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Rs. 45,000 million loss due to coal power project delay

By Munza Mushtaq

While the government is yet to officially decide on a site for the construction of the controversial coal power plant the country is losing approximately Rs. 44.8 million per day due to the non implementation of the project. The total economic loss for delaying the project has exceeded Rs. 45,000 million.

The coal power plant is already 15 years behind schedule. The coal plant was to be approved by the then government by March 31, 1999. And since the change of governments the decision is over 1000 days behind schedule. The total economic loss which has now exceeded Rs. 45,000 million, is equal to the investment on the first

phase of the power plant project.

However despite all of these losses, the present government is yet to decide on a site where the coal power plant will be constructed.

The Minister of power and energy Karu Jayasuriya keeps on reiterating that the government has taken a policy decision

to set up the coal plant. And they only have to decide on a site as to where the plant would be constructed, which would likely be in Trincomalee, Norochcholai or Hambantota. Informed sources say that the government has decided to build the coal plant in Hambantota. The capacity of the first phase of the plant is expected to be 300

MW. However the government is yet to officially announce a decision as to where the plant would be set up.

It is learnt that the decision by the government to relocate the coal power plant to Hambantota is due to the strong opposition by the Bishop of Chilaw.

According to energy expert Tilak Siyambalapitiya,

the country will need three coal power plants by the year 2016. It requires a total of at least six years to finance and build the coal power plant.

The second coal plant should be planned to produce electricity from January 2013. While the third coal plant should be planned to produce electricity from January 2016.