BUSINESS & FINANCE

Selling power to national grid through CEB

Mark Marine Services and CF Venture Fund commission hydro power plant

The water canal that leads to the turbines generating power.

The power house and the generator. Samantha Rajapakse CEO - CFVC and Mrs. Makalanda, mother of the Mark Marines Services Chairman and Directors.

The Board of Directors Anil Makalanda, Samantha Rajapakse and Sam de Silva with the project manager and the Manager of Carolina Group. *Pictures by Peter Christie*

by Peter Christie

Mark Marine Services (Pvt) Ltd and CF Venture Fund Ltd, jointly owning 85 per cent of shares have commissioned a Mini 2.6 mega watt (MW) Hydro Power Plant (HPP) with three other institutions in Watawala and Nuwara Eliya to sell power to the National Grid through the Ceylon Electricity Board (CEB).

The deal is based on a twenty year Power Purchase Agreement among the three institutions.

The project cost Rs. 230 million

The major shareholder, CF Venture Fund is a listed public quoted company dealing in Venture Capital Bussness. They share risks with - and assist - Technology Managers in the development of schemes, production processes and organisation, providing investment to small and medium companies with a strong development potential through the "Value Added Equity" and other unsecured debt instruments a company report said.

CFVF as a venture company is unique in that it adopts a "hands on" approach to both the strategic and financial management of investing companies.

Abounding with accumulated expertise in assorted and divergent industries CFVF maintains a very broadbased portfolio extending from biological and agrarian industries to Software development.

The major partners Mark Marine Services (MMS) are one of four member companies that constitute the Mark Group (MG) newly established and with objectives to develop and commercially explore hydro resources sale and distribute water turbine engines.

MG has had previous experiences in the construction and development of HPPs in Sri Lanka and is now venturing into the development of Hydro Power Sources. Initially, it will develop the Carolina Estate, Watawala resources and then explore other opportunities in the same field, the report said.

With the gap between power supply and demand widening each day creating a crevice the Watawala Hydro Electric project capitalises on electricity consumption demands. The project has shown how the farsightedness and enterprise of both MMS and CFVF have capitalised on the significant deficit between supply and demand and projected growth rate exceeding 8 per cent for the power requirments of Sri Lanka.

Private sector investments have been encouraged by both the Government, the World Bank's proposed Energy Service Delivery. Funds are channelled for grid connected and off grid power projects through selected development and commercial banks. The Carolina Power Station has been identified as one such project and has secured facilities with the Development Finance Corporation of Ceylon and Hatton National Bank .

Initial feasibility studies were made by the Industrial Technical Development Board and the project is subjected to a five year tax holiday.

The site, which covers an area of 43 square kilometres is located on an easily accessible main Colombo Hatton Road. The abundance in rainfall (Watawala gets rain from both the North East and the South West monsoons) and four major tributaries in the catchment area that varies from 1350 to 1000 metres guarantees the maintenance of the flow of water through the turbines. Environmentally non hazardous it has obtained full authorisation of the Central Environment Authority.