

The background is a light blue gradient with several realistic water droplets of various sizes scattered across the surface. The droplets have highlights and shadows, giving them a three-dimensional appearance.

**TASK FORCE : 01**  
**COORDINATION OF POLICIES, LEGAL AND**  
**REGULATORY FRAMEWORKS FOR CROSS**  
**BORDER ELECTRICITY TRADE**

**09.10.2023**

# EXISTING POLICY AND LEGAL FRAMEWORK OF THE GOVERNMENT

1. 70% Renewable Energy by 2030, Carbon Neutrality by 2050 and No coal Power plant in future
2. Public Utilities Commission of Sri Lanka serves as the regulator
3. Sri Lanka Electricity Act of No. 20 of 2009
4. Sri Lanka Electricity Act (Amendment) of No. 31 OF 2013
5. Sri Lanka Electricity Act (Amendment) of No. 16 of of 2022
6. Ceylon Electricity Board Act No.17 of 1969
7. General Policy Guidelines issued under SLEA
8. No substantial provisions are available for CBET in the above Acts

# TEN PILLARS OF ENERGY POLICY 2019

1. **Assuring Energy Security**
2. **Providing Access To Energy Services**
3. **Providing Energy Services At The Optimum Cost To The National Economy**
4. Improving Energy Efficiency And Conservation
5. Enhancing Self Reliance
6. Caring For The Environment
7. Enhancing The Share Of Renewable Energy
8. Strengthening Good Governance In The Energy Sector
9. Securing Land For Future Energy Infrastructure
10. Providing Opportunities For Innovation And Entrepreneurship

# INITIATIVES TO INTRODUCE MARKET MECHANISM

1. At present, the Ceylon Electricity Board, the utility of SL generate, transmit and distribute electricity through its own network. (Single buyer model)
2. Recently the government has taken initiatives to unbundle generation, transmission system operation and distribution to maximize competition and to cater a better service to the consumers at an affordable price.
3. Further, the objective of the government to unbundle the utility was to reduce the burden on the treasury and to make it a financially independent institution.
4. The unbundling process was also to promote investment more into RE development on competitive basis and to create benchmarking competition among the distribution licensees
5. Provisions are made available in SLEA for minor scale generation additions under standardized power purchase agreements.

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6. GOSL is working now to enter into the regional power market after ongoing studies are completed
7. Cross border interconnection will facilitate the GOSL to gain economic benefits by way of importing and exporting electricity when appropriately surplus or shortage occur.
8. This will particularly be beneficial for the government with the implementation of the policy of 70% RE by 2030.
9. GOSL will opt in future into best fitted business model which may be determined by the study being carried out in relation to the grid interconnection between Sri Lanka and India.

# REGIONAL TRANSMISSION NETWORK

1. Maximum benefits of the electricity market could be harnessed only when it become integrated regional transmission network which may be operated by centralized body.
2. We know SARI/EI did a very good job to establish an Institutional Framework for the Management of Cross Border Electricity Market.
3. SARI/EI has also Carried out Number of Studies and has made useful reports on this matter.
4. An institutional framework proposed may include and empowered with certain authority on;
  - a. Transmission Planning
  - b. Mutually Agreeable Guidelines
  - c. Training
  - d. Investment
  - e. Financing
  - f. Research and studies (done by SARI)
  - g. Harmonization of network codes and standards
5. Studies carried out and the database developed by SARI\EI would immensely be benefited for the other countries when establishing regional institutions for power trading

# PROGRESS OF SRI LANKA IN CBET

1. Technical feasibility has been established by a previous study.
2. Feasibility study report is proposed to be amended slightly to accommodate more wind energy around Mannar area
3. The scope of the study include;
  - i. **Power market assessment** - Assess structure of Indian/regional power market and explore potential power trade (both import/export) options for Sri Lanka
  - ii. **Potential business models for development and operation of the interconnection** - Assess business development models for the development and operation of the interconnection
  - iii. **Financial Viability assessment**- Assess financial viability of the interconnection project based on potential business development models along with cost recovery mechanisms, sensitivity, and risk analysis
  - iv. **Economic Viability assessment**- Assess economic viability of the interconnection project

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1. Source of Finance is yet to be identified (approximately USD 450 Mn)
2. Time frame for implementation is to be determined once the proposed studies are completed.
3. Power Grid Corporation of India has extended its support to train Sri Lankan engineers
4. GOSL is supporting the regional integration to gain benefits in a more competitive environment and intends to join regional power market in future.



**THANK YOU**