

Coal power plant agreement with India

by Shanika Sriyananda

The government, which has concluded discussions with the National Thermal Power Corporation of India, is to sign the agreement for the country's second coal power plant to be set up in Trincomalee soon.

Power and Energy Minister W.D.J. Seneviratne told the 'Sunday Observer' that certain issues that propped up against commissioning of coal power stations have been sorted out and the government is trying to harness more energy from coal power and renewable energy to keep pace with the increasing demand for electricity.

The project, a joint venture between Sri Lanka and India, estimated to cost 500 million US \$, will generate 1,000Mws.

He said that the average daily energy requirement of the country is nearly 1,900Mws and the daily energy generation amounted to 2,500Mws. "We keep a 'buffer zone' of 700 to 800Mws", he said.

Minister Seneviratne said that President Mahinda Rajapaksa was so keen to improve the energy sector of the country and had given all encouragement to go ahead with the delayed power projects.

Earlier, eco-groups were up in arms against commissioning of coal power projects in Sri Lanka due to environmental concerns. According to Minister Seneviratne, his ministry did thorough studies on pollution involved in coal power generation and had taken steps to reduce coal related pollution.

"Pollution is very much reduced as we have adopted all the available technical measures to minimize sulphur emission in coal power generation. It is 98.8 per cent environmental friendly and has reduced the pollution to 1.2 percent, he added.

According to the Minister, the ministry has signed an agreement with the Chinese government for the second and third stages of the 891 million US \$ Norochcholai Coal Power project which generates 900 MW of power.

"The first stage of the Norochcholai power project, which negates 300Mw of power, will have a trial in February next year and will be fully commissioned in July 2010", he said adding that another 600Mws of power would be generated under stage two and three of the project and added to the national grid in 2013.

The coal power project, which was funded by the Chinese government under a long term loan at a low interest rate, will help bring down the selling price of the electricity cost per unit.

The CEB is losing nearly Rs. 2 per unit of electricity and sells a unit of power at Rs. 13.

"The unit cost of power generated from coal will be Rs. 7 to 8, and this will help the CEB to recover its losses", Minister Seneviratne said adding that the high cost on power generation is mainly due to high dependency of high-cost diesel power plants for power generation which is nearly 60 percent.

Meanwhile, the ministry, following instructions of



Construction of Sri Lanka's first coal power plant in Norochcholai in progress.

President Rajapaksa, has accelerated restoring electricity in the North and East. The CEB is working round the clock installing new power lines and transmission lines to electrifying the two provinces soon. Three substations have been set up in Vavuniya, Kilinochchi and Chunnakam.

In another effort to provide continuous power supply to the Northern Province, the Ministry is to sign an agreement with India to construct the first ever 'interconnected transmission line in Asia soon.

This will connect the power lines of both countries and is an outcome of the discussions held at SAARC to

establish the South Asian Energy Grid.

According to Minister Seneviratne, the undersea power link will facilitate both countries to manage electricity during peak hours and will help electrify the entire Northern part of the country.

"Nearly 100Mws of power will be transmitted and when the power consumption is high in India we can supply power to them and when Sri Lanka's power requirement is high, that can be met through power supply from India", he said.

The PowerGrid, the implementry agency from India, has done the initial

reports for the establishment of the undersea power link which facilitate the exchange of 500Mws of power. The

minister said that PowerGrid and the CEB would study the possibility of laying cables under the Gulf of Mannar

between Rameshwaram in Tamil Nadu and Talaimannar on the left flank of the Mannar islands in Sri Lanka. He

said that it would take 3 years to do the feasibility study and a further two years to complete the project.



Minister W.D.J. Seneviratne