

Power Ministry Secy informs Govt. re: CEB tender failure

CEB engineer union BLAMED for energy production delays

by Rukshana Rizwie

Power & Renewable Energy Deputy Minister Ajith Perera is blaming the Electricity Board engineer unions for a month delay in new energy production initiatives, while Power Ministry officials warn that the long delay will worsen the anticipated energy shortage by 2018. Deputy Minister Perera told the *Sunday Observer* that delays in the tender board procedure for new energy proposals was due to the failure of CEB engineers to participate in the tender process because of trade union politics.

However, Ministry Secretary Dr. Suren Batagoda has addressed a letter to Minister Ranjith Siyambalapitiya, the Deputy Minister, the Secretary to the President, the Prime Minister's Office as well as the Public Utilities Commission of SL, presenting facts and warning that the Ceylon Electricity Board's slow progress in seeking energy production tender bid will worsen the expected energy shortage in 2018.

In his letter, obtained by the *Sunday Observer*, Dr. Batagoda states that he "has clearly highlighted the seriousness of the issue and given directions to expedite the procurement process of two power plants, however it seems that CEB staff and CEB board have not understood the gravity of the situation."

Sri Lanka recorded three severe islandwide power outages in the last six months. During which each black-out, CEB had to curtail power supply at peak hours to reserve the power margin in the system.

Last week all three units of the Lakvijaya Power Plant was forced to shut down owing to a fault in the transmission line from Anuradhapura. Nandasiri Gallage, Engineer in charge of the power plant, told the *Sunday Observer* that delay in restarting the plant was due to a technical

“That assumption is hypothetical and hence not appropriate for me as a Minister to comment.”

— **Minister Ajith P. Perera**
(Minister Deputy Minister of Power and Renewable energy.)



issue which engineers were working hard to resolve.

According to forecasts by the CEB, Sri Lanka is expecting an annual power demand increase of at least 4% to 5% during the next few years.

Based on preliminary estimates which were prepared by generation planning experts by 2018, CEB will need at least 600 megawatts of additional power.

Cabinet decision

The impending power crisis had been discussed at the Cabinet sub-committee on Economic Management and also at Cabinet level where several decisions were reached.

These include the developing of a 300 MW LNG Power plant in Keralapitiya, setting up of a 170 MW barge-mounted dual fuel plant at

Hambantota Port, purchasing 50 MW of mobile power generation units as early as possible, purchasing 24 MW HFO power plant at Matara, purchasing 100 MW Heladanavi power plant at Puttalam, purchasing 100 MW HFO plant at Embilipitiya, to call for international tenders to procure LNG for the existing thermal plants and, set up of an LNG Terminal at Colombo Port or Keralapitiya.

