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El Quimbo, Colombia: Enel-Endesa's 'low carbon' hydroelectric racket

Philippa de Boissière | 13th January 2015



For the world's multinational corporations, the climate crisis is just another business opportunity, writes Philippa de Boissière. One example is Enel-Endesa's 'climate friendly' 217m high El Quimbo dam in Colombia - a huge exercise in expropriation at taxpayer expense, backed by police violence against strong local resistance.

Certain multinational corporations the world over are not only directly contributing to climate change, reinforcing and profiting from a globalised 'dig, dump, burn' economy.

They are also busy peddling false solutions to the crisis in order to safeguard and expand their existing business model. Mega hydroelectric projects represent one such false

solution that is being pushed onto South America by the EU and the UN.

Despite hydroelectric's 'carbon neutral' façade (27% of all UN Clean Development Mechanism (CDM) offset credits are awarded for dam construction), the Intergovernmental Panel on Climate Change (IPCC) has found that megahydro projects may have a greater climate impact than burning gas or coal, particularly in tropical regions like South America where submerged forests decompose to release high levels of methane.

The loss of important 'carbon sinks' (forested expanses which absorb CO₂) further compounds the destructive effects of hydroelectric dams on the climate. Striving for dominance in this nonetheless reinvigorated market is Enel-Endesa, the largest private electricity corporation operating in Latin America.

Enel-Endesa, formed by the acquisition of Endesa by Enel Group in 2009, is a European energy utility giant with a global reach in over 30 countries. In South America, where most of its operations are concentrated, it frames itself as a 'Colombian company', operating under the name of Emgesa.

In reality, the Italo-Spanish multinational is scoping out new opportunities for growth against a background of European economic downturn. In 2014 the multinational's \$4.3bn profits increased by a staggering 286% from the previous year.

Enel-Endesa's Quimbo dam: a masterclass in corporate impunity

Emgesa's flagship project in Colombia is the \$837 million El Quimbo megadam in the Department of Huila, to the south of the country. The project has been marred by controversy since day one.

In 2007 Emgesa got the go-ahead to build a 400MW capacity dam on the Magdalena River, the main waterway in the country and a sustainer of livelihoods for communities from North to South.

The main 'Quimbo' dam is 151m high and 632m wide, but a second 66m high 'auxiliary dam' raises the reservoir level to a massive 217m above the valley floor. The reservoir will flood an over 82 square kilometres of fertile farmland densely settled by small farmers, stretching for 55 kilometres up the valley with an average width of 1.4 kilometres.

With the dam scheduled for completion in 2015, the hydroelectric project stands to generate 2,216GWh per year over an estimated lifespan of 50 years, making it the one of the largest infrastructure developments in the country.

The official discourse on the project positions the dam as essential to Colombia's energy future - and the Government is guaranteeing Emgesa \$14 per megawatt hour for 20 years.

Yet the Government is neglecting simple options to raise power supply - like reducing the high level of losses in transmission and distribution, which run at about 16% of power generation and amount to some 10,000 GWh per year - more than four times the energy production of El Quimbo.

And in fact, Colombia is already **producing a surplus of power**, over two thirds of it generated by existing large hydroelectric dams. In fact El Quimbo, which is expected to come into operation in early 2015, is being built with the express intention of **exporting energy straight out of the region** along transmission lines to Ecuador, Panama and Central America.

Any remaining output is to be sold within Colombia at low cost to feed big extractive industry projects to the North of the country. Providing cheap power to mining projects has in fact become the main 'development locomotive' of the current Colombian government, with demand for energy from mining **mushrooming by over 20%** in recent years.

Vast swathes of land are being channelled into the hands of foreign investors to deepen extraction activities, increasing social and environmental conflicts across the country - as the Quimbo case so powerfully illustrates.

The climate implications of this equation are equally dire. As well as facilitating the **intensification of coal mining**, the surplus energy to be brought online by projects like El Quimbo is intended to kick-start climate-wrecking **shale gas** exploitation within the country.

"They are all coordinated", says Miller Dussán Calderón, Surcolombia University lecturer and local activist. "Energy for mining and agroindustry - it's all part of the same national political package ... It wouldn't be possible to increase the mining operations without bringing new energy online."

Why break the law when you can make the law?

For the people of Huila the Quimbo dam is like a recurring nightmare. **In 1997** Central Hidroeléctrica de Betania had submitted proposals to construct a dam at the very same location.

Routine investigations into the impacts of the project, however, concluded that the social and environmental costs would far outweigh any stated benefits. The proposal was subsequently declared *"unviable"* by the Environment Ministry. El Quimbo appeared to be dead and buried.

Ten years later Emgesa breathed new life into the project in the form of an **US\$837 million dollar** cash injection. El Quimbo was back. This time, the project was **exempt from undergoing the same basic viability assessments** that it had previously so conclusively failed.

Since its approval El Quimbo has been defined by a growing catalogue of irregularities and abuses: a severe lack of transparency; ongoing failures to conduct adequate impact assessments; evasion of responsibilities to affected communities - including very serious failures to consult.

