A power crisis sans power cuts

by William de Alwis

The nation is again face to face with a power crisis for the same old reasons. The North-East monsoon has failed and the hydro-power stations in the hills are producing less and less.

The silver lining this time round however, is that come what may, there will be no power cuts. Government policy, combined with measures already installed to ensure availability of alternative power will not permit a repetition of the fiasco we experienced not many monsoons ago.

"There will be no power cuts, and that's definite", CEB Chairman Arjun Deraniyagala told the *'Daily News'* at an exclusive interview last week. "We will not let it happen again". But there is a darker side to the story that is giving him a headache that will not go away, and it can be told in one word - Oil.

Speculation over the outcome of the meeting holds little to boost the flagging spirit of the CEB. It has been drawing heavily on substantial cash reserves to meet the new oil prices. Because there has been no rain, the demand on thermal (oil) power is heavier.

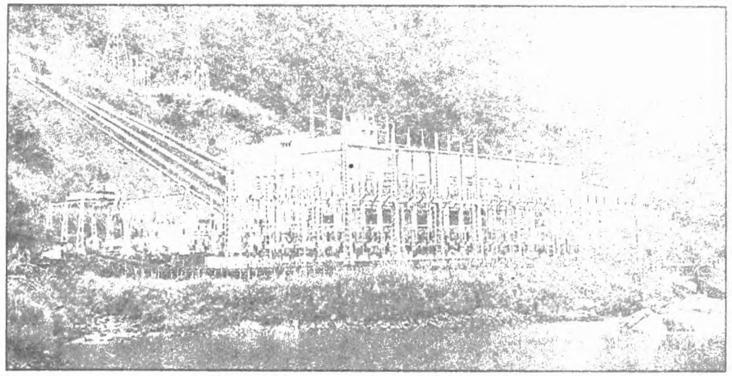
It has to use in tandem with what can be prudently extracted from the hydro power generators till the rains come again. "We produce close to nine million units of electricity a day, and half of it is thermal and extremely expensive" the CEB's Chairman grumbles. Understandably, because under normal condition the reliance on oil is for just around 15 per cent of the total power generated.

Although the North-East monsoon showers did fall, it was mostly in the plains. The catchments of the hydro power reservoirs in the hills received little ,or nothing. A comfortable reservoir level is eighty per cent.

Friday's (March 24) measurements were bleak. Live storage readings were as follows: Castlereigh 24%: Mousakelle 21%: Kotmale 21%: Victoria 39%: Randenigala 65%: Samanalawewa 32%: This is forcing the CEB to maintain a prudent Fifty-Fifty equation between Hydro and Thermal Generation till the rains of the next monsoon. The South West arrive. They are predicted for May or June, but a late arrival in July is possible too.

Then, what hopes for the better from the OPEC meeting of the 27th of this month? Very little of immediate value. Observers say that even if increased output from the big wells is decided upon, it would take a long time coming, and phased over the months till September to meet total market needs.

There's some optimism being aired too.



Laxapana hydro power station

Good, because it's from the lips of a giant oil producer, Iran. Foreign Minister Kamal Kharazzi sought to allay the industrialised nations' fears with a statement that the current high prices "are temporary and will fall back because they were brought about by a cold winter and depleting oil stockpiles held by industrial oil consuming nations". With Spring approaching and a consequent fall in consumption, Iran considers the current situation as temporary, he told a Teheran Press conference. He however dampened the good tidings somewhat by saying that Iran would fall in line with whatever OPEC decided.

What does all this mean to Sri Lanka, and what can the CEB do about it?. The Board holds that it will endeavour to meet the high cost of oil with the cash reserves available for the production of thermal power in careful balance with hydro-power resources available till the rains fall again. There is a chance however that there will be a deficit between cash reserves and cost which would inevitably lead to a tariff adjustment. Disappointing, but this has been the experience of the Third World over the last half of the 20th Century. This is not to say that the developed nations have been immune. There, government subsidies have been harnessed to tide over difficult periods. In Quebec, a costly series of hydro dams was subsidised through the provincial utility, while in France a massive nuclear industry was created through massive government subsidies. And, German companies were required to purchase German coal at several times the world price to protect the jobs of coal miners.

But subsidies like that are way beyond the means of the economies of the developing Third World. In Sri Lanka's case, the commitment to further industrialisation and production now seems to overide all other considerations. The need of the hour is more power on the concept that the ends justify the means, and the solution has been staring us in the face throughout the last decade. Coal. That is, until we can afford to pay for the more environmentally friendly means of power generation that hold high promise for the new millennium.

This is what the CEB is pushing hard towards but being stymied by so called concerned groups blind to the urgency and practicality of the proposal. Coal is simply not the answer to petroleum from an environmentalists point of view, but then what alternatives are there for cleaner power with their huge cost overruns? The CEB Chairman is positive: The answer is coal. "We cannot continue to be dependent on thermal as our only alternative to hydro. It is safer, cheaper and more reliable than oil.

The feasibility studies and environmental surveys for the plant at Norochcholai have been done and their answer is YES. Two of the world's most environment conscious nations - Switzerland and Japan support us. They would never do that if there was the slightest doubt".

Forty per cent of world electricity generation is from coal. In our neighbouring country India, 75% of the electricity is generated from coal. Many countries are using coal as main fuel for generating electricity, Australia (78%), USA (52%), UK (49%), China (80%).

Increasingly strict pollution laws have forced utilities to control everything from coal ash to nitrogen oxide gases. While cleaning the air, these measures have also increased the price of production. "We've taken all this into consideration, and even though these measures will be costly, coal will still be cheaper. Mr. Deraniyagala said he was insisting on the best safeguards for monitoring pollution. He will suggest the enlistment of a team of independent international monitors and instal the latest calibrated technical devices to ensure that nothing goes wrong.

Meanwhile the CEB is going ahead with installation of ten more mini-hydro projects and giving the private sector maximum support for other renewable and clean generating systems.

The feasibility of wind has been studied but it has turned out to be very expensive and unreliable. "I agree that natural gas can be our answer, but right now supply sources are remote and it is expensive to store and transport. We can take it up when Trincomalee is free or another harbour is made available in the South. In another ten or fifteen years we could expect natural gas as our viable option, but for now, coal is our answer".