

Consultation Document on Activity Plan 2021 Public Utilities Commission of Sri Lanka

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About Us

The Public Utilities Commission of Sri Lanka (PUCSL) is a multi-sector regulator established under the Public Utilities Commission of Sri Lanka Act No. 35 of 2002 to regulate electricity, water services and petroleum industries in Sri Lanka. With the enactment of the Sri Lanka Electricity Act No. 20 of 2009,

PUCSL was empowered to regulate the electricity industry as the technical, economical and safety regulator. The industry acts related to water services and petroleum industries are yet to be enacted to open regulatory platform for PUCSL.

The PUCSL also act as the shadow regulator for the lubricant market and for the electrical vehicle charging stations in Sri Lanka. This report presents the activities of PUCSL for the year 2021 and the budget in respect of those activities.

Our Vision

To create an environment for all inhabitants of Sri Lanka, and the contributors to its development, to have access to essential infrastructure and utility services in the most economical manner, within the boundaries of the sustainable development agenda of the country.

Our Mission

To regulate all utilities within the purview of the Public Utilities Commission of Sri Lanka to ensure safe, reliable and reasonably – priced infrastructure services for existing as well as future consumers in the most equitable and sustainable manner.

Outcomes

Outcome 01 – Improved productivity & convenience for electricity consumers

Outcome 02 – Affordable Price for consumers and sustainable financial stability for licensees

Outcome 03 – Improved safety of every living being and properties of general public, licensees & operators

Outcome 04 – Improved environmental conditions for humans, animals and plants

The Budget

Industry	Budget (LKR)
Electricity Industry	
Outcome 01	157,131,824.75
Outcome 02	71,126,448.75
Outcome 03	51,198,446.75
Outcome 04	16,488,154.75
Water Services Industry	18,477,540.33
Petroleum Industry	58,536,659.67
Total	372,959,075.00

Electricity Industry

Outcome 01 – Improved productivity & convenience for electricity consumers

Dialog on strengthening awareness and compliancy of Divisional Secretaries on amended wayleave guideline to resolve wayleave issues (AP21/CP/COA/01)

Most of the Divisional Secretaries do not exercise/apply the powers vested to them by the Electricity Act correctly and hence consumers/licensees are dissatisfied on the decision given by them, thereby consumer complaints with respect to Wayleave are on the increase.

With the aim of solving said issues, secretariat of the Commission expects to interact with Divisional Secretaries and their deputies with the past cases identified and referred to the Commission, where Divisional Secretaries failed to exercise their powers effectively in order to identify implementation barriers for Divisional Secretaries (if any), to obtain Divisional Secretaries' suggestions (if any) and to make a dialog on the effective way of applying the amended Wayleave Guidelines.

The objective of amending of wayleave guideline is to increase efficiency in handling wayleave cases by both licensees and Divisional Secretaries, reduce complaints on wayleaves and to resolve consumer complaints so that protect rights of consumers. To fulfil these goals, the compliancy and awareness on wayleave procedures are required. Hence, these interaction sessions will lead make the Divisional Secretaries aware and obtaining the compliancy for smooth implementation of wayleave guideline. And these sessions will facilitate Divisional Secretaries to deploy them for consumer complaints and dispute resolution in an efficiency manner. The benefits of this activity are as follows,

1. increasing efficiency in handling wayleave issues by Divisional Secretaries
2. reducing complaints on wayleaves
3. resolving consumer complaints in systematic manner so that protect rights of consumers
4. creating awareness for Divisional Secretaries on implementation of wayleave guideline

Budget :- 3,420,000 LKR

Preparation of guideline on supplying electricity connection to block out (auctioned) lands (AP21/CP/COA/02)

The Commission has been receiving complains upon new connections to the consumers who have bought block out lands sold by land owners or property developers. As per the said complains, the land owners or property developers have often promised the consumers to provide the electricity connections with the purchased lands. But the consumers have been facing difficulties without electricity supply yet. Under the Housing and town improvement ordinance in 1960, The major issue is, there is no condition to the land owners or property developers to supply an electricity connection to the consumers who bought block out lands from them, although there are provisions in Urban Development Authority Act and its amendments Acts and also in bylaw in this regard in Northwestern province to them to supply an electricity connection to such consumers.

It is required to prepare a guideline to supply electricity connections to the consumers in block out lands with the participation of Government entities such as Ministry of Public Administration, Home Affairs, Provincial Councils & Local Government, Urban Development Authority, provincial councils, Ceylon Electricity Board, Lanka Electricity Company (Pvt) Ltd, the National Water Supply & Drainage Board etc. as they are the major stakeholders in this respect. And the guideline is to be taken cabinet approval to implement. Hence, it is planned to submit the guideline to the Cabinet by Ministry of Public Administration, Home Affairs, Provincial Councils & Local Government, Urban Development Authority, Public Utilities Commission of Sri Lanka and Northwestern provincial council as a joined cabinet paper. This guideline will propose to provincial councils to pass bylaw on it.

As per the section 25 of the Electricity Act, connecting, supplying and maintaining the supply of electricity to the consumers are one of major duty of the distribution licensees. Hence, this guideline lead making the electricity supply to the consumers who are buying block out lands systematic. Having obtained the cabinet approval, the licensee will be informed to implement the guideline. The provisions on supplying electricity to the consumers in block out lands in the guideline are to be deployed for consumer complaints and dispute resolution facilitation. Through the activity, stakeholders will be benefited as follows,

1. making the duties of distribution licensees smooth and systematic
2. ensuring the consumers' rights of having an electricity supply for their premises
3. increasing efficiency in handling issues of supplying an electricity connection to the said consumers
4. reducing complaints on supplying an electricity connection
5. resolving consumer complaints in systematic manner so that protect rights of consumers

Budget: 30,000 LKR

Measurement of Customer Service Performance of Ceylon Electricity Board (CEB) AP20/CP/COA/02

Under the Gazette notification No. 1975/44 published on 13th July 2016 on Electricity (Distribution) Performance Standards Regulations, performances of licensees to improve the levels of Power Quality, Supply Quality and Commercial Quality (Distribution System Losses and service Quality) are to be regulated by the Commission.

