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...ks to the Public Commission of PUCSL playing straight but the city consumers have heaved a sigh recently when on the 15th he had CEB as early as 2025, its demand for a further increase of 6.8% October was rejected over will be a temporary respite in the light of a tariff adjustment due in January 2026? A strident by all those who attended the public hearings need or the advisability of adjusting the tariff three months. While this creates great uncertainty of confusion, particularly for any kind of business, it is so much time and resources of the PUCSL and as well, which should be better utilized to devise and means of reducing the burden on the people of the country due to the currently totally unacceptable aggressive stance of the Electricity Sector. It will be that the Minister of Power and Energy under a Cabinet Memorandum No. 125/2024/P of 2024, clearly outlining the logical reasons why to the bi-annual tariff determination is mended. It is hoped that this recommendation has accepted, even though the present illogical and practice prevails. It is time that this is taken or more reasons than one, as the more logical are in line with the composition of our energy resources. But in the meantime, will the PUCSL be able to the rescue of the long-suffering consumers? In this light, it is important to view the history of tariff changes in recent times. CEB was forced to raise the consumer tariff in August 2022, at the insistence of the IMF. The Treasury was no longer permitted to prop up the financial position of the consumer tariff then was subjected to prior review in relation to the cost of electricity since 2014, with the tariff being determined the political expediency and agendas of the Government. While the consumers were not believe that they were given very 'low' of tariff, in reality, Billions' pumped into the CEB to float was public funds, which really meant charges imposed on the consumer.

Public Policy at Crossroads

WHO REALLY CONTROLS SRI LANKA'S POWER FUTURE?

Fortunately for the electricity consumers, the PUCSL has made every effort to limit tariff increases and on some occasions granted reductions too

It appears that the visionary scheme of development of Rooftop Solar PV, by 'prosumers', has been completely blocked by the CEB in recent months

National and renewable resources are being mismanaged and moves are in place to perpetuate the dependence on imported fossil fuels

The possibility of another instance of power shortages is not a doomsday prediction

PUCSL Powers and Obligations Electricity Act No 20 of 2009

- Clause 3 (1) d – "to regulate tariffs and other charges levied by licensees and other electricity undertakings, in order to ensure that the most economical and efficient service possible is provided to consumers"
- Clause 4 (1) a: "to protect the interests of consumers in relation to the supply of electricity, by promoting efficiency, economy and safety by persons engaged in, or in commercial activities connected with, the generation, transmission, distribution, supply and use of electricity"
- Clause 4 (1) c: to secure that licensees act efficiently will be able to finance the carrying on of the activities authorized or required by their licenses;
- These clauses have not been amended in the revisions of the Act in 2013 or in 2022

Finance as the true watchdog to manage the economy and the financial prudence of State-owned enterprises (which the 'new CEB' continues to be), one can expect them to be rational in their interventions in the tariff determination. But, the 'Million Dollar of Billion Rupee' question is, what will prevail? The financial prudence or the political expediency? It is not take a very high degree of intelligence to understand that such insistence on efficiency and economic prudence in all actions of the utility is the only means by which the NPP Government could have any chance in delivering on their promise of a 30% reduction in consumer tariff.

Present status of tariff

The changes in consumer tariffs since 2022 are illustrated below: (Table 2) (Chart 1)

The red line indicates the level of 'arbitrary' with the promised 30% reduction. Obviously not in the foreseeable future, if the CEB persists on the present attitude towards the development of all feasible renewable energy projects, particularly the Roof Top Solar PV, which has been cemented to be most feasible for early contribution, devoid of many issues such as land availability, obstruction by the people, environment issues, costs of funds etc which confront the development of the larger scale renewable projects of any kind. The recent news regarding the Wind Plants in Mannar is a case in point. The Ministry turns a blind eye to all such moves,

Month	PUCSL Approved	CEB Proposed
August 2020	75.0%	229.0%
February 15, 2023	66.0%	66.0%
September 30, 2023	-14.2%	-3.0%
October 18, 2023	18.0%	21.0%
March 05, 2024	-21.9%	-3.0%
May 15, 2024	-22.5%	-14.0%

agency responsible, even declare publicly that this target is not achievable. What price Governance of the sector? What should the mandate of the Minister of Power and Energy be?

However, it has been demonstrated clearly that the CEB could achieve a saving of over Rs 113 billion annually if they are instructed to ensure that all oil-based power generation is eliminated. That would also include the use of diesel for the so-called LNG Power Plant, to which the supply of LNG remains a dream. If this goal is achieved, say, in three years, stage by stage, by facilitating the development of RE projects to fill the gap, the average consumer tariff could be reduced by Rs 7 per Unit, across the board. This will not only achieve the 70% RE target well ahead of 2030, but also deliver the promised 30% reduction of consumer tariff.

