

<https://island.lk/power-cuts-are-here-but-we-have-a-way-out/>

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Power Cuts are here! But we have a way out!!



The much-dreaded power cuts are here, although not declared as such. The tragedy is that the power cuts are not due to inadequate supply, but the inability utilize the abundant solar and wind power developed without any burden on the state. The utility cannot give any excuse other than to admit their lack of wisdom to be mindful of the rapid changes in the sector and the need to get equipped. One cannot fail to conjecture if this isn't due to a sense of superiority and inability to let go of the old Hana Miti.

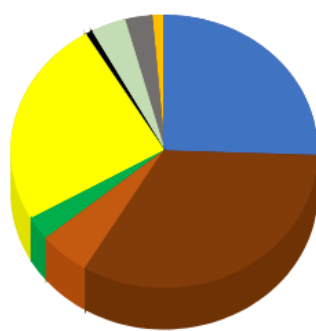
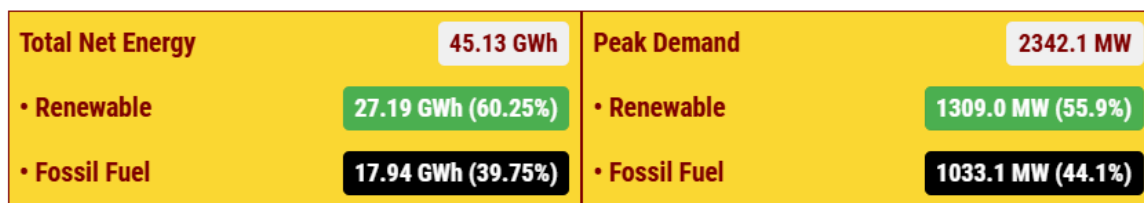
On top of it or perhaps because of this ineptitude, the tariffs have been increased up to the 2022 levels. Therefore, another call for a consumer tariff increase is inevitable. Perhaps they may hold it back until September when the next tariff revision is due. An appeal has been made to "prosumers" to switch off their solar PV system in the fear of grid stability being affected. While there is excess solar power, which they are unable to manage, even when the demand is below

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the installed capacity and high contribution of hydro, solar and wind. May 31st Sunday energy mix indicated substantial use of oil in CEB owned and IPP's. power plants. What is the logic of

that? One would believe that even the hydro reservoir water can be saved for use during the night, without curtailing solar and wind power. It will be said that the system is very complex and beyond the understanding of mere mortals like ordinary “prosumers”, who have added over 2300 MW to the grid, entirely at their expense and at rates well below the average cost of generation.

DAILY NET ELECTRICITY GENERATION

Date: Sunday, May 31, 2026



- CEB Hydro 11.53 GWh
- CEB Thermal Coal 14.89 GWh
- CEB Thermal Oil 2.44 GWh
- CEB Wind 1.25 GWh
- SPP Solar¹ 11.13 GWh
- SPP Biomass 0.31 GWh
- SPP Minihydro² 1.69 GWh
- SPP Wind 1.29 GWh
- IPP Thermal Oil 0.61 GWh



Total Net Energy	45.13 GWh	^
Auxiliary Consumption	1.87 GWh	

Storage Batteries & Renewable Transition

The fact that the growing need for storage batteries, to optimize the utilization of variable renewable energy (VRE) was known for the last decade or more, and nothing was done about it, is never mentioned in their lamentations.

However, there is a glimmer of hope due to the initiatives taken by the PUCSL. We referred in a2030 for power generation, commencing with diesel. Naturally, the gap created and the added demand due to increase in demand with general GDP growth, will have to be met using renewable resources.

It was clearly noted that such alternatives must be developed in parallel, with the use of oil progressively curtailed while ensuring the uninterrupted power to the consumers.