Accordingly, measurement of customer service performance related to Commercial Quality is undertaken by the Consumer Affairs Division while measurement of performance with respect to Power Quality and Supply Quality is undertaken by the Licensing Division.

As per the notification, implementation of adaptation stage is expected to be completed by CEB by the end of year 2020. Accordingly, by that time, CEB needs completion of establishment of the information system to calculate customer performance indices and performance targets. Also, it needs commence submitting results of commercial quality assessment to the Commission.

With the completion of adaptation stage, the Commission and CEB are required to complete 1st year of the hands-on stage in year 2021. In this stage, CEB needs to calculate & submit the Commission the agreed performance indices on a monthly basis and evaluate its performance and submit a monthly report to the Commission. The main objective of implementation of electricity (distribution) performance standard regulations is to improve commercial quality (distribution system losses and service quality) of the licensees. Following benefits are expected generate,

1. better service for consumers on usage of electricity supply
2. Licensee will be able to measure level of performance and take required measures to enhance the performance.
3. Data publish by licensee and PUCSL related to customer service will help for future research activities.

Budget :0

Dialog with distribution licensees to ensure compliance on regulatory tools (regulations, rules and guidelines) to resolve consumer complaints efficiently (AP20/CP/COA/04)

Most of the Divisional Secretaries do not exercise/apply the powers vested to them by the Electricity Act correctly and hence consumers/licensees are dissatisfied on the decision given by them, thereby consumer complaints with respect to Wayleave are on the increase. With the aim of solving said issues, secretariat of the Commission expects to interact with Divisional Secretaries and their deputies with the past cases identified and referred to the Commission, where Divisional Secretaries failed to exercise their powers effectively in order to identify implementation barriers for Divisional Secretaries (if any), to obtain Divisional Secretaries' suggestions (if any) and to make a dialog on the effective way of applying the amended Wayleave Guidelines.

The objective of amending of wayleave guideline is to increase efficiency in handling wayleave cases by both licensees and Divisional Secretaries, reduce complaints on wayleaves and to resolve consumer

complaints so that protect rights of consumers. To fulfil these goals, the compliancy and awareness on wayleave procedures are required. Hence, these interaction sessions will lead make the Divisional Secretaries aware and obtaining the compliancy for smooth implementation of wayleave guideline. And these sessions will facilitate Divisional Secretaries to deploy them for consumer complaints and dispute resolution in an efficiency manner. Through that, PUCSL plans to achieve the following,

1. increasing efficiency in handling wayleave issues by Divisional Secretaries
2. reducing complaints on wayleaves
3. resolving consumer complaints in systematic manner so that protect rights of consumers
4. creating awareness for Divisional Secretaries on implementation of wayleave guideline

Budget: 1,000,000 LKR

Mobile service to solve electricity consumer complaints in seven provinces (Western, North Western, Sabaragamuwa, Central, Northern, Eastern, Uva) (AP20/CP/COA/11)

Electricity consumers have wide spectrum of issues / problems to be sorted out / aware in achieving higher consumer - utility satisfaction. Main reason for this inadequacy is lack of proper awareness and effective channeling between consumer - utility or any other relevant agencies.

Inviting consumers with their pending grievances / gray issues for one to one meeting with relevant / responsible authorities or officers would provide necessary guidance / solutions for consumers. Accordingly, mobile service clinics are to be organized in five provinces. Relevant government officers, service agents too will be invited and avail for one to one meeting and solutions will be provided to consumers with proper awareness building immediately.

The proposed activity enables consumers to get resolve their grievances through direct communications with service providers and other relevant authorities who involved. Further licensees and consumers will be able to build fair relationship among others. Finally, this process will help to increase consumer convenience and productivity of the licensee. Stakeholders will be benefited as follows,

1. Resolving consumers' grievances through direct communications with service providers and other relevant authorities who involved
2. Electricity Consumer protection is ensured
3. Building fair relationship between licensees and consumers.
4. Increasing consumer convenience and productivity of the licensee.

Budget 5,830,400 LKR

Reviewing and Approving Least Cost Long-Term Generation Expansion Plan 2022-41 (AP21/CP/LIC/01)

As per Section 43 (8) of Sri Lanka Electricity Act (Amended) the Least Cost Long Term Generation Expansion Plan requires to be prepared by the Transmission Licensee and to be approved by the Commission. The plan is prepared once in every two years covering 20-year period. The plan for years 2022-41 is due in year 2021. The plan approved by the Commission identifies the least cost plant schedule required to supply electricity for 2022-41 period, with fulfilling the interests all/ maximum number of stakeholders. PUCSL plans to review the plan and give the necessary approval through this activity. This activity will ensure the continuity of electricity supply at the least cost and aware on the investment opportunities in generation projects for stakeholders.

Budget: 810,000 LKR

Consultation on revisiting and revising the regulatory framework of Exempted parties (Exempted from the requirement of obtaining a license to Generate/Distribute and Supply electricity) - (AP21/CP/LIC/02)

Exempted parties (parties exempted from the requirement of obtaining a license to generate/distribute and supply electricity) is being lightly regulated at the moment through a Certificate of Exemption and the associated conditions imposed therein. During recent past, rapid development of the apartment sector, mix development projects have been taken place and further, there are some new business models are being developed where electricity distribution and supply of such models cannot be exempted with the existing regulatory framework. Also, economic, safety and technical regulatory tools available with respect to exempted parties are very limited at the moment. Existing regulatory framework of the electricity generation/ distribution and selling should have to be revisited and revised appropriately considering the current and prospective interests of all stakeholders. Further, necessary regulatory tools also have to be introduced with respect to economic, safety and technical regulations. Therefore, it is required to study the existing regulatory framework in order to identify its loopholes to be addressed in line with new developments and introduce the same. Exempted parties and their tenants will be regulated more effectively than how they are being regulated at the moment in connection with quality, reliability, competition, consumer rights and obligations, etc with the introduction of more effective regulatory tools.

