

## **POWER CUTS ARE INEVITABLE AS NO POWER PLANTS WERE BUILT**

The Power sector in the country has been thrown into deeper crisis as not a single power station was added to the national grid during the past few years to meet the rising demand. To make matters worse even those power stations that were scheduled to be built were also halted putting aside the years of planning done by engineers while bringing forth the business interests of a few individuals and organized groups to suit their whims and fancies. Allying with business associates to earn a quick buck through under hand dealings has led to a tug of war while purposely delaying of Power Plant tenders has led to a crisis situation in the country which has helped the same groups to fish in the troubled waters. It is most unfortunate that many political heavy-weights, top officials in the ministry as well as members and officers in the self-proclaimed 'independent' Public Utilities Commission represent this business cartel.

While it is essential that at least 150MW of power is added to the National Grid every year to meet the ever-rising demand, the failure to do so has been blamed shamelessly on the ongoing drought and the defects of Norochcholai Power Station.

## **No plan for building Power Plants for the last 4 years**

According to the Electricity Act and the prevailing law in the country, new Power Plants can only be built in strict adherence to the approved 'Least Cost Long-Term Generation Expansion Plan' (LCLTGEP), which is prepared by planning engineers in CEB. In order to become it a legitimate plan, the Public Utilities Commission of Sri Lanka (PUCSL) has to approve it. However, those political heavyweights who are in the highest echelons of power in the country have made use of corrupt officials in the PUCSL to put the LCLTGEP in to chaos by purposely altering its content illegally to stop and delay proposed new plants since 2014.

The LCLTGEP is prepared by CEB was finally approved by PUCSL in 2018 amidst severe pressure exerted on them when the CEB Engineers' Union resorted to trade union action.

By the written notices sent by the AG in 2018 to CEB and PUCSL, it is clearly evident that the PUCSL had acted illegally in gross violation of the prevailing act when preparing and approving proposals for new power plants during the past few years. Finally, the Director General of PUCSL was removed from his post in 2018 only to be reappointed by the commission after a short while. It was reported in the media that the PUCSL had come under severe criticism by HE the president during the cabinet meeting on 26<sup>th</sup> March 2019 due to their malpractices.

## Stopping construction of biggest Power Station after Norochcholai

The Sampur power station with a planned generation capacity of 500MW was the next biggest Power Station to be built after Norochcholai. Plans were well underway to complete it by the year 2020. But with the sinister motive of building illegal power stations which are more beneficial to them, those organized groups plotted meticulously to stop the construction of this Plant.

This was a well coordinated effort by the now defunct Cabinet Committee for Economic Management (CCEM) which was recently dissolved by HE the president. The Committee was well supported by several advisors to the president, highest officials in the ministry of P & E, PUCSL, NGOs and their business associates who hinder Nation's development.

The 20-year generation plan prepared by CEB which was to be in effect till 2034 was sent to PUCSL on 6<sup>th</sup> August 2015 for approval. However, the PUCSL kept the document without granting approval for more than one year till the opportunity rose to shelve plans for Sampur Power Station.

Once the Sampur project was shelved the plan was conveniently given approval but only partially with the inclusion of only a few oil fuelled power stations in 15<sup>th</sup> September 2016. Granting approval for only a part of the plan is illegal in terms of the provisions in Electricity Act. However, CEB has no legal resort to build any power

stations to circumvent the Sampur issue which was a huge legal hurdle.

It is most unfortunate for the country that the grave need for more Power Stations is not felt by the rulers until the compelling power cuts.

## Why the 300MW LNG plant for which competitive bids were called is getting delayed?

As per our plans this power plant was proposed to add 230MW of power to the national grid by the year 2019. Seven (07) companies placed bids for this tender. However, the authorities attempted to open only one bid originating from a Korean company in 2017. CEB Engineer's Union vehemently objected to it and was able to allow opening of all bids for evaluation. But due to interference from various political bigwigs, undue influence on members of the tender board(s) and unwarranted actions by several officials in the ministry have left this tender entrapped in a legal stranglehold.

Removal and reappointment of members in the tender board(s) on several occasions is clear testimony to the extent of political interference in the selection process. Instead of proper mediation by the authorities to get this massive power plant built by a suitable company, it is learnt that several attempts are underway to award the tender to a party which is more favourable to them.