Recognizing this need and the fact that fastest intervention is possible by promoting BESS (battery energy storage systems) to be added to all existing renewable energy sources, PUCSL has initiated stakeholder consultation to determine the feed-in tariff payable for each type of BESS. A detailed methodology for determining the FIT has been circulated. The identified types of BESS discussed were

1. Power Plants
 - a. Mini -Hydro
 - b. Mini – Hydro-Local: mini hydro plants that at least use locally manufactured turbines
 - c. Wind
 - d. Wind - Local: Wind plants that at least use locally manufactured turbine blades
 - e. Bio Mass- Dendro -Bio Mass plants that use sustainably grown fuel wood
 - f. Bio Mass- Agricultural/Industrial Waste; Bio Mass fired plants they use byproducts like paddy husk, sawdust, sugar cane bagasse, etc.
 - g. Municipal Solid Waste
 - h. Waste Heat Recovery
 - i. Ground Mounted Solar PV
 - j. Floating Solar PV
2. Prosumers
 - a. Roof Top Solar PV
 - b. Roof Top Solar OV with Battery Energy Storage System (BESS)
 - c. Prosumers with behind the meter Battery Energy Storage System (BESS)
3. Power Plants with Battery Energy Storage System (BESS)

We mentioned in an earlier article we informed that they proposed a scheme whereby we get rid of use of all forms of oil in stages commencing with elimination of diesel by 2027 and all imported oils of all forms by 2030.

Stakeholder Meeting & FIT

PUCSL has been empowered by the new electricity Act No 36 (as amended) which came into full force on 9th March 2026, whereby the responsibility of calculating and announcing all part FIT schemes, both for purchase and sale of electricity.

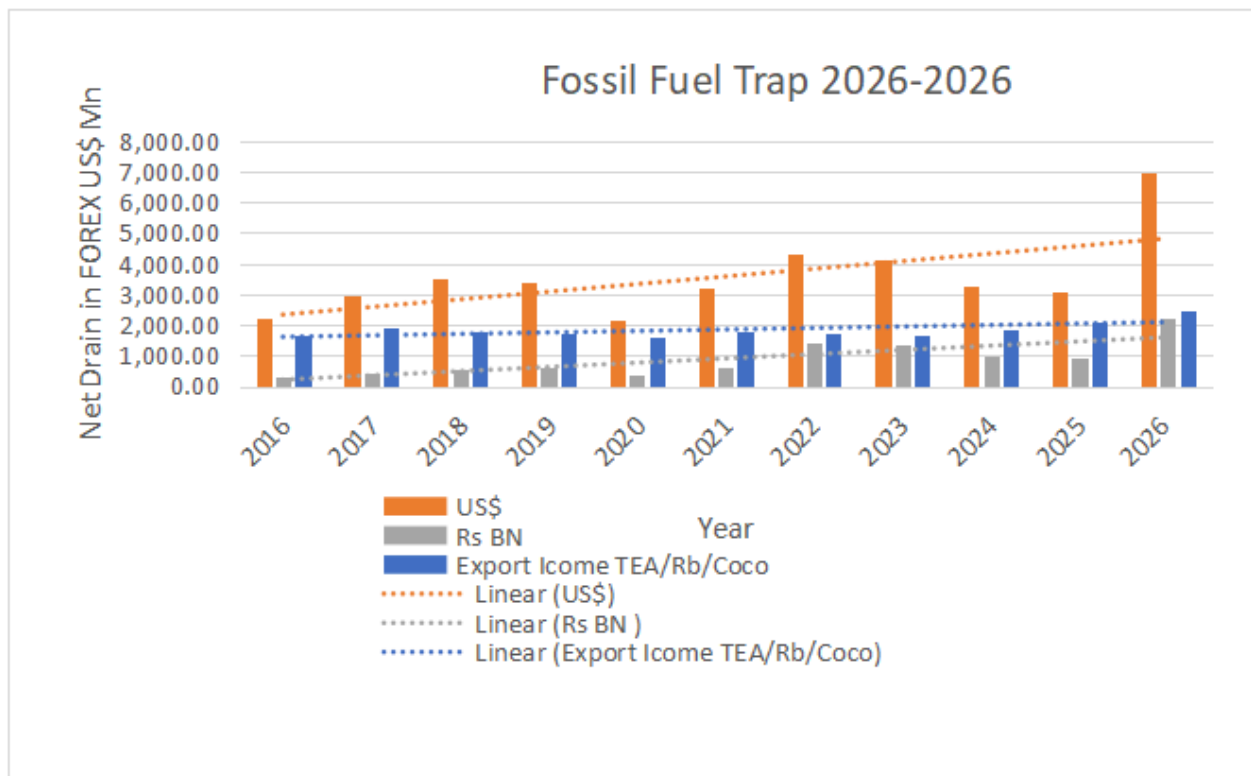
A well represented stakeholder meeting was held recently, when the proposed methodology for determining the FIT of each type of BESS have been given to them to provide further specific inputs, to be returned by the 5th Jan 2026. It is therefore realistic to expect such FIT to be declared by end of June 2026.

