



பெருமைத் துறையாங்க
வலுசுத்தி அமைச்சு
Ministry of Energy



2025

புதுத் துறையா
முன்னேற்ற அறிக்கை
Progress Report



Ministry of Energy
Progress Report – 2025
(Progress of the year 2025 and Future Plans of 2026)

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Message of the Hon. Minister

It is indeed a great pleasure for me to extend this message for the “**Progress Report – 2025**”, marking the completion of one year of the present government in office. Looking back at the past year, the Ministry has successfully initiated and completed a number of activities in line with the government’s vision of “*A Thriving Nation, A Beautiful Life.*” Several policy-level interventions have also been introduced and are now in operation.

One of the most significant achievements during this period was the amendment of the **Sri Lanka Electricity Act No. 36 of 2024**, carried out after a comprehensive review and wide consultation with all stakeholders. The amended Act now incorporates all necessary provisions for the proposed structural changes, including the introduction of four new organizations under the Ceylon Electricity Board (CEB). The unbundling process of the CEB is currently in progress.

Electricity and fuel tariffs are being reviewed twice yearly and monthly, respectively. At each review, every effort has been made to ensure maximum relief to the general public as well as the Industry. As a result, electricity bills have been reduced by nearly 05% compared to the previous year, while fuel prices have also been reduced by 10%. All these initiatives and continuing reforms are aimed at strengthening the electricity and petroleum sectors, with the ultimate goal of ensuring the lowest possible tariff rates in the region.

The government remains strongly committed to maximizing the use of Renewable Energy (RE)

resources to meet the country’s growing energy needs. Globally, the shift from fossil fuels to renewable energy, once driven mainly by environmental concerns, is now recognized as an economically viable path. In this context, Sri Lanka is working to achieve 70% of electricity generation from renewable energy sources by 2030, in line with our international commitments to reduce greenhouse gas emissions by 25% in the electricity sector and to achieve Carbon neutrality by 2050. It has successively maintain more than 50% RE during the year 2025.

Sri Lanka’s renewable energy potential, as revealed through studies conducted by the Sustainable Energy Authority, is well above the national energy requirement. Hence, our priority is to devise prudent strategies to harness this immense potential. Initiatives such as the introduction of battery energy storage systems, hydrogen energy applications, and other emerging technologies are already in the pipeline and will be implemented through a gradual and systematic approach.

At this juncture, I wish to convey my sincere appreciation to the Secretary of the Ministry of Energy, the dedicated staff of the Ministry, the management and employees of the twelve institutions under its purview, and all other stakeholders for their tireless contribution towards fulfilling this national responsibility.

Eng. Kumara Jayakody (M.P.)

Minister of Energy



Message of the Secretary

It is the responsibility of the government to ensure uninterrupted access to electricity and petroleum products for the entire population of Sri Lanka at all times. The Ministry of Energy has been entrusted with fulfilling this national obligation. Accordingly, our core mandate is to provide reliable electricity and fuel supply facilities, and to achieve this, the Ministry has initiated a wide range of activities covering all aspects of the energy sector.

During the year 2025, several new projects were identified and obtained the necessary approvals from the **Department of National Planning**. These projects are currently at different stages of securing financial resources, procurement, and implementation. Notably, more than **600 MW of solar power capacity** was added to the system within the year, increasing the total solar capacity to over **2,000 MW**. In addition, preliminary activities were commenced for several **wind power projects, battery storage projects, and a pumped-hydro project**.

The Ministry has already made significant progress in translating several commitments outlined in the **National Policy Statement** into action. Work has commenced on upgrading and repairing the **Sapugaskanda Oil Refinery**, while parallel feasibility studies are underway to explore the establishment of a new refinery. In addition, existing agreements in the petroleum sector are being reviewed, with a new business model being developed to ensure that the **24 tanks owned by the Petroleum Corporation** and the **61 tanks managed by partner companies** deliver maximum benefit to the national economy.

To encourage greater participation in renewable energy, **rooftop solar generation with battery storage** has been promoted by introducing an attractive purchasing rate, enabling excess electricity to be integrated into the national grid when required. In parallel, the promotion of renewable energy and clean technologies was further strengthened by organizing several landmark events. These included: **Sri Lanka Transition Energy Summit 2025, Seventh Meeting of the ISA Regional Committee for Asia and the Pacific Region, National Workshop on Roles & Responsibilities of Nuclear Power Implementation Body, Green Hydrogen Stakeholder Consultation Workshop** under the theme “*From Strategy to Action*”. These conferences, facilitated by the Ministry, provided valuable platforms for dialogue on future energy development, with the active participation of renewable energy developers, policymakers, diplomats, development partners, financing agencies, international experts, and local stakeholders.

In addition, a **high-level committee** has been appointed to draft a new **Energy Transition Act**, after reviewing all Acts related to the institutions under the purview of the Ministry of Energy and obtaining input from relevant stakeholders. Another committee has been assigned to review the **National Energy Policy and Strategies of Sri Lanka** (Extraordinary Gazette No. 2135/61 of 9th August 2019), along with its **Result Delivery Framework**, aligning them with the present government’s policy directions. The Ministry has also made a significant contribution to national priority initiatives such as the “**Clean**

Sri Lanka” program, the Digital Economy agenda, and the Anti-Corruption drive of the government.

I take this opportunity to express my deep appreciation to all parties who extended their support to the Ministry throughout 2025, ensuring the timely completion of these activities. I look forward to your continued cooperation in 2026 as we strive together to achieve the nation’s energy goals.

Professor K.T.M. Udayanga Hemapala
Secretary
Ministry of Energy

Introduction

The year 2025 can be considered a year of leap forward in Sri Lanka's energy sector, which is transitioning from biomass fuels and fossil fuels to hydroelectric power, and back from coal and petroleum to renewable electricity such as solar and wind. Sector reforms are taking place with the institutional reforms and searching new avenues for inclusion of new technologies and connectivities which are given remarkable assistance for present energy transition in the country.

The Ministry of Energy (MOE) is responsible for overall policy development of energy sector to achieve the government's development objectives. The MOE also has the mandate of providing policy directives to several energy sector regulators including Public Utility Commission of Sri Lanka (PUCSL), Sri Lanka Atomic Energy Regulatory Council (SLAERC) and also exercise oversight several state-owned entities engaged in electricity, petroleum, renewable energy and atomic energy related activities.

The Ministry of Energy, established by Gazette No. 2412/08 dated 25 November 2024, plays a pivotal role in ensuring the secure, reliable, and sustainable supply of energy to support Sri Lanka's economic growth and social well-being. Guided by the Government's policy framework, "A Thriving Nation, A Beautiful Life," the Ministry is entrusted with formulating strategies, implementing reforms, and directing state-owned institutions to meet the country's energy requirements while fostering efficiency, innovation, and environmental responsibility.

The electricity sector is dominated by the state-owned, vertically integrated Ceylon Electricity Board (CEB) while the private

sector is increasingly playing a significant role in electricity generation, especially in solar and wind-based generation. The electricity transmission is under the CEB, and electricity distribution is handled by CEB and state-owned Lanka Electricity Company (LECO). The electricity sector is governed by the Sri Lanka Electricity Act No. 20 of 2009 and the government has recently enacted the Sri Lanka Electricity Act No. 36 of 2024 to unbundle the CEB into functionally separated entities responsible for generation, transmission, system operation and distribution. The Sri Lanka Electricity Act No. 36 of 2024 with certain amendments enacted in August 2025. The National System Operator to be established under the Sri Lanka Electricity Act has the mandate of preparing the Long-Term Power Development Plan (LTPDP) in accordance with the National Energy Policy and implementing the LTPDP.

Within just a year of the Government assuming office, the Ministry has already made significant progress in translating several commitments outlined in the national policy statement into action. Work has commenced on upgrading and repairing the Sapugaskanda Oil Refinery, while parallel feasibility studies are being conducted to explore the establishment of a new refinery. In addition, existing agreements in the petroleum sector are under review, with a new business model being developed to ensure that the 24 tanks owned by the Petroleum Corporation and the 61 tanks managed by partner companies deliver maximum benefit to the national economy.

The Ministry has also advanced efforts to strengthen fuel distribution across the country. Modifications are underway in the railway fuel

storage and distribution system to guarantee uninterrupted supply, while the damaged pipeline between Colombo Harbor and the Kolonnawa Terminal is being rehabilitated with investments from the Ceylon Petroleum Storage Terminals Limited (CPSTL) to secure reliable unloading and loading of petroleum fuel products. Parallel to these efforts, decisive action has been taken to accelerate fossil fuel exploration and production, with new agreements progressing to extract natural gas and other fossil fuels identified in the Mannar and Cauvery Basins. These initiatives mark an important step toward Sri Lanka's energy self-reliance.

In parallel, the promotion of renewable energy and cleaner technologies has been accelerated. Three main conferences were facilitated by the Ministry in order to provide wider forum to discuss the future development. Sri Lanka Transition Energy summit 2025 was held on 27th February 2025 at Cinnamon Life, Colombo with presence of all stakeholders including RE developers, decision makers, diplomats, development partners and financing agencies. Sri Lanka hosted the Seventh Meeting of the ISA Regional Committee for Asia and the Pacific Region on 15 - 17 July 2025, Colombo, including interactive sessions and an exhibition. Green Hydrogen Stakeholder Consultation Workshop with the theme of From Strategy to Actions was held on 11th September 2025 with international experts and local interested groups.

More than 600 MW Solar capacity added to the system and preliminary activities of several wind projects, battery storage projects and pump hydro project initiated during this period. A network of island-wide battery charging centres for electric vehicles is being established, with seven centres already in operation and three more under construction. Furthermore, the R-LNG pipeline project, designed to link the FSRU with the Kerawalapitiya and Kelanitissa power plants under a BOOT arrangement valued at

USD 40 million, which had been suspended in 2023, has been reactivated with the Project Committee and Cabinet-Appointed Negotiating Committee re-appointed in March 2025.

In addition to these initiatives, the Ministry continues to provide policy direction and monitoring the development activities of its key institutions: the Ceylon Petroleum Corporation (CPC), Petroleum Development Authority of Sri Lanka (PDASL), Ceylon Electricity Board (CEB), Lanka Electricity Company (LECO), Ceylon Petroleum Storage Terminals Limited (CPSTL), and the Sustainable Energy Authority (SEA). Together, these institutions contribute to the generation, transmission, distribution, storage, and regulation of energy resources, while advancing renewable energy deployment and energy efficiency improvements. Sri Lanka Atomic Energy Regulatory Council (SLAERC), Sri Lanka Atomic Energy Board (SLAEB) continued their activities related to develop nuclear energy applications in the country while the Nuclear power study and planning program for electricity generation has been continued. The Lanka Coal Company (Pvt) Ltd. (LCC), Sri Lanka Energies (SLE) and LTL Holdings continued their operations and development activities during the period.

This Annual Report presents the progress, performance, and key achievements of the Ministry and its affiliated institutions during the reporting year. It highlights policy developments, infrastructure investments, operational outcomes, and challenges encountered, while outlining the collective efforts undertaken to safeguard energy security, expand renewable energy, and align the sector with the national development agenda.

The Ministry remains committed to driving transformation within the energy sector through effective governance, strengthened institutional collaboration, and sustainable practices, thereby contributing to Sri Lanka's vision of a resilient and energy-secure future.

Chapter One

Ministry of Energy



VISION

“To make Sri Lanka the energy hub of South Asia”



MISSION

Power Section

Provide Quality, Reliable, Sustainable and Affordable Electricity for economic prosperity of the nation



MISSION

Energy Section

“Enhancing access to low cost energy to meet national needs by management of fuel importation and integration of domestic new energy sources into the energy mix, and ensuring an environmental friendly sustainable energy supply by regulation of energy related policy enforcement in complying with relevant laws and regulations”

1.1 Subjects and Functions of the Ministry of Energy

Subjects and Functions of the Ministry of Energy as the Gazette notification no. 2412/08 dated 25th November 2024 are as follows;

- ♦ Exploration, planning, development and supervision of activities relating to generation of renewable energy, electricity and other energies from sources such as solar, water, thermal, coal, waste and wind
- ♦ Meeting the electricity needs of Sri Lanka and safeguarding energy security
- ♦ Management of demand to ensure energy efficiency
- ♦ Implementation of a power generation plan based on long-term requirements
- ♦ Making the power transmission and distribution processes efficient
- ♦ Creation of a smart network to ensure maximizing efficient use of generated electricity
- ♦ Reduction of costs for generating electricity and removal of uncertainties during generation
- ♦ Implementation of appropriate programmes for replacing the existing high-cost sources of electricity generation with low-cost, environment-friendly, renewable sources
- ♦ Ensuring that local companies get equal opportunities for investing in national renewable energy projects
- ♦ Increasing energy generation using industrial waste
- ♦ Establishing micro-grid networks as energy units based on the cooperative principles
- ♦ Establishing strategic partnerships and investment opportunities in the energy sector
- ♦ Encouraging re-investment in small-scale hydro power generation, specially by renewing existing agreements
- ♦ Introduction of a fairer and transparent method for updating the electricity bill and application of price formula for petroleum and gas
- ♦ Implementation of a power generation plan based on long term requirements
- ♦ Taking necessary steps to reduce the losses at the institutional management level and technical damages that occur to the electricity generation and distribution system
- ♦ Facilitating and encouraging to use electric vehicles
- ♦ Taking measures to make Sri Lanka as an Energy Trading Hub
- ♦ Controlling greenhouse gas emissions
- ♦ Rural electrification
- ♦ Coordination and implementation of import, refining, storage, distribution and sale of petroleum-based products and natural gas
- ♦ Matters relating to petroleum production and refining
- ♦ Exploration of petroleum and natural gases and related activities
- ♦ Matters relating to production of gas and by-products from petroleum production sources, maintenance of stocks, production and distribution
- ♦ Development of infrastructure facilities in relation to the supply and distribution of fuel

- ♦ Formulation of an appropriate energy policy for the control, regulation and utilization of energy resources
- ♦ Improving the capacity of oil refining and encouraging associate industry on petroleum by-products
- ♦ Improving the reliability, continuity and efficiency in the supply of fuel

1.2 Main Divisions of the Ministry of Energy

The Ministry of Energy consist of the following divisions.

- ♦ Development Division
- ♦ Power and Power Reforms
- ♦ Technical Division
- ♦ Human Resource Management Division
- ♦ Logistics Division
- ♦ Planning Division
- ♦ Procurement Division
- ♦ Finance Division
- ♦ Internal Audit Division
- ♦ Power Sector Reform Secretariat

1.3 Institutions coming under the Ministry of Energy

- ♦ Ceylon Electricity Board (CEB).
- ♦ Lanka Electricity Company (Private) Limited (LECO).
- ♦ Sri Lanka Sustainable Energy Authority (SLSEA).
- ♦ Sri Lanka Atomic Energy Regulatory Council.
- ♦ Sri Lanka Atomic Energy Board.
- ♦ Lanka Coal Company (Pvt). Ltd.
- ♦ Sri Lanka Energies (Pvt) Ltd.
- ♦ LTL Holdings (Pvt) Ltd.

