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திகதி } April 11, 2025  
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Chief Editor/News Editor  
Director (News) / News Manager  
Web Editor

Dear Sir/Madam,

### **Ceylon Electricity Board Signs Power Purchase Agreement for Sahasdhanavi Power Plant**

*Colombo, Sri Lanka – April 11, 2025* – The Ceylon Electricity Board (CEB) announces the signing of the Power Purchase Agreement (PPA) for the Sahasdhanavi Power Plant. This plant will be built, owned, and operated by Sahasdhanavi Limited, with ownership transferring to the CEB after 25 years. This marks a significant milestone in Sri Lanka's pursuit of reliable and affordable electricity for families and businesses.

#### **Sahasdhanavi Power Plant: Flexible Support for Renewable Energy**

The 350 MW Sahasdhanavi Combined Cycle Power Plant, approved by the Public Utilities Commission of Sri Lanka, will soon commence construction. It will deliver electricity to the national grid within 30 months in Open Cycle operation, transitioning to full Combined Cycle operations after an additional 12 months.



*File Photo*

This plant plays a vital role in supporting Sri Lanka's expanding renewable energy sector, especially during nighttime and low wind periods. Its operation on regasified liquefied natural gas (R-LNG) will provide flexible, on-demand power, balancing variability in solar and wind energy generation. By 2028, Sahasdhanavi and similar plants will fully transition from diesel to R-LNG, reducing fuel costs by approximately 50%, while significantly lowering emissions, and ensuring essential grid reliability as Sri Lanka expands its solar and wind generation capacity. R-LNG serves as the key transition fuel as Sri Lanka moves towards a renewable-powered future.

## Powering the Shift: CEB's Expanding Renewable Portfolio

Sri Lanka's highest-ever customer demand for electricity was 2800 MW. By the end of February 2025, the operational renewable generation capacity had reached 3953 MW, comprising:

Hydropower	:	1926 MW	Wind	:	266 MW
Rooftop Solar	:	1544 MW	Dendro & Biomass	:	44 MW
Ground-mounted Solar	:	163 MW	Solid Waste	:	10 MW

Although Sri Lanka's renewable energy capacity far exceeds peak demand, the seasonality and intermittent nature of hydropower, wind, and solar limit renewables to about 55% of the country's electricity generation. However, at any given moment, customer demand must exactly match with electricity production whether from renewable or other sources.

## Modern LNG Infrastructure to Support Power and Manufacturing Industry

In December 2024, the Government approved the establishment of Sri Lanka's LNG supply infrastructure, led by CEB and CPC. The project includes the development of:

- A Floating Storage and Regasification Unit (FSRU)
- R- LNG pipelines
- Supply facilities to serve power plants and industrial consumers

This infrastructure will also enable the conversion of existing oil-burning power plants to R-LNG. It will also provide cleaner, cost-effective energy for industrial heating (e.g., glass, tiles, ceramics), reducing their heating costs by up to 40%.

## Delivering Affordable Electricity

Transitioning to Combined Cycle operations using R-LNG, Sahasdhanavi will generate electricity at approximately 37 Rs/kWh, enabling lower tariffs for families, businesses, and industries and strengthening economic resilience.

## Advancing a Secure and Sustainable Power System

CEB is implementing a suite of transformative projects to future-proof Sri Lanka's energy landscape:

- The Maha Oya Pumped Hydro Project (600 MW by 2032) for storing surplus renewable energy.
- Battery Energy Storage Systems (BESS) for grid stability and renewable integration.
- Smart grid modernization to improve reliability, efficiency, and real-time control.

These initiatives aim to deliver reliable, affordable, and sustainable electricity for all, supporting Sri Lanka's transition away from fossil fuels while ensuring grid stability.

The CEB requests the understanding and continued support of the public as it works diligently to strengthen Sri Lanka's power system to meet the challenges. CEB remains fully committed to providing sustainable and affordable electricity to the nation.

Yours faithfully,

**CEYLON ELECTRICITY BOARD**



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