Budget: 1,520,000 LKR

Implementation of Electricity (Distribution) Performance Standards Regulation (Power quality and Supply quality) of Lanka Electricity Company Pvt Ltd (AP/2020/LIC/CP/05)

As per the Electricity (Distribution) Performance Standards Regulations gazetted on 2016, distribution licensees are required to implement the set of tasks identified by that regulation itself. Implementation part of that regulation consists of three stages called preliminary, adaptation and hands on. By the end of year 2020, implementation of the adaptation stage has been scheduled to be completed. The Said regulation itself has clearly specified the tasks to be carried out by the regulator as well as the Licensee. Accordingly, PUCSL will conduct meeting with Lanka Electricity Company Pvt Ltd and will agree for a set of tasks to be implemented with a time plan. Then the PUCSL will monitor the progress of the Licensee over their implementation work. As per the regulation, PUCSL expects to complete the hands-on stage

of the said regulation by end of 2021. In that said hands- on stage, the Commission has to determine the target level to be achieved by the licensees with respect to power quality and supply quality. Then the Licensee has to upgrade their distribution system in a way that it would meet the agreed targets with respect to power quality and supply quality. PUCSL expects an improved power quality and supply quality of the distribution network by completing this activity.

Budget: 2,000 LKR

Implementation of Electricity (Distribution) Performance Standards Regulation (Power quality and Supply quality) of Ceylon Electricity Board (AP/2020/LIC/CP/06)

As per the Electricity (Distribution) Performance Standards Regulations gazetted on 2016, distribution licensees are required to implement the set of tasks identified by that regulation itself. Implementation part of that regulation consists of three stages called preliminary, adaptation and hands on. By the end of year 2020, implementation of the preliminary stage has been scheduled to be completed. The said regulation itself has clearly specified the tasks to be carried out by the regulator as well as the Licensee. Accordingly, PUCSL will conduct meeting with Ceylon Electricity Board and will agree for a set of tasks to be implemented with a time plan. Then the PUCSL will monitor the progress of the Licensee over their implementation work. With the implementation of the said regulation, power quality and the supply quality of the distribution system of the Ceylon Electricity Board will be improved. As per the regulation, PUCSL expects to complete the adaptation stage of the said regulation by end of 2021. In that said adaptation stage, the licensees have to commence the measurements with respect to power quality and supply quality. With those data, Commission has to determine the target level to be achieved by the licensees in following year with respect to power quality and supply quality. Then the Licensee has to upgrade their distribution system in a way that it would meet the agreed targets with respect to power quality and supply quality.

Budget: 8,000 LKR

Preparation of Standards for Designing, Installation, Operation and Maintenance of lighting for roads and public spaces and Policy Advice on the institutional operational structure (AP/2020/LIC/CP/07)

When it comes to lighting for roads and public spaces, there are number of institutions being involved for its designing, installation, operation and maintenance namely Ceylon Electricity Board, Lanka Electricity Company Private Limited, Sri Lanka Sustainable Energy Authority, Road Development Authority, Urban Development Authority, Provincial Road Development Authority and Local Authorities. Currently, all the above stated institutions are partially or fully involved in providing street lighting in various means. Due to this scenario, no agency is compelled to comply with a common agreed lighting system for roads and public spaces with respect to designing, installation, operation and maintenance where this situation has caused for various technical, financial and social issues. Therefore, its required to introduce a unique set of standards for designing, installation, operation and maintenance of lighting for roads and public spaces and its required to introduce best institutional framework to Manage the lights of roads and public space. Consultancy service will be acquired to prepare the standards of Designing, Installation, Operation and Maintenance of lighting for roads and public spaces with the inputs of all the relevant stakeholders including Ceylon Electricity Board, Lanka Electricity Company Private Limited, Sri Lanka Sustainable Energy Authority, Road Development Authority, Urban Development Authority, Provincial Road Development Authority and Local Authority and other, if any.

With the studies and results of the consultant, the PUCSL will implement the necessary standards and develop a policy advice to the Government on the same.

Budget: 5,000,000 LKR

Prepare a mechanism to collect, recycle and dispose used lubricants in Sri Lanka (AP/2020/LIC/CP/08)

There are a number of issues pertaining to quality and price preventing the efficient functioning of the lubricant market affecting the interests of consumers and market participants. Therefore, the Public Utilities Commission of Sri Lanka conducted series of Stakeholder Consultation during in year 2018 covering whole country in order to identify the prevailing issues in the lubricant sector. As a result of them, PUCSL learnt that there is a vacuum for a proper mechanism with respect to disposing the used lubricants in Sri Lanka, mainly disposing of automotive lubricants. Therefore, its required to come up with a proper mechanism for aforesaid matter. A consultancy will be done with the consultation of the all stakeholders to prepare a mechanism to collect, recycle and dispose the used lubricants in Sri Lanka and that will be proposed to the Ministry for its implementation. And the PUCSL will monitor the implementation of that mechanism. Once the report from the consultant is received, it has to be reviewed by all the relevant stakeholder as well as by the PUCSL. Once it is finalized with the comments of said parties, it will be implemented through the Ministry. For that a committee will be appointed and PUCSL will monitor the implementation work of the mechanism. PUCSL expects to see a reduction of adulteration of lubricants and environmental hazards through this process.

Budget: 5,000,000 LKR

Amendments to the Distribution Code (AP/2020/LIC/CP/09)

Existing Distribution Code was prepared in year 2012 and it was approved by the PUCSL in July of 2012. It has been observed that several developments in the distribution system has taken place recently especially in integration of Roof Top Solar PV (Solar Battle, Net Metering, Net Accounting, Net Plus), integration of embedded generators (Mini hydro, Solar, Wind, Biomass, etc), etc. These developments have caused for various changes in power quality, supply quality, islanding, fault level, protection coordination of the distribution network. It is required to amend the distribution code considering above matters in order to incorporate those changes into Distribution Code in appropriate way considering present context. For that a committee of expert will be appointed with the consultation of the DCERP. A committee with necessary expertise will be appointed to conduct a study on amending the Distribution Code and obtain a recommendation report to the Commission. Based on the recommendations of that committee, DCERP will take necessary actions to amend the Distribution Code. Then, all the distribution sector planning, development, operations will be done as per the amended Distribution Code. With this activity, Distribution Code will be updated and it will enhance the power quality and the supply quality of the distribution network up to date.

