

Development of a coal fired power station

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During the past, many articles have been written in various newspapers by some with no knowledge, some with little knowledge and some with vast knowledge regarding the proposed Coal Fired Power Station, which is an absolute MUST for Sri Lanka.

The Veteran Authority, Mr. Carlo Fernando who guided the CEB on Coal Power, quite correctly insists on Mawella as the site for the proposed Coal Power Station.

The insistence of developing Mawella, is due to its nearness and proximity to deep water where Coal Carriers could berth easily for unloading.

The CEB's choice of Noraicholai requires a Coal unloading Pier which is six to eight kilometres long which extends beyond the horizon. Such length of Pier is required because the sea along the Kalpitiya peninsula is shallow. Therefore to reach deep water where a ship can approach requires this distance of six to eight kilometers from the shore. Apart from which there is no possibility of Dredging deep canals to bring ships closer to the Power Station, as there are strong under water currents which constantly move vast quantities of sand up and down this coast line depending on weather patterns.

Mawella was chosen for its natural features that allows Vessels to approach very close to the shore, similar to why Trincomalee was first chosen to set-up the first Coal Power Station. As can be seen from the attached map of suggested development at Mawella, the Coal unloading Pier is approximately 250 meters from the shoreline.

It is obvious that there is a colossal cost saving on the construction of the unloading facility at Mawella compared to the six to eight kilometres required at Noraicholai.

The location of the Coal unloading facility at Mawella that is partly sheltered by the Kolonna point offers stability in docking a Coal Ship to the unloading jetty. The proposal to build a six to eight kilometre long pier and to have a coal unloading jetty

in mid ocean, poses other problems of stabilising coal ships in mid ocean to unload the cargo. If it was possible to stop ships in mid ocean and to unload cargo, it is a waste of money and effort in developing harbours to unload other cargo.

Furthermore it could be seen from the map that the construction of the area for stacking Coal, the Power House and the Electrical Switchyard which forms the power station is situated some one and a half to two kilometres away from the beaches which are used by the Fishermen. The Kudawella Fisheries Harbour which is already under construction is in the adjoining bay and as can be seen, is not interfered in any manner by the proposed coal unloading facility which is in front of the sheer cliffs that forms the Kolonna point and is not used by Fishermen and their boats.

The Government and the Public had been misled repeatedly through false statements that the Fishing Industry at Mawella will be disrupted and those Fishermen will be prevented from using the Beach.

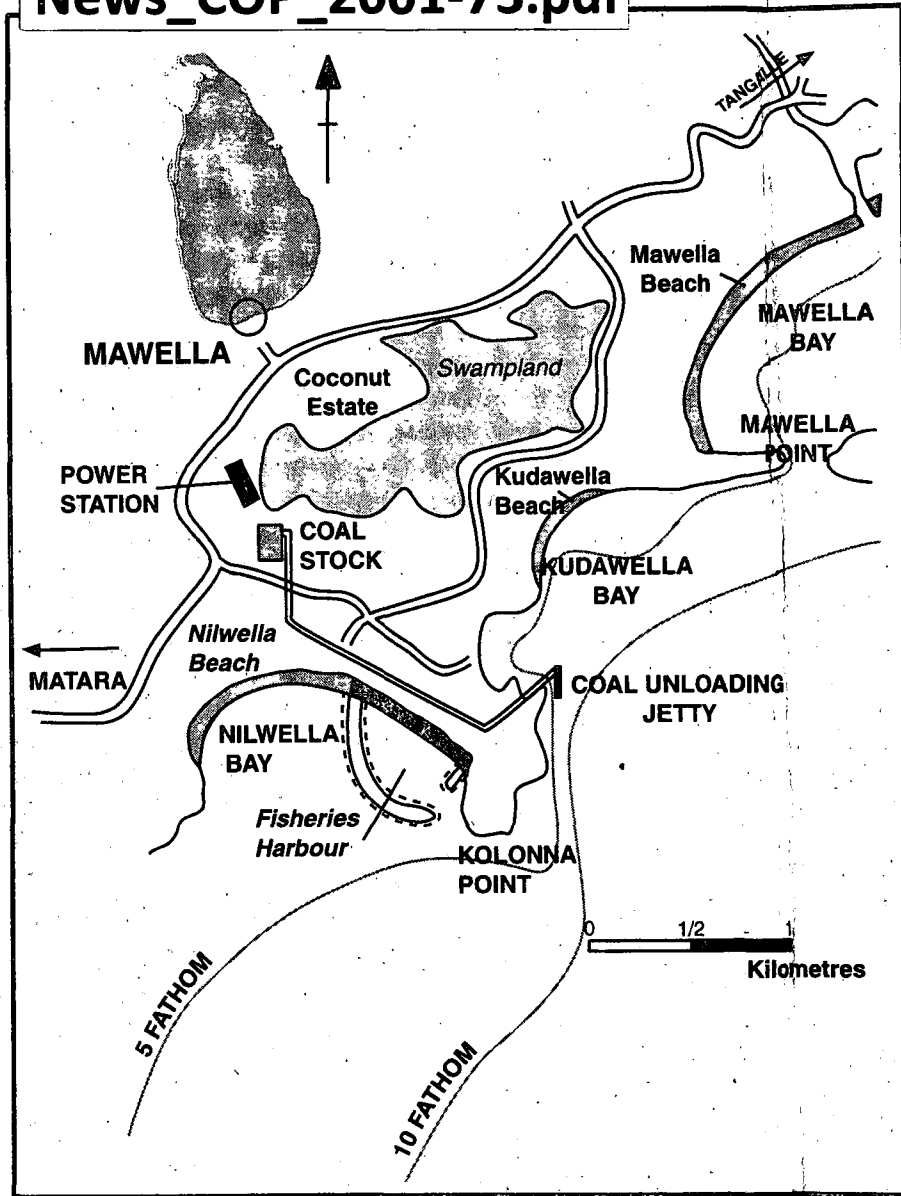
A false impression has been created that the Power station is to be built on the beach similar to a Tourist Hotel. It is clearly seen from the proposed plan that the Power Station is located well away from the beach inside a coconut estate where there are no Fishermen.