**Meanwhile, the government is attempting to build 3 more LNG power stations through several companies from Japan, India and China.**

Even though the government attempts to include these power plants in future plans, there is neither any appropriate proposal nor any agreement on pricing reached up to date.

One other reason for objecting and delaying tenders calling for competitive bids in favour of unsolicited proposals is to pave the way for paying higher rates for energy produced from these plants.

### **Delaying of Medium Term Solutions**

Consistent and affordable electricity can only be delivered to the people through a combination of low cost coal and LNG power stations at a price ranging from Rs. 9 to Rs. 16 per unit of electricity. This can only be achieved through the implementation of CEB's Least Cost Long Term Generation Expansion Plan. In the backdrop of implementation of this long term plan is in jeopardy it is essential to look for medium term solutions by way of constructing power stations which are fuelled by Heavy Furnace Oil (HFO) which would cost Rs. 20/= to Rs. 24/= per unit cost of electricity generated. As such approval for 100MW and 24x4 MW power stations which are fuelled by Heavy Furnace Oil (HFO) were proposed, those medium-term solutions are delayed by the ministry. Almost 6 months have elapsed since the draft tender documents were submitted for ministry approval and yet the secretary to the ministry is proposing

alteration to technical specifications in order to appease a few individuals with business interests. A decision on Ace Matara and Asia Power Diesel Plants which could yield 70MW is also held by the ministry for almost 02 years. Due to the long delays in implementing low cost coal & LNG power plants several interim proposals were also made an alternative to high operating cost of Diesel-powered plants. However, the delaying tactics of the ministry in granting approval for the bidding process to continue would eventually lead to a situation where emergency power purchase is the only option left at exorbitant rates of approximately Rs. 30/= per unit.

### **Wasn't there any solution for the crisis other than putting the public at difficulty through power cuts?**

There are only two (02) options left when the Least Cost Long Term Generation plan as well as the mid-term planned solutions are sabotaged. One is to opt for power cuts putting the ordinary citizen at difficulty and the other is to purchase emergency power at exorbitant rates at the expense of general public coffers. This impending gloomy situation was explained to by the management of CEB to the ministry by the first week of January this year. Meanwhile, tenders were called in an attempt to procure emergency power from 03 companies by 12<sup>th</sup> March in order to avoid power cuts and maintain regular supply of electricity. However, the ministry heeded to the advice of CEB and kept on with usual practise of attempting to play to the tune of its business associates. This

inevitable to the present power crisis which has left no room but to go for regular power cuts in order to curtail the demand. It is now well evident that the long term, medium term and emergency power plans prepared by CEB are put aside by the authorities and politicians because of their business motives.

### Fishing in Troubled Waters

Provisions are made in the Electricity Act to permit the procurement of power in emergency situations without going through tender procedure. The authorities who delayed the implementation of mid-term and short term solutions to avert the impending power crisis are now seen encouraging the purchasing of emergency power once the drought set in with extraordinary diligence and with obvious reasons for doing so.

There are numerous speculations that this crisis can be averted completely by renewable power without the need for constructing anymore large-scale power plants. Some accuse that CEB officials are corrupt and they are only interested in high cost emergency power plants, but not giving due consideration for low cost wind and solar power. Even though the present crisis cannot be overcome solely through renewable energy sources which are not highly reliable and consistent as in the case of conventional power sources, CEB

has made immense commitment to improve the contribution of non conventional renewable power sources such as solar and wind. Tenders have been called from the private sector to purchase electricity at Rs. 14 to 16/= per unit through large scale solar power plants. Around 200MW of renewable solar energy is yet to be added to the National Grid through these schemes.

The self-generation scheme “Soorya Bala Snagramaya” has also added 170MW through domestic roof top solar panels by now. The current operational generation capacity through wind turbines has reached approximately 130MW and massive 100MW wind turbine farm is about to be added to the national grid by next year. All these were supported and promoted by CEB.

Ceylon Electricity Board Engineers’ Union (CEBEU) always represented for low cost and sustainable electricity for the Nation. If the authorities do not want to overcome this turmoil, we will have to step in to severe trade union actions in future.



ලංකා විදුලිබල මණ්ඩල ඉංජිනේරු සංගමය  
இலங்கை மின்சார சபை பொறியியலாளர்கள் சங்கம்  
CEYLON ELECTRICITY BOARD ENGINEERS' UNION  
Registered under the Trade Unions Ordinance: Registration No. 770