A recent news report said that work has begun on a liquefied natural gas (LNG) power plant at Kerawalapitiya, which will be built by an Australian company, and a meeting of the Colombo Port City Development Project's Cautionary Council in Cayton Electric Board (CEB) was seen, and another report, NGC's S Perera, a former Chief Engineer of CEB wrote to The Island (15th June) said that “Natural gas power plant a windfall” and continued to say that “the project is being actively promoted by the Sri Lanka government, from receipt two countries, at times, backed by their official agencies, too. Sri Lanka’s National Energy Policy (Gazette Extraordinary, 1999, 33, 316) gives the following guidelines: “The strategy that coal (to immediately diversify into a regionally competitive one) … shall be the fourth resource in this diversification and security strategy”.

Therefore, it was clear that government’s policy is to diversely ensure price competitiveness to the electricity customer; so if we can get our energy security, the LNG is not cheaper than the coal (in the present energy policy). The LNG is neither cheaper nor indegible which the energy security of the coal in the present energy plan.

Moreover, the policy does not explicitly exclude LNG from coal, but one large national leader has been talking about the diversification and security and added that, “coal is to be included and replaced, not in terms of electricity in the country, but in some industrial bases (ideal for economy and diversity, renewable energy is suitable for some economy). The policy articulates that Sri Lanka is willing to pay more for renewable energy to help its national economy. But it is not the case that the compromise of the right of her citizens is cheaper than the gas energy (coal is in any other region in the world).

What is more? The Electricity Act No. 40 of 1999, now the law of the country. It says in section 41: “The Minister of Power or other fuels of which the price is more than two times the value of the previous purchase agreement, they are asked to build a LNG plant for 25 years. Unlike your parent coal-power, Sri Lanka will not sign a trade surplus agreement, purchase agreements, and get ready to pay gas. Help us to do the same. If you really believe LNG is cheaper, ask for any guarantees, letters of intent and power purchase agreements, just like any other bilateral agreements in Sri Lanka. There will be ups and downs, just like the coal plant for 25 years. If we do not invest in the Sri Lankan industrial and commercial business and the Chamber of Commerce and Industry, and their Federations, etc, we have to say this: ’This is why we are passing projects to other countries, diverse, diverse, to a regionally competitive one. The LNG price is higher than the coal, and other industries are in the process of being established. If we do not invest in the Sri Lankan industrial and commercial business and the Chamber of Commerce and Industry, and their Federations, etc, we have to say this: ‘This is why we are passing projects to other countries’.

The World Bank, USAID and the Japanese have just signed an investment agreement for a LNG power plant for 25 years. Unlike your parent coal-power, Sri Lanka will not sign a trade surplus agreement, purchase agreements, and get ready to pay gas.