

Commissioning of Norochcholai, Upper Kotmale vital

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CEB power crisis looms large

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The joint survey conducted by the Japan International Cooperation Agency (JICA) and the Ceylon Electricity Board had indicated in its report that the country's power demand is growing at a rate of 7.6 percent per year. The country needs 7,619 MW of power by the year 2025 to fulfil the total requirement.

It has also warned that delaying the proposed Norochcholai Coal power project and other power generation projects such as Upper Kotmale, Gin-ganga and Umoaoya hydro projects as well as Kerawalapitiya power plant would create severe power shortage within the next few years.

The Japanese government had provided financial assistance to the Upper Kotmale hydro project in 1992 and the construction work were

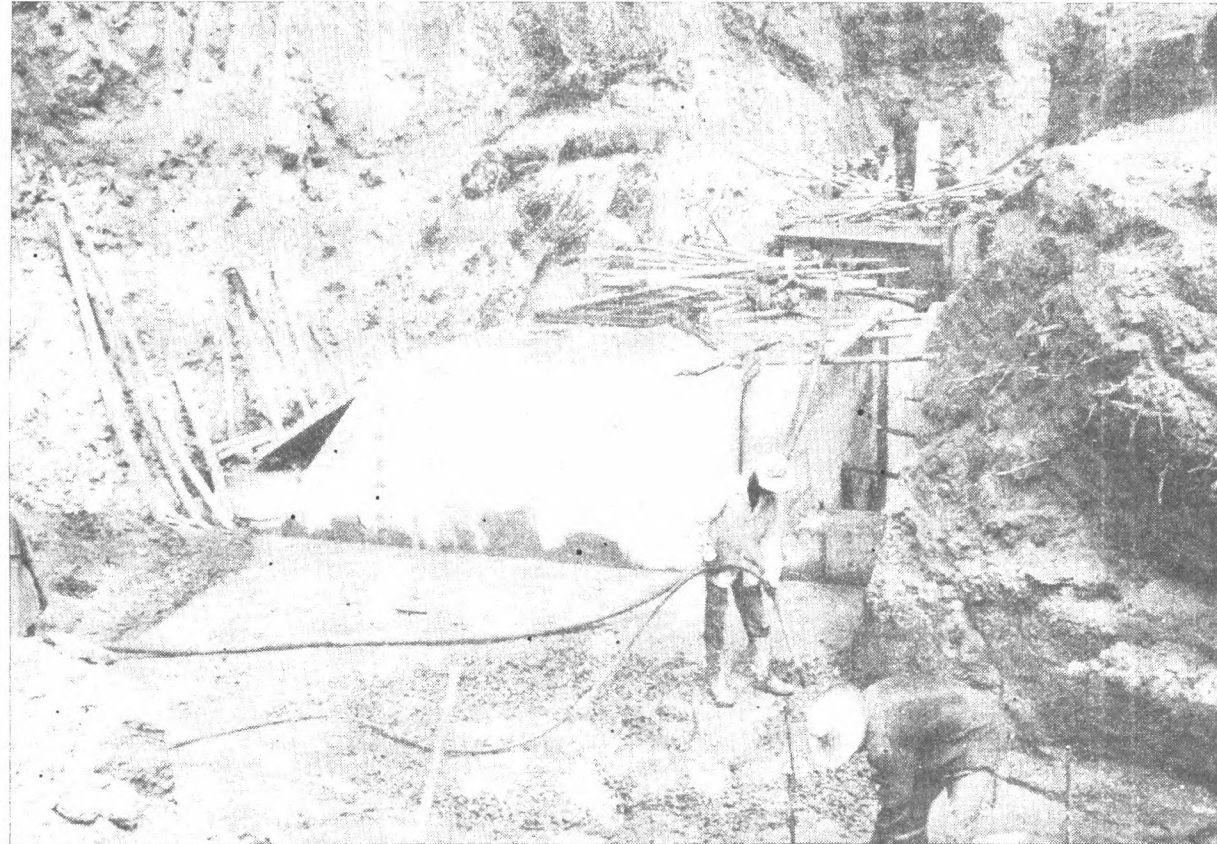
scheduled to commence in 2001. But due to political pressure mounted by the CWC and other allied Tamil political parties, the construction work was stalled for a while.

The construction work of the Norochcholai project expected to commence in 2002 was also postponed due to protests launched by NGOs presumably under pressure from private power generation companies who sell electricity to the CEB at a higher price.

Cost

While the Central Environment Authority has given its approval after a complete study of the environmental aspects, the NGOs claimed that it would create a negative impact on the environment.

However, the new government has now taken a firm decision on this



Upper Kotmale construction at its initial stages, now at a standstill

issue, and have decided to proceed with the Norochcholai plant and the Upper Kotmale project at a cost of 92.8 billion, with immediate effect.

Dry season

With the completion of these two projects, another 1050 MW will be added to the national grid. The country's current power requirement is around 7600 MW. Out of this, nearly 4100 MW is generated through hydro stations and the balance from diesel power stations. The most cheapest source of power generation is from the atomic reactors. But since we do not have the technology it is out of the question, at the moment. The next cheapest sources are coal and hydro. But hydro power

generation depends upon the country's rain fall. Therefore

during the dry season country cannot totally rely on hydro power.

It is a well-known fact that during the dry season every year the CEB is compelled to switch on fuel generators, which has resulted in a huge loss to the CEB and further aggravated by constant oil price hike in the world market.

The CEB now spends Rs 60 million per day on fuel to generate power. If it was coal power the same output could have been obtained with Rs 32 million saving Rs 28 million per day.

With the completion of the coal power plant, the Ceylon Electricity Board (CEB) would be able to generate electricity at Rs.3.75 per unit. On the other hand the government will be able to save a huge amount of money and at the same time the unit price of power will come down drastically.