- ♦ Ceylon Petroleum Corporation.
- ♦ Ceylon Petroleum Storage Terminals Limited.
- ♦ Petroleum Development Authority of Sri Lanka.

The Gazette notification No. 2412/08 dated 25th November 2024 has been amended by the Extraordinary Gazette notification no. 2458/65 dated 18th October 2025 and remove following institutes from the Ministry of Energy;

- ♦ Sri Lanka Atomic Energy Regulatory Council.
- ♦ Sri Lanka Atomic Energy Board.

And include following new Institutes;

- ♦ National System Operator (Pvt) Ltd.
- ♦ National Transmission Network Service Provider (Pvt) Ltd.
- ♦ Electricity Distribution Lanka (Pvt) Ltd.
- ♦ Electricity Generation Lanka (Pvt) Ltd.

1.4 Performance of the Power Section in the year 2025

In 2025, number of large-scale new development projects could be able to start. They are Sampur 50 MW Solar Power Project, Mannar Phase II- 50 MW Wind Power Project, Siyamblanduwa 100 MW Solar Power Project, 7 packages under the Power System Strengthening and Renewable Energy Integration Project including installation of 100MW/100MWh Battery Energy Storage System at Kolonnawa, and tender process of 2x50MW Mullikulam Wind Project on BOO Basis. In addition to that, four packages of the National Transmission & Distribution Network Development & Efficiency Improvement Project, Supporting Electricity Supply Reliability Improvement Project (SES RIP) - Package 4, New Habarana - Kappalthurai 220kV Transmission

Development Project, Sampur Kappalthurai Transmission Development Project and New Anuradhapura New Habarana, 220kV Transmission Line project are ongoing under the supervision of the CEB. Rooftop Solar Power Facility Installation for Religious places Project funded by the Indian Credit Line Facility and the Construction of Hybrid Renewable Energy Systems in small Islands - Delft, Analativu, Nainativu funded by the Indian Grant facility are ongoing projects under the supervision of the Sri Lanka Sustainable Energy Authority (SLSEA).

Further, Deployment of Floating Storage Regasification Unit (FSRU) at offshore Kerawalapitiya on BOO Basis and Mooring System on BOOT Basis and the Construction of 220 kV Second Underground Cable from Kerawalapitiya to Colombo Grid Substation are in the initial project implementation stage. Detail design of the Maha – Oya Pumped Storage Hydropower Plant, Development of Northern 400kV Transmission Network, Installation of STATCOM at Padukka 220 kV GSS, Installation of 75 MVA Synchronous Condenser unit at New Habarana, Establishment of SCADA systems at four distribution divisions of CEB and LECO Distribution System Strengthening Project At Negambo Area are new projects in the loan negotiation stage. Partnership for Energy Efficiency in Buildings (PEEB) Project which advancing energy efficiency in Sri Lanka's building sector, Rooftop Solar Aggregation and Virtual Net Metering Project and Renewable Energy Admission and Energy Efficiency Enhancement Project (LECO) are committed to start under Foreign Grant assistance. Establishment of 160MW/640MWh Standalone Battery Energy Storage System (BESS) with 10MW/40MWh AC Capacity projects will be initiated in 16 places on Build, Own and Operate (BOO) Basis with 15 year operational period. Approvals from the Department of National Planning have been

obtained for above projects within the year 2025 and they are in deferent levels such as checking financial resources, in procurement process or in implementation stage.

Several projects have already been commissioned in 2025 and they are Kerawalapitiya Sobadanavi (350 MW capacity) second combine cycle project and Habarana-Veyangoda 220kV Transmission Line. Installation of Battery Energy Storage System at Hambantota Grid Substation, Moragolla Hydro Power Project (30.5MW) and Establishment of SCADA supported Advanced Distribution Control Center for the Western Province South 1 Projects are ready to commission before end of 2025.

More than 600 MW Solar capacity added to the system within 2025 and amounting approximately 2000 MW in total and preliminary activities of several wind projects, battery storage projects and pump hydro project initiated during this period. It has been encouraged the rooftop solar electricity generation with battery storage by introducing higher purchasing rate and then it can be integrated in the national grid whenever necessary. In parallel, the promotion of renewable energy and cleaner technologies has been accelerated by conducting three main conferences facilitated by the Ministry in order to provide wider forum to discuss the future development. "Sri Lanka Transition Energy summit 2025", "Seventh Meeting of the ISA Regional Committee for Asia and the Pacific Region", "National Workshop on Roles & Responsibilities of Nuclear Power Implementation Body" and Green Hydrogen Stakeholder Consultation Workshop with the theme of "From Strategy to Action" were conducted with presence of all stakeholders including Renewable Energy developers, decision makers, diplomats, development partners and financing agencies, international experts and local interested groups.

A high-level committee has been appointed to prepare new “Energy Transition Act” after reviewing all the Acts of the organizations under the purview of the Ministry of Energy and getting consent of the relevant stakeholders. Another committee has been appointed to review the existing “National Energy Policy and Strategies of Sri Lanka” published in the Government Extra Ordinary Gazette No. 2135/61 on 9th August 2019 and its “Result Delivery Framework” has been assessed amalgamating with the present government policies.

1.4.1. Electricity Consumption in 2025

CEB and LECO are the distribution licensees in the country and they introduced “CEBAssist” and “MyLECO” applications to consumers for easy access. SMS and online billing systems also introduced to ensure on time bill payments. Total electricity consumers reported in 2025 up to September is 7,772,159. LECO has provided 148,000 smart meters and connected 28,789 rooftop solar PVs. CEB has provided nearly 500,000 smart meters and connected approximately 110,000 rooftop solar PVs.

Table 1.1
No. of Users as at end of September 2025
(Source -CEB, LECO)

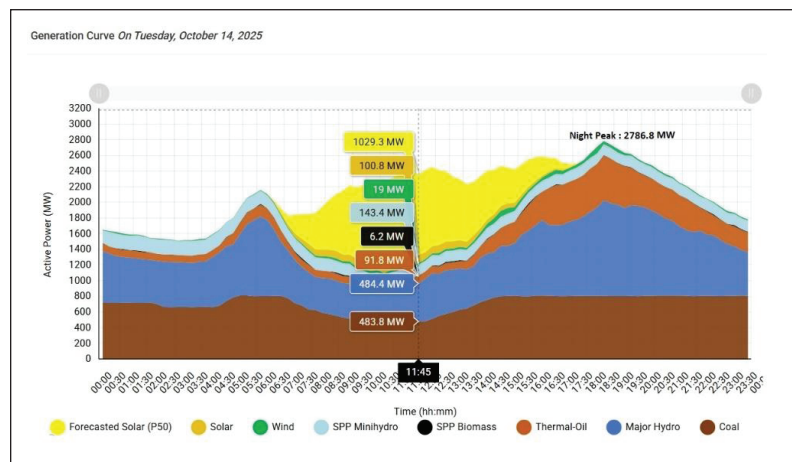
	Category	CEB	LECO	Total
1	Domestic	6,114,071	518,875	6,632,946
2	Religious Places	44,533	2,820	47,353
3	Industries	72,556	3,550	76,106
4	General Purposes	892,790	105,969	998,759
5	Hotels	866	100	966
6	Government Entities	9,271	432	9,703
7	Agriculture Purposes	4,377	-	4,377
8	Street Lights	-	1,949	1,949
	Total	7,138,464	633,695	7,772,159

Demand for the electricity consumption decline during past years due to the financial crisis and it show gradually increase with the normalization of the economy and day today life of the public. Over last 15 years the demand has grown at an average rate of 4.1 % annually, while peak demand has increased by 2.6 % per year.

Electricity generation is based on the current demand of the country. In 2024, net generation was 16,802 GWh, a 7.9 % increase from 2023. Maximum demand reached 2,673 MW in 2024, showing a 10.7 % increase from the prior year. For the first six months of 2025, net generation was 8,678 GWh, representing a 4.7% increase and maximum demand was 2,778 MW, representing a 10% increase compared to the same period in the previous year.

The following graph shows the recent generation profile (14th October 2025) taken from CEB’s website. It shows two peaks in early morning and night while night peak cost more thermal and major hydro. Solar, Wind, and mini-hydro generation are intended to be inertia-less and account for more than 60% of total generation. Assuring grid stability with high penetration of VRE is the most urgent issue for the power grid in Sri Lanka.

Graph 1.1
Generation profile on 14th October 2025 with amounts of each source at the day time



Source: CEB

1.4.2. Electricity Generation

A). Generation Mix

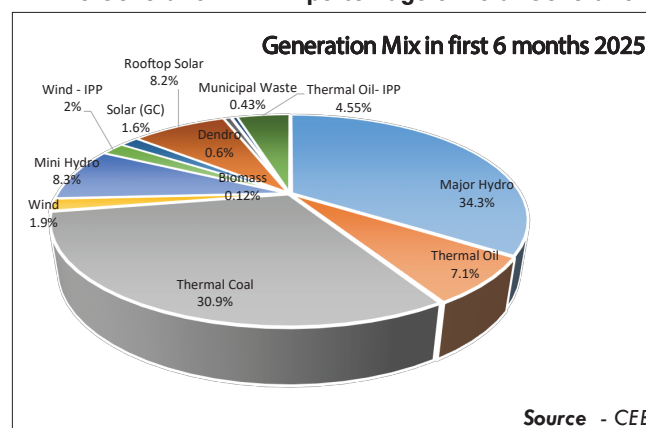
Sri Lanka has a diversified generation mix include Renewable (Major hydro, mini hydro, wind, solar, dendro, biomass and municiple waste) and fosil fuel based (Coal, thermal oil) generation plants owned by CEB and private power producers. The electricity generation data in first six months is shown in Table 1.2 and the generation mix in percentage of total generation is shown in Graph 1.2.

Table 1.2
Generation Mix as at end of June, 2025
(Units in GWh)

Source	CEB Generation	Individual power Producers (IPP) Generation
Major Hydro	2,975	-
Thermal Oil	619	395
Thermal Coal	2,682	-
Wind	166	181
Mini Hydro	-	712
Solar (Ground Mounted)	-	136
Rooftop Solar	-	711
Dendro	-	53
Biomass	-	10
Municipal Waste	-	37
Total	6,442	2,236
Grand Total	8,678	

Source - CEB, LECO, SLSEA

Graph 1.2
The Generation Mix in percentage of Total Generation



Source - CEB

B). Installed Capacity

At present Sri Lanka has 6,521 MW installed capacity for electricity generation. It can be categorized as renewable (total of 4,338 MW nearly 66.5% of the total installed capacity) and non-renewable (Fossil fuel total of 2,183 MW). Major hydro is considered as conventional renewable energy and other renewable sources considered as non-conventional renewables.

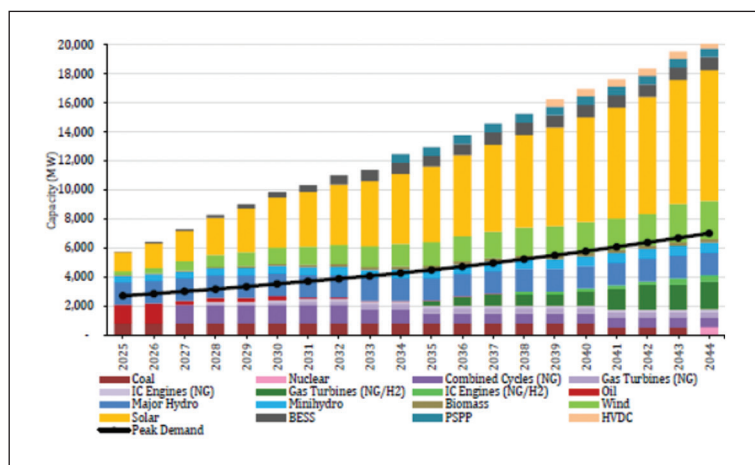
The Government of Sri Lanka has set a target to achieve carbon neutrality by 2050, aiming for 70% of its electricity to come from renewable sources by 2030. The figure below shows the road map of cumulative capacity by plan type from CEB “Long Term Generation Expansion Plan 2025-2044” approved by the PUCSL. A massive amount of VREs will be installed to achieve carbon neutrality by 2050. The new technologies will enable high penetration of VREs while maintaining grid stability.

Table 1.3
Installed Capacity as at end of June, 2025
(Units in MW)

Generation Source	CEB	Individual Power Producers (IPP)	Total
Renewable			
01. Major Hydro/ Mini Hydro	1,533	435	1,968
02. Wind	104	163	267
03. Solar- Ground Mounted	-	172	172
04. Solar- Rooftop	-	1,868	1,868
05. Dendro	-	27	27
06. Biomass	-	26	26
07. Municipal Waste	-	10.00	10.00
<i>Total</i>	<i>1,637</i>	<i>2,701</i>	<i>4,338</i>
Fossil Fuel			
08. Thermal Oil	801	482	1,283
09. Coal	900	-	900
<i>Total</i>	<i>1,701</i>	<i>482</i>	<i>2,183</i>
Grand Total			6,521

Source: CEB

Graph 1.3
Targeted Capacity Expansions as in the Long-Term Generation Expansion Plan



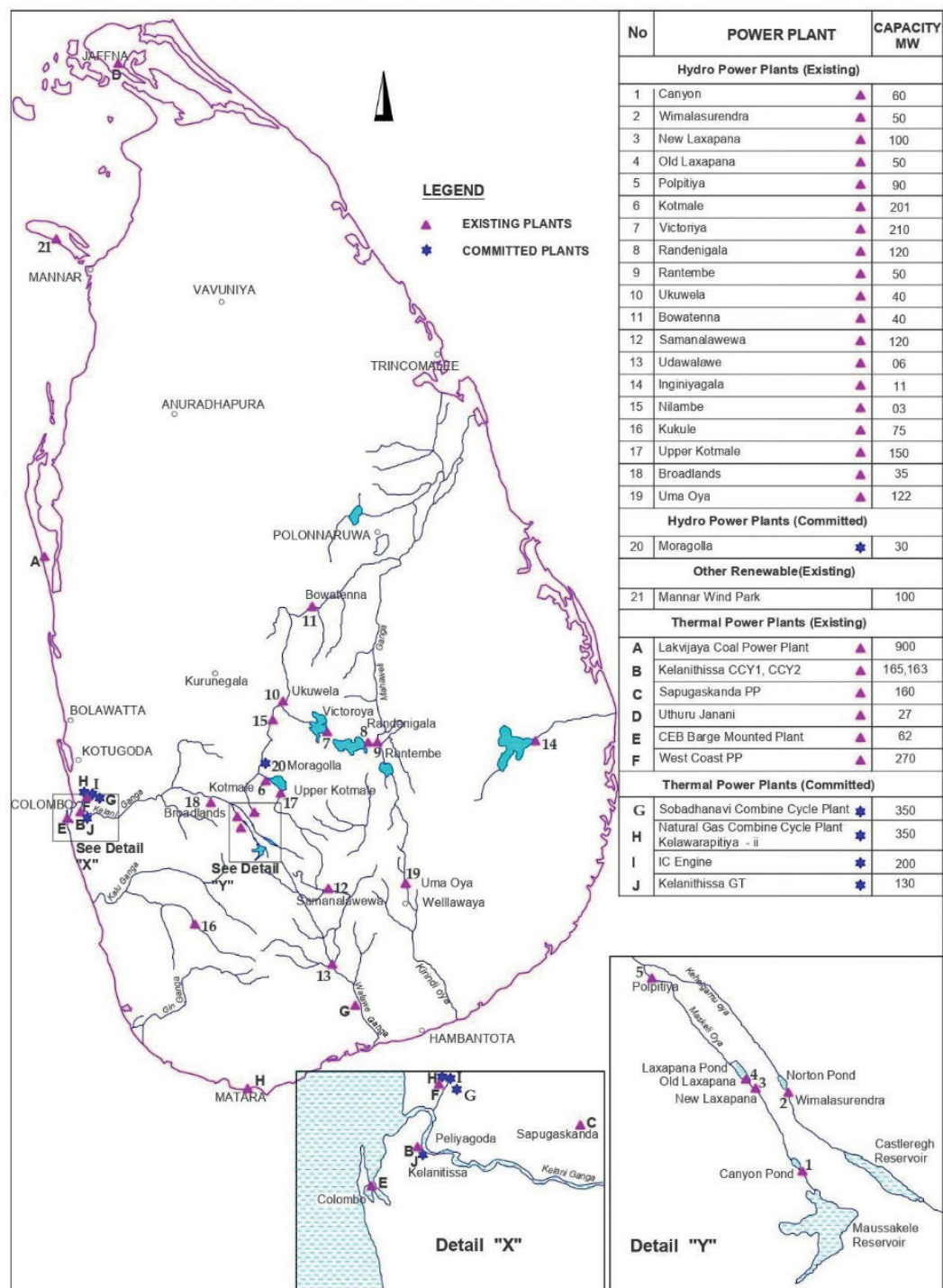
Source: CEB

At present CEB owned 29 major hydro plants, 8 thermal oil plants, one coal plant and one wind park. IPP owned 217 mini hydro plants, 19 wind parks, 93 grid connected solar plants, 15 other RE plants and two thermal

oil plants with the total of 346.