While this is a most welcome and progressive step, in the light of the ad hoc process adopted hitherto, which has received much criticism as well as several court cases presently being heard. But the fact remains that effective use of such FIT to attract investors to add the BESS at different scales, remain with the one or more of the newly appointed companies, to take over the functions of the former CEB. Anyone with even minute level of intelligence would easily recognize that this opportunity should be seen as most fortunate by the above companies, compelled seek regular increase in consumer tariff trapped by the ever-increasing cost of all fossil fuel prices.

Government Recognition of Fossil Fuel Risks

It is under these circumstances, there were news items to say that the current government has recognized the danger of over dependence on imported fossil fuels, on which we have absolutely no control. Better late than never, one could say.

It has taken a war in the Middle East which is not yet over, for them to realize this danger, which we have been predicting over the past several decades. As a matter of interest, we show below the degree of dependence and its adverse impact on the entire economy.



It is to be noted that the export earnings from our traditional exports of Tea, Rubber and Coconuts fail to meet the ever-increasing cost of import of Fossil Fuels. It was as far back as 2010, when these exports barely managed to meet the cost of import of fuels. The Rupee cost of imports is shown as **Billions** to keep the data columns within the bounds of the chart. This is the factor which affects you and me directly.

However, we earnestly urge the government to give urgent instructions to the electricity companies to take immediate action to prepare the grid which costs only a fraction of the values predicted by the CEB to institute their schemes which failed to recognize the ground realities, to accept the BESS system once the FIT is announced. A reasonable and attractive BESS FIT will naturally attract investor with the assurance of short-term and long-term improvement, at no capital cost to the state.

Solar PV & BESS Proposal

We proposed some time back of the opportunity for those “prosumers” using 300 units per month, for installing solar PV with adequately sized batteries, which is more economical than drawing power from the grid, and to gain the happy situation, to be insulated from the danger of power cuts and further increases in consumer tariff.

The PUCSL intervention to declare a BESS tariff will add a great impetus to those who are willing to adopt the above proposal. They will be encouraged to increase the capacity of their installations as well as the battery capacity, so that the excess can be exported to the grid during peak hours, when firm economic power is most needed. Such additional features would enhance their financial returns and would enable rapid elimination of the use of diesel during the peak hours. In recent months with the depreciation of the rupee coupled with the increase of costs of Solar Panels, Inverters and Batteries, our original analysis was facing some uncertainties. As such we welcome this move by the PUCSL, whereby the consumers would gain a revenue stream in addition to the saving in their monthly electricity bill. It is likely that the level of FIT and the permitted number of exports, would be adequate to work with the increased costs, but nevertheless to become the pioneers in the battle to get rid of oil, as shown below.

