

'Coal Power Generation: Why the Delay?'

This refers to the article by "Special Correspondent" titled "Coal Power Generation: Why the Delay", which appeared in the Daily Mirror on May 22, 2003. While this article has many good points, such as acknowledgement that the power cuts were eliminated by the present government, it appeared that the article has not adequately captured and portrayed certain aspects of coal power generation and power generation in general. Therefore the following amplifies in a limited manner the facts in relation to policy and programmes.

Policy guidelines that are presented are generally distinct from programmes. As acknowledged by the "special correspondent," it has emphasized generation of adequate power at least

possible cost. It also announced the policy in respect of private sector involvement to achieve least possible economical, social and environmental cost; these are policy guidelines of the Ministry of Power and Energy and reflect the policy of the government.

The policy also reflects unbundling of the electricity sector consisting of generation, transmission and distribution. These again reflect government policy rather than that of an individual or Ministry of Power and Energy.

In relation to power, the presentation mentioned hydro power, thermal power and non-traditional power sources; it is appropriate to mention here that thermal power includes coal power, oil fired power as well as wood fuel fired

power generation.

At the policy level it is the most economic power, which needs to be chosen. At the programme level, which was very briefly touched upon, the need for coal power was clearly shown with an initial 300 MW coal power plant, which would be the first in sequence on coal power projects.

There is no difference between the Generation Expansion Plan of the CEB (presented by Ms. Kamani Jayasekera) and the Ministry Policy and Programme.

The Ministry fully supports coal power generation as a means of most economical and financially viable large scale power generation.

Not only is coal power observed to be the cheapest generation source for

capacities of 300 MW or higher; the fact that coal prices over the years have been steady and oil prices have had sharp ups and downs is a point much in favor of coal power.

In fact, the prediction is that coal prices would remain much more steady even in the future where as oil prices would naturally undergo escalation because of the very limited extent of oil resources in the world, compared to much more abundant coal resources.

In order to obtain coal power generation at the least possible prices and in a transparent manner in keeping with government policy and tender procedure, the Energy Supply Committee has already advertised in the newspapers seeking Expressions of Interest.

It is expected that the Energy Supply Committee will analyze all such offers received. The article also charges that "it is speculated that K. K. Y. W. Perera is somewhat skeptical about the project on two fronts" What has been stated thereafter is pure speculation. In fact there is no opposition to coal power by the Ministry or any individual of the Ministry.

On the contrary the Ministry is promoting coal power because it is the most economic source in the long run. Also there has been no comment in relation to unsuitability of any particular location. In fact Hambantota has been identified as a possible site.

The suitability of any location for a large project such as the 300 MW, or 600 MW or a 900 MW coal power project will

need to be established by a suitable study.

The presentation by Ms. Kamani Jayasekera of the CEB, fully supported by the Ministry of Power, amplified the plan for 300 MW + 300 MW + 300 MW coal projects in succession.

There is no difference in policy or planning between CEB and the Ministry. In fact the CEB's planning methodology include a careful analysis commencing a from demand forecast and an optimization study, to enable minimum Power Cost.

The Ministry fully endorses the CEB's generation expansion programme, which includes large scale coal power plants.

-Vidyajothy
K.K.Y.W. Perera,
Secretary, Ministry of
Power & Energy

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