The map below shows the existing power plants and committed (ongoing and planned projects) power plants;

Map 1.1
Location of Existing, Committed and Candidate Power Stations



Source: CEB

C). Electricity Generation expansion Projects

i. Major Hydropower Projects

- **Moragolla Hydropower Project (30.5 MW)**

The Moragolla project is the ongoing major hydro power project located in the Ulapane area of the Kandy District, utilizing the water from the Mahaweli River. The expected annual power generation from this project is 100.5 GWh. The construction of Dam, Power house and tunnels will be completed within 2025, having achieved 90% physical progress and 90% financial progress by the end of September. Asian Development Bank (ADB) has been provided financial assistance and the total estimated cost of this project is LKR 19,288 million.



Dam under construction



Electrical and Electronic installation in Power House

ii. Solar Energy Projects

- **Siyambalanduwa Ground Mounted Solar Park (100 MW)**

This solar plant is expected to generate 100

MW of power. The project is currently in the process of acquiring lands and development activities such as access roads and fencing, have been commenced. The tender has been awarded, and the Energy License has been issued. The Power Purchase Agreement has been signed on 02.08.2024. The project is executing in partnership with Wind Force PLC, Lakdhanavi Limited and The Blue Circle Pvt. Ltd. of Singapore. Transmission agreement, Implementation agreement and land lease agreement are signed with developer and the project will complete within 18 months.

- **Sampur Solar Power Project (135 MW) – Phase I (50 MW)**

This two-phase project, scheduled to implement with the potential to expand up to 135MW, the works of the 50 MW first phase is being carried out by Trincomalee Power Company Limited (TPCL), the joint venture of a Ceylon Electricity Board (CEB) and National Thermal Power Corporation (NTPC) of India. The project utilizes the land allocated for the construction of the Sampur Coal Power Plant. The initial actions already taken to construction of the transmission line. Power Purchasing Agreement (PPA) signed in April 2025. Transmission line construction tendering in progress. The project will complete in 2027.

- **Implementation of Solar Rooftop PVs at Religious Places under Indian Line of Credit Facility**

This project aims to install rooftop solar systems for 5,000 number of religious places. The importing and distribution of the solar system kits are completed and installations are ongoing island wide. This project is expected to be completed by October 2025. Fund allocation is USD 17 Mn for Design, Supply, Installation, Testing, Commissioning, Operation and Maintenance of 5 kW each Solar PV Rooftop Systems at 5000 Religious Places. The progress of panel installation- 100% Systems Distributed, 98% systems

installed, 74% Commissioned as at end of September.



Installation of solar PV facility

iii. Wind Energy Projects

- **Mannar “Thambapawani” Wind Power Plant Project (50MW) - Phase II**

Thambapawani Phase I with 100 MW is operating successfully under the CEB. EOI has been called for the Phase II and the PPA was signed with selected bidder Hayleys Fentons Ltd. in May 2025, while the land lease and implementation agreement is pending. This project will be completed in 2027.

- **50 MW x 2 Wind Farm in Mullikulam**

Initial project preparation works includes

the development of site tracks, the clearing and demarcation of turbine footprints, and site accommodation completed. The Ceylon Electricity Board (CEB) developed this project and provided an opportunity for project developers to execute it. The total estimated cost of the project is Rs. 284.00 million and RFP process is ongoing for implement the wind farm. The project will be completed in 2027.

iv. Installation of Hybrid Renewable Energy Systems for Three Islands in Northern Peninsular

This project aims to supply electricity to the northern islands of Delft, Analaitivu, and Nainativu as a Hybrid Project that includes solar, wind, diesel generation, and lithium-ion battery storage systems. This project has been financed by India as an Indian grant project. Following the Cabinet Decision dated 11 December 2023, the contract for the project has been awarded to M/S U-Solar Clean Energy Solutions (Pvt) Ltd. of India. The project is implementing by the SLSEA and steps have been taken to obtain consultancy services from the Ceylon Electricity Board (CEB), including supervision and monitoring of the project. This project will be commissioned in 2026.

The capacities of the PV, wind, and diesel generators, along with the battery storage systems corresponding to the optimal generation mix, have been determined for each island.

Island	Diesel Generation	PV Generation	Wind Generation	Battery Storage
Nainativu	300kW + 500kW	700kW	200kW	1000kWh (550kW)
Analativu	150kW + 300kW	300kW	80kW	550kWh (250kW)
Delft	300kW + 500kW	700kW	250kW	800kWh (650kW)

Module & Structure Installation in-

Analativu Island



Delft Island



Nainativu Island



v. Establishment of Battery Energy Storage System (BESS) in Hambantota

This project is the first Battery Energy Storage System in Sri Lanka and will be established at Grid Substation Hambantota. It is a pilot project with the capacity of 5MW/10.7MWh. The total estimated cost of the proposed ESS is approximately USD 11.9 Million and will be implemented by a grant from Ministry of Trade, Industry and Energy, Korea and the

technical assistance of the Korea Institute for Advancement of Technology (KIAT).

Design works are in progress and design reviews are being carried out together with the contractor's representatives and the CEB. Civil works are in progress and to be completed by end February 2025. Materials will be delivered to the site by March/April 2025 and the project will be completed in 2025.



Battery Energy Storage System – Hambantota

II. Non-Renewable Power Generation

i. LNG projects

The Public Utilities Commission of Sri Lanka approved Long Term Generation Expansion Plan 2024-2044 identifies Natural Gas fired internal combustion (IC) engine power plant with dual fuel capacity and LNG plants as essential to complement the Variable Renewable Energy additions which will be contributed significantly for achievement of international commitments. Replacing diesel with LNG in power generation could result in savings exceeding Rs. 30 per kWh.

- Construction of 350MW RLNG/Diesel Combined Cycle Power Plant at Kerawalapitiya**

Sobadhanavi 350MW LNG Operable Combined Cycle Power Plant has been constructed in Kerawalapitiya by the Lakdhanavi. Open cycle Gas turbine was commissioned in August 2024 and Steam turbine was commissioned in 2025.



Battery Energy Storage System – Hambanthota

- Establishment of Floating Storage Regasification Unit (FSRU)**

This project plan to install Mooring system and FSRU at offshore, Kerawalapitiya by CEB and construct Pipeline System from FSRU to Kerawalapitiya and Kelanitissa Power Plants by CPC. The project had been on hold since August 2022. Cabinet approval to proceed was granted on December 9, 2024. The Project Committee (PC) and Cabinet Appointed Negotiating Committee (CANC) were reconstituted on February 21, 2025. The selected developer is Consortium of China Harbour Engineering Corporation Limited (China) and Engro Corporation Limited (Pakistan) -(CHEC-Engro Consortium). The project details of FSRU is as follows;

Project Start Date – End Date	July 15, 2020 Dec 31, 2028
Remaining Time (Months)	3 years 6 months
Source of Financing (Local/ Foreign Loan Grant)	By the Project Developer (PPP basis)
Total Estimated Cost (Rs. Mn.)	60,000

- ii. Nuclear Power Program**

The main objective of this program is to assist the government in making necessary policy decisions for adopting nuclear technology to generate sustainable, reliable, stable, and environmentally friendly energy, specifically for electricity production through nuclear power. The expected outcome is the generation of electricity through a nuclear power plant initially with 30-400 MW. The organizations involved in this initiative include the International Atomic Energy Agency (IAEA) and the Sri Lanka Atomic Energy Regulatory Council, together worked on ratification of two international conventions on nuclear liability and preparation of an Integrated Work Plan (IWP). The Steering Committee, Project Management Unit (PMU), 09 Working Groups are already appointed in August 2024. Following activities are in progress;

- Calling Expression of Interest (EOI) from well-established Suitable Nuclear Power Vendors.**

Project Committee appointed consisting of 14 members to review the EOI document to submit the Cabinet Appointed Negotiating Committee (CANC). Request for Information (RFI), Request For Qualification (RFQ) and Request For Proposals (RFP) also prepared.

- Advancing the IAEA-assisted Follow-up Integrated Nuclear Infrastructure Review (FU-INIR) Mission's recommendations and suggestions
- Conducting IAEA-assisted national Workshops during 2026
- Completing the site Survey, site selection process and site characterization for the Future Nuclear Installation in Sri Lanka
- Establishment of Nuclear Power Education & Training Facility

- Establishment of the Nuclear Power Planning unit under the SLAEB organizational structure with relevant Human Resources

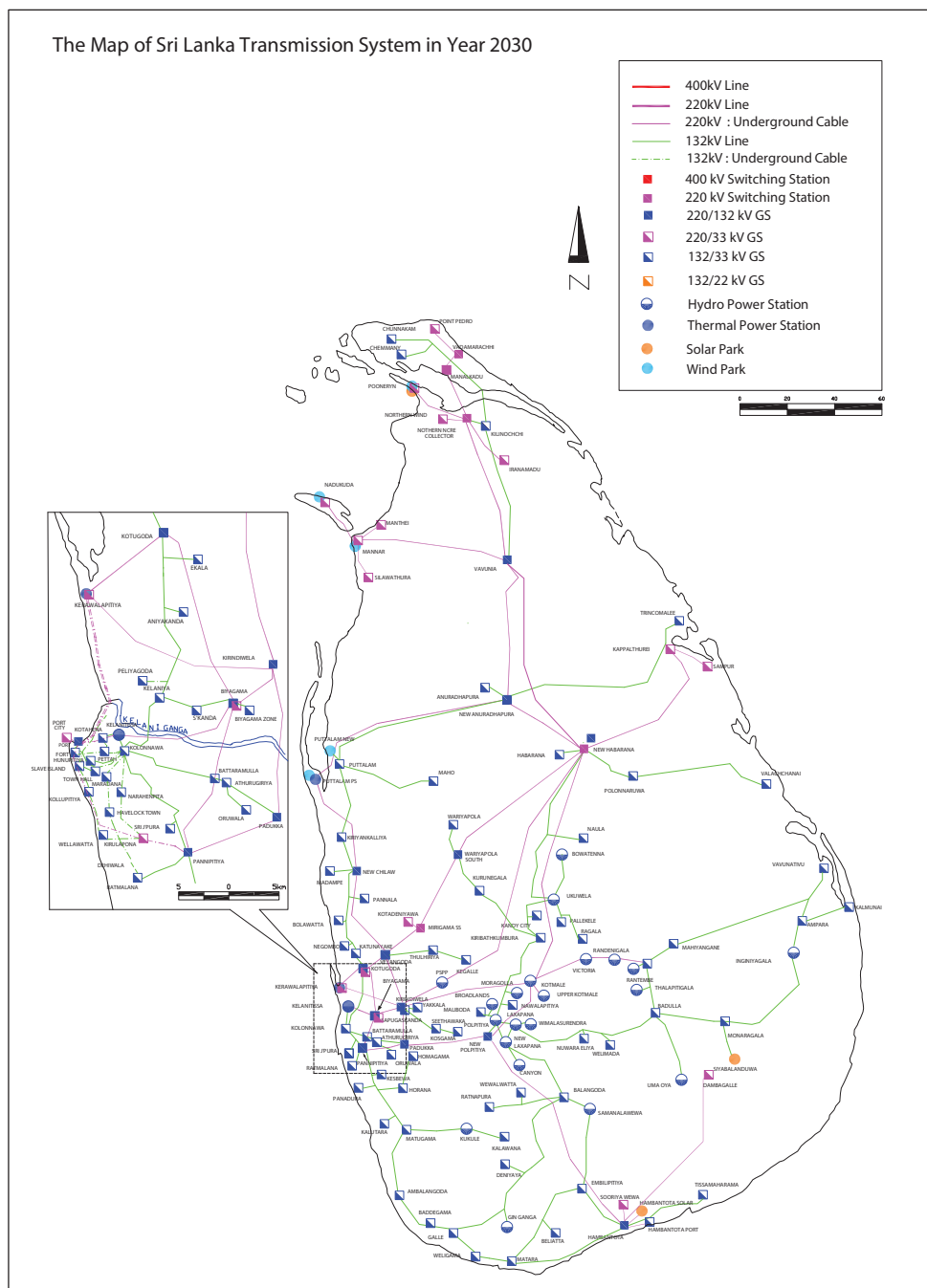
Plan with consultation of the PUCSL and implement projects with assistance of lone facilities of development partners and CEB funds. The existing and planned transmission lines up to 2030 is shown in the map below.

1.4.3. Power Transmission and Distribution

The existing and planned transmission lines up to 2030 are shown in the map below.

CEB has prepare the Long-Term Transmission

Map 1.2
Transmission System of Sri Lanka in 2030



Source: CEB

A). Transmission Expansion Projects

i. Power System Strengthening & Renewable Energy Integration Project (PSSREIP)

The Asian Development Bank (ADB) loan facility amounting to USD 150 million has been allocated for the implementation of this project commencing in 2025. The project is structured into six implementation packages, all of which are being executed under the supervision of the Ceylon Electricity Board (CEB). The primary objective of the project is to enhance the contribution of renewable energy-based electricity generation to the national grid. In line with this objective, several infrastructure development initiatives have been undertaken by the CEB, and the procurement processes are presently in progress for the respective packages.

