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இலங்கைப் பொதுப் பயன்பாடுகள் ஆணைக்குழு
PUBLIC UTILITIES COMMISSION OF SRI LANKA



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 உமது இல. }
 Your No. }

අපේ අංකය } PUC/LI/AP19/01
 எமது இல. }
 Our No. }

දිනය } May 28, 2020
 திகதி }
 Date }

Authorized officer for Licensee No: EL/T/09-002
 General Manager
 Ceylon Electricity Board
 3rd Floor, No 50
 Sir Chittampalam A Gardiner Mawatha
 Colombo 02.

Dear Sir,

Least Cost Long Term Generation Expansion Plan 2020-39

Reference is made to your letter ref. AGM(CS)/DGM(CS&RA)/REG/7 dated March 12, 2020 submitting the revised Least Cost Long Term Generation Expansion Plan (LCLTGEP) 2020-39 and the Commissions' letter ref. PUC/LI/AP19/01 dated Oct 31, 2019, requiring to revise the LCLTGEP 2020-39 submitted on May 29, 2019.

The Commission required the following revisions to the LCLTGEP 2020-39 submitted on May 29, 2019

1. to comply with the technical and reliability requirements of the electricity network of Sri Lanka published in terms of Section 43 (8) of the Sri Lanka Electricity Act
2. to incorporate economic cost, in terms of Section 43 (8) of the Sri Lanka Electricity Act.
3. To be complied with the General Policy Guidelines issued under Section 5 of the Sri Lanka Electricity Act.
4. Submission of implementation plans indicating major milestones along with other relevant information to justify the timelines considered for the major power plants due in first 8 years of the plan. If such justifiable timelines cannot be submitted, you are required to incorporate the realistic timelines in base case plan or in the contingency analysis.

The following observations were made regarding the revised LCLTGEP 2020-39 submitted by you on March 12, 2020.

1. The revised plan complies with the reliability requirements of the electricity network of Sri Lanka published in terms of Section 43 (8) of the Sri Lanka Electricity Act

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 28, ශාන්ත මයිකල් පාර, කොළඹ 03.

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

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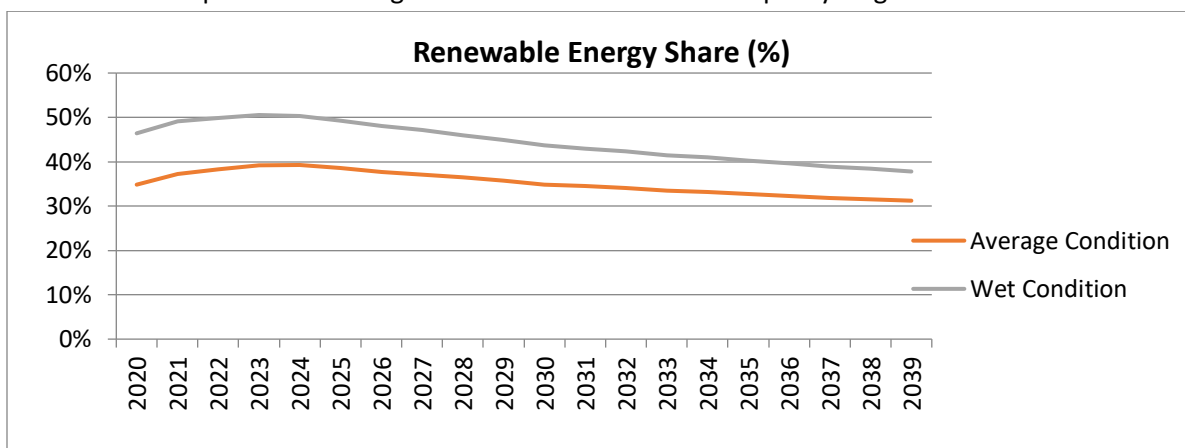
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2. The plan has not incorporated economic cost, in terms of Section 43 (8) of the Sri Lanka Electricity Act. Also, the Transmission Licensee has not incorporated a calculation of minimum incremental cost of externalities required to change the least cost technology), to justify the least cost technology (similar to the calculation included in Paragraph 7.10.3 of LCLTGEP 2018-37), as Transmission Licensee has agreed at the discussion held on January 07, 2020.
3. The plan does not comply with the General Policy Guidelines issued under Section 5 of the Sri Lanka Electricity Act.

The said Policy Guidelines includes achieving the target of 50% renewable energy (including major hydro) by year 2030, under favorable hydro condition. But the revised plan achieves only 44% renewable energy by year 2030 under wet condition (Table Ad-8). It is also noted that as per Paragraph 2.1.3 the probability of occurring wet condition is only 25%. Further, National Policy framework - Vistas of Prosperity and Splendor document published by the Ministry of Finance has specifically identified enhancing contribution of hydro and renewable energy to 80 percent of the overall energy mix by 2030 as a key activity to assure availability of low-cost energy for accelerating economic growth. Please note that the intention of setting such policy targets is to increase the renewable energy share over the time. However, as shown in the following graph, the renewable energy share in the revised LCLTGEP 2020-39 decreases from year 2024 onwards. Hence it appears that the revised plan is not falling in line with the with the said policy target.



4. TL has not included the major milestones (along with other relevant information) to justify the timelines considered for the major power plants due to be added on first 8 years of the revised plan.

Hence you are hereby informed to incorporate the following and resubmit the revised LCLTGEP

1. The economic cost, in terms of Section 43 (8) of the Sri Lanka Electricity Act.
2. Requirements stipulated in General Policy Guidelines issued under Section 5 of the Sri Lanka Electricity Act.
3. Implementation plans of major power plants due in the first 8 years of the plan in the format indicated in Annex 1.

Signed Damitha Kumarasinghe
Director General



Nalin Edirisinghe
Director Licensing

Annex 1

Milestone	Month and Year of completion ¹	Completed/ Not Completed	Description of Current Status
Completion of site identification and quantification			
Completion of Feasibility Study			
Obtained Environmental Clearance			
Financial Closure			
Starting of bidding process			
Completion of Pre-construction / Detailed Design Stage			
Completion of Land Acquisition			
Beginning of Construction			
Completion of Construction			
Beginning of Commercial Operation		N/A	

¹ Indicate the actual month and year of completion, if the milestone is already completed and indicate the target month and year of completion, if the milestone is not completed.