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Central Environmental Authority

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# Private power plant owners a stumbling block, says Susil

By Dhanuusha Pathirana

The Power and Energy Minister accused the owners of private diesel power plants of inducing the bureaucrats to block the low cost Norochcholai and Upper Kothmale power plants.

Minister Susil Premajayantha said it was because of the various ruses adopted by operators of privately owned diesel power plants that domestic consumers and the industrial sector was called upon to pay such heavy electricity tariffs. These people were spending billions of rupees earned from diesel power generation to bribe the authorities who are responsible in implementing government plans to introduce low cost power generation.

Minister Premajayantha told The Sunday Times, that if the Norochcholai and Upper Kothmale power projects started supplying power to the national grid, then the high cost private diesel power plants would have to close down.

CEB General Manager Ranjith Fonseka said there was documentary proof to show that some officials had suggested to the government to adopt various fuel-based alternatives to Norochcholai and Upper Kothmale.

Even the former Power and Energy Minister Karu Jayasuriya had spoken about the diesel mafia that stood



The site selected for the Norochcholai coal power plant

against the implementation of these low cost projects. The Asian Development Bank and the Japanese Bank for International Cooperation had also recommended that these power plants be installed but these plans were not implemented by the Government.

Unfortunately the money for these projects should come from the Government as the CEB itself did not have sufficient funds to implement them on its own.

Mr. Fonseka said more than 500 MW of power being generated in Colombo was polluting the environment, but nobody was bothered. Environmentalists opposing the implementation of coal power plants opted to remain silent about the pollution by the private diesel power plants. "We were going to set up a power station in a remote area and they shouted that we were polluting the environment. This is

a clear indication that the private power generators were trying to block the plans to set up low cost plants such as the Norochcholai the Upper Kothmale hydro power plants," he said.

He added that the environmentalist said the monsoons winds could blow the coal dust and pollute the air and the marine life by the barges transporting the coal. But these very same environmentalists were silent about the poisonous gases being emitted daily by the diesel power plants. Mr. Fonseka said if adequate power was not generated, power cuts would have to be imposed resulting in a break down in commercial activities.

"Isn't this too a form of environment pollution?", Mr. Fonseka asked.

He said that up to 2001 the CEB was a financially viable institution providing billions of rupees to the Treasury. Even though power cuts

were imminent, for political reasons the government in power adopted means to avoid them resulting in expensive diesel plants being established. The nett result was that the increased expenditure was passed to the consumer.

CEB Engineers Union Secretary Noel Priyantha said the agreements between the CEB and the Thermal Power generators were highly disadvantageous to the CEB. He said the capacity charge was constant and basically comprised of construction costs and interest on bank loans while the cost of energy would differ according to the oil prices. This included fuel, maintenance and transport costs.

Mr. Fonseka said the tariffs would come down with the use of coal if these projects were implemented. CEB trade union co-ordinator Ananda Nimalaratne said if the Norochcholai project was established in 1999, the CEB would not be facing this disastrous situation.

"Since the CEB opted to use diesel it has piled up a debt of Rs. 93 billion. It owes six billion to the Ceylon Petroleum Corporation", Mr. Nimalaratne said.

He said if the coal power plant was established, the CEB could sell a unit of power for around Rs. 4. 50 giving it a large margin of profit.