- **Package 1A-** involves the procurement of indoor GIS grid substations on a turnkey basis, including the construction of the Mirigama 220/33 kV GSS (2×63 MVA) and Peliyagoda 132/33 kV GSS (2×45 MVA). The total cost is Rs. 16,408 million, with the project scheduled to run from September 2025 to August 2027. Tender closed on June 18, 2025 and Technical bid evaluation report submitted for ADB concurrence by September 23, 2025.
- **Package 1B-** covers the procurement of 132 kV outdoor AIS grid substations on a turnkey basis, including the construction of Homagama 132/33 kV GSS (2×45 MVA) and Negombo 132/33 kV GSS (2×63 MVA). With a total cost of Rs. 10,021 million, the project runs from September 2025 to January 2028 and the TEC has been appointed. Technical bid evaluation report will be submitted for HLPC approval.
- **Package 2-** involves the procurement of overhead transmission lines on a turnkey basis, with the construction of several lines,

including the Hambantota-Matara 132 kV DC transmission line (78 km), 132 kV SC LILOs to various substations, and a 220 kV DC LILO to Mirigama GSS. The total cost is Rs. 10,025 million, and the project duration is from September 2025 to August 2028. Procurement is in progress.

- **Package 3-** Board paper has been submitted for scope change. The total cost is Rs. 10,060 million, with the project running from December 2025 to November 2027.
- **Package 4-** involves the procurement of 132 kV underground cable transmission lines on a turnkey basis, including the construction of an SC underground cable LILO to Peliyagoda GSS from the Kelaniya-Kotugoda DC transmission line (2 km). The total cost is Rs. 3,567 million, with the project scheduled for completion from December 2025 to November 2027.
- **Package 5-** planned to establish BESS system in Kollonnawa grid Substation. Rs. 9,600 million allocated for augmentation of Kolonnawa Grid Substation and Supply, Delivery and Construction of 100MW/100MWh Battery Energy Storage at Kolonnawa.
- **Package 6-** Development of Renewable Energy Control and Monitoring desk at the National System Control Centre will be implemented at a cost of Rs. 3,600 million Bidding process and market study are in progress.





De-stringing works at section H107 – H115 in Package 4A , Anuradhapura- New Habarana Line

ii. National Transmission & Distribution Network Development (NTDND & EIP)

There are four transmission line development and Grid Sub Station development packages under this JICA assisted loan JPY 24,930 Mn. The original project completion date was revised due to low performance of the contractors extended till April 28, 2026. Contractors submitted suspension claims for two packages and re tendering started for other two packages.

- **Package 01** involves the construction of transmission lines (400 kV, 220 kV, and 132 kV) in the Gampaha, Colombo, and Kurunegala areas. The total cost is Rs. 14,623 million, with the project starting in January 2020 and scheduled to end in August 2026.
- **Package 02** focuses on the construction and augmentation of grid substations Gampaha, Colombo, Kandy, and Kegalle. The total cost is Rs. 8,531 million, with a start date in March 2019 and an end date in October 2026.
- **Package 03** involves the construction of transmission lines (220 kV, 132 kV) in Anuradhapura, Matale, Kandy, Kegalle, and Nuwara Eliya. The total cost is Rs. 11,253 million, with the project starting in August 2019 and ending in August 2027.
- **Package 04** covers the construction of distribution cables (33 kV, 11 kV, and 0.4 kV) in Colombo. The total cost is Rs. 7,183 million, with the project starting in September 2020 and scheduled to end in June 2028.

Table 1.4
Performance of Ongoing Contracts and Targets

Contract	Target Date of Completion	Cumulative Progress (%)	Status of Contracts due to JICA Loan Suspension
Package 1	31 August 2026	76.1%	Suspended – 15 Dec 2022 Resumed & Progress
Package 2	30 October 2026	78.5%	Slow Rate – 06 Sep 2022 Resumed & Progress
Package 3	Phase I -Terminated on 16 Feb 2023 New Target Phase II - Aug 2027	59.8% (T) 4%	Suspended – 17 May 2022 Terminated – 16 Feb 2023 Re-bid for Balance Scope
Package 4	Phase I – Terminated on 15 Oct 2022 New Target Phase II – June 2028	41% 2%	Suspended – 10 Aug 2022 Terminated – 15 Oct 2022 Re-bid for Balance Scope

The original project completion date was extended to April 28, 2026, due to the poor performance of the contractors. The contractors have submitted suspension claims for two project packages, while re-tendering has commenced for the remaining two packages.

iii. Supporting Electricity Supply Reliability Improvement Project (SESRIIP)

This project includes the construction of 300 km of 33kV tower lines and 13 number of 33kV switching gantries (Package 4), located across the entire island. The total

estimated cost is Rs. 7,314.052 million, with an effective date of 28.10.2019. The project is funded by ADB and GOSL. The progress as at end of August is given below.

Table 1.5
Progress of On-going activities

Expected Outputs (Deliverables)	Cumulative Target (%) as of 31.08.2025	Cumulative Achievement (%) as of 31.08.2025
Design Completion	100	99
Line & Gantry Material Procurement	99	95
Tower Foundation Construction	95	85
Tower Erection	82	65
Stringing	60	43
Gantry Construction	87	82



Maho - Ma-eliya Line



Bibile Gantry

iv. Transmission infrastructure Development from Habarana to Trincomalee

Two transmission development projects are prepared for complete the infrastructure to integrate RE from Northern and Eastern area of the country with the loan assistance of AIB. Loan agreement to be signed.

- **Sampur Kappalthurai 220kV Transmission Development Project**

Procurement process already started and waiting for AIB Advance Procurement Clearance. Sampur Collector Grid Substation and the transmission line will construct under this project.

- **New Habarana - Kappalthurai 220kV Transmission Development**

New Habarana Kappalthurai 220kV Transmission Line and Augmentation of New Habarana SS and Modification of Kappalthurai GS will be completed by this project.

v. Construction of 220kV Second Underground Cable from Kerawalapitiya to Colombo L Grid Substation

This project involves the construction of the Second 220 kV Underground Cable from Kerawalapitiya Substation to Colombo 'L', with a total estimated cost of Rs. 9,119 million. The project is financed by the Asian

Infrastructure Investment Bank (AIIB). Cabinet approval has been obtained, and the procurement process has been completed. The loan agreement was signed in September 2025, and project implementation activities have commenced.

vi. India – Sri Lanka Grid Interconnection

A Joint Cabinet Memorandum was submitted on 28 March 2025 by the Ministry of Energy and the Ministry of Foreign Affairs, Foreign Employment and Tourism seeking approval to sign a Memorandum of Understanding (MoU) between the Democratic Socialist Republic of Sri Lanka and the Government of the Republic of India for the implementation of the India–Sri Lanka HVDC Interconnection Project for Import and Export of Electricity. The Cabinet of Ministers granted approval by its Decision No. 25/0569/825/029-I dated 1 April 2025. The MoU was subsequently signed on 5 April 2025 by the Secretary to the Ministry of Energy, Sri Lanka. Feasibility studies have been completed, and Joint Technical Group discussions were held in April 2025 in India to advance the project's implementation framework.

B).Distribution Development and Upgrading

The Ceylon Electricity Board (CEB) manages four distribution divisions, while the Lanka Electricity Company (LECO) functions as the fifth distribution division. Both institutions are engaged in the development and upgrading of the electricity distribution network with the objective of providing an enhanced and reliable service to consumers. Meanwhile, the Ministry of Energy has appointed a committee to address inconsistencies in rooftop solar integration strategies among distribution licensees and to recommend measures to ensure uniformity and transparency. Several projects have been planned with the objective

of strengthening the distribution system, meeting future capacity requirements, and improving the reliability of electricity supply. The existing distribution network, characterized by aging infrastructure and limited capacity, has resulted in declining system reliability, underscoring the need for timely modernization and investment.

- In addition to the ongoing development activities implemented by the Ceylon Electricity Board (CEB), two new projects are scheduled to commence in 2026 under Asian Development Bank (ADB) financing. These projects aim to establish four Distribution Control Centres (DCCs) equipped with an Advanced Distribution Management System (ADMS) supported by Supervisory Control and Data Acquisition (SCADA) and Advanced Metering Infrastructure (AMI) for the four distribution divisions. The initiatives also seek to facilitate rooftop solar aggregation and the introduction of virtual net metering, thereby enhancing operational efficiency and renewable energy integration.
- A USD 50 million loan from the Asian Development Bank was secured to improve the capacity, reliability and renewable energy integration of the LECO power system, and procurement activities are being carried out successfully. This initiative is strategically aligned with Sri Lanka's ambitious national target of generating 70% of electricity from renewable sources by 2030. LECO's project is designed to enhance network reliability, operational flexibility, and solar hosting capacity across its MV distribution system, with particular focus on the densely populated urban zones of Kelaniya, Negombo, Kotte, and Nugegoda.

A cornerstone of this project is the introduction of 33kV distribution voltage LECO's network. This voltage upgrade will significantly improve load

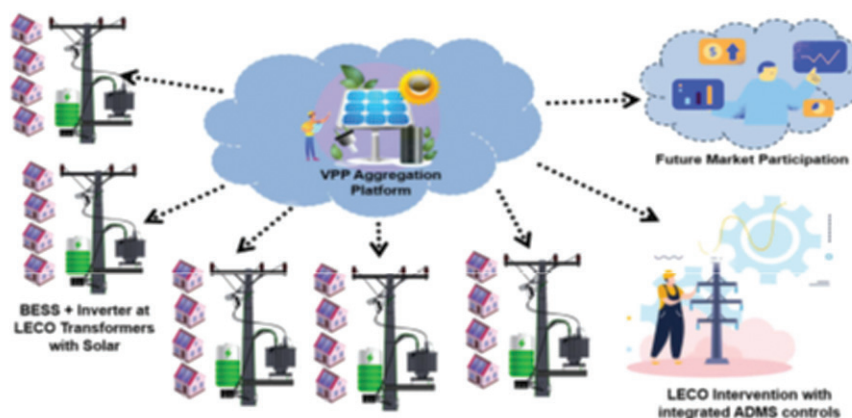
management capabilities, minimize power interruptions, and expand the network's capacity to integrate distributed solar photovoltaic generation. The comprehensive modernization program will deliver three critical improvements; Infrastructure Modernization, Voltage Level Transformation and Digital Grid Evolution.

- The second ADB assistance will be obtained for LECO Distribution System Strengthening project at Negambo Area.
- In addition, LECO is in the process of obtain EU grant support to implement following activities;
 - Introduce low sag low loss HTLS Conductors to the Electricity Distribution Networks.
 - Battery Storage Systems at LECO Distribution Transformers to enable Virtual Power Plant functionality and enhance Solar PV integration.
 - Introduce utility-driven Solar PV aggregation project

sector and energy policies appointed and has submitted its report with the proposal and recommendations, identifying the present status and fundamental comments on the Electricity Act and its transition, to the Minister of Energy on 20.01.2025. It is presented to the Cabinet of Ministers on 23.01.2025.

- Several further amendments to the Sri Lanka Electricity (Amendment) Bill were identified during the meetings of the petitions in the Supreme Court, and during the Sectoral Oversight Committee on Infrastructure and Strategic Development of Parliament held on 11th, 15th and 17th of July 2025, having considered of the views of the Hon. members of Parliament, civil organizations, trade unions and other business associations.
- The Sri Lanka Electricity (Amendment) Bill was passed in Parliament on 06.08.2025 and, came in to effect as the Sri Lanka Electricity (Amendment) Act, No. 14 of 2025, upon the endorsement of the certificate by the Hon. Speaker on

Diagram 1
Battery Storage Systems at LECO Distribution Transformers (Source - LECO)



1.4.4. Institutional Reforms and Policy Interventions

A). Institutional Reforms of Power Sector

- The committee comprising of key stakeholders, experts in the electricity

18.08.2025. this was published in the Gazette Extraordinary, No.2451/11, dated 26.08.2025 in all three languages.

- By the said Cabinet Decision, policy approval has been granted for the Voluntary Retirement Scheme of the employees of the Ceylon Electricity Board.

- Cabinet of Ministers at its meeting held on 08.09.2025 granted approval to appoint a Committee by the Hon. Minister of Energy to formulate the draft National Electricity Policy as part of the National Policy on Energy, in accordance with subsection 8(2) of the Sri Lanka Electricity (Amendment) Act.

B). Following activities are carried out by the Ministry to upgrade the energy policy and strategies;

- Plan and implement activities in line with the commitments of the Government Manifesto through preparing Action Plan and Strategic Plan.
- Update the existing national energy policy, strategies to ensure energy security, efficiency, and sustainability aligned with the Government Policies.
- Coordinate with relevant institutions for long-term energy sector planning and alignment with national development goals.
- Coordinate and facilitate activities related to the Draft Energy Transition Act, ensuring timely progress of legislative work.

C). Following actions taken for acceleration of Renewable Energy Projects;

- Establishment of Committee for Implementation of Renewable Energy
A committee has been appointed to implement proactive policy measures aimed at enhancing real-time monitoring and management of the power system, with the overarching goal of ensuring a secure, reliable, and sustainable energy future in the context of growing renewable energy integration. The committee has been tasked with making recommendations in the following key areas:

1. Establishment of a Renewable Energy Desk
2. Implementation of Cost-Reflective Time-of-Use (ToU) Tariffs
3. Introduction of Demand-Shifting Mechanisms
Targeted at industrial and commercial sectors to optimize load profiles
4. Early Procurement of Battery Energy Storage Systems (BESS)
5. Enabling Visibility and Monitoring of Rooftop Solar Generation
6. Amendment and Introduction of Relevant Clauses in Contractual Agreements
7. To ensure contractual frameworks align with evolving technical and policy requirements

- Renewable Energy Project Development Plan (2025–2030)

With support from the CEB and the SLSEA, a comprehensive Action Plan has been developed for the implementation of renewable energy projects during the period 2025–2030. This plan has been formulated with a focus on addressing the country's priority energy needs. This marks a significant step toward the systematic and goal-oriented development of the national grid to accommodate the planned integration of renewable energy resources effectively.

- Implementation of Power Wheeling Facility for Electricity Customers
To support large-scale renewable energy consumers and enable them to meet their electricity requirements through power generated from their own renewable energy plants located remotely, the electricity wheeling mechanism was introduced in 2024. The PUCSL and the CEB have been directed to determine the applicable wheeling charges.

- Joint Working Group (JWG) on Renewable Energy
The 2nd JWG in the field of renewable

energy between Sri Lanka and India held online on the 23rd September 2025. This ongoing collaboration aims to strengthen bilateral cooperation, share technical expertise, and explore joint initiatives to advance renewable energy development in both countries.

- **Integration of Rooftop Solar PV Systems**
A committee has been appointed to provide recommendations on the future implementation of rooftop solar PV systems, with the aim to streamline and enhance the integration of rooftop solar PV into the national grid.