Hybrid with Exports to grid Grid Option - Project Costs and Feasibility														
Monthly Consumption kWh	Monthly Consumption kWh	Monthly Bill Rs. Table C	PV Capacity	Capital Cost Rs.	Battery Capacity kWh	equity %	Equity Amount	Debt Funds	Monthly Generation	Excess over Av use	Equated Monthly Inst @12%	Export income	Total saving with income	Pay back of Equity Months
									FIT/kWh	60				
	210	11,330	3	900,000	3	40%	360,000	540,000	330	120	9,532	7,200	8,998	40
>180	240	14,330	5	1,500,000	5	30%	450,000	1,050,000	550	310	18,535	18,600	14,395	31
	270	17,330	5	1,500,000	5	30%	450,000	1,050,000	550	280	18,535	16,800	15,595	29
	300	20,330	5	1,500,000	5	30%	450,000	1,050,000	550	250	18,535	15,000	16,795	27
	400	30,260	7	2,800,000	10	30%	840,000	1,960,000	770	370	34,599	22,200	17,861	47
	500	40,260	6	2,450,000	14	20%	490,000	1,960,000	660	160	34,599	9,600	15,261	32
	600	50,260	8	3,200,000	20	20%	640,000	2,560,000	880	280	45,191	16,800	21,869	29
	800	70,260	10	3,550,000	25	20%	710,000	2,840,000	1100	300	50,134	18,000	38,126	19
	1000	90,260	12	3,900,000	25	20%	780,000	3,120,000	1320	320	55,077	19,200	54,383	14
Notes	The Export Income is based on and FIT of Rs 60.00 per kWh for exports only during the Peak Hours													
	This FIT is proposed being only 60% of the Peak Consumption rate for consumers.													
	FIT Awaited. Experted to be announced by end June.													

It must be noted that the cost values are highly volatile and some variations are to be expected. FIT for export on energy is stated as 60% of the current Peak time energy charge of Rs 106/kWh. This revolution is well within the means of the over 200,000 potential “Prosumers” who consume over 250 units per month. While they would fulfil their own goal of being immune to any power cuts as well as being insulated from future tariff increases, they would be serving the country by progressively eliminating the need for us of any fossil fuels for power generation. For example, if 50,000 of them add 10 kWh of battery capacity, the peak power demand can be reduced by 500 MW, thereby obviating the need for using most expensive diesel during the peak period. Very special advantages can be derived by those also purchasing EVs instead of the wasteful Petrol and Diesel vehicles. Also, the possibility of saying good bye to the LPG cylinder with a monthly saving of Rs 4700.00 at today’s prices.

Thus, the excuse for demanding ever increasing consumer tariff in the future will not be available. As such this move would help all consumers down to the lowest level of consumers. If this intervention is expanded to more and more high-end consumers, the need for use of other oils will also cease and there would be a distinct possibility of lowering the consumer tariff in stages.

It is hoped that the energy authorities recognize this reality and support the PUCSL proposals by approving the BESS FIT system and directing the Utility companies (all four of them) to adopt same and urgently initiate action to install the simple infrastructure additions to accept the BESS

energy as proposed. If they care to review this proposal having discarded prior biases and any other agendas, they too would realize the great benefits they would also gain.

Conclusion.

The inescapable conclusion one can derive from the above, is that the solution to the crisis is available to the consumers themselves, in a manner that is attractive and profitable to them. It would also be of major assistance for the Utility to manage the sector effectively and efficiently. In addition all consumers will benefit by gradually weaning away of the grid from the disastrous honeymoon with Oil for power generation. This would obviate any more demands for consumer tariff increases by the NSO. The PUCSL had taken the essential first step by their intention to declare a BESS FIT. It is up to the government to ensure that the Ministry and the Utility Companies adopt the correct stance and commitment to ensure the success of this scheme as soon as possible.

The Prosumers would be playing the role of the front line soldiers in the battle for survival.

Eng Parakrama Jayasinghe

Past President and Council Member

Bio Energy Association of Sri Lanka

1st June 2026