Mawella allows all facilities of the Power Station to be constructed with no hindrance to the fishing community and to the residents who live along the seashore.

A misconception that Mawella will require the displacement of people has been put forward by parties who have vested interests in preventing a Power Station been developed at Mawella. The structures such as the Power Station and the Coal Stock while been located in a private coconut estate adjoining marsh land, the coal transporting conveyor also travels through such a property to reach the coal unloader on the side of cliffs at Kolonna point. Therefore there is only a marginal interference if any, with existing residence.

On the other hand, it has

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been noted through a report made by the Consultants, that a sum of Rs. 88 Million has to be made available to resettle people at Noraicholai if the power station is to be built at this site. Spending such large amounts indicates that many families would have to be relocated from Noraicholai.

Let us now look at the cost of building power stations at the two proposed sites. It is estimated that the development of a 300 megawatts Coal Power Station at Noraicholai will cost US\$ 650 Million. The study conducted at Mawella where a shorter Pier is required is estimated to cost US\$ 400 Million for the same capacity of 300 Megawatts.

It is the CEB's intention to borrow funds from Japan to construct the power station at Noraicholai. The reasons given for borrowing such funds is that the proposed design and construction of the power station at Noraicholai cannot be funded similar to what the CEB have used for setting-up several diesel power stations on a BOO/BOT basis. Why it is not

possible to do on a BOO/BOT basis at Noraicholai is purely due to the large capital expenditure, which is required just to produce 300 Megawatts of electricity. If this was done on a BOO/BOT basis, the cost of generating a unit (kWh) of electricity will be in excess of 8.0 US\$ Cents.

The construction of the Coal Power station at Mawella or any other site in the South could be undertaken on a BOO/BOT basis as it is seen, that these other sites too can be developed for less than US\$ 500 Million, which will result in the cheapest cost of electricity which could be generated Thermally.

The strenuous efforts now made for developing the Noraicholai site will only benefit the vested interests of selected key persons who through bad planning, had jeopardized the country's electricity generating base and who are now using their position and effort to misguide Her Excellency The President, The Hon. Minister of Power Energy and the rest of the Government and the members of the Public in

Sri Lanka

In her capacity as the Minister of Finance, Her Excellency the President has observed the colossal cost associated with Noraicholai, the disturbance and the displacement of people within the Kalpitiya peninsula and has publicly announced the cancellation of developing the Coal Fired Power Station at Noraicholai. Her decision was approved by the Cabinet as reported on 1~ Aug.-2000 in the Daily News, The Island and a host of other Newspapers. Several TV news reports also confirmed the cancellation at Noraicholai.

Despite Her Excellency's steadfast decision and commitment not to proceed with the setting up of the Power Station in Noraicholai, interested parties are now using the current deficit of generating capacity due to the low water levels resulting from the current drought, are now once again poised to threaten the public and force the government to go ahead with their devious plans of developing the power station at

Noraicholai at unaffordable costs.

The excuse given by the CEB not to consider the very well studied site at Mawella is that there is a "Presidential Decree" said to be issued by President Premadasa. Even if it is so, in the interest of Our Country Her Excellency The President Chandrika B a n a d a r a n a i k e Kumaratunga is well in command to revoke such decree.

The refusal to follow Her Excellency's decision which have been approved by the Cabinet to abandon Noraicholai and the very insistence of the CEB to proceed with this site by threatening the public of power shortages and forcing the government to go against their own decision, is a clear indication as to the devious interest which are behind the development of Noraicholai.

Apart from the proposal to locate the Coal Power Station at Mawella there are several other locations in the South which have been identified by these American Consultants who were hired by the CEB very much prior to engaging the current consultants to study the site at Noraicholai.

The implementation of any such site through the private sector on a BOO/BOT basis will not only result in developing such power station at a low cost but could also provide electricity at affordable rates.

Reported expenditure of 400 Million Rupees on site studies at Noraicholai made over a period of well over five years, a period in which if the development of this Coal Fired Power Station was given to the private sector, would have resulted in the first Coal Power Station producing cheap electricity by now.

The above facts and the availability of several sites in the South inclusive of Hambantota allows the Government to locate the Coal Power Station in South of the Country thereby not only developing the South but also provide the country with proper electricity generating facility which is now deprived through prolonged and unwanted activities at Noraicholai, despite the Governments decision not to build the Power Station at Noraicholai.