A committee has been appointed to provide recommendations on the future implementation of rooftop solar PV systems, with aim to streamline and enhance the integration of rooftop solar PV into the national grid.

D). Electricity Price Revision

Minister of Energy submitted Cabinet Memorandum on “Amendment of Policy Guidelines to revise the tariff period from three months to six months” dated 05.12.2024. The cabinet meeting held on 18.12.2024 the Cabinet of Ministers was directed to the Secretary, Ministry of Energy to submit a comprehensive proposal pertaining to the revision of Electricity tariff revision periods currently in force, to the next Staff Level Review of the Extended Fund Facility Programme that Sri Lanka has entered into with the International Monetary Fund.

The Minister of Energy submitted a Cabinet Memorandum titled “Amendment of Policy Guidelines to Revise the Tariff Period from Three Months to Six Months” on 05.12.2024. At the Cabinet meeting held on 18.12.2024, the Cabinet of Ministers directed the Secretary of the Ministry of Energy to submit

a comprehensive proposal on revising the electricity tariff revision periods currently in effect, to be presented at the next Staff-Level Review of the Extended Fund Facility (EFF) Programme that Sri Lanka has entered into with the International Monetary Fund (IMF).

Accordingly, CEB has submitted “Report to IMF on the Necessity of Reversion of Tariff Period from 3 Months to 6 Months” on 01.07.2025 and the Ministry of Energy submitted the report to the Ministry of Finance, Planning and Economic Development on 26.08.2025.

E). Revision of Renewable Energy Tariffs

A flat tariff option has been introduced for implementation from 2024 onwards. The previously used three-tier tariff structure and variable tariff will no longer be continued from 2024. For the year 2025, tariff was revised from June 16, 2025 for renewable energy projects with a capacity of 10 MW or less, and rooftop solar. A tariff for Battery Energy Storage System (BESS) incorporated with rooftop solar was introduced this year. A policy framework has also been developed for the implementation of BESS integrated with rooftop solar systems; however, decisions regarding its implementation are yet to be made.

A committee has been appointed to review the variable tariff, which is currently not properly being implemented by the CEB, in order to ensure its timely adoption. A committee has been appointed to develop a Tariff Formula for the integration of Renewable Energy plants with a capacity of 10 MW and below into the national grid.

F). Standardized Power Purchase Agreement (SPPA)

The Standard Power Purchase Agreement for less than 10 MW power plants, which was effective since 1996, has been amended in

accordance with the Cabinet Decision dated 11.03.2024.

Following the clearance obtained from the Attorney General, the clauses in the agreement were reviewed and amended to ensure compatibility with the requirements of both the project developer and the transmission licensee.

Also, to attract the interest of project investors, and since lenders' evaluations on project bankability aspects had been rapidly changed, the comments and suggestions submitted by the Asian Development Bank (ADB) were incorporated into the Standard Power Purchase Agreement. Ceylon Electricity Board (CEB) subsequently submitted the revised SPPA to the Attorney General's Department for legal clearance on December 6, 2024 and waiting for the response.

G). Monitoring of Nationally Determined Contributions (NDC) of the Power sector-

The Ministry of Energy is responsible for the implementation of NDC targets related to the Power sector from 2021 to 2030. The existing NDC 2.0 commitment has been updated to NDC 3.0 for the period of 2026 to 2035. This will include new activities such as Battery Energy Storage System (BESS), Offshore wind and Pump storage system additions.

1.4.5. Future Plans 2026

Following projects will commence in 2026 with foreign financing;

- Establishment of 04 DCCs with ADMS supported by SCADA and AMI for the 04 Distribution Divisions
- Detailed design of 600 MW Maha – Oya Pumped Storage Hydropower Plant

(PSHP) (ADB Loan by CEB) have been started.

Approval from the Department of National Planning has been obtained, and initial activities will commence for the implementation of the following projects;

- Development of Northern 400kV Transmission Network from Kilinochchi to New Habarana.
- Construction of Norochcholai – Wariyapola 220kV Transmission Line & Wariyapola Switching Station.
- Installation of Static Synchronous Compensator (STATCOM) at Padukka 220kV Grid Sub Station.
- Installation of 75 MVA Synchronous Condenser Unit at New Habarana Grid Sub Station.
- LECO Distribution System Strengthening Project at Negambo Area.
- Pundalu Oya and Pundal Falls Secondary division scheme - Upper Kotmale Hydropower Project.
- Wind Resource Assessment, Deduru oya floating photovoltaic solar power project, Karachchi wind power project.

1.5 Performance of the Energy sector in the year 2025

The Petroleum Division of the Ministry of Energy plays a vital role in meeting the nation's energy requirements and supporting economic and social development. Fuel is an essential element in people's daily lives, ensuring the smooth functioning of public services by powering transportation, industries, and households. The Ministry continues to strengthen the reliability of fuel supply, enhance operational efficiency, and improve storage and distribution infrastructure.

Despite fluctuations in the global petroleum market during the year, the sector has taken measures to maintain stability in meeting the country’s growing energy demand and to ensure an uninterrupted supply of petroleum products.

This section presents an overview of the impact of global fuel price trends on domestic prices, the contribution made toward meeting national fuel demand, the regulatory measures implemented for the petroleum industry, the infrastructure development initiatives undertaken in the petroleum sector, and the plans expected to be implemented in 2026.

1.5.1 Petroleum Sector Performance Summary– 2025

Total Imports of Refined Petroleum Products	3,749,896.33 MT
Total Imports of Crude Oil	1,319,299.00 MT
Production of Sapugaskanda Oil Refinery	1,287,215 MT
Total Import Cost of Petroleum Products	USD 2,423.139 Mn
Total Sales of Petroleum Products	4,656,810 MT
Number of Fuel Filling Stations in Operation	1,436
Petroleum Storage Capacity of CPSTL	474,043 MT

1.5.2 Impact of Global Petroleum Price Fluctuations on Fuel Prices in Sri Lanka

i. Global Petroleum Price Fluctuations

International fuel prices have a direct impact on domestic fuel prices. During the year 2025, notable fluctuations were observed in crude oil and refined petroleum product prices within the Asia–Pacific region.

During the period from January to September 2025, the prices of crude oil and refined petroleum products in the Asia–Pacific region exhibited moderate volatility. The average price of crude oil fluctuated between USD 63 and USD 80 per barrel, while prices of petrol (92 and 95 octane) and diesel (auto and super) reflected similar movements. A gradual decline in prices was recorded during the first half of the year, primarily due to subdued global demand and improved supply conditions. However, a mild recovery trend was observed from June onwards, driven by the revival of economic activity and adjustments in production quotas by major oil-exporting countries. These global price dynamics had a direct impact on Sri Lanka’s domestic fuel pricing structure and influenced the cost of petroleum imports during the year.

The fluctuations in global petroleum prices during 2025 had a significant influence on Sri Lanka’s domestic fuel pricing mechanism. As the country depends heavily on imported crude oil and refined petroleum products, variations in international market prices directly affect local fuel costs. The domestic pricing formula, which reflects global price movements and exchange rate variations, was periodically adjusted to ensure price stability and sustainability in fuel supply. Although the decline in global prices during the early months of the year helped to ease import expenditure, the subsequent recovery from mid-2025 exerted upward pressure on retail fuel prices. The Ministry of Energy, together with the Ceylon Petroleum Corporation (CPC), took necessary measures to maintain an uninterrupted fuel supply, minimize volatility in local prices, and ensure affordability for consumers while safeguarding the financial stability of the petroleum sector.

Table 1.6
Asia-Pacific Region Crude Oil and Refined Petroleum Product Price Trends – 2025

Month	(Price per Barrel in U.S. Dollars)				
	Petrol 92 Octane	Petrol 95 Octane	Super Diesel	Auto Diesel	Crude Oil
January	84.482	86.750	95.412	94.765	72.81
February	84.833	86.301	91.706	90.625	73.28
March	79.558	81.001	86.477	85.129	80.22
April	75.303	76.754	81.774	80.480	77.62
May	75.029	76.467	79.365	78.851	72.63
June	80.103	82.006	87.032	86.587	67.73
July	77.929	79.597	90.889	89.819	63.62
August	77.964	80.127	86.373	85.475	69.81
September	79.515	81.556	89.081	88.222	71.12

(Source: Asia-Pacific Petroleum Market Statistics (2025))

Petroleum Product Price Trends – 2025 (Based on Singapore Platts Prices)

Considering the Singapore Platts prices during the year 2025:

- The highest recorded price of crude oil was USD 80.22 per barrel in March, while the lowest price of USD 63.62 per barrel was recorded in July. The average crude oil price during the year was USD 72.093 per barrel.
- The highest recorded price of Petrol 92 Octane was USD 84.833 per barrel in February, whereas the lowest price of USD 75.029 per barrel was recorded in May. The average annual price of Petrol 92 Octane was USD 79.413 per barrel.
- The highest recorded price of Petrol 95 Octane was USD 86.750 per barrel in January, while the lowest price of USD 76.467 per barrel was reported in May. The average annual price of Petrol 95 Octane was USD 81.173 per barrel.
- The highest recorded price of Auto Diesel was USD 94.765 per barrel in January, and the lowest price of USD 78.851 per barrel was recorded in May. The average annual price of Auto Diesel stood at USD 86.661 per barrel.
- The highest recorded price of Super Diesel was USD 95.412 per barrel in January, while the lowest price of USD 79.365 per barrel was reported in May. The average annual price of Super Diesel during the year was USD 87.568 per barrel.

Table 1.7
Average, Highest, and Lowest Prices of Petroleum Products – 2025
(Based on Singapore Platts Prices)

Petroleum Product	Highest Price (USD/barrel)	Month Recorded	Lowest Price (USD/barrel)	Month Recorded	Average Price (USD/barrel)
Crude Oil	80.22	March	63.62	July	72.093
Petrol 92 Octane	84.833	February	75.029	May	79.413
Petrol 95 Octane	86.750	January	76.467	May	81.173
Auto Diesel	94.765	January	78.851	May	86.661
Super Diesel	95.412	January	79.365	May	87.568

(Source: Ceylon Petroleum Corporation)

ii. Impact of Global Prices on Domestic Fuel Prices

Since Sri Lanka is entirely dependent on imported petroleum products, fluctuations in international fuel prices have a direct impact on domestic fuel prices. Given the high daily sales volumes of Petrol 92 Octane and Auto Diesel, global price variations in these fuels have an immediate influence on local retail prices. However, as Petrol 95 Octane and Super Diesel account for a relatively smaller share of total sales, international price changes in these products do not result in significant domestic price variations.

During the year 2025, based on the average monthly import costs incurred by the Ceylon Petroleum Corporation (CPC), the highest recorded cost for a barrel of Petrol 92 Octane was USD 84.833 in February, while the lowest cost was USD 75.029 in May. Similarly, for Auto Diesel, the highest recorded cost per barrel was USD 94.765 in January, and the lowest cost was USD 78.851 in May.

Table 1.8
Average Monthly Import Cost of Fuel – 2025,
Ceylon Petroleum Corporation

Month	Average Import Cost per Barrel (Landed Cost) (USD)	
	Petrol 92 Octane (USD/ barrel)	Lanka Auto Diesel (USD/ barrel)
January	94.73	106.95
February	100.28	106.95
March	105.44	109.51
April	108.34	109.32
May	102.29	101.34
June	93.17	103.23
July	-	-
August	89.93	94.99
September	83.66	86.82

(Source: Ceylon Petroleum Corporation)

1.5.3 Contribution to the Domestic Petroleum Supply in 2025

i. Import of petroleum products

With the gradual stabilization of the economy and the easing of the foreign exchange deficit following the recent economic crisis, imports of petroleum products became more organized and consistent in 2025. Accordingly, to meet the domestic petroleum demand, a total of 3,749,896.33 metric tons comprising eight (08) types of petroleum products including crude oil were imported and supplied by four (04) major suppliers including the Ceylon Petroleum Corporation (CPC). The total cost incurred for these imports during the year was US\$ 2,423.139 million.

Table 1.9
Petroleum Product Imports – As at 30.09.2025

Product	Ceylon Petroleum Corporation (CPC)	Lanka Indian Oil Company (LIOC)	Sinopec Energy Lanka (Pvt) Ltd	R.M. Parks (Pvt) Ltd	Total (Metric Tons)
Crude Oil	1,319,299				1,319,299
Lanka Auto Diesel	408,450.03	255,183.91	143,781	109,095.31	916,510.25
Lanka Super Diesel	15,098.09	7,955.97	5,988	6,016.79	35,058.85
Petrol – 92 Octane	465,751.15	241,242.46	125,977	110,834.25	943,804.86
Petrol – 95 Octane	10,277.91	13,989.28	3,000	6,081.76	33,348.95
Aviation Fuel	219,142.59	-	-	-	219,142.59
High Sulphur Furnace Oil	-	-	19,122	-	19,122.00
Low Sulphur Furnace Oil (180 cSt)	-	140,078.83	123,531	-	263,609.83
Total	2,438,018.77	658,450.45	421,399	232,028.11	3,749,896.33

(Source: Ceylon Petroleum Corporation (CPC), Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd, and R.M. Parks (Pvt) Ltd)

Table 1.10
Petroleum Product Import Expenditure – As at 30.09.2025

Product	Import Expenditure (USD Million)				
	Ceylon Petroleum Corporation (CPC)	Lanka Indian Oil Company (LIOC)	Sinopec Energy Lanka (Pvt) Ltd	R.M. Parks (Pvt) Ltd	Total
Crude Oil	761.473	-	-	-	761.473
Lanka Auto Diesel	222.047	170.421	136.63	73.87	602.968
Lanka Super Diesel	10.106	5.559	3.99	4.16	23.815
Petrol – 92 Octane	328.771	173.935	121.98	79.66	704.346
Petrol – 95 Octane	7.215	10.170	2.33	4.58	24.295
Aviation Fuel	152.269	-	-	-	152.269
High Sulphur Furnace Oil	-	-	8.99	-	8.99
Low Sulphur Furnace Oil (180 cSt)	-	77.043	67.94	-	144.983
Total	1,481.881	437.128	341.86	162.27	2,423.139

(Source: Ceylon Petroleum Corporation (CPC), Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd, and R.M. Parks (Pvt) Ltd)

ii. Distribution of petroleum products

By 2025, fuel distribution activities have been carried out by the four fuel supply companies, namely Ceylon Petroleum Corporation, Lanka

Indian Oil Company, R.M. Parks Company and Sinopec Energy Lanka Private Company, and fuel distribution activities have been carried out through fuel filling stations located throughout the island.

Table 1.11
Total number of petrol stations (as of 30.09.2025)

Province	CPC	LIOC	RM Parks	Sinopec Energy Lanka (Pvt) Ltd	Total
Central	71	36	10	11	128
Eastern	90	19	13	15	137
North Central	59	14	9	9	91
North	96	16	7	7	126
North Western	129	28	23	28	208
Sabaragamuwa	57	17	10	10	94
Southern	119	27	11	13	170
Uva	40	16	8	9	73
Western	226	96	39	48	409
Total	887	269	130	150	1,436

(Source: Ceylon Petroleum Corporation (CPC), Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd, and R.M. Parks (Pvt) Ltd)

iii. Petroleum Product Sales

Since the efficient functioning of all sectors of the national economy-such as transportation, power generation, industry, agriculture, and fisheries-depends heavily on the reliable supply of energy, it is essential to maintain

an adequate supply to meet the demand of these sectors. Accordingly, the contribution made by each fuel supplier towards the sale of petroleum products during the year 2025 is shown below. As of 30 September 2025, the total sales of petroleum products amounted to 4,656,810 metric tons.