Budget: 1,000,000 LKR

Updating the Regulatory Manual (AP21/CP/RA/03)

Regulatory Manual (RM) was approved in 2014. After that there have been a number of documents related to RM, which were approved by the Commission at later stages, e.g.: changes in the organizational structure, guidelines on public hearings and stakeholder consultations, new guidelines on supplying services, etc. Accordingly, RM will be amended and approved by the Commission by the end of 2021 and will be published for the benefit of Consumers, Licensees and all the other stakeholders including PUCSL staff.

Budget: 0

Guidelines for regulatory impact analysis (Ex-Ante) (AP20/CP/RA/07)

It is observed that there is lack of regulatory impact analysis (Ex -Ante). The cost of regulatory interventions might outweigh the benefits of the intervention. Therefore, it is required to do a proper cost-benefit analysis before initiating selected regulatory interventions. A guideline must be introduced to select activities and how-to carryout the regulatory impact analysis and the Commission's staff must be trained on how to conduct the regulatory impact analysis. Through this activity, a significant regulatory intervention with higher budget and time involvement will be evaluated before they are included in the Activity Plan of the Commission.

Budget: 4,293,000 LKR

Update Supply Services Code and Statement of Rights & Obligations of Electricity Consumers (AP20/CP/REA/03)

The generic Supply Services Code (SSC) of Ceylon Electricity Board's (CEB's) Distribution Licensees (DLs) and the SSC of Lanka Electricity Company (Private) Limited (LECO) were initially approved in 2013. Thereafter, certain annexes to the SSCs and a number of related regulatory instruments have been approved by the Commission. Therefore, the SSCs of DLs need to be updated incorporating certain annexes and to be consistent with already approved regulatory instruments in order for consumers to better avail themselves of services provided by DLs. Accordingly, the Statement of Rights & Obligations of Electricity Consumers (SRO) published in 2015 also needs to be updated. In the process, the generic SSC of CEB's DLs and the SSC of LECO will be updated incorporating certain annexes to the SSCs and applicable provisions in related regulatory instruments already approved by the Commission and the SRO will also be updated to reflect the updated SSCs. With the upgrade, DLs will be directed to implement to make consumers aware of and implement the same. The following benefits will be gained by the stakeholder with the completion of the activity;

1. Increased awareness of the electricity consumers on the services supplied by the Distribution Licensees
2. Increased awareness of the rights and obligations of electricity consumers.

Budget: 5,118,750 LKR

Outcome 02 – Affordable Price for consumers and sustainable financial stability for licensees

Policy Advise on Electricity Affordability (AP21/CP/TEA/01)

The prevailing end-user tariffs are based on old data on electricity affordability and might not adequately suit the demographic and socio-economic changes that have taken place over recent years. This activity will be based on the output data of the Survey on Electricity Affordability that will be completed in 2020, and will involve an analysis of present tariff structure with respect to new affordability data, the costs of subsidies for low consumption consumers with an assessment of the changes required in the tariff structure that will better serve consumers and national policy objectives. The output of the activity itself will be a policy advise on electricity affordability and will be communicated to relevant ministries subsequent to Commission approval. The following benefits will be gained by the stakeholder with the completion of the activity;

1. More Fair and equitable tariffs and charges to the customers
2. Enhanced economic efficiency and proper utilization of subsidies.
3. Assurance of revenue to licensees.

Budget : 0

Guideline for providing bulk service connections and augmentation of connections (AP21/CP/TEA/01)

The consumer division has received a number of complaints from different regions about inconsistent practices of licensees in providing bulk service connections and augmentation of connections which has led to malpractices. Compiling a guideline for providing bulk service connections and augmentation of connections to streamline the practices, granting sufficient discretion to area engineers subject to regulatory oversight of inspectorate division, and providing guidelines to utility managers in giving bulk service connections. Commission approval and issuance of Guidelines for Distribution licensees will be carried out after consultative process with representatives of the licensees. Adherence to the guidelines will be ensured by consumer division and inspectorate division where necessary. The implementation of guidelines will streamline the inconsistent practices of the licensees and will result in reduced consumer disputes and more fair and equitable charges to electricity consumers. The following benefits will be gained by the stakeholder with the completion of the activity;

1. Reduced consumer complaints and disputes.
2. Increased efficiency and man days saved.
3. Increased revenue to licensees and fair pricing to consumers

Budget: 0

Review of Allowed Charges methodology (AP21/CP/TEA/03)

The Cost reflective methodology for Determining charges is needs to be revised in line with the recent developments in distribution networks. The present scheme produces unfair charges for short connections and also for minor modifications of service connection. Review and revise the existing allowed charges methodology in a forward-Looking manner to address the identified issues. The activity is a revision of an existing regulatory tool that is already used in the regulatory process in determining charges levied by distribution licensees on customers. The revision therefore will have direct impact in the domain of economic regulation of electricity industry. The next revision of charges will happen in line with this methodology and will result in more fair and equitable charges to consumers. The following benefits will be gained by the stakeholder with the completion of the activity;

1. More Fair and equitable charges to the customers
2. Reduced consumer complaints and disputes.
3. Better utilization of network assets.

