

19/10/99 The Island

Rs. 6 billion loss due to power cuts — Ratwatte

Minister of Irrigation and Power Anuruddha Ratwatte last week revealed that the loss to Sri Lanka's economy in 1996 as a result of power cuts had been estimated in the region of Rs. 6 billion.

Another 1150 MW combined-cycle plant will be established at Kelanitissa by the private sector. It will become operational in the year 2002. Two other diesel plants each of 20 MW capacity will be established in the region of Rs. 6 billion.

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Memos were circulated between Hoover and his deputies about the possibility of an espionage-prostitution ring operating in the area. The files show that FBI agents were sent to England with American ramifications.

Immediately, the FBI, which had so far only been looking into possible breaches of security by American Air Force personnel and others who might have been part of Ward's circle, intensified its investigations.

ing this matter" although it was barely hours old.



power generation in Sri Lanka after the year 2000. In other words, that coal is the preferred fuel for power generation.

"In connection with these plans there have been numerous suggestions and proposals in the press that better fuel options are available. These options include diesel and other liquid fossil fuels, liquified natural gas or LNG, and renewables such as solar and wind.

"One of the major arguments brought forward in support of these suggestions is that they are more environment-friendly than the CEB plans. The only practical and legal way to determine whether a project is acceptable from an environment point of view is to ensure that it complies with the National Environment Act. How this is done is through an Environmental Impact Assessment (EIA)

study and obtaining an environmental clearance license from the CEA or the relevant agency. May I assure that I will ensure that all projects implemented by my Ministry have environmental clearance. In fact, it is illegal to implement a project that does not have environmental clearance. To my mind, the point to argue is not that a particular fuel is more environmentally friendly than another, but whether the particular project can or cannot meet the environmental standards set by the CEA for the country.

"As the Minister in charge of power I consider it one of my prime responsibilities to ensure the security of power supplies. I have already mentioned the adverse effects created by the disruption of power supplies in 1996. I believe that diversity of fuels is a necessary

condition to ensure security of supplies. Consequences of depending on a single fuel — in this case hydro — was amply shown in 1996. That is why we took immediate steps to develop thermal generation as was discussed earlier. Single fuel for thermal generation too should be avoided.

"By 2004 we will be having over 900 MW of thermal plants all running on some form of liquid fossil fuels — diesel, naphtha, residual oil, heavy oil etc. — in our generating system. The implication is that our thermal generation is all based on oil. All of you are, I am sure, aware of the sudden and unpredictable fluctuations of oil prices in world markets. These fluctuations, oil shocks as they are called, ruined the power sectors, really the economies in many countries in 1973 and 1976. It is therefore imperative

that we diversify into fuels other than oil as fast as possible.

"It is not only my responsibility to ensure the security of supplies, but it is also my responsibility to ensure affordable prices for electricity. It is in this connection that I must say a few words on renewables — wind and solar — sources of power. We have been promoting the use of solar and wind power since we came into office. Under the Energy Services Delivery project we have taken action to develop through the private sector 10,000 solar home systems and 30 MW of mini and micro-hydro schemes. Through this project funds will be made available to the private sector at concessionary interest rates for the implementation of renewable power projects. Unfortunately the project is not moving as fast as we like. The reason is simple;

the costs are too high. Under this same project we have constructed a 3 MW wind farm at Hambantota. CEB has informed me that a unit from this plant costs more than Rs 5.50 to generate. CEB sells a unit of electricity to the consumer at around Rs. 54.5. The conclusion is clear and we welcome any proposals for reducing the generation costs of renewables.