Potential savings by eliminating oil

These are very feasible targets given the past performance of the sector and the number of projects in the pipeline. (Table 4)

But what is the CEB agenda at present?

They are moving entirely in the opposite direction. Included in their submission for a 6.3% tariff increase was a declaration that the oil-based generation should increase from 465 GWh in the last three months to 544 GWh for the next three, October to December, the period of highest hydro potential. The records for the past years show that with increased hydro potential we have even eliminated the use of oil on some days during the last three months of the year while achieving the elusive target of 70% RE contribution.

But true to its form, the CEB is operating not only its own oil-based power plants but is also purchasing a significant amount from the IPPs, no doubt including the 'LNG' Plant operated with diesel.

In addition, the CEB is on a concerted drive to obstruct the development of Rooftop Solar, the most feasible and practicable integration. Accordingly, the most visionary scheme of development of Roof Top Solar PV, by 'prosumers', has been completely blocked by the CEB in recent months. This scheme, initiated with Cabinet Approval, has resulted in over 750 MW of Rooftop Solar installations by over 100,000 'prosumers' with absolutely no cost to the State. This is the best and fastest means of increasing the much-desired RE contribution in the

Scuttling of Surya Bala Sangraamaya (SBS)

It is a sign of the ongoing anxiety of the electricity sector, with a mere Circular issued by a GDM of the CEB, a rational policy initiated with Cabinet Approval has been completely reversed. The Sustainable Energy Authority, which must be constituted for the initiation and management of this scheme until now, has not made any efforts to contest this intransigent unilateral action by the CEB officials. Nor has the PUCSL taken any action, which is most detrimental to the consumers who had the option of becoming 'prosumers', thus contributing effectively to the Electricity Sector development, of which they are the main stakeholders and owners.

The facilitator of continued development of the four schemes under the SBS, would have the means by which, a rare occasion of the sector achieving the goal of 70% RE, currently gained on periods of high hydro, could have been extended spanning the entire year. If the CEB had

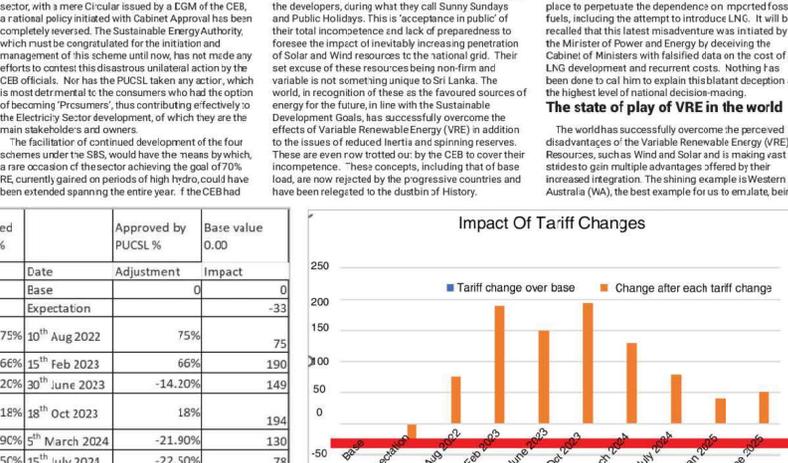
Average on Presentation made in Feb 2024

Base Case 2024	From Presentation by DGM/CEB to Parliament			Impact of Stopping all Oil Based Power Plants and DSM		
	GWh	Rs/kWh	Cost Rs Mn	GWh	Rs/kWh	Cost Rs Mn
Energy Source						
CEB Hydro	4,417.70	4.5	19,879.56	4,417.70	4.5	19,879.65
Thermal Complex	1,994.50	63	125,653.50	0	63	0
coal	5,254.40	32	168,140.58	5,254.40	32	168,140.80
CEB NCRE	300	4	1,200.00	300	4	1,200.00
Private NCRE	2,169.00	26	56,394.00	3,300.00	26	85,800.00
Private Thermal	1,147.00	64	73,408.00	0	64	0
Roof Top Solar	750	32	24,000.00	2,500.00	32	80,000.00
DSM Measures	0	0	0	-300	0	0
Average Cost /kWh	29.23	16,032.60	468,675.64	15,472.10		355,020.45
Cost of Fin Tra and Distribution			204,000.00			204,000.00
Total			672,575.64			559,020.45
						113,850.19
						832,120.500

saving in foreign exchange for import of oil Annually

The required addition of Renewable Energy is shown below.

Increment	MW	MWh	2026	2027	2028
Roof Top Solar	2000	2500	500	750	750
Solar Parks	150	300	50	50	50
Wind Parks	200	800	75	75	50
Mini Hydro	50	800	20	20	10



an isolated grid such as ours. Recently, they have reported having reached a level over 85% integration of Rooftop Solar PV alone to grid. The much-lamented problems of instabilities grid, given as the excuse, are by the CEB with less than 1% of VRE in our grid, do not seem to deter them, obviating managed by competent Engineers with the National Interest being the primary objective.

