

Energy development is the main target of the national development program in the country under the *Mahinda Chinthana*. The Power and Energy Ministry has been entrusted with the responsibility of providing guidance and leadership to meet the electricity requirement while providing a solution to the looming energy crisis in 2012.

It is a great achievement of the Ministry that, under the guidance of President Mahinda Rajapaksa, the ability to launch a well-planned long-term, middle-term and short-term program for energy development to overcome the national energy crisis which was created due to non-implementation of timely decisions.

Scarcity of hydro-electricity

The main problem we encounter in energy development is the capacity of the hydro power houses being limited to 35 percent of the total electricity demand. A serious problem experienced by Sri Lanka is the dependency on fuel powerhouses to meet 60 percent of the electricity demand of the country. Fluctuation of the production cost per unit in parallel with the increase of fuel charges in the world market is a serious problem faced by this Ministry. One unit of electricity generated at a cost of Rs. 14 has to be sold to consumers at a concessionary rate of Rs. 10.80.

The Ceylon Electricity Board incurs a loss of Rs. 500 million per day and this has resulted in creating a severe financial crisis in the CEB.

Construction of coal power plants

The initiatives taken to construct four coal powerhouses under long-term energy development planning to achieve the target of eight percent economic growth as stated in the *Mahinda Chinthana* by providing electricity at a concessionary rate while overcoming this financial crisis is a great achievement of the Ministry. Arrangements are being made to obtain electricity capacity of 3,200 MW from coal powerhouses at Puttalam, Trincomalee and Hambantota by 2012.

A giant step moved towards the national power development was the open-

ing of the coal powerhouse at Norochcholai, Puttalam on May 11, 2007, which had been blocked over a decade due to public protests.

The Ministry is taking steps to construct 80 fully furnished houses at Daluwa, Norochcholai for 72 families displaced due to the construction of coal powerhouse, which is the first ever coal powerhouse in the history of Sri Lanka and to improve the infrastructure facilities of the area. Widening of the road to Norochcholai Powerhouse 18 km along the Palavi Junction to Kalpitiya as a 60 ft road has already commenced.

Development of the road to the powerhouse and to provide electricity have also commenced. Steps have been taken to provide road facilities, schools, community halls, hospitals and to transform Daluwa into a developed area. This scheme would be completed by December and 72 families are settled. It has been planned to release electricity capacity of 900 MW to the national grid and the cost of this project

would be nearly USD455 million.

Upper Kotmale Project

The ability to commence the construction of Upper Kotmale Project which had been blocked for over a decade due to various public protests is a giant step towards the energy development.

This project commenced in 2006 and fully furnished houses for 495 displaced families had been built under four segments.

Under the short term energy development solutions, the Ministry initiated the construction of a powerhouse at Kerawalapitiya which is expected to complete by 2008. As the Cabinet approval and the LOI licence have been submitted to Lakdanavi Company Ltd. which is a subsidiary institution of the Ceylon Electricity Board, its initial operation commenced in November. This powerhouse of 300 MW capacity would commence as a diesel powerhouse at the beginning and would be converted to a gas powerhouse later. The Ministry

has taken steps to construct this powerhouse as a solution to the imminent power crisis. The electricity capacity needed to meet

eight percent annual increase of demand for electricity is 150MW. Under the *Mahinda Chinthana* with the objective of supplying electricity to all the villages in Sri Lanka, all those functions to find solutions to the power crisis were taken under the custody of the Ministry.

The Ministry while encouraging the Ceylon Electricity Board follows an efficient and productive measures to find solutions to the power crisis, and to construct small, medium and large scale powerhouses. It has taken measures to encourage energy management by providing LOI approval and many energy managers have come forward to make their investment in the energy sector.

Natural energy development

The world's new trend of energy development has been focused towards natural gas development. Power generation using natural energies has commenced in Sri Lanka and the Ministry has drawn its attention to develop small scale natural energy development such

as wind, dendro, bio-mass, waste sugar canes, solar power as large scale power projects. The Ministry has focused attention to improve Narakkaliya wind powerhouse at Puttalam up to 90 MW and the LOI needed for this has already been granted. The Ministry has provided guidance to improve electricity of 1MW generated using the waste sugar cane disposed from Pelawatta Sugar Factory up to 50 MW and arrangements are being made for this.

A bio-mass powerhouse is being constructed at Mutturajawela with the Western Province Solid Waste Disposal Authority using the garbage collected from Colombo city and the Ministry has planned to add electricity of 32 MW to the national grid from this powerhouse.

