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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு  
**PUBLIC UTILITIES COMMISSION OF SRI LANKA**



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உமது இல. }  
Your No. }

AGM (CS)/ DGM(CSRA)/GEN/4

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Our No. }

PUC/LI/TL/2018/15

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திகதி }  
Date }

12<sup>th</sup> June 2018

Eng. A K Samarasinghe

Authorized officer for Licensee: EL/T/09-002

General Manager

Ceylon Electricity Board

3<sup>rd</sup> Floor, No 50,

Sir Chittampalam A Gardiner Mawatha

Colombo 02.

Dear Sir,

**Least Cost Long Term Generation Expansion Plan (LCLTGEP) 2018-2037**

The Public Utilities Commission of Sri Lanka (Commission) has approved Least Cost Long Term Generation Expansion Plan 2018-2037 after an extensive public consultation process on 19<sup>th</sup> July 2017 as communicated to you through Commission letter ref. PUC/LI/AP17/02-11 dated 19<sup>th</sup> July 2017. The Commission has requested the Government policy on the fuel mix according to Section 5 of the Sri Lanka Electricity Act, No. 20 of 2009 from the Secretary, Ministry of Power and Renewable Energy through letters ref. PUC/LI/MoPRE/2017/01 dated 6<sup>th</sup> January, 2017, 02<sup>nd</sup> March, 2017 and 21<sup>st</sup> June, 2017, prior to arriving at the decision. However, no response was received by the Commission in this regard and the Commission approved the Least Cost Long Term Generation Expansion Plan 2018-2037, based on the least cost principle as per the Section 43 (8) of the Sri Lanka Electricity Act.

Subsequent to the decision on Least Cost Long Term Generation Expansion Plan 2018-2037, the Cabinet of Ministers has decided its' new policy on energy mix for electricity generation on 09<sup>th</sup> May 2018 as communicated to the Commission vide letter ref. 18/0864/727/020, dated 09<sup>th</sup> May 2018 by the Secretary to the Cabinet and vide letter ref. PE/PL/A/2017/09 dated 11<sup>th</sup> May 2018 by the Secretary, Ministry of Power and Renewable Energy. The said Government policy on electricity generation mix is based on four (4) distinct policy elements;

1. Extending maximum attention to environmental conservation by minimizing the carbon footprint of the electricity sector.
2. Maintaining the generation cost at the minimum possible level
3. Taking account of energy security in deciding the energy mix and targeting future self-sufficiency in the electricity sector.
4. Developing non-conventional renewable energy sources to maximum feasible level and diversify the energy mix

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28, ශාන්ත මයිකල් පාර, කොළඹ 03.

06 ஆவது மாடி, இலங்கை வங்கி வர்த்தகக் கோபுரம்,  
28, சென் மைக்கல் வீதி, கொழும்பு 03.

Level 06, BOC Merchant Tower,  
28, St. Michael's Road, Colombo 03, Sri Lanka.

Tel : +94 11 2392607/8

Fax : +94 11 2392641

E-mail : info@pucsl.gov.lk

Web : www.pucsl.gov.lk

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தலைவர் }  
Chairman } +94 11 2392604

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பணிப்பாளர் நாயகம் }  
Director General } +94 11 2392606



Both the Commission approved LCLTGEP 2018-2037 and CEB submitted base case plan, do not fully comply with the aforementioned new Government policy. Hence, the Commission has directed the Transmission Licensee to resubmit the plan complying with the latest Government policy vide letter ref. PUC/LI/CEB/2018/13 dated 14<sup>th</sup> May 2018. However, vide your letter ref. AGM (CS)/DGM(CSRA)/GEN/4 dated 18<sup>th</sup> May 2018, you have requested approval for the Long Term Generation Expansion Plan submitted on 5<sup>th</sup> May 2017.

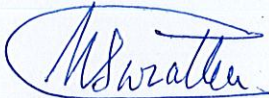
Following developments have emerged since the Commission had approved Least Cost Long Term Generation Expansion Plan 2018-2037 on 19<sup>th</sup> July 2017;

- i. Cabinet of Ministers has approved a new policy on electricity generation mix on 09<sup>th</sup> May 2018
- ii. The Cabinet of Ministers, as communicated to the Commission vide letter ref. CP/DEC/18 dated 15<sup>th</sup> May 2018 has given approval for 1,400 MW of Natural Gas fired power plants to be developed on Government to Government basis.

Therefore, the Commission hereby grants approval for the CEB base case plan subjected to the accommodation of already Cabinet approved "Government to Government power plants" and the "latest Government Policy".

Further, the Transmission Licensee is required to negotiate and ensure that the generation plants that would be built under Government to Government basis, meet all the technical and economic parameters under the Grid Code and that they are at the least cost, in terms of Section 43 (6) of the Sri Lanka Electricity Act, No. 20 of 2009.

Furthermore, you are hereby directed to submit the Least Cost Long Term Generation Expansion Plan 2020-2039 on or before April 30, 2019 for Commission approval.



**Saliya Mathew**  
Chairman

**Cc:** Chairman, Ceylon Electricity Board

**NB:** Please disregard the previous letter (Ref: PUC/LI/TL/2018/14) dated 11<sup>th</sup> June 2018, send in this regard.