

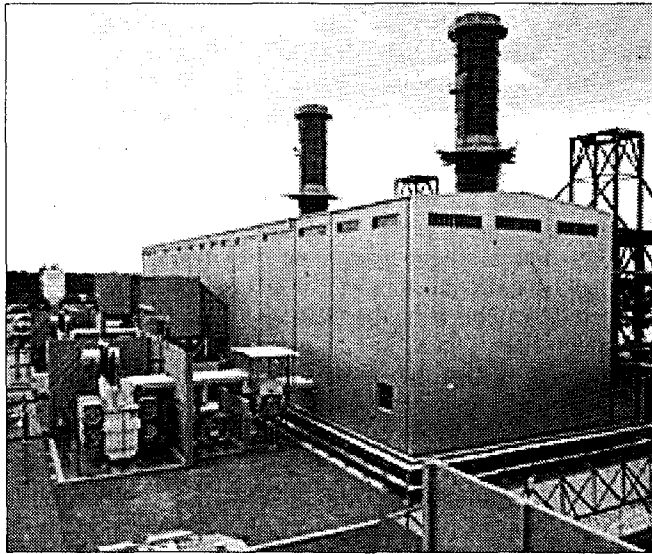
27/05/09 The Island.

Natural gas queries

A news item stated that a foundation stone will be laid for the construction of a natural gas plant at Kerawalapitiya by a private firm, at a cost of US dollars 600 million to generate 488 MW of electricity.

Readers who have followed the electricity generation debate, will undoubtedly remember that the CEB engineers vehemently opposed the political move by the minister, to set up the NLG plant. This protest was also supported by experts and consultants. In one article by Dr. Tilak Siyambalapitiya, a reputed consultant in this field, who always advises the CEB and educates the public, had this to say in his article to the 'Sunday Times' of March 16, 2008, captioned, "Electricity costs and prices: facts and myths":

"If you think these pressures are no more, you are mistaken. The latest pressure on the CEB is to accept Liquefied Natural Gas (LNG) for power generation. In spite of three independent studies by USAID 2002, the World Bank, 2004, Japan International Cooperation Agency,



2006, clearly declaring that LNG is not an economical source for power generation for Sri Lanka and the CEB's own study confirming the same result, moves are in place over the past several months by external agencies to push LNG terminals and power plants on CEB.

Without analysing what the price implications are, many politicians and bureaucrats, and even the present CEB Chairman declare frequently that we should "Look" at LNG power plants, not coal. 'Look' because it is

cheaper? Because it can reduce the burden on the consumer? No. 'Look' because someone else is turning my head in that direction.

One wonders whether the CEB has since changed its mind and revised the generation plan, for reasons better known to them, perhaps technical, which we as laymen do not seem to know. But we as laymen know that the escalation of prices in LPG (domestic), the installation of such a plant will affect the pricing of electricity, which we as consumers, will have to bear.

I believe the setting up of an authority has been consented to, to approve the generation plan of the CEB and go into the price factor in generating electricity by using LNG and to grant permission to go ahead with the project. Has this been done? Or has the minister decided to go ahead with the project, before the authority is set up? We as consumers have the right to know.

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