Emgesa's conduct throughout the process has revealed a systematic and barefaced contempt for Colombia's official regulatory frameworks.

Despite being previously written-off, Enel-Endesa managed to secure their Environmental Licence for El Quimbo without having to present any of the most basic impact assessments. Still not content, the multinational went on to pressure the government into slashing further the already feeble compensation commitments the Licence entailed.

When a local Administrative Court ruled that the changes to the terms of the Licence were illegal the local subsidiary, Emgesa, threatened to pull its investments out of the country if a 'solution' wasn't found. Less than a month later, the government **fast-tracked the modifications** - citing studies that the company had itself funded.

Since then Enel-Endesa has forced through two further Licence modifications, eroding what few human and environmental rights remained in the name of maximizing return for their European shareholders and consolidating their position as agents above the law.

Resistance: communities in Huila fight back

Contrary to its award as '**Family-responsible company**' of 2012, Endesa and its Italian parent company are responsible for forcibly evicting 450 families from one of Colombia's most fertile agricultural zones, relocating them - if at all - to areas where they have **little hope** of finding employment or maintaining their own agricultural and fishing activities. But the people of Huila have not taken matters lying down.

Emgesa's plans have been met with a fierce and highly organized resistance. In 2009, residents mobilised and formed The Association of those Affected by the Hydroelectric project El Quimbo (ASOQUIMBO). The movement has been in continual resistance ever since.

In January 2012, a year after works on the dam had officially started, a regional strike was called during which access to the project site was **blockaded for 15 days**; another such blockade in August 2012 resulted in **50 protesters being arrested and another 25 injured**.



In November 2014, affected communities once again **blockaded entrances to the Quimbo** construction site, in protest at ongoing human rights abuses being committed by Emgesa.

As with **Glencore Xstrata in Espinar**, police have sided with the corporation, protecting its interests by repressing and criminalizing resistance.

Unravelling Enel-Endesa's web of climate influence

Whereas the corporation's main focus in South America is the construction of 'low-carbon' hydroelectric megadams that are fuelling rapidly expanding extractive industries, in Europe Enel-Endesa's activities cut straight to coal and gas.

In order to ensure Enel-Endesa is allowed to continue with its environmentally destructive business practices in the face of pressure for climate action, the corporation deploys a sprawling international lobbying operation.

Besides its own team of Euro-lobbyists (€500,000 spent in Brussels in 2014), Enel also exerts influence via the notorious Zero Emissions Platform (ZEP), an energy industry group with **high-level access which also receives taxpayer funding**.

The ZEP, whose members **include BP and Shell**, has succeeded in securing financial support and a prominent position in EU plans for industry-favoured Carbon Capture and Storage technology (CCS).

CCS is an unproven and extremely expensive process that theoretically captures carbon dioxide emissions from polluting power plants and stores them underground in old mines, empty oil fields or bunkers.

Despite the unlikelihood of it being commercially viable before 2030, and even then only capturing a fraction of emissions, it is being championed by the dirty energy industry as well as some governments, including the UK.

Rather than transitioning away from fossil fuels it allows corporations such as Enel-Endesa to keep building 'CCS ready' coal and gas power plants. Like megadams it is a dangerous **distraction** for the climate. Constant and concerted pressure by Enel and its lobby groups has even seen CCS officially embraced within the UNFCCC as a climate 'solution'.

Not only have **CCS projects been eligible for carbon credits** under the CDM since climate talks in Durban in 2011, but the 2013 'Coal COP' in Warsaw marked a precedent when an entire day of UN negotiations was dedicated to the white elephant technology.

While not invited to speak officially, **Enel was ever-present** in 'expert' presentations from the International Energy Agency Clean Coal Centre (Enel hosts their annual summer camp) and the Global Carbon Capture and Storage Institute (which Enel set up in 2009).

Their message was clear: fossil fuels are here to stay and CCS will save us, but only if we pour astounding sums of public money into it and use every financing mechanism the UNFCCC has to offer.

Fracking, hydropower, CCS - it's all money to us

While Enel is burning coal and dashing for (fracked) gas in Europe, in South America it is taking advantage of the opportunities presented by lucrative hydroelectric projects such as 'El Quimbo' in Huila, Colombia.

The energy being generated by these megaprojects is not providing low carbon 'development' for South Americans. Rather they are high in emissions and provide cheap energy to ramp up fossil fuel extraction elsewhere.

Engaging in hydroelectric projects and CCS provides a profitable green veneer for the company, allowing it to earn carbon offsets for its European business, while trampling on human and environmental rights overseas.

Big Hydroelectric is not a 'clean alternative', it is a highly damaging industry featuring all the same players as the supposedly 'dirtier' fossil fuel industry.

Set against the context of Enel's lobbying strategy - slashing away at regulations that may impede their profits on the one hand, while capturing climate research and policy agendas with the other - it's clear that the multinational's political tricks are as dirty as their business activities.

Philippa de Boissière is a co-author of the report 'Corporate Conquistadors: The Many Ways Multinationals Both Drive and Profit from Climate Destruction'.

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See also: ['Glencore Xstrata and corporate power in Peru'](#).

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