Budget: 0

Dispatch Audit for year 2019 (AP20/CP/TEA/01)

Dispatch Audit is essential to increase the efficiency in generation dispatch which will lead to lower electricity cost. A dispatch Audit will be carried out based on the dispatch audit guidelines issued and the dispatch procedures to be developed in 2020. As the economic regulator, PUCSL has to ensure that the electricity is supplied to the customer at an affordable price while ensuring economic stability of the sector. With the output of the activity, we will be able to reduce electricity cost and hence the end user tariff. The following benefits will be gained by the stakeholder with the completion of the activity;

1. Reduction in the generation cost
2. Reduction in the End user tariff

Budget: 5,500,000 LKR

Research to Estimate the Cost of Energy Not Served (AP20/CP/TEA/12A)

The cost of Energy Not Served (ENS) is defined the Generation Planning code approved by the Commission and that figure is not set scientifically. A research in collaboration with University of Moratuwa to establish the cost of ENS and to propose a method to update routinely. This research is expected to finish by end of 2022 and thereafter amendments required for the grid code/ development plans of the transmission licensee would be discussed with the stakeholders. The following benefits will be gained by the stakeholder with the completion of the activity;

1. Optimized generation plans taking into account the real cost of unserved energy (catering the reliability levels demanded by the economy)

Budget: 1,110,000 LKR

Research on Grid Integration Limit for Intermittent Sources (AP20/CP/TEA/12B)

Government policy is to go for 80% Renewables by 2030 and the limit for intermittent renewable sources has not been established scientifically. It is planned to conduct a research in collaboration with University of Peradeniya to determine this limit. This research is expected to finish by end of 2021 and thereafter a policy advice would be prepared for the Government. The following benefits will be gained by the stakeholder with the completion of the activity;

1. Clarity on the technical limits of intermittent source integration that would be used for Generation expansion/ Network planning purposes.

Budget: 1,070,000 LKR

Research on Grid Operation with Distributed Generation (AP20/CP/TEA/12C)

Government policy is to go for 80% Renewables by 2030 and with large scale integration of intermittent sources at distribution level, grid operation and stability can be problematic. A research in collaboration with University of Peradeniya to identify the amendments required in the grid code/ distribution code and other tools required to operate the grid. This research is expected to finish by end of 2021 and thereafter amendments require for the grid code/ distribution codes will be discussed with the Licensees. The following benefits will be gained by the stakeholder with the completion of the activity;

1. Clarity on the technical issues and flexibility levels that must be accommodated in the Network planning/ operation process.

Budget: 565,000 LKR

Research Study on Transmission System (AP20/CP/TEA/12D)

Transmission Licensee has repeatedly highlighted transmission system issues when procuring emergency generation plants and in their development plans. More often, PUCSL needs to build modelling capacity and verify these claims as the claims by the Licensee does not materialize. A research in collaboration with University of Moratuwa to identify the transmission system issues and to suggest solutions. This research is expected to finish by end of 2021 and thereafter amendments required for the grid code/ development plans of the transmission licensee would be discussed with the stakeholders. The following benefits will be gained by the stakeholder with the completion of the activity;

1. Clarity on the technical issues and flexibility levels that must be accommodated in the Network planning/ operation process.

Budget: 680,000 LKR

Outcome 03 – Improved safety of every living being and properties of general public, licensees & operators

Updating regulations to cover voltage fluctuation issues experienced by the consumers (AP21/CP/INS/01)

Present regulations on voltage quality cover the steady state voltage limits but do not apply in respect of voltage fluctuations. Hence it is required to update the prevailing regulations on voltage quality to safeguard consumers from the voltage quality issues related to voltage fluctuations. Recommendations of PUCSL could be used to make necessary amendments to the regulations which in turn make the licensee to comply with. Eventually the voltage quality of the electricity supply will be improved. This activity will help to improve the voltage quality, that will safeguard the interest of consumers.

Budget: 200,000 LKR

Conducting inspections in a sample of renewable power plants (licensees) (AP21/CP/INS/02)

According to section 6(a) of Sri Lanka Electricity Act No. 20 of 2009, electrical inspectors are required to inspect electrical plants belonging to persons authorized by a license. Hence it is required to carry out compliance monitoring with license conditions. Accordingly, Sample of generating plants will be inspected to fulfil section 6(a) of SLEA, covering the compliance monitoring of licensees with license conditions. This activity will ensure safety and proper technical management of power plants.

Budget: 140,000 LKR

Conducting Inspections at the premises of the parties who have been exempted from the requirement of obtaining license for distributing and supply electricity (AP21/CP/INS/03)

As per the Section 10 (2) Sri Lanka Electricity Act No. 20 of 2009, the Commission has powers to grant an exemption to any person or category of persons from the requirement of obtaining a license distributing electricity subjected to some conditions, having regard to the manner in which or the quantity of electricity likely to be distributed by such person or category of persons. Therefore, it is required to monitor the distribution networks of such exempted parties to check their compliance with the aforesaid exemption conditions. Output of the activity will ensure the compliance of the exempted parties with the provided exemption conditions. By carrying out this activity, the safety of the consumers who receive electricity from the above exempted parties will be ensured and protection of their consumer rights will be ensured.

Budget: 50,000 LKR

Providing accessibility of information on Transmission Line Corridors for General Public (AP21/CP/INS/04)

Assuring the stipulated minimum safety clearances of transmission line corridors is important in improving the safety of lives and properties of general public and system reliability of licensees. Geographical information of the existing and proposed (which are designed and in progress) transmission lines are currently not available to the general public. It is proposed to include a new layer with the geographical information of the transmission line corridors to the existing geographical information map (Geoportal) of Sri Lanka developed by ICTA. Through the improved accessibility of the information on transmission line corridors, general public will be able to take precautionary actions to maintain the line clearances when planning and executing the new constructions near the existing and proposed transmission line corridors which ultimately ensures the safety of lives and properties of general public and system reliability of licensees. Accordingly, safety of lives and properties of general public and system reliability of licensees will be improved.

