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Energy regulator calls for urgent action to avert power crisis in 2017

- Says successive failure of monsoons has caused very low hydro reservoir storage
- Asks CEB to fully utilize available thermal generation capacity
- To fast-track the construction of new generation plants
- To increase contribution from rooftop solar generation
- Directs CEB to commission a 170MW furnace oil fired plant in 2017 as per the long-term generation plan
- Calls on CEB to expedite connections of privately owned renewable energy plants through SPPAs

By Chandeepa Wettasinghe

The energy regulator, Public Utilities Commission of Sri Lanka (PUCSL), has written to state-owned electricity supplier, the Ceylon Electricity Board (CEB), to enact contingency measures in order to prevent a power shortage within the first four months of 2017.

"A successive failure of monsoons has caused the very low hydro reservoir storage (less than 500 GWh) and the Commission has recommended actions under the following aspects," a PUCSL letter said.

It asked the CEB to fully utilize available thermal generation capacity, to request those with self-generation capabilities to use captive generators to reduce demand, to fast-track the construction of new generation plants and to increase contribution from rooftop solar generation.

PUCSL noted that the private sector thermal power plants should shift their maintenance to ensure uninterrupted power supply to the consumers, and to bring in additional reserves, since the power plants have been observed to have supply constraints.

Thermal power is Sri Lanka's most expensive power source, and the world oil prices have been moving upwards slowly since the start of this year owing to supply cuts.

Coal power too has seen a significant appreciation in 2016, which had pressured the CEB to propose increasing electricity prices by 5 percent to counteract losses, which was also endorsed by PUCSL but was shot down by politicians in October.

Meanwhile, PUCSL noted that private captive generators could probably add 100 MW of power to the grid under self-generation, although 290 MW of additional power is needed in the grid in case the largest hydro generation unit with a 270MW capacity goes offline.

It also directed CEB to commission a 170MW furnace oil fired plant in 2017 as per the long-term generation plan, although the PUCSL last month had pointed out that most of the plants to be commissioned under the long-term plan would be delayed.

With relation to the CEB's tender for 50 mobile generation plants, PUCSL said that the CEB has to "expedite (the) procurement process after closing the bids on 4th January 2017 & ensure the availability of plants by March 2017".

PUCSL also called on CEB and the Sustainable Energy Authority to expedite connections of privately owned renewable energy plants through standardized power purchase agreements (SPPAs).

The PUCSL had in recent months brushed aside concerns Mirror Business had raised over the delay of power plant commissioning, the reliability of power generation capacity owing to recent breakdowns and weather patterns, and the lack of investor interest in SPPAs due to government crackdowns.

The Norochcholai coal power plant, which supplies approximately 40 percent of the power in the country, has been subject to numerous breakdowns, which had caused several blackouts this year, further compounding the problem.

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Energy regulator...

Experts, including those in the government, have admitted that Sri Lanka is likely to experience a major power crisis in 2018 as well, if supply side issues are not addressed immediately.