It is to be noted that Western Australia (WA) has 2% contribution from LNG and only 11% from coal. Whereas Sri Lanka has over 25% contribution by coal, nearly 30% contribution by Major Hydro with reservoir storage, which puts us way ahead in our ability to reach a much more ambitious path. The reader is left to ponder on the present path being taken by the CEB and the validity of various arguments being touted to hide the truth.

"අපි ලෝකයේ අප" "Why we are the most incompetent" by our colleagues in the CEB.

Where will the restructuring take us?

The proposal to restructure CEB, which led to the Electricity Act No. 36 in 2024, was inevitable, as all attempts in the past to get the CEB to function professionally in the National Interest by harnessing multitude of Indigenous, Natural and renewable resources had failed. The CEBs' Manths' has been continually to depend on imported, expensive and environmentally damaging fossil fuels, including coal. Since the Government had the sense to declare a goal of no more coal plants, debunking the attempt to set up a fourth coal plant at Norochchoi, their attention has been directed to introducing equally damaging LNG. The objective of the New Act is outlined in the preamble of the Act No. 36. The relevant important segments of the Act are provided below.

AN ACT TO PROVIDE FOR THE IMPLEMENTATION OF REFORMS TO THE ELECTRICITY INDUSTRY TO PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL ELECTRICITY ADVISORY COUNCIL; TO PROVIDE FOR THE PUBLIC UTILITIES COMMISSION; SRI LANKA, ESTABLISHED UNDER THE PUBLIC UTILITIES COMMISSION OF SRI LANKA ACT NO. 2002 TO BE THE REGULATOR FOR THE ELECTRICITY INDUSTRY IN TERMS OF THIS ACT TO PROVIDE LEGISLATIVE MEASURES APPLICABLE TO THE INCORPORATION OF SEPARATE ENTITIES UNDER THE COMPANIES ACT, NOTY OF 2007 IN WHOM ACTIVITIES CONNECTED TO THE GENERATION, TRANSMISSION DISTRIBUTION, TRADE, SUPPLY, PROCUREMENT OF ELECTRICITY SHALL VEST; TO SPECIFY THE PROCESSES TO BE APPLICABLE TO RELATED ACTIVITIES; TO REPEAL THE CEYLON ELECTRICITY BOARD ACT NO. 17 OF 1969 AND LANKA ELECTRICITY ACT NO. 20 OF 2009 AND TO PROVIDE FOR ALL MATTERS CONNECTED THEREOF INCIDENTAL THERETO.

Whereas the need for reforms to the existing institutional A framework of the Electricity Industry which duly recognises the need, and its design to attract new investment into the Electricity Industry is supported by segregation and separation of the activities of the Electricity Industry currently vested in a single Government owned entity by incorporation of separate corporate entities which will vest all activities connected to the generation, transmission, distribution, trade, supply and procurement of electricity and who shall be responsible for the efficient management of the activities and for the creation of market competition these activities:

And whereas a process commencing with the preparation of a scheme for the transition and reorganization of the Electricity Industry and the implementation of the reforms based on an essential legal, structural oversight and market based change: the reforms seek to ensure financial self-sufficiency of the corporates entities to be established under this Act, through a transparent financial, investment and resource management improved accountability and oversight measures facilitate private sector investment in every activity of the Electricity industry using market listing and public participation in decision making.

The intention was quite clear: to establish an independent Advisory Council of Experts and to place to the way to attract investments and competition. However, instead of the intended, sooner than assumed power, initiated action to dismantle the critical measures. While the Amendment of 2022 not modified or changed the Objectives and Preamble of the Act No. 36, they have effectively ensured that the intended objectives could be achieved, primarily by:

- Replacing the well-constituted Electricity Sector Advisory Board with an Ad Hoc Committee appointed by the Minister.
- Retaining the State ownership of all segments of the Electricity Sector, thus stifling any opportunity to attract the much-needed capital investment.

There are many other lapses and omissions, which have been noted by experts, and we are beginning to see the cracks appearing, which does not augur for the future security or the reliability of the sector. It is clear that the expectations of a vibrant and progressive Electricity Sector are now a distant dream. The important question is, where does that leave the Consumers of all levels, as well as the economy, for which a reliable and affordable electricity supply can never be prepared.

Conclusion

It is quite clear that at least in the near future, it is advisable for all those who are capable to try and become more independent on the CEB for their electricity. Fortunately with the development of technologies, particularly Solar PV and Storage Batteries, as well as continued downward trend of world market prices, it is not an impossible or non-viable option. The possibility of another instance of power shortages is not a doomsday prediction.

Naturally, more progressive policies by the Government would enhance its feasibility as well as contribute to achieving the relevant particular goals of the sustainable development goals, which Sri Lanka has ratified.

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