Budget: 10,000 LKR

Compliance with Safety Regulation through Inspections (AP21/CP/INS/05)

Safety, Quality and Continuity regulation was published in 2016 in order to ascertain the uninterrupted, safe and continuous electricity provision to the consumer. Inspections, recording of incidents etc, are indispensable to ensure the compliance of the licensee. Design, Colours, and Proportions of the of the Safety Design for signages have been already mentioned in the regulation, thus inspections are required to follow the standard. Through the inspections, compliance to the signage board dimensions will be verified. Uniform measurements and compliance would alleviate the confusion, sight ambiguity; whereas increases the safety. Overhead lines such as MV, LV line failures can be mitigated with periodic inspections along with licensees. This in turn would conforms the safety and protection of lives. Incident Reporting System was handed over to the licensee, whereas it is being developed for the Police. Once it is accomplished, registering the near misses, incidents and accidents can even be recorded with rigorousness and prudence. Also, root cause analysis reports will be produced to diminish accidents. PUCSL expect a reduction of electricity related shocks, accidents, deaths and property damages

Budget: 100,000 LKR

Analyzing the causality of fire hazards at buildings and introducing the selective arc flash protection to national important places (AP21/CP/INS/06)

Electrical fires can start in wiring, electrical distribution systems, and lighting equipment, as well as in any equipment powered by electricity such as cooking, heating, office and entertainment equipment, washers and dryers, as well as electrical distribution or lighting equipment. This can mainly be categorized in two ways.

1. Fires in which electrical failure or malfunction is a factor contributing to ignition
2. Fires involving electrical distribution and lighting equipment. These are fires in which electrical distribution or lighting equipment are somehow involved in a fire's ignition

Fires due to electrical failure or malfunction primarily involve some form of arcing, which results from an unintentional discharge of electrical current between conductors. Given sufficient time and level of

current, arc faults can produce enough heat to ignite a fire. Arc faults are produced by damaged conductors and connectors and may involve damaged wiring, frayed appliance cords, loose connections in wall outlets, or faulty switches and junction boxes. Arcing time is the most critical factor, fast, optical sensor-based protection methods are preferred. Other important issues are the selectivity and self-supervision of the protection system. Asset protection along with safety aspects should be taken into account as in any system design. In the recent past, it was observed that in several parts of the country electric fire hazard had come about, mostly in commercial buildings. However, impacts and the loss would be extreme if it was at a national important place such as library, museum, archives. By carrying out this activity PUCSL will be able to produce be updated regulatory instruments, to safeguard the interest of consumers in respect of electricity safety.

Budget: 10,000 LKR

Outcome 04 – Improved environmental conditions for humans, animals and plants

Estimation of Externality Cost of Power Generation by Renewable Energy Sources (AP21/CP/EER/01)

Externality costs are needed for all the power generation technologies to obtain more accurate least economic cost of electricity generation in Sri Lanka. In line with that, externality cost of thermal power generation has been carried out recently and the research is in the final stage as at now. Therefore, estimation of externality cost of renewable energy technologies is to be carried out in 2021 which is vital in preparation of LTGEP. The above objective planned to be carried out through a suitable expert team of consultants guided by a properly formulated terms of reference. By applying the economic cost of power generation, the optimal power generation technologies will be selected for planning. Considering the energy policy and other constraints prescribed by the relevant authorities, the applicable generation technologies could be selected for implementation.

Budget: 2,400,000 LKR

Water Services Industry

Water Services Regulation (AP20/CP/COA/06)

Sri Lanka has made a commitment to achieve Sustainable Development Goal 6, that of ensuring availability and sustainable management of water and sanitation for all households in Sri Lanka by 2030. Ensuring entire population in the country is provided with clean and safe drinking water while increasing the access to pipe borne water. This is a commitment included in the National Policy Framework: Vistas of Prosperity and splendour as presented by the President to Parliament.

Regarding sanitation, most households in Sri Lanka have proper toilets. There is a need for effective removal of waste material in addition to providing toilets that meet minimum standards for all. Wastewater treatment and hygienic removal and treatment of septage (fecal sludge) is now a challenge in Sri Lanka. As an upper-middle-income country, there can be no debate about the urgency of remedying these shortcomings and ensuring all Sri Lankans the basic right of clean water and sanitation.

Extend the access to piped borne water supply need significant new investments. The options available in this regard are continue public investment, or harness private investment into the water services industry. In both options there are specific role that must be completed by the Regulator. Hence, based on the Government policy on investment approach the role of the regulator to be identified. In year 2020 work has been started to develop a policy advice to the Government identifying specific role for regulator. If Government accept this policy advice the role specified in the policy to be taken over by the PUCSL. When policy advice prepared, it should be channel through a formal approach to get approval from the Cabinet of Ministers. This is highly political sensitive issues and if we succeed only, we will be able to discuss the draft water service industry bill.

Policy advice will be prepared by the Consultant appointed in this regard by April 2021. After that policy approval process start and if Government accept the policy advice necessary legislation preparation will be started. Upon approval of legislations regulation will be started. Through this PUCSL plans to achieve,

1. New investment will enter Water and Sanitation sector
2. Access to pipe borne and other mode of distribution will increase
3. Return on Investment to be ensured by the Regulator
4. Consumer grievances will be taken care by PUCSL

Budget: 1,000,000 LKR

Preparation of Disaster Management Plan for Water Supply Scheme in NWSDB (AP21/CP/COA/06)

According to the Global Climate Risk Index, Sri Lanka is ranked among ten countries most affected in 2018, from the impact of extreme weather events. The vulnerability to disaster has significantly increased with the COVID-19 pandemic in Sri Lanka and worldwide. Hence, it is vital that introduce a disaster mitigation and preparedness measures. According to legal provisions, all state agencies should align with the National Disaster Management Plan prepared by Disaster Management Center. Public

Utilities Commission of Sri Lanka (PUCSL) as the designated regulator for water services there is a responsibility to ready the utility services for disasters introducing a disaster management plan. PUCSL as the regulator intend to create a discussion on disaster preparedness and use the regulatory tools available to ensure accountability of utility service providers towards meeting the uninterrupted service provision.