Table 1.12
Petroleum Product Sales – As at 30.09.2025

Product	Quantity Sold (Metric Tons)				
	Ceylon Petroleum Corporation (CPC)	Lanka Indian Oil Company (LIOC)	Sinopec Energy Lanka (Pvt) Ltd	R.M. Parks (Pvt) Ltd	Total
Petrol – 92 Octane	1,078,772	223,069.104	120,178.74	82,210	1,504,230
Petrol – 95 Octane	31,958	12,893.404	4,253.87	3,488	52,593
Lanka Auto Diesel	1,076,668	264,484.367	139,547.34	93,701	1,574,401
Lanka Super Diesel	28,112	9,190.909	5,453.71	4,731	47,488
Lanka Kerosene	179,270	-	-	-	179,270
Lanka Industrial Kerosene	10,529	-	-	-	10,529
Lanka Chemical Naphtha	186,320	-	-	-	186,320
Lanka Fuel Oil 800 Sec.	-	-	-	-	-
Lanka Fuel Oil 1500 (High Sulphur)	83,864	-	-	-	83,864

Lanka Fuel Oil 1500 (Low Sulphur)	96,443	169,360.955	-	-	265,804
Lanka Fuel Oil Super	132,012	-	-	-	132,012
Jet A 1	598,656	-	-	-	598,656
Lanka Solvents (SBP)	1,618	-	-	-	1,618
LP Gas	19,918	-	-	-	19,918
Lanka AV Gas	108	-	-	-	108
Total	3,524,248	678,999	269,434	184,130	4,656,810

(Source: Ceylon Petroleum Corporation (CPC), Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd)

Information :

1 Barrel = 159 Litre

1 KL = 1000 l = 6.29 Barrel

Crude Oil : 1 MT = 7.33 Barrel = 1.165 KL

Diesel : 1 MT = 7.45 Barrel = 1.19 KL

Petrol : 1 MT = 8.5 Barrel = 1.36 KL

Table 1.13
Average Daily Fuel Consumption

Overall average daily fuel consumption (in metric tons) for all suppliers Ceylon Petroleum Corporation (CPC), RM Parks, Sinopec, and LIOC — combined					
Month	92 Octane (MT/day)	95 Octane (MT/day)	Super Diesel (MT/day)	Auto Diesel (MT/day)	Total Daily Fuel Consumption (MT)
January	3,689.01	130.8	500.43	3,876.75	8,196.99
February	3,836.91	130.95	549.13	4,653.61	9,170.60
March	3,823.75	129.88	552.49	4,380.14	8,886.26
April	4,154.48	142.43	536.64	4,144.41	8,977.96
May	4,024.81	142.64	504.25	4,014.56	8,686.26
June	4,299.94	175.92	618.38	4,579.44	9,673.68
July	3,823.03	144.26	516.83	3,956.86	8,441.00
August	3,973.43	164.71	571.51	4,306.96	9,016.61
September	3,939.96	173.72	573.34	4,362.38	9,049.40
Average (Jan-Sep)	3,951.48	148.15	547.89	4,252.90	8,900.42

Key Insights:

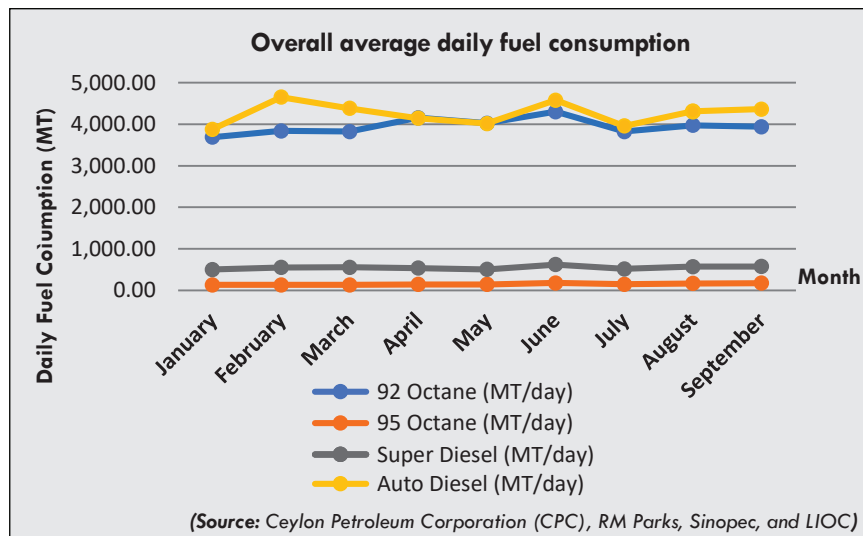
Total average daily fuel consumption (Jan - Sep 2025) ≈ 8900 MT/day

Highest total consumption: June (9,674 MT/day)

Lowest total consumption: July (8,441 MT/day)

92 Octane accounts for the largest daily share, averaging ~44% of total fuel consumed

Graph 1.4
Overall average daily fuel consumption in 2025



1.5.4 Regulatory Activities Undertaken in 2025

- **Introduction of a New Regulator for the Petroleum Industry**

Until now, Sri Lanka has not had a comprehensive regulatory framework for the downstream petroleum industry. This industry encompasses the importation, refining, distribution, and sale of petroleum products such as petrol, diesel, furnace oil, aviation fuel, liquefied petroleum gas (LPG), and lubricants. In addition, the oversight of the electricity and renewable energy sectors has also been carried out under various laws enacted by Parliament, which continue to operate within their respective legal frameworks.

Due to the lack of integration and a unified regulatory approach, the same tasks have often been carried out by multiple parties, sometimes repeatedly, resulting in inefficiencies and making it challenging to manage the country's energy sector effectively. With the expansion of petroleum market operations and the entry of new competitive entities, the government has

recognized the need for an independent regulator and a robust regulatory framework to ensure product quality and protect consumers.

Accordingly, steps have been initiated to consolidate other industry-related legislation and formulate a high-level Energy Transition Act. This is expected to fulfill the aspirations of energy consumers and strengthen public participation in the energy sector.

Meanwhile, to regulate the lubricants market, a permanent regulator has not yet been appointed. Until such an appointment is made, the Public Utilities Commission of Sri Lanka has been empowered, based on decisions by the Cabinet of Ministers, to exercise regulatory authority in this area.

- **Introduction of Guidelines for the Construction and Operation of Fuel Filling Stations**

In accordance with the provisions of the Ceylon Petroleum Corporation Act No. 28 of 1961, the importation and distribution of petroleum and petroleum-based products were initially carried out solely by the Ceylon

Petroleum Corporation (CPC). However, with the liberalization of the fuel market, in addition to CPC, several other companies — namely, Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd., R.M. Parks (Pvt) Ltd., and United Petroleum Lanka (Pvt) Ltd. — were also permitted to import and distribute fuel.

Nonetheless, due to certain issues, United Petroleum Lanka (Pvt) Ltd. has now withdrawn from operations within the Sri Lankan market. With the entry of new competitors into the petroleum market, it became necessary to introduce clear guidelines to ensure that minimum standards are maintained in the establishment and operation of fuel filling stations. Accordingly, the Ministry of Energy has introduced guidelines covering the following key areas:

- Criteria for selection of locations for fuel filling stations
- Criteria for construction of filling stations
- Criteria for operation and maintenance of fuel filling stations

Fuel-supplying companies have been officially informed to comply with these guidelines, which have also been published on the Ministry's official website for public awareness. Furthermore, the Ministry will monitor the activities of new fuel suppliers to ensure that they operate in compliance with these standards.

Additionally, under a new government policy decision, a revised procedure has been introduced for granting approval to establish new fuel filling stations in Sri Lanka. A committee has been appointed for this purpose, and all future approvals and related actions concerning new filling stations are being carried out through this committee.

• **Regulation of the Process of Direct Supply of Petroleum Products to Consumer Institutions**

Fuel-supplying companies distribute fuel across the island through established fuel filling stations as well as through direct supply to various consumer institutions, including industrial establishments, commercial enterprises, and certain identified government institutions.

While approval from the Ministry of Power and Energy is obtained for the establishment of fuel filling stations, no formal approval had previously been obtained from the Ministry for the direct bulk supply of fuel to such consumer institutions. As of 31 October 2023, it was observed that fuel-supplying companies were operating approximately 3,385 consumer service centers across the country.

Given that a significant volume of fuel is distributed daily through these consumer service centers, the Ministry identified the need to regularize the process of establishing and operating such centers. Accordingly, steps have been taken to introduce minimum criteria to determine which of the currently registered consumer service centers should continue to operate, and to regulate the registration of new centers.

Fuel-supplying companies are required to obtain formal approval from the Ministry for the operation of consumer service centers that meet these minimum standards.

As at 30 September 2025, the number of operational consumer service centers is shown in the following table.

Table 1.14
Number of Consumer Service Centres –
As at 30 September 2025

Fuel Supplying Company	Number of Consumer Service Centers
01. Ceylon Petroleum Corporation (CPC)	521
02. Lanka Indian Oil Company (LIOC)	178
03. Sinopec Energy Lanka Company	14
Total	713

(Source: Ceylon Petroleum Corporation, Lanka Indian Oil Company, Sinopec Energy Lanka (Pvt) Ltd.)

- **Registration of Newly Established and Existing Consumer Service Centers**

The registration of newly established consumer service centers and the re-registration of existing centers are carried out through the Ministry of Energy

- **Implementation of the Fuel Pricing Formula**

For a prolonged period, the fuel pricing

mechanism in Sri Lanka operated in an irregular and unsystematic manner, which resulted in the Ceylon Petroleum Corporation (CPC) facing severe financial difficulties. In the absence of a consistent system, previous price revisions often led to sudden and significant fluctuations in fuel prices. In order to address these challenges, the Government took the initiative in May 2022 to introduce a cost-reflective fuel pricing formula, which ensures that fuel prices are determined based on actual costs and thereby helps maintain greater price stability in the market. In the year 2025, fuel price revisions were carried out on nine (09) occasions. When comparing the fuel prices of September 2025 with those of September 2024, it was observed that prices had decreased as follows:

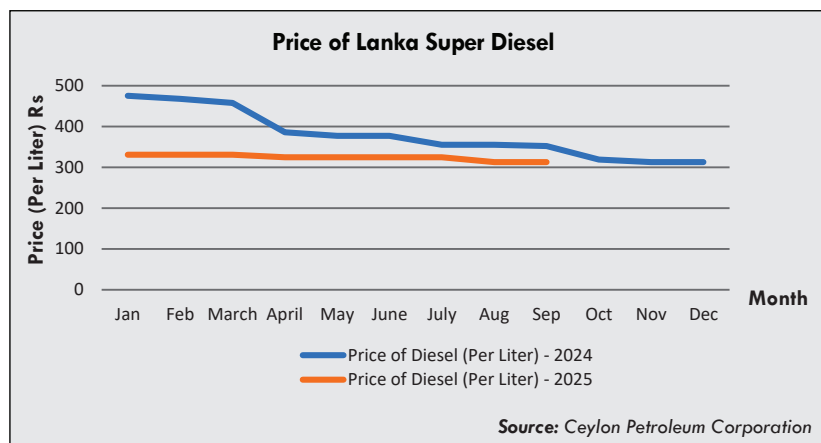
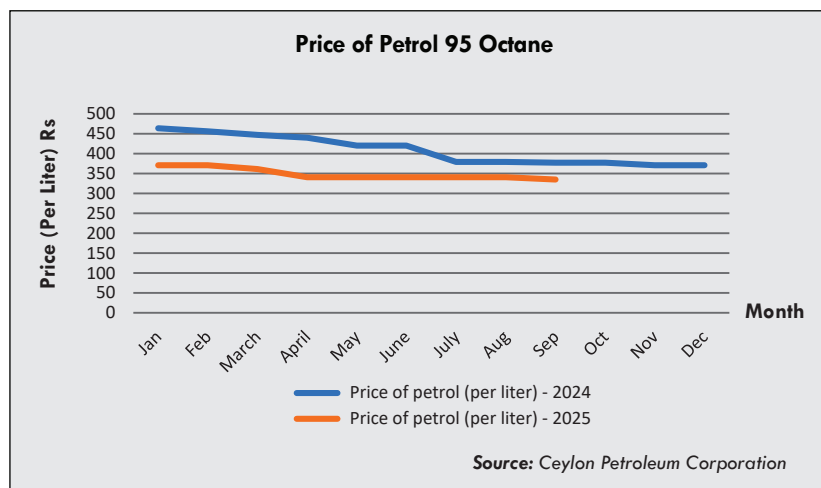
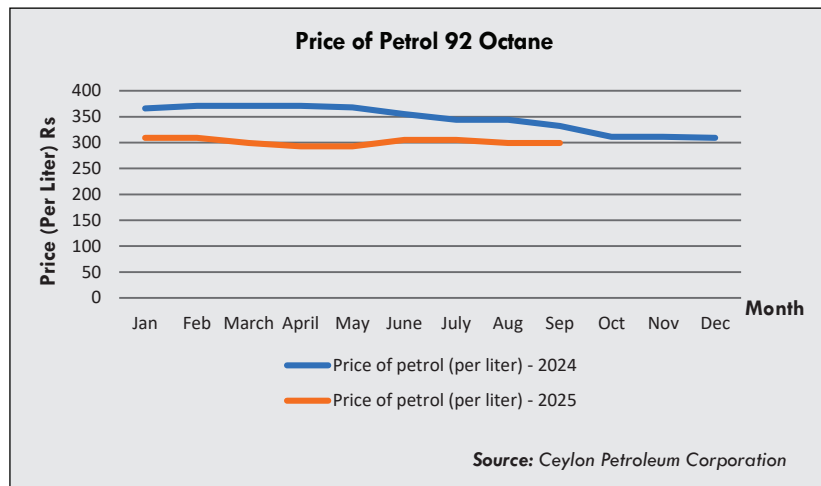
- Petrol (Octane 92) – by 10%
- Petrol (Octane 95) – by 11%
- Auto Diesel – by 9.7%
- Super Diesel – by 11%
- Kerosene – by 10.89 %

