

# PUBLIC UTILITIES COMMISSION OF SRI LANKA

## Guideline for Expressions of Interest

### **Study on Energy Poverty in Sri Lanka and Formulating Policy Guidelines**

The Department Consultants Procurement Committee on behalf of the Public Utilities Commission of Sri Lanka, invites eligible consultants to indicate their interest in providing the services described in the attached “Terms of Reference” document (Annex 1). Interested consultants must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Consultants may associate to enhance their qualifications. A consultant will be selected in accordance with the procedures set out in the Guidelines for Selection and Employment of Consultants, published by National Procurement Agency.

#### **Conditions**

1. Interested consultancy firms must provide information indicating that they are qualified to perform the Services. Consultancy firms may associate with other firms in the form of an association or a sub-consultancy to enhance their qualifications.
2. Expressions of Interest should include the following information:
  - a) Description of similar assignments carried out demonstrating knowledge and experience in electricity industry and economic studies along with the name of client (with references), nature of the assignment, location, contract value, date and duration etc. (Please use the format given in Annex 3);
  - b) Status of the firm and availability of appropriate skills (including technical capabilities in Economics, Statistics, Social sciences, and managerial skills), indicating the business registration as well as names and qualifications of the key staff etc. (Please use the format given in Annex 2);
  - c) Any intention to associate with other firm(s)/ individual(s) including the information identified in item a) and b) above relating to other firm(s)/ individual(s) (Please use the formats given in Annex 2, Annex 3 and Annex 4);
  - d) Proposed methodology for conducting the study in brief, and
  - e) Brochure(s) and any other information.
3. The Expressions of Interest received will be evaluated and only the shortlisted firms will be invited to submit detailed technical and financial proposals to provide the Services. The shortlisting criteria include:
  - a) Qualifications in the field of the assignment;
  - b) Technical and managerial capabilities of the organization;
  - c) Core business and years in business;
  - d) Qualifications of key staff;
  - e) Client references; and
  - f) Administrative and financial strength
4. Interested consultancy firms may obtain clarifications (from Mr. M. Shukri) vide the contact details indicated below, from 9.00 am to 4.30 pm during weekdays excluding public holidays.

5. Expressions of Interest must be sent in a written form to the address below (in person or by post) by 2.30 p.m on or before 20<sup>th</sup> May 2024
6. The selected consultants are expected to complete the study in a period of 6 months.

Chairman  
Department Consultants Procurement Committee  
Public Utilities Commission of Sri Lanka  
6th Floor, Bank of Ceylon Merchant Tower  
No. 28, St. Michael's Road, Colombo 3,  
Sri Lanka.  
Telephone: (+94 11) 2392607/8  
E-mail: [tariff@puosl.gov.lk](mailto:tariff@puosl.gov.lk)

## Terms of Reference

### **A. Background:**

The Public Utilities Commission of Sri Lanka (“the Commission”), in its capacity as the designated regulator of the electricity industry, is performing the economic regulation and advising the Government on the matters pertaining to the industry.

Sri Lankan economy is recovering from a major downturn. The energy prices in the country have increased during the last two years. The government policy on providing subsidies for energy related services also has been revised to establish the cost reflectivity. This has caused strain to the consumers and led to changes in energy demand and consumption patterns.

This study is being undertaken in pursuance of Section 30(4) and Section 18(b) of the Sri Lanka Electricity Act (SLEA), No. 20 of 2009 as amended (Act), wherein the Commission is equipped with the function of setting electricity tariffs and charges to be levied by the Licensees, considering the subsidize approved by the government or cross subsidies recoverable. In doing so, the Commission requires consideration of the provision of life-line tariffs to disadvantaged groups of consumers. This makes it necessary for the Commission to be updated on the aspect of energy poverty in Sri Lanka.

Further to the above, the Section 3(1)(a) of SLEA and the Section 17(c) of Public Utilities Commission Act No. 35 of 2002, directs the Commission to advise the Government on inter alia the use of electricity in Sri Lanka. It is also necessary to note that the Government’s general policy guidelines for the industry provide the basis for the identification of consumer groups requiring subsidies in setting electricity tariffs. Therefore, it is imperative that the Commission provides the government with timely and updated information on energy poverty in Sri Lanka to formulate necessary policies to overcome the same.

### **B. The Objectives and the Scope of the Study:**

#### **Objectives**

In the above context the Commission wishes to enlist the services of a consultant to undertake the above study. The specific objectives of the study are to:

- a) Assess the affordability of electricity in reference to the income.
- b) Assess the adequacy of electricity consumed as against the basic requirement.
- c) Asses the overall energy poverty level in Sri Lanka, with respect to the electricity consumption.
- d) Identify “disadvantaged groups of consumers” by specifying the threshold level of individual household income and respective monthly electricity consumption for the provision of life-line tariffs;
- e) Formulate policy advice on providing life-line tariff.
- f) Evaluate the cost of electricity for small and medium scale enterprises, as against the total cost of sales.