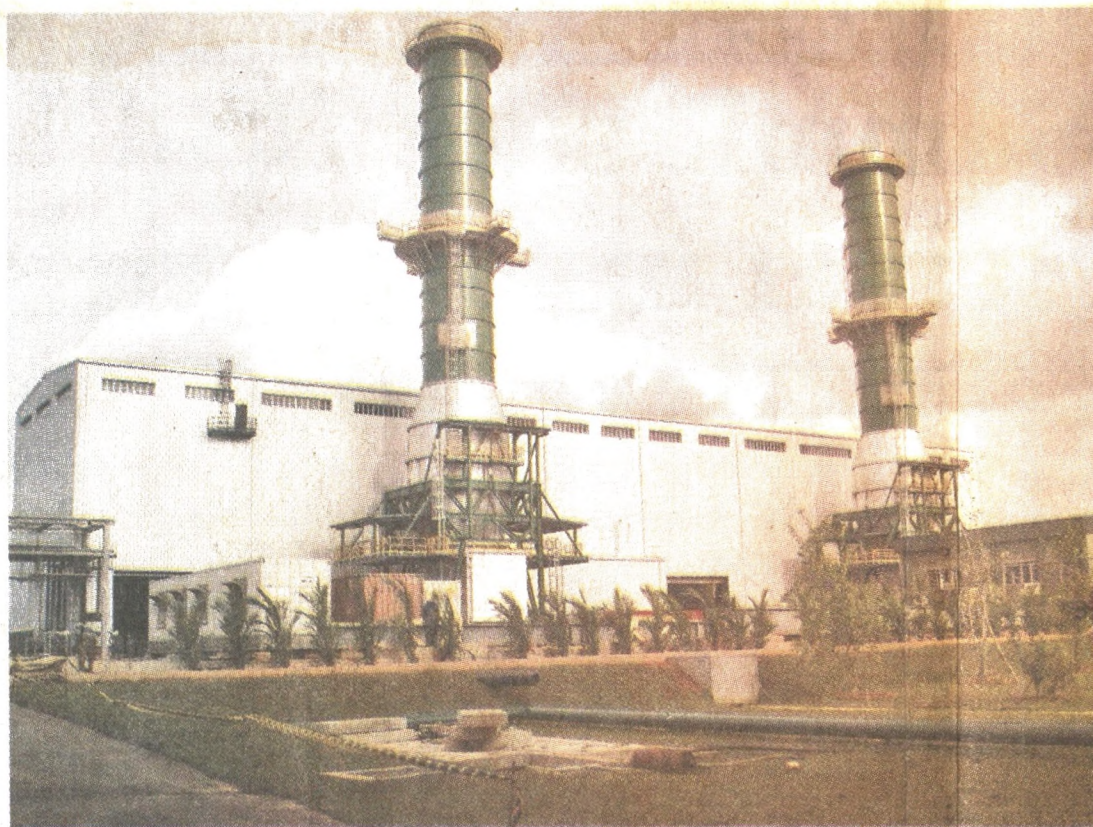
The Ministry has been taking steps to establish a Sustainable Energy Authority to develop energy sources by promoting natural energy development. At this end, steps are being taken to develop 1MW dendro (gliricidia) electricity capacity to 180MW and to direct people to cultivate gliricidia by selecting uncultivated land and to uplift the rural economy.

It can add the power so generated to the national grid. The Ministry has focused attention to construct new powerhouse at Embilipitiya, Moneragala, Hambantota and Anuradhapura in addition to the existing powerhouse at Walapane. The Ministry anticipates to direct the natural energy development to a new path by establishing the Sustainable Energy Authority.

Development of rural electrification

The ability to provide electricity to 78 percent of the population was a great achievement of the Ministry, but non-availability of electricity of 22 percent of the population has a negative impact on the socio-economic development of the country.

China and ADB assisted power projects have been completed to provide electricity to villages. Under this, 7,400 out of 4,200 power projects have been completed. The Ministry has opened 80 power projects within the past nine months. USD 24 million has been spent on this project. - The Power and Energy Ministry. To be continued



The Kerawalapitiya power station- a step to remedy the future power crisis

The role played by the Power and Energy Ministry

Future of energy development

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Overall electrification level in 2009 - 85%

Status of electrification

Colombo	98%
Gampaha	98%
Kalutara	83%
Galle	97%
Matara	94%
Hambantota	80%
Moneragala	50%
Ratnapura	70%
Nuwara Eliya	86%
Badulla	67%
Jaffna	60%
Kilinochchi	4%
Ampara	67%
Batticaloa	54%
Kandy	79%
Kegalle	79%
Polonnaruwa	69%
Matale	84%
Tromcomalee	56%
Anuradhapura	71%
Kurunegala	76%
Puttalam	83%
Mannar	37%
Vavuniya	62%
Mullaitivu	1%