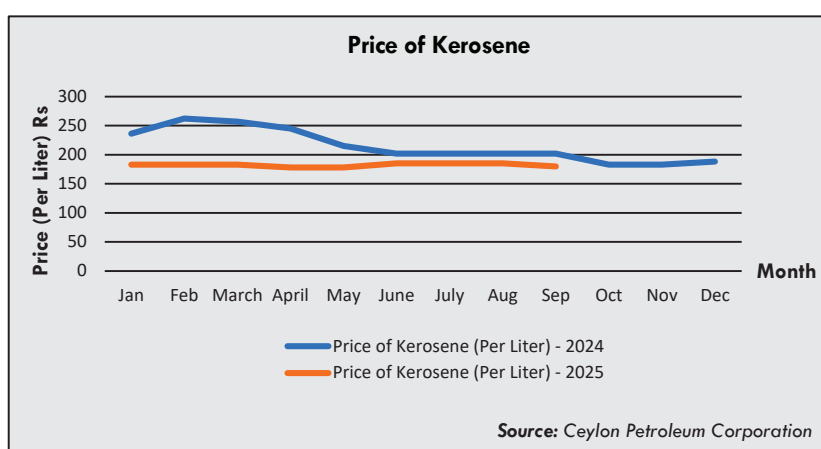
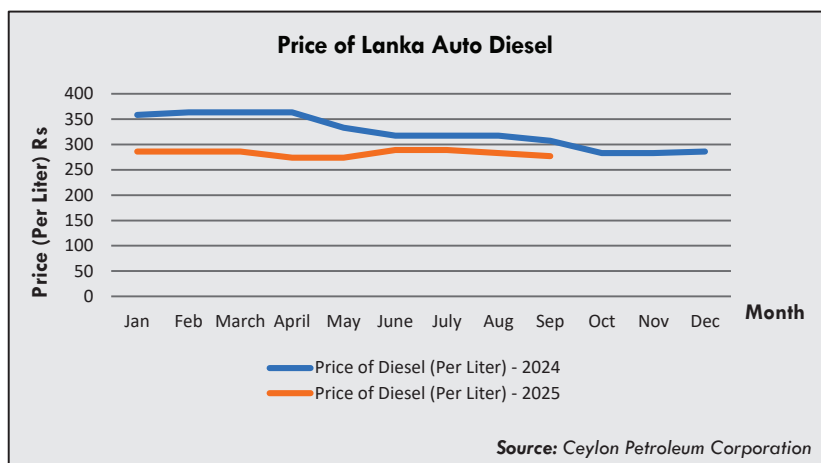
Table 1.15
Maximum and minimum market prices recorded in 2025

Product	Maximum Price (Rs./Litre)	Month Recorded	Minimum Price (Rs./Litre)	Month Recorded
Petrol (Octane 92)	Rs. 309.00	(January/ February)	Rs. 293.00	(April/ May)
Petrol (Octane 95)	Rs. 371.00	(January/ February)	Rs. 335.00	(September)
Auto Diesel	Rs. 289.00	(June/ July)	Rs. 277.00	(September)
Super Diesel	Rs. 331.00	(January/ February/March)	Rs. 313.00	(September)
Lanka Kerosene	Rs. 185.00	(June/ July/August)	Rs. 178.00	(April/ May)

(Source: Ministry of Energy)

Graph 1.5
Market Prices Reported as of 30th September 2025 Ceylon Petroleum Corporation





1.5.5 Nature of the Petroleum Market

- Lubricant Trade**

It is the expectation of the Ministry to provide Sri Lankan consumers with high-quality lubricants and grease products that meet international standards at competitive prices.

According to Section 5 of the *Ceylon Petroleum Corporation Act No. 28 of 1961* and its subsequent amendments, lubricants are defined as a petroleum product. In accordance with the powers vested under the Act, the Cabinet Paper No. 06/0858/217/015 dated 08.05.2006 and

the Cabinet Decision dated 24.05.2006 led to the complete liberalization of the lubricant market in Sri Lanka through the *Extraordinary Gazette Notification No. 1453/6* dated 12.07.2006.

Accordingly, by the year 2025, a total of 34 companies have been granted approval to import lubricants into the country, operating under 45 brand names. Out of these, 4 companies are engaged in local lubricant production, and their operations are conducted under five main activities.

Table 1.16
Lubricant Sector Activities – 2025

Activity No.	Description	Number of Companies
A1	Import, export, sale, supply, distribution, blending, and production of lubricants and grease	4
A2	Import, export, sale, supply, and distribution of lubricants and grease	27
B	Import, export, sale, supply, and distribution of unblended transmission oils	1
C1	Import, export, sale, supply, and distribution of marine lubricants and grease	1
C2	Import, export, sale, supply, and distribution of industrial lubricants and grease	1

In addition, the Ministry is actively working to introduce a new policy framework for the lubricant industry in Sri Lanka, which is expected to be finalized in the first quarter of 2026.

- **Bitumen Trade**

Bitumen production in Sri Lanka is carried out primarily by the Ceylon Petroleum Corporation (CPC). However, the domestic production is insufficient to meet local demand, and therefore, approval is granted to other companies for Bituman imports based on established criteria. In 2025, 10 companies other than CPC were granted approval to import 185,000 metric tons of tar. Of this approved quantity, 55,944.5 metric tons were confirmed with no objections from the authorities. The Ministry is in the process of developing a policy framework for tar imports in Sri Lanka.

- **Bunkering Fuel Trade**

Currently, 12 companies have been granted approval to import marine fuel. Steps are underway to establish a policy framework for marine fuel imports.

From the approved quantity, 778,979.13 metric tons have been confirmed with no objections. To improve the efficiency and scope of marine fuel trade, a committee chaired by an academic from the University of Moratuwa has been appointed to formulate a new policy framework. Meetings have been conducted regularly, and the final report is expected to be issued in 2025.

- **Jet A-1 Fuel**

The supply of Jet A-1 fuel for aircraft is carried out by the Ceylon Petroleum Corporation (CPC). In addition, approval has been granted to the Cannel (Pvt) Ltd for Jet A-1 fuel imports. According to the CPC Act, the authority to issue licenses for aircraft fuel supply is vested in the Minister in charge of the subject. The Ministry also aims to establish a policy framework for Jet A-1 imports in Sri Lanka.

- **Issuance of No-Objection Letters for Petroleum-Related Products Not Imported by License Holders – 2025**

License holders have been empowered to import essential petroleum-related products for the industrial and service sectors in the country. Occasionally, other companies submit daily requests to the Ministry for the import of products not imported by these license holders. These requests are reviewed, and recommendations are made by a committee appointed under the Ministry's supervision.

Recommendations from the following institutions are also obtained separately:

- Ministry of Industry
- The Board of Investment of Sri Lanka
- The National Authority for the Implementation of the Chemical Weapons Convention
- Other relevant institutions

Accordingly, in 2025, the Ministry issued **no-objection letters** for imports under the

following categories:

- Rubber-related products
- Apparel-related products
- Cosmetic-related products
- Ink-related products
- Other industrial products
- Products for sale to other industrial and service institutions

During 2025, the Ministry issued:

- 383 no-objection letters for the import of petroleum for other industrial products
- 69 no-objection letters for the import of petroleum for sale to other industrial and service institutions

1.5.6 Petroleum-Related Infrastructure Development Projects

- **Establishment of an Export-Oriented Petroleum Refinery and Associated Product Handling Facility**

An export-oriented petroleum Refinery and an associated product handling facility are planned to be established in Hambantota. On 24th February 2023, the Ministry of Power and Energy invited expressions of interest from qualified investors for this project. Seven (07) investors submitted their expressions of interest.

After evaluating the proposals, two institutions qualified to submit detailed

proposals. Among these two, China Petroleum & Chemical Corporation was the only company that submitted a detailed proposal. Following a review by the Project Evaluation Committee and discussions with the Cabinet-appointed Consultative Committee, the Ministry obtained Cabinet approval to enter into agreements with China Petroleum & Chemical Corporation for the construction and operation of the terminal.

Subsequently, four rounds of negotiations were conducted with China Petroleum & Chemical Corporation, and the discussions are currently in the final stage. A Cabinet memorandum is scheduled to be submitted after a final agreement is reached on this matter.

Key Features of the Project

- Expected Capacity: Minimum 100,000 barrels per day
- Expected Investment: Between USD 1.5 billion and 2 billion
- Expected Completion Period: 2024 – 2028

This project is expected to:

- Ensure energy security in the country
- Create new employment opportunities
- Generate new industrial opportunities related to the petroleum sector
- Provide foreign exchange benefits to the country



(A model of the proposed refinery - Hambantota)

- **Trincomalee Oil Tank Development Project**

At Trincomalee, the upper tank yard at the Chinese harbor—originally built by the British government during the colonial period to supply fuel to ships—is being redeveloped. The facility consists of tanks with a total capacity of 10,000 metric tons, each tank having 99% of standard specifications.

To develop these fuel storage tanks, the Cabinet of Ministers, by Cabinet Memorandum No. 21/2285/325/050 dated 11 January 2022, approved leasing the tanks for 50 years under the following arrangements:

- Ceylon Petroleum Corporation (CPC): 24 fuel tanks
- Lanka Indian Oil Company (LIOC): 14 fuel tanks
- Trincomalee Petroleum Terminals Limited: 61 fuel tanks

As of 30 September 2025, 75% of the modernization work on tanks 40 & 41 has been completed. This project is scheduled to be completed by March 2027.



Developing of 24 Trincomalee fuel tanks

Diagram 2
Trincomalee Oil Tank Farm



- **Progress in Developing CPC-Owned Tanks (24 Tanks)**

For the development of 24 Trincomalee fuel tanks owned by the Ceylon Petroleum Corporation (CPC), an estimated USD 20 million has been allocated. The CPC is funding the project, which is being executed in two phases.

- **Progress in Developing Tanks Owned by Trincomalee Petroleum Terminals Limited**

For the 61 fuel tanks allocated to Trincomalee Petroleum Terminals Limited, the following preliminary steps have already been carried out:

- Clearing of land required to access 10 fuel tanks
- Obtaining a quality inspection report for the 10 tanks from Bureau Veritas Lanka (Private) Company
- Conducting a capacity study for the project, identifying short-term and long-term development strategies

To select a suitable investor for project execution, expressions of interest were invited, and 5 companies submitted proposals. The project committee and deliberation committee appointed by the Cabinet are currently evaluating these proposals.

However, since a tripartite Memorandum of Understanding has been signed between India, the United Arab Emirates and Sri Lanka to develop Trincomalee as an energy hub, it is expected that these 61 tanks will also be developed under that. Tripartite discussions are underway in this regard, and work is currently underway to formulate a business model.

- **India, Sri Lanka and the United Arab Emirates (UAE) cooperation in the development of Trincomalee as an Energy Hub**

A joint Cabinet Memorandum was submitted on 28.03.2025 by the Ministry of Energy and the Ministry of Foreign Affairs, Foreign Employment and Tourism, seeking approval to sign a Memorandum of Understanding (MoU) between the Democratic Socialist Republic of Sri Lanka, the Government of the Republic of India, and the Government of the United Arab Emirates for cooperation in developing Trincomalee as an Energy Hub. The Cabinet of Ministers granted approval for the proposal by its decision No. 25/0567/825/031-I dated 02.04.2025. Accordingly, the MoU was signed by the Secretary to the Ministry of Energy on behalf of Sri Lanka on 05.04.2025.

Tri-party discussions are currently ongoing in this regard.

1.5.7 Future Plans 2026

While meeting the domestic energy requirements, fossil fuels continue to play a vital role in the energy mix. To ensure national energy security and to contribute to the global energy supply, the following programs are planned for implementation during 2025:

- **Modernization of Sapugaskanda Refinery and Construction of a New Refinery**

Currently, approximately 25% of the country's crude oil requirements are met through the Sapugaskanda Refinery, while the remaining 75% is fulfilled through imports. This reliance on imports places pressure on foreign exchange reserves. In line with the goal of producing domestic crude oil requirements locally, the existing refinery needs to be modernized. Additionally, there is a need to construct a new refinery with a production capacity of 100,000 barrels per day. At present, expressions of interest have been invited from international companies, and 20 responses have been received. These submissions are currently under document evaluation and review.

- **Development of Trincomalee Oil Tank Complex**

Currently, of the 99 existing tanks at the Trincomalee Oil Tank Complex, 24 tanks are under the development of the Ceylon Petroleum Corporation (CPC), while 61 tanks are under the Trincomalee Petroleum Terminal (Private) Company. Among the CPC-owned 24 tanks, two tanks are currently undergoing refurbishment, and the procurement process for repairing the associated pipeline systems has already commenced.

However, since a tripartite Memorandum of Understanding has been signed between India, the United Arab Emirates and Sri Lanka to develop Trincomalee as an energy hub, it is expected that these 85 tanks will be developed under that. Tripartite discussions are underway in this regard, and work is currently underway to formulate a business model.

- Establishment of EV Charging Stations Across the Island**

The plan targets the construction of 10 EV charging stations, of which 7 stations have already been completed and are providing

of supporting the growing demand for EV charging infrastructure and encouraging the transition towards cleaner transportation in the next year.

- Expansion of Fuel Storage Capacity**

To ensure energy security, the country must maintain sufficient fuel storage capacity. Currently, the Ceylon Petroleum Corporation Bulk Storage Terminal maintains a total storage capacity of 440,147 metric tons. To further increase this capacity, new storage tanks are planned to be constructed as part of the ongoing energy infrastructure development program.

Table 1.17
Details of Fuel Storage Expansion Projects

Description	Estimated Cost (LKR million)	Funding Source	Current Status
Construction of 6 tanks with a total capacity of 64,000 m ³ at Kolonnawa Terminal	3,374	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Steps have been taken to commence construction of the 6 tanks
Construction of 2 tanks with a total capacity of 22,000 m ³ at Kolonnawa Terminal	1,470.4	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Cabinet approval is expected to commence construction of these two tanks
Construction of 3 tanks with a total capacity of 40,000 m ³ at Muturajawela Terminal	3,496	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Cabinet approval has been obtained and procurement documents are being prepared

services to customers. Construction at three (03) additional locations, namely Anuradhapura, Dematagoda, and Bambalapitiya, is planned to be carried out next.

Steps have been initiated to promote the establishment of electric vehicle (EV) charging centers at strategically located filling stations across the island, with the aim

- Development of Fuel Pipeline Network**

The pipeline system used to transport fuel from **Colombo Port to the Kolonnawa Terminal** is very old and in a deteriorated condition. As a result, fuel loading operations are delayed and require additional time and costs. Therefore, a new pipeline system has been planned to improve the efficiency of fuel transportation and loading operations.

Table 1.18
Fuel Pipeline Development Projects

Description	Estimated Cost (LKR million)	Funding Source	Current Status
Construction of an 18-inch diameter pipeline from Colombo Port to Kolonnawa Terminal	2,852.5	Ceylon Petroleum Storage Terminals Limited (CPSTL)	The revised Technical Evaluation Committee report has been submitted, and a Cabinet-appointed Procurement Committee meeting is scheduled to be held. The final document should be examined and submitted for Cabinet approval.
Construction of a 14-inch diameter pipeline from Kolonnawa Terminal to Kelanitissa Power Station	1,444	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Approval has been received from the Department of National Planning. Cabinet approval is to be obtained.
Construction of a pipeline from Muthurajawela to Katunayake Airport for aviation fuel transport	18,000	Ceylon Petroleum corporation (CPC)	International competitive bids have been invited to select a contractor and bids are scheduled to be opened in mid-November.