**Scope of the study would extend to conducting the following specific analytical activities**

- a) Assessment on whether the basic electricity requirements of the population (domestic consumer category and small/medium scale enterprises) have been adequately and continually met, and
  1. if not, to what extent they have not been met, why they have not been met as well as the impact of the tariffs (connection and supply) on the same, and
  2. If yes, to what extent tariff levels have enabled them to enhance their living standards and provided opportunities for gainful economic activity.
- b) Evaluating the current level of energy poverty in Sri Lanka, considering the electricity energy consumption.
- c) Determining the impact of electricity tariffs on alleviating the energy poverty in Sri Lanka, in relation to the nature and pattern of economic activity of households and small/medium scale enterprises.
- d) Identification of “disadvantaged groups of consumers” by specifying the threshold level of individual household income and respective monthly electricity consumption for the provision of life-line tariffs; and
- e) Formulation of a set of recommendations for consideration and action by the Commission to advise the Government on the energy poverty in Sri Lanka, with respect to the use of electricity.
- f) Identification of the level of subsidy requirement on electricity usage for small and medium scale enterprises to ensure the business viability.
- g) Consultant may use the secondary data from CEB and LECO billing data base for initial screening and shall conduct survey for a selected number of consumers to meet the above requirement.

The data collection should be done covering all geographical locations in Sri Lanka.

**C. Study Tasks to be Caried Out:**

The study involves following list of tasks;

- a) Preliminary Phase establishing the context for the study, consisting of the review of related literature, methodology including suitable indices to measure the subjected areas and projected timeline.
- b) Secondary phase of establishing the baseline for the study, through the design of an appropriate data collection and information gathering process, including surveys, focus group discussion, workshops, public consultations.
- c) Tertiary phase of conducting data collection and preparing a summary report on data collected.
- d) Final phase of deriving values for identified energy poverty related indices and formulating a set of recommendations for the consideration and action by the Commission to advise the Government.

**D. Timelines for Completion of the Study**

<p><b>Preliminary: Inception report</b>          Establishing the context for the study, consisting of the review of related literature, methodology including suitable indices to measure the subjected areas and projected timeline.</p>	<p>Four weeks (One month) from the contract date</p>
--	--

<p><b>Secondary: Interim report</b> Establishing the baseline for the study, through the design of an appropriate data collection and information gathering process, including surveys, focus group discussion, workshops, public consultations.</p>	Eight weeks (Two months) from the contract date
<p><b>Tertiary: Data collection report</b> conducting data collection and preparing a summary report on data collected.</p>	Twenty weeks (Five months) from the contract date
<p><b>Final: Draft final/Final report</b> Deriving values for identified energy poverty related indices and formulating a set of recommendations for the consideration and action by the Commission to advise the Government.</p>	Twenty-four weeks (Six months) from the contract date

**E. Schedule of Deliverables/Outputs Required:**

The Consultant shall deliver the following deliverables to the Client.

- a) Inception Report within four weeks of the awarding of the contract (at the end of the preliminary phase of the study)
- b) Interim Report within eight weeks of awarding the contract (at the end of the secondary phase of the study)
- c) Data collection Report within twenty weeks of awarding the contract (at the end of the tertiary phase of the study)
- d) Final report within twenty-four weeks of awarding the contract (at the end of the final phase of the study)

**F. Procedure for Review of Outputs:**

The Consultant shall present and discuss the aforementioned reports with the Departmental Consultancy Procurement Committee and relevant stakeholders.

**G. Duration of Assignment**

The duration of this assignment will span for 24 weeks.

## Annex 2

### Status of the Firm

[Using the format given below, please provide all the requisite information in respect of the status of your firm and each associate for this assignment; Any associated Individuals are required to complete only item 1, 2 and 7 below.]

- 1) Name and address of the firm/ individual: .....
- 2) Nature of association (joint venture, sub- consultancy etc.): .....
- 3) Business registration no: .....
- 4) Core business: .....
- 5) Years of business: .....
- 6) Annual turnover (US\$), in 2023: ....., in 2022: ....., in 2021: .....
- 7) Qualifications of key staff/individual:

	Name	Area of expertise	Education	Technical & managerial experiences with the firm indicated under item 1 above (refer the assignments mentioned in Annex 1, if any)	Technical & managerial experiences outside the firm indicated under item 1 above
1					
2					
3					

### Annex 3

#### Similar assignments carried out within the last 5 years

[Using the format given below, please provide all the requisite information in respect of each assignment for which your firm, and each associate for this assignment, was legally contracted, either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment.]

Name of the Firm <sup>1</sup>			
Name and address of client with references:			
Name of assignment:			
Approximate value of contract (USD):		Duration of assignment (months):	
Location:		Total No of staff-months of the assignment	
No of professional staff-months provided by you:		Approx. value of the services provided by firm (USD):	
Start date (month/year):		Completion date (month/year):	
Name of associated consultants, if any:			
Name of senior professional staff of your firm involved and functions performed (indicate most significant Director/ Coordinator, Team Leader):			
Narrative description of assignment (including international experiences and experiences in similar conditions, knowledge in electricity sector, regulation and regulatory accounting, experience in and/or knowledge of Sri Lankan accounting standards or access to same etc.):			
Description of actual services provided by your staff within the assignment:			

<sup>1</sup> Indicate the firms' name or associate firms'/ individuals' name

## Annex 4

### Details of Associations

Associates name	Nature of association	Role	Responsibility