A disaster management plan to be prepared in collaboration with Disaster Management Center in consultation with Water Board. If formal regulation started in water services, there are regulatory tools i.e. licensing provisions which could be used to accountable service providers towards uninterrupted service provision. Preparation of a disaster management plan and implementation of the same with service providers is the proposal to solve the problem. Benefits to the stakeholders would be,

1. Water consumer has an un-interrupted water supply
2. Service providers assets will be protected from disasters
3. Service provider will have more possibility to apply for international standards i.e. ISO

Budget: 200,000 LKR

Petroleum Industry

Prepare Institutional Disaster Management Plans for petroleum sector utilities (AP21/CP/RA/01)

Every ministry, department and public corporation is required to prepare an institutional disaster management plan to counter any disaster or impending disaster, in accordance with the Sri Lanka Disaster Management Act, No. 13 of 2005, National Disaster Management Plan and guidelines specified by the Disaster Management Centre. The requirement of having a Disaster Management Plan (DMP) to ensure the sustained operation of basic utility services during a disastrous situation has been identified as a major requirement. Petroleum industry, being an important utility service, needs to have its own DMP. Facilitate the process of preparing an institutional disaster management plans by the Lanka IOC (LIOC), Ceylon Petroleum Corporation (CPC) and Ceylon Petroleum Storage Terminals LTD (CPSTL) in collaboration with the Disaster Management Centre and under the auspices of the Ministry of Power & Energy. The process of would be steered by a Steering Committee (SC) and a Working Group would advise the SC on management and technical issues while Teams nominated by LIOC, CPC and CPSTL would be responsible for preparing the plan based on guidance provided by the Disaster Management Centre. Benefits to the stakeholders would be,

1. Demand for petroleum fuels is met efficiently, economically and safely.

Budget : 0

Prepare Standards for Fuel Filling Stations (AP21/CP/RA/02)

The following Issues pertaining to Fuel Filling Stations (FFS) were raised during the regional stakeholder consultations:

- Absence of FFSs within a reasonable distance;
- Non-availability of petroleum fuels at fuel filling stations; and
- FFSs do not meet requisite criteria etc.

Guidelines on establishment of new FFSs were formulated by the Secretariat and submitted to the Ministry of Petroleum & Petroleum Resources Development in 2007. However, there does not appear to be full compliance with such guidelines. Accordingly, PUCSL plans to formulate and promulgate standards for FFSs. PUCSL plans to review aforementioned guidelines for establishment of new FFSs, prepare standards for FFSs and recommend promulgation of same to the Cabinet of Ministers. Benefits to the stakeholders would be,

1. Improvement of safety and quality of service

Budget: 0

Formulate advise to the government on duty structure of imported and locally blended Lubricants (AP20/CP/RA/04)

Ministry of Petroleum Resources Development has requested the PUCSL to advise them on the duty differential of imported and locally blended lubricants. Further in the Public Consultation held on the subject of lubricant industry it was raised that mentioned duty differential cause barriers to competition. In the interim, ascertain current duty differential and maintain same at ten percent, as decided by the Cabinet. Conduct independent and in-depth study of local value addition and ascertain duty differential to promote fair competition. Based on the output of the study a recommendation will be sent to the Petroleum Ministry on the duty structure. Policy advice will be given to the government on the duty differential considering the local value addition. Benefits to the stakeholders would be,

1. Fair pricing due to increased competition

Budget: 2,575,800 LKR

Formulate procedure for detecting adulteration of petrol and diesel with kerosene (AP20/CP/RA/05)

It was highlighted in the Public Consultations held regionally that petrol and diesel is adulterated with Kerosene. Therefore, PUCSL plans to select an internationally accepted and proven technical method to identify the adulterated petroleum fuels with kerosene. A procedure will be formulated to how the above technical method will be deployed. Once the final report is received a policy advice will be given to the Ministry of Petroleum on how the adulterated fuels with kerosene can be identified. Benefits to the stakeholders would be,

1. Improved quality of petroleum fuels

Budget: 3,863,700 LKR

Formulate procedure for compulsory import inspection of lubricants by the Sri Lanka Standards Institute and Sri Lanka Customs (AP19/CP/RA/05)

It is expected that PUCSL will receive regulatory powers with regard to the Petroleum and Lubricant sector in near future. Further during the Public Consultations conducted recently by PUCSL, issues related to the quality of lubricants were pointed out by the public. In particular, sale of substandard lubricants, lubricants adulterated with used lubricants were identified as issues. It is suggested to control the quality of imported lubricants, implementing a mechanism for compulsory import inspection of lubricants is identified as a remedy for the said issue. Accordingly, PUCSL plans to prepare a procedure for compulsory import inspection of lubricants jointly with the Sri Lanka Standards Institute and Sri Lanka Customs by the end of 2021. Benefits to the stakeholders would be,

1. Better vehicle performance and efficiency as well as the reduction of environment pollution.

Budget: 0 LKR

Formulate standards for petroleum fuel dispensing pumps and mechanism for monitoring (AP19/CP/REA/11)

It is expected that PUCSL will receive regulatory powers with regard to the Petroleum and Lubricant sector in near future. Further during the Public Consultations conducted recently by PUCSL, issues related to the quality and accuracy of petroleum fuel dispensing pumps and the requirement of a mechanism for monitoring the same were pointed out by the public. Preparation of a set of technical standards (minimum Standards) for petroleum fuel dispensing pumps and a mechanism for monitoring the implementation of the said standards are identified as remedial actions for the said issues.

Accordingly, preparation of a set of minimum technical standards for petroleum fuel dispensing pumps and a mechanism for monitoring the implementation of the standards will be completed by the end of 2021. Benefits to the stakeholders would be,

1. Assures the right of consumer to receive the accurate amount of fuel for the amount of money they pay.

Budget: 0 LKR

Review and update Sri Lanka Standards for Petroleum Fuels (AP20/CP/REA/09)

During the public consultations held in 2018, the industry experts and general public pointed out the importance having standards for petroleum fuels. Further, the Secretary of the Ministry of Highways & Road Development and Petroleum Resources Development requested the SLSI to update or prepare Sri Lanka Standards for petroleum fuels commencing with Gasoline, Diesel, Kerosene, Furnace Oil and Liquefied Petroleum Gas, and for the Public Utilities Commission of Sri Lanka (PUCSL) to coordinate the same. Accordingly, it is identified that standards related to Gasoline, Diesel, Kerosene, Furnace Oil and Liquefied Petroleum Gas should be reviewed and updated while formulating Sri Lanka Standards for Aviation Fuel and Naphtha. This Activity will be completed by the end of 2021 and then PUCSL will be coordinating enforcement of the same by the Consumer Affairs Authority or other relevant organizations. Benefits to the stakeholders would be,

