
- The Chief Minister of Himachal Pradesh had stated that they would not allow Punjab to stake claim on the project after the lease period and wrote to his Punjab counterpart last year and also took up the issue with the Union Ministry of Power.
- **Claims of Punjab:**
 - **Ownership and Possession Claim:**
 - Punjab has presented its case in the Supreme Court, asserting that it is the rightful owner and in lawful possession of the **Shanan Power House Project under the central notification of 1967**.
 - The state government, through the Punjab State Power Corporation Ltd (PSPCL), currently exercises control over all assets associated with the project.
 - **Legal Action Requested:**
 - Under **Article 131** the government of Punjab has requested a "**permanent Prohibitory Injunction**" from the [Supreme Court](#).
 - This injunction is sought to prevent the Himachal Pradesh government from interfering with the "**lawful peaceful possession and smooth functioning**" of the **Project**.
- **Interim Measure Ordered by the Centre:**
 - A day before the conclusion of the **99-year-old lease agreement**, the Central government intervened by issuing an order to maintain the status quo on the **Project**. This measure was implemented to ensure the continuous operation of the project.
 - The directive was issued by the **Ministry of Power**. It invoked the powers vested under **Sections 67 and 96** of the [Punjab Reorganisation Act, 1966](#), in conjunction with **Section 21** of the **General Clause Act, 1887**.

Inter-State River Water Disputes:

- **Inter-State Water Dispute (ISWD) Act, 1956:** In case, a particular state or states approach the Centre for the constitution of the tribunal, the Central Government should try to resolve the matter by consultation among the aggrieved states. In case, if it does not work, then it may constitute the tribunal.
 - The **Inter-State Water Dispute Act, 1956** was amended in **2002**, to include the major recommendations of the [Sarkaria Commission](#).
 - The amendments mandated a one-year time frame to set up the water disputes tribunal and also a **3-year time frame** to give a decision.

UPSC Civil Services Examination Previous Year Questions (PYQs)

Prelims

Q. Consider the following rivers: (2014)

1. Barak
2. Lohit
3. Subansiri

Which of the above flows/flow through Arunachal Pradesh?

- (a) 1 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (b)

Mains

Q. Constitutional mechanisms to resolve the inter-state water disputes have failed to address and solve the problems. Is the failure due to structural or process inadequacy or both? Discuss. **(2013)**

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