

# Coal power generation: Why the delay?

By A Special Correspondent

When talking about power generation Sri Lanka style, the first and million-dollar question that comes to mind is: Why the delay in coal power generation? This is a question that has been asked over and over again with very little response from the government sector in terms of credible answers.

Time and again various governments have hog washed this issue by issuing various disingenuous policy proposals couched as solid solutions.

When the government of Ranil Wickremesinghe took over the reins of power in December 2001, the public expected much.

After all, he was projecting himself as a new type of Sri Lankan leader; clean and efficient. He was touted as Sri Lanka's modern day political saviour. Considered by many as an astute technocrat who knows how to work behind the scenes to get things done, much was expected of Mr. Wickremesinghe when he took over the running of state affairs.

When he took over the governing of this country, he had identified the area of adequate and efficient power generation as one of the most important areas that needed the attention of his government.

Well, what has happened since December 2001 in terms of power generation? The most charitable answer to this question would be a very disappointing "nada". The best, and just about the only positive thing that can be said about Wickremesinghe's handling of the power crisis is that his gov-

## Point of view

ernment has avoided the unpleasant power cuts that dogged the consumer during the previous PA government. While being successful at avoiding power cuts, this government has been most unsuccessful in all other areas of running the affairs of the Ceylon Electricity Board (CEB).

Sri Lankans have long known that the power generated by the existing plants is not adequate to the growing needs of the country. The gap between the actual supply and the required supply necessitated the costly procedure of purchasing power from the private sector on an emergency basis. When the present government began purchasing this "emergency" power to bridge the gap between supply and demand, it was meant as a stop-gap measure.

The government promised the public that they will be immediately looking into more permanent and less expensive solutions to the problem of inadequate power generation.

With this in mind, the CEB under the much-ballyhooed "leadership" of Karu Jayasuriya has been telling a sceptical public that no stone would be left unturned in looking for more economical ways of providing electricity to the consumers.

The Citizen's Trust Organisation held a workshop on "Analysis of Power Crisis" on 8th May 2003 at the Foundation Institute.

Since December 2001, the CEB has put forward a set of policy guidelines that spell out the long term vision of

the organization and also come forward with a long term plan, the so-called Generation Plan, that spell out how they plan to achieve their objectives. The policy guidelines put forward by K.K.Y.W. Perera, the Secretary to the Ministry of Power during his presentation, calls for the generation of adequate power at the lowest possible cost with great emphasis on private sector involvement at the least possible economic, social and environmental cost. It also promises to dismantle the present monopoly enjoyed by the CEB when it comes to power generation. Sounds wonderful. Prof. Perera has touched on all the politically correct areas and given us a great set of policy guidelines. But when you read between the lines of Perera's guidelines, you will see that he makes one glaring omission while touching on different methods of power generation; coal power generation.

In Perera's Utopia, there is a place for all types of power generation whether it is hydro power, solar power, wind power or wood based power generation, but no room for the cheapest source of power - coal.

It should be noted that the Generation Plan of the CEB put forward by Mrs. Kamini Jayasekera, specifically mentions that the most cost efficient method of power generation is through coal. In her view, spelled out in the Generation Plan, coal is the most cost efficient method of power generation.

It should also be noted that Deputy Minister of Power and Energy, Sagala Ratnayake has also aired the

opinion that coal power generation seems to be the way forward for Sri Lanka. Coal, due to its ready availability and relatively low cost is the preferred way of power generation in many parts of the world. For instance, according to a position paper submitted by Karin Fernando of Citizen's Trust, more than 50% of the electricity in countries like the USA, Australia, Denmark, India and China are generated by coal.

Then, why is the CEB dragging its feet when it comes to coal power plants? While the most qualified part of the CEB, its engineers, is supporting coal power generation, its bureaucrats led by Perera are intent on cutting the legs off coal. It is widely known that the Australian consortium Barclay Mowlem (BMC) has put forward an extremely attractive proposal to set up a coal power plant in the southern region of Sri Lanka. All costs associated with this project including site studies, environmental impact studies, construction costs, machinery costs and development of a jetty to berth coal barges is to be borne by the BMC.

The BMC has also guaranteed to supply 300 MW's of electricity at a guaranteed rate of US \$ 0.04/unit for 30 years. The current rate paid by the CEB is in the range of US \$ 0.075/unit. One does not have to be a professor, an engineer, a minister or a prime minister to see that this is a win-win situation for the Sri Lankan consumer. The Ministry of Southern Development has rightfully and enthusiastically supported this project. Then why

Mr. Jayasuriya are you dragging your feet and letting a few individuals with vested interests but no interest in promoting the welfare of the nation run the affairs of the CEB?

It is speculated that K.K.Y.W. Perera is somewhat skeptical about the project on two fronts. The first is the issue of return on the BMC investment. He is alleged to have queried as to how the BMC is going to make any money from the project by supplying electricity at US \$ 0.04/unit. Well, Mr. Perera, it is none of your business how the BMC is planning on recovering their investment. Perera should let the BMC figure out their finances and concentrate on his job at hand; providing the most cost efficient power to the consumer.

Mr. Perera, as a person with a doctorate, you should have enough sense not to look a gift horse in the mouth.

The other is the so-called unsuitability of the seas off Hambantota to build a jetty for coal barges. In his view the seas off Hambantota are too "shallow". Incredibly, the top man of the BoI has made similar remarks about the depth of the Hambantota seas to the Southern Economic Commission. Surely, both are aware that the government is going forward with the construction of a port in Hambantota. Surely, they can get someone who can read oceanographic charts to confirm if it is possible to build a port in Hambantota then it is definitely possible to build a jetty in Hambantota.

So, considering the above facts, it is quite obvious that certain segments of the decision makers at the CEB and the BoI are hesitant to promote coal power generation for reasons best known to them. The benefits of coal power generation are evident to all, but these few individuals. It is also quite obvious that the Minister is not capable of controlling the events in his ministry.

So far the Prime Minister has kept aloof from the whole scenario, maybe thinking that saner heads are bound to prevail sooner or later. Well, we all know that Ranil Wickremesinghe is bestowed with the patience of Job when it comes to letting events run their course. This is well in terms of attaining certain personal political goals, but it is not acceptable when it comes to running the affairs of State.

So far the electorate has tolerated this wait and see attitude of Wickremesinghe, but it is likely that the patience of the average person is going to run out very soon. The political alternative, however unpalatable it may seem, may look attractive when faced with the inertia, lack of direction and most importantly the lack of urgency shown by this government to the long suffering masses of this country. Therefore, if Wickremesinghe is serious about making a positive difference in running the affairs of State, then he needs to wade into the slipstream that is Sri Lanka politics and hold his minions accountable.

There is no better place to start this process than at the CEB.