Tender documents

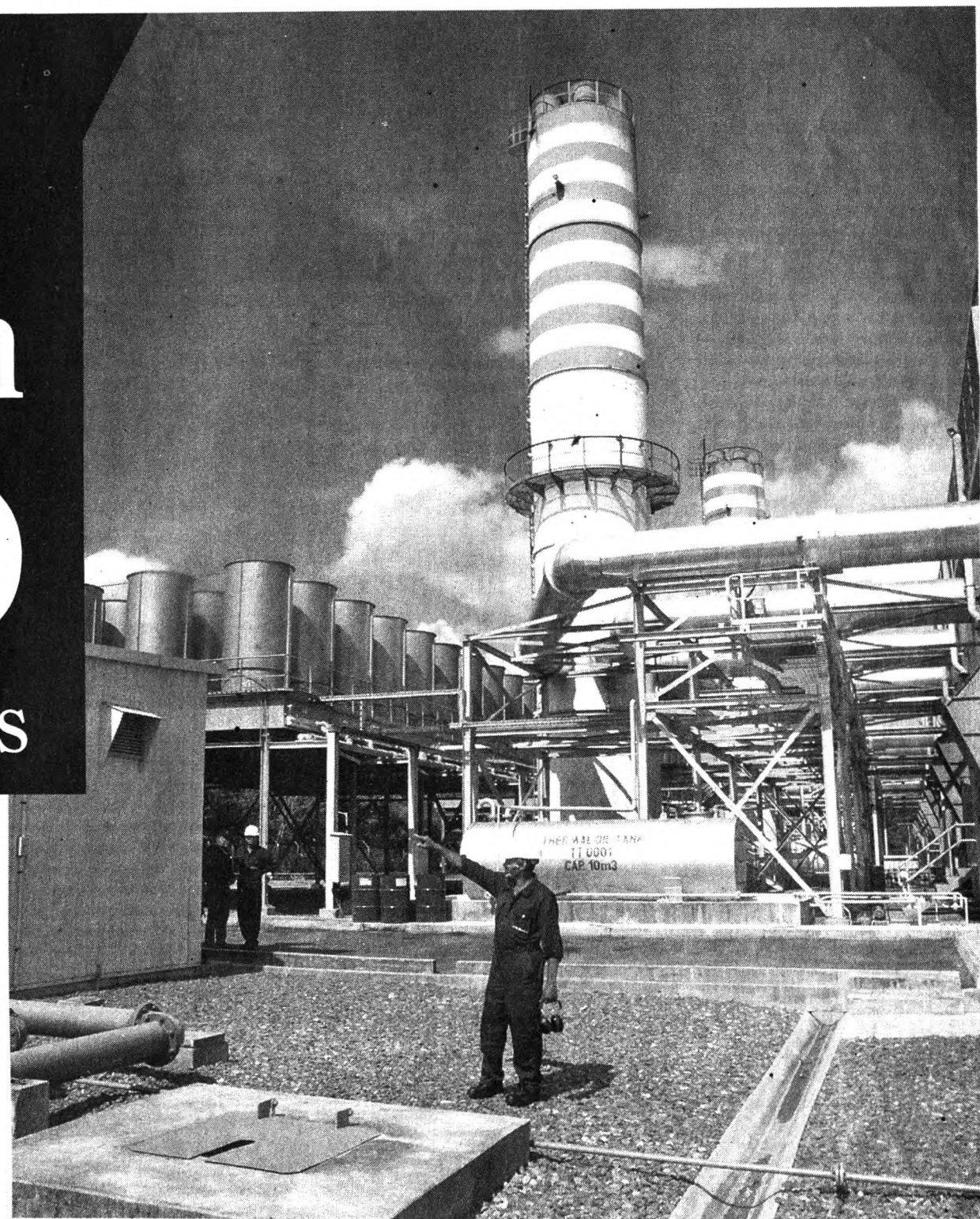
In the letter, Dr. Batagoda explicitly states that the Cabinet Committee which met on 8th June, promised to float tenders to procure the 300 MW combined cycle power plant, and the 170 MW dual fuel power plant by 15th July.

Accordingly the ministry appointed a Technical committee comprising of five individuals from the CEB, an official from the Ministry, Ceylon Petroleum Corporation, Department of National Planning as well as the Central Bank.

"Time schedules were discussed and agreed upon, whereby the committee would call for submissions by the 15th of this month, the proposals to be evaluated by 29th October and tender to be awarded by 12th of next month. Two years was allotted for construction work after which by October 2018, these plants would have been commissioned," Dr. Batagoda states.

He adds that the tenders should have been called on 15th July, however five months have lapsed since this committee was appointed and tender documents were yet to be prepared.

"This significant delay will have serious impacts on our ability to address the power crisis which will befall us in 2018," Dr. Batagoda said. "I do not have to tell you the cost of the five month delay, who should bear these costs?



A thermal power plant

The letter also details that the same committee was appointed to procure a 170 MW of barge-mounted power plant which will be commissioned by April next year to avert a power crisis during the anticipated droughts next year in April. Accordingly the committee was to have evaluated proposals by 29th this month with tenders to be awarded by 12th November. 6 months were to be allocated for construction and after which the expected completion date would be April 2017.

"It is unfortunate that five months have lapsed and the relevant work had not even begun, at this rate we will not be able to commission this plant which would have helped us," Dr. Batagoda said adding that the country was nose-diving into a power crisis knowing that every opportunity to avert the crisis was blatantly dismissed.

"We believe that if we continue at this rate, we will not be able to address the power crisis," he said. "The CEB does not have any financial constraints not to proceed with the work that has been assigned, as such when time times, both the CEB

and the Ministry will have no excuse to make when asked by the President or the general public." Dr Batagoda adds that the CEB and other agencies involved needed to consider the matter seriously and rectify matters.

Deputy Minister of Power and Renewable energy, Ajith P. Perera told the *Sunday Observer* that it was "impractical" to value the cost of delays so far. "That assumption is hypothetical and hence not appropriate for me as a minister to comment," he said. He added that a meeting will be convened next week in light of the recent revelation where he will discuss the delay and inquire about it.

"The primary reason for the delay is due to the non participation of the CEB engineers union who stayed out of tender board meetings to show their non compliance with the Ministry's policies. There is a serious delay which will aggravate the impending power crisis in the country, this will be looked into.

However I am hopeful that we will be able to resolve much of these matters through negotiations and come to form a solution for the power crisis."

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— **Dr. Suren Batagoda**
(Secretary to the Ministry of Power and Renewable Energy)

