

Stakeholder Consultation

on the findings of

“The study on Estimation of Externality Cost of Thermal Power Generation in Sri Lanka”.

Background

In terms of section 3 (k) of the Sri Lanka Electricity Act, No 20 of 2009 (as amended) and section 17 (b) of the Public Utilities Commission of Sri Lanka Act No 35 of 2002, the Public Utilities Commission of Sri Lanka (the Commission) intends to conduct a stakeholder consultation on the findings of the above study. The study was carried out by a group of experts selected by the Sri Lanka Energy Managers Association on behalf of the Commission. The Commission wishes to conduct the stakeholder consultation in regard to the findings and the methodology of the study. Due consideration to the stakeholder comments/inputs would be given to improve the content of the report as applicable.

Power generation, particularly the thermal power gives rise to a range of social and environmental issues due to air and water pollution, releasing toxic materials and GHG emissions during their operational life. These environmental issues lead to adverse community, social and ecological related costs referred to as externalities must be accurately quantified to assess the actual economic cost of thermal power generation in Sri Lanka.

In view of the above the Commission initiated a study on Estimation of External Cost of Thermal Power Generation in Sri Lanka as a step forward to find the relevant figures applicable for Sri Lanka. The draft Final Report of the assignment is completed and available for stakeholder consultation now.

Objectives of the Consultation

The Commission intends to consult the stakeholders on the methodology and findings of the study carried out by the expert team. The externality cost pertinent to Sri Lanka as per the findings of the report will be revisited based on the valid comments.

The Draft final Report of the study is published on the Commission’s website for your reference. (www.pucsl.gov.lk).

Approach and key findings

Four thermal power plants in Sri Lanka were selected as case studies, based on the generation technology and the type of fuel used, to estimate the cost of externalities of each technology type. The selected thermal power plants are:

1. Lak Vijaya Power Plant (LVPP) in Norochcholai
2. Yagadhanavi Power Plant in Kerawalapitiya,
3. Kelanitissa Power Station in Peliyagoda,
4. Sapugaskanda Power Plant in Sapugaskanda.

The specific externality cost figures calculated by the study is summarised in the table given below for the year 2017. They include the costs of impacts/damages on social, agricultural and health aspects estimated through the surveys, costs attributed to specific pollutants such as SO_x, NO_x, PM and GHG emissions. Please refer the report for more details.

	Power Plant	Specific externality cost (Rs/kWh)
1	Lak Vijaya Power Plant	10.23
2	Yagadhanavi Power Plant	4.53
3	Kelanitissa Power Station	7.55
4	Sapugaskanda Power Plant	4.65

Written comments and recommendations are invited from public on the following concerned areas.

(Please refer the time schedule given below for the process)

1. The methodologies used in estimating externality cost and their applicability in Sri Lankan context.
2. The estimated social and environmental cost associate with one or all fossil fuel-based power generation in the context of existing generation plants in Sri Lanka.
3. Omissions or improvements to the report including research and additional factors that must be considered in this report

The above mentioned study was carried out by the following team of professionals

1. Dr. Thusitha Sugathapala - Senior Lecturer (University of Moratuwa)
2. Prof. Prashanthi Gunawardena - Senior Lecturer (University of Sri J'Pura)
3. Dr. Amila Wickramasinghe - Energy specialist
4. Dr. Inoka Suraweera - Specialist in Community Medicine
5. Mr. Nimal Perera - Consultant in energy management

Written comments should be forwarded to the Commission by July 3, 2020.

Ways to engage

Write to:

Public Consultation on "Estimation of Externality Cost of Thermal Power Generation in Sri Lanka"
Public Utilities Commission of Sri Lanka,
Level 06, BOC Merchant Tower, 28,
St. Michael's Road,
Colombo 3. Or

Respond online by accessing PUCSL Website www.pucsl.gov.lk

Or

Email to: consultation@pucsl.gov.lk

Or

Fax: (011) 2392641

Facebook: www.facebook.com/pucsl

or further information, please contact, Telephone: (011) 2392608/7, 0718622800 - Ms. Anushika Kamburugamuwa, Assistant Director – Corporate Communication