1. Better vehicle performance and efficiency as well as the reduction of environment pollution.

Budget: 1,000,000 LKR

Formulate framework for regulating the midstream and downstream Natural Gas market (AP20/CP/RA/01)

Natural Gas has been identified as the next fossil fuel option for the country and action is being taken to import Liquefied Natural Gas. The Public Utilities Commission of Sri Lanka (PUCSL) has been identified as the regulator of the midstream and downstream Natural Gas market in the draft National Policy on Natural Gas prepared by the Ministry of Power & Energy. Therefore, the PUCSL needs to build regulatory capacity by formulating the framework as well as knowledge and skills for regulating the midstream and downstream Natural Gas market. Upon approval of the draft National Policy on Natural Gas by the Cabinet of Ministers and as stipulated therein, develop regulatory instruments as well as knowledge and

skills to regulate the midstream and downstream natural gas market - regulatory instruments would include laws, rules, codes and guidelines etc. pertaining to regulation of third-party access to essential infrastructure, pricing of natural gas as well as health, safety and environment. Benefits to the stakeholders would be,

1. Demand for Natural Gas is met efficiently, economically and safely.

Budget : 0 LKR

Review and update Sri Lanka Standards for lubricants (AP20/CP/RA/02)

Sri Lanka Standards for automotive lubricants and greases were published by the Sri Lanka Standards Institute (SLSI) commencing 2007. During the public consultation on quality and prices of lubricants held in 2018, the SLSI stated that some of the Sri Lanka Standards need to be updated and industry experts recommended introduction of a minimum standard for four-stroke engine oil for scooters. It is planned to review and update existing Sri Lanka Standards for lubricants and greases as well as formulate Sri Lanka Standards for new vehicle categories and also coordinate the enforcement of updated and new Sri Lanka Standards for lubricants and greases through the Consumer Affairs Authority and/or other relevant organization. Benefits to the stakeholders would be,

1. Lower emission, improved fuel efficiency and vehicle performance, longer engine life

Budget: 800,000 LKR

Other Activities

Human Resource and Administration			
Activity	Activity Name	Objective	Budget (LKR)
AP21/HR/CP/01	Development of a suitable recruitment interface linked to the Commission website	To make available of a perfect, timely, accurate and dependable information system for analysis and decision making in recruitments.	200,000.00
AP21/HR/CP/02	Reviewing and updating all the Job Descriptions and preparation of a Job Description manual	Assemble updated job descriptions for each position of the organization	
AP21/HR/CP/03	Obtaining ISO standards for total quality	To be in line with ISO certification standards in terms of high quality and accuracy, compliance with applicable standards, and improved customer satisfaction.	800,000.00
AP21/HR/CP/04	Review of the Scheme of Recruitment	Recruitment of most suitable persons to the positions with required qualifications, skills, knowledge and attributes	1,000,000.00
AP20/HR/CP/01	Development of monthly Activity progress monitoring module through Human Resource Information System (HRIS)	Easy monitoring by the higher management on all employee's individual monthly progress	
AP20/HR/CP/02	Development of a structured capacity development interventions to evolve a Human Resource Development plan in HRIS in order to enhance the competencies of all employees	A system on capacity development of all employees including evaluation & impact of training linked to existing HRIS Compliance to General audit	

AP20/HR/CP/03	Streamline the routine payment system of the division	Efficient system of payment processing by HR & Admin	
AP20/HR/CP/04	Organizational Development and Career growth of all staff	to retain the talented individuals, attract the best and develop them through well-targeted development efforts	

Corporate Communication

Activity	Activity Name	Objective	Budget (LKR)
AP21/CP/CCO/01	Master Awareness Campaign	To increase the implementation process of regulatory tools and to aware the public on the same	6,000,000
AP21/CP/CCO/02	Awareness Campaign on updated lubricant standards and new market players with Petroleum ministry, CAA and SL Customs	To aware the public on the new changes to the standards	5,000,000
AP21/CP/CCO/03	Detailed Communication Plan based on Activities 2021	To increase participation on the regulatory decision-making process and to implement the regulatory tools	2,000,000
AP21/CP/CCO/21	Training of trainers' program (Safety module introduction for scouts and training of school teachers and principals)	To aware the public on electricity safety	2,000,000
AP21/CP/CCO/22	Knowledge platform for regulators in Sri Lanka	To improve transparency in regulatory activities and to get active participation of the regulators in the regulatory activities of PUCSL	500,000
AP21/CP/CCO/23	Electricity Industry Related Investment Promotional Campaign - Research Forum	To identify the regulatory tools for Activity Plan 2022 of PUCSL	1,500,000
AP21/CP/CCO/24	Introduction, Awareness and promotion of energy efficient housing model for low income households in Sri Lanka – Research grant and knowledge sharing project with Uni of Moratuwa	To introduce and aware the public on an energy efficient housing model for low income households	3,500,000

IT & MIS			
Activity	Activity Name	Objective	Budget (LKR)
AP21/CP/IT/01	Revamping LISS	Increase in staff productivity and more services to licensees (and also consumers)	6,000,000
AP21/CP/IT/02	Revamping Technician Information System + Mobile App	Reducing service outages experienced by consumers due to on-premises breakdowns	1,800,000
AP21/CP/IT/03	Implementing a digital media tool	To build stronger regulatory framework	1,200,000
AP20/CP/IT/02	Incident Reporting System (IRS) (AP21/CP/IT/21)	Recording information with respect to electricity related accidents	1,000,000
AP20/CP/IT/03	License Management System (LMS) (AP21/CP/IT/22)	Automation of the business processes pertaining to licensing and exempting	1,500,000
AP20/CP/IT/04	Upgrading HR & Finance systems (AP21/CP/IT/23)	Automation of the business processes pertaining to HR & Finance	1,500,000