1.6 Financial Progress 2025

Table 1.19
Financial Progress of the Capital Budget 2025 – Ministry of Energy (Head 119)

	Expenditure Item		Allocation (Rs. Mn.)	Expenditure	
				As at 30.09.2025 (Rs. Mn.)	As %
	Operational Activities				
	Minister's Office				
1	Rehabilitation and Improvement of Capital Assets	Buildings	0.50	0.00	0%
		Plant & Machinery	0.50	0.02	4%
		Vehicles	2.00	0.00	0%
2	Acquisition of Capital Assets	Furniture & Office Equipment	0.50	0.01	2%
		Plant & Machinery	0.50	0.00	0%
	Administration & Establishment Services				
1	Rehabilitation and Improvement of Capital Assets	Buildings	0.50	0.39	78%
		Plant & Machinery	1.00	0.27	27%
		Vehicles	1.00	0.37	37%
2	Acquisition of Capital Assets	Furniture & Office Equipment	1.00	0.20	20%
		Plant & Machinery	7.00	0.04	1%
		Software Improvement	9.00	0.00	0%
3	Capacity Building	Staff Training	1.00	0.47	47%
4	Petroleum Development Framework	Research & Development	0.50	0.00	0%
	Development Activities				
1	Accounting for the Foreign Disbursements of CEB Loan (ADB/JICA)		7,676.00	2,125.11	28%
2	Colombo Waste to Energy Power Plant		1,204.00	239.73	20%
3	Project for Capacity Development on the Power Sector (JICA)		0.60	0.01	2%
4	Battery Energy Storage System Under Grant of Korean Government		0.90	0.00	0%
5	Providing Rooftop Solar Power facility installation for Government Building (GOSL/India)		290.00	222.54	77%
6	Construction of Hybrid Renewable Energy System in Small Islands (Indian Grant)		3,000.00	0.00	0%
7	Sri Lanka Energy Programme-USAID		297.00	0.00	0%
8	Expanding the Capacities & Capabilities of the SLAEB		163.00	48.50	30%
9	Donation from International Atomic Energy Agency to SLAERC		32.00	5.00	16%
10	Kerawalapitiya-Port 2 nd Transmission Line Project		7,000.00	0.00	0%
11	New Habarana-Kappalthurai Transmission Development Project		1.00	0.00	0%
12	Sampur- Kappalthurai Transmission Dev. Project		1.00	0.00	0%
13	Sri Lanka Sustainable Energy Authority		200.00	103.49	52%
14	Sri Lanka Atomic Energy Board		30.00	4.83	16%
15	Sri Lanka Atomic Energy Regulatory Council		7.00	3.36	52%
16	Petroleum Development Authority of Sri Lanka		50.00	0.00	0%
17	National Electricity Advisory Council		51.00	0.00	0%
18	Establishment of Secretariat for Power Reforms		50.00	0.00	0%
19	Nuclear Power Study and Planning Program		2.50	1.33	53%
	Total		20,081.00	2,755.99	14%

Chapter 02

Ceylon Electricity Board (CEB)

1. Introduction

The Ceylon Electricity Board (CEB), a state-owned enterprise, was established under Act No. 17 of 1969 and has been amended multiple times to regulate the generation, transmission, and distribution of electricity in Sri Lanka. The Sri Lanka Electricity Act No. 20 of 2009, amended by Act No. 31 of 2013, brought CEB under the Public Utilities Commission of Sri Lanka (PUCSL). The latest reform, the Sri Lanka Electricity Act No. 36 of 2024, as amended by the Sri Lanka Electricity (Amendment) Act No. 14 of 2025, provides the legal framework for the unbundling of the electricity sector into separate successor entities for generation, transmission, distribution, and system operation, with the objective of enhancing efficiency, accountability, and alignment with international best practices in the power industry.

Electricity demand in Sri Lanka over the last 15 years has grown at an average rate of 4.1 % annually. For the first six months of 2025, net generation was 8,675 GWh, representing a 4.7% increase and maximum demand was 2,778 MW, representing a 10% increase compared to the same period in the previous year.

2. Progress of the Development Project and Key Activities

This section outlines the status of key generation, storage, NCRE, transmission, and distribution projects/ activities undertaken by CEB as of 2025-08-31. It provides an overview of milestones achieved, ongoing activities, and anticipated completion timelines

Table 2.1
Major Generation Development Projects

No	Project / Program	Progress as at 2025-08-31	Date of Completion
1	Development of the first 350 MW RLNG/Diesel Operable Power Plant (Sobadhanavi Power Plant)	The plant commenced commercial operation on 2025-06-23	Completed
2	350 MW Sahasdhanavi Natural Gas Combined Cycle Plant at Kerawalapitiya	PPA signed in April 2025. EIA and detailed design work are in progress.	GT- Oct. 2027 ST- Oct. 2028
3	31 MW Moragolla Hydropower Plant	Construction in progress and at its final stage	August. 2025
4	130 MW Gas Turbines at Kelanitissa	Procurement temporary halted	2030
5	200 MW Natural Gas IC Engine Power Plant	RFP preparation in progress	2028

Table 2.2
Energy Storage Development Projects

No	Project / Program	Progress as at 2025-08-31	Date of Completion
1	100 MW/ 100 MWh Standalone Battery Energy Storage	RFP is being finalized	2027
2	160 MW / 640 MWh BESS Project	Tender floated	2026
3	100 MW / 400 MWh BESS at Southern Region	CEB's internal approvals were secured to initiate the project	2028
4	600 MW PSPP at Maha Oya Pump Storage Power Plant	Fund securing in progress for Detailed design	2034

Table 2.3
System Modernization & Supportive Projects

No	Project / Program	Progress as at 2025-08-31	Date of Completion
1	Renewable Energy Control & Monitoring Desk at National System Control Center	Bidding document is being prepared	2027

Table 2.4
NCRE Development Projects

Name of project	Capacity	Progress as at 2025-08-31	Date of Completion
Siyambalanduwa Solar Power Project	100 MW	Contract awarded in August 2023 PPA signed in February 2024 Transmission agreement signed in April 2024 Implementation agreement signed in July 2024 Waiting for the land lease agreement to be signed by SLSEA in order to commence construction.	2026
Mannar 50 MW Wind Power Project	50	The PPA was signed in May 2025, while the land lease and implementation agreement is pending	2026
Mullikulam 2 x 50 MW wind power project	100	The proposal closing of the RFP took place on 2025-07-09. The evaluation process is currently ongoing	2027
250 MW Mannar phase II Wind Power Project	250 MW	Adani Green Energy withdrew from the Mannar and Pooneryn wind projects in Feb 2025. CEB is managing initial development (wayleave clearances, land acquisition), while funding arrangements are yet to be finalized.	To be defined
1MW x90 Nos Solar Power Project	68 MW	1 MW x 50 Plants - Commissioned 1 MW x 18 Plants -Canceled	Completed
10MW Polonnaruwa Solar Plant	10 MW	Commissioned	Completed
10 MW Mahiyanganaya Solar PV Power Plant	10 MW	Cancelled	-
60MW Wind Power Project in (1-10) MW capacities	35 MW	15 MW (10 MW & 5 MW) Plants - Commissioned (Mannar) 10 MW Plant - Canceled (Trincomalee) 10 MW (5 MW x 2) - PPAs signed (Madampe) [Presently under Force Majeure condition (The Project Company claimed for FM and CEB accepted the same and effective from August 18, 2025)]	2026

Name of project	Capacity	Progress as at 2025-08-31	Date of Completion
30 MW Ground mounted/ floating Solar PV Power Plants tender (1-5MW)	5 MW	2 MW Plant Commissioned (Beliatta) Notice of Default and Notice of PPA Termination has been issued to the balance 3MW project in Nawalapitiya	2025
30 MW Ground mounted/ floating Solar PV Power Plants tender (1-5MW) (Re-tender)	27 MW	PPAs signed (Vavunathivu – 8 MW, Matara – 10 MW & Pallekelle – 5 MW) Pending signing PPAs (4 MW – 1 MW x 4 Plants at Pallekelle)	2026
20 MW Onshore Wind Power Plants (2.5-10 MW)	20 MW	PPAs signed (5 MW x 4) and projects are presently under Force Majeure (FM) condition (The Project Company claimed for FM and CEB accepted the same and effective from 2025-08-14).	2026
40 MW Ground mounted / floating Solar PV Power Plants	40 MW	5 MW Project commissioned (Galle) and balance 15 MW (5 MW x 3) projects in Galle are under construction.	
20 MW (5 MW x 4) projects in Kappalthurai are presently under Force Majeure condition (The Project Company claimed for FM and CEB accepted the same and effective from 2025- 05-09)	2025		
70 MW Ground mounted Solar PV Power Plants (1-5 MW)	51 MW	24 MW (06 nos.) projects have been commissioned	
Balance 27 MW (06 nos.) projects are under construction	2025		
70 MW Ground mounted Solar PV Power Plants (1-5 MW) (Re- tender)	19 MW	PPAs signed (Kosgama – 5 MW, Pannala – 6 MW, Kurunegala – 1 MW, Ampara – 2 MW)	
Pending signing PPAs (Habarana – 2 MW & Veyangoda – 3 MW Plants)	2026		
165 MW Ground mounted Solar PV Power Plants (1-5 MW)	156 MW	Awarded 156 MW on 2025-01-31	
LOIs signed – 72 MW			
Expected to sign the balance LOIs of 84 MW by the end of September 2025	2026		
160 MW/640 MWh Standalone Battery Energy Storage System (BESS) from 10 MW/40 MWh AC capacity projects	160 MW	Tender was published on 2025-07-30 and will be closed on 2025-10-14.	2026
152 MW Ground mounted Solar PV Power Plants (1-5 MW)	152 MW	Draft RFP is being reviewed by the Project Committee (PC)	2028

Name of project	Capacity	Progress as at 2025-08-31	Date of Completion
234 MW Pooneryn Wind Power Project	234 MW	Adani Green Energy withdrew from the Mannar and Pooneryn wind projects in February 2025. CEB is handling initial development, including wayleave clearances and land acquisition, while the funding arrangement for the project is still being finalized.	To be defined
100 MW Oddamawadi Batticaloa Solar PV Power Project	100 MW	EOI projects are separately handled by MOE	To be defined
50 MW Sampoor Solar PV Power Project	50 MW	PPA signed on April 2024	
Awaiting to commence construction till commencement of the Kappalthureyi - Sampoor transmission line	2027		
60 MW Solar PV Power Project in Hambantota	60 MW	EOI projects are separately handled by MOE	To be defined
54 MW Wind Power Project in Hambantota	54 MW	EOI projects are separately handled by MOE	To be defined
Project under Feed In Tariff (FIT)	2,769.2 MW	63.7 MW -Commissioned 480.78 MW -SPPA signed 452.05 MW -LOI issued 1955.83MW -Concurrence issued	
100 MW / 400 MWh Standalone Battery Energy Storage System (BESS) at Embilipitiya	100 MW / 400 MWh	Technical assistance has been sought from ADB for the preparation of the RFP document and they are working on it.	2028
135 WM Sampur Solar Project	135 MW	PPA signed in April 2025. Transmission line construction tendering in progress.	Dec. 2027

The status of ongoing **transmission infrastructure development projects**, which are aimed at strengthening the grid, enhancing system reliability, and accommodating future demand growth, is presented in Table 2.5. For **distribution**, both the ongoing progress of key initiatives and the planned programs have been incorporated, reflecting efforts to improve service quality, expand network coverage, and modernize the system, as detailed in Table 2.6

Table 2.5
The Progress of Ongoing Transmission Development Projects

Project/ Branch	Package	Cost (LKR million)	Physical Progress as at 2025-08-31	Date of Completion
National Trans. & Dist. Net. Dev. & EI Project	Package 1: Construction of 400kV, 220kV and 132kV Transmission Lines	41,589	76.10%	Aug-2026
	Package 2 :Construction & Augmentation of Grid Substations		78.00%	Oct-2026
	Package 3: Construction of Transmission Lines (220kV, 132kV)		70% (Contract terminated-59.8%)	Aug-2027 (New Bidding Process Phase II)
	Package 4: Construction of Distribution Substations and Cables (33kV, 11kV, 0.4kV)		41% (Contract terminated).	Jun- 2028 (New Bidding Process Phase II)
Establishment of SCADA supported Advanced Distribution Control Center for WPS1	Establishment of SCADA supported Advanced Distribution Control Center at Distribution Division 4 HO and integrating Primary Substations and Field Devices (AR/LBS) of WPS1 with the Control Center as per the Project scope	2,003	100.00%	Aug-2025
Supporting Electricity Supply Reliability Improvement Project	Construction of 16 Nos. of 33kV tower lines (285km) and 13Nos of Two Section Single Busbar gantries	USD 23.65 Mn & LKR 4,867.5 Mn	86%	Dec-2025
Kerawalapitiya-Port 220kV 2nd UG Cable Project	Construction of 15.7km underground cable circuit from Kerawalapitiya to Por GSS	USD 52 Mn	Loan agreement to be signed and awarded	
100MW/100MWh Battery Energy Storage System at Kolonnawa	Construction of 100MW/100MWh Battery Energy Storage System at Kolonnawa	USD 26.3 Mn	Procurement process is in progress	
Augmentation of Kolonnawa Grid Substation for the 100MW/100MWh BESS Development at Kolonnawa	Augmentation of Kolonnawa Grid Substation for the 100MW/100MWh BESS Development at Kolonnawa	USD 5.7 Mn	Procurement process is in progress	
5MW/10.7MWh Battery Energy Storage System at Hambantota	Construction of 5MW/10.7MWh Battery Energy Storage System at Hambantota	Rs. 3570 Mn	80%	Dec-2025
Transmission Construction Projects	Reconstruction of Madagama - Ampara 132kV Transmission Line	3,206	71%	May-26
	Construction of Victoria - Rantembe 220kV Transmission Line	2,200	-	Apr-27
	Augmentation of Athurugiriya - Kolonnawa 132kV Transmission Line	143	Stage 1 completed	Dec-2025

Transmission Construction Projects	Construction of Poonaryn - Kilinochchi 220kV D/C Transmission Line		it was instructed to complete only the clearing of Right of Way. Handed over to DGM (Transmission projects)	N/A
	Reconstruction of Kolonnawa - Pannipitiya 132kV Transmission Line	1,120	5% (Design works & soil investigation)	Dec-26
	Raising Heights of Kelanitissa - Kolonnawa 132kV Transmission line	702	(Suspended due to suspension of the Construction of Four lane Port Access Elevated Highway project by RDA)	N/A
	Construction of Kothmale-New Polpitiya 220/132kV FC Transmission Line	1,947	220kV Double circuit transmission line energized	May-25
	Construction of Dambulla - New Habarana 220/132kV FC TL	1,790	46%	May-26
	Refurbishment of Mannar-Nadukudah 220kV TL	550	7%	Dec-26
	Installation of 2x50MVA Reactor at New Anuradhapura GS and 1x50MVA Reactor at Mannar GS	1,463	100%	Mar-22
	Construction of Wagawatta Grid Substation (2x45MVA T/F with DBB)	2,278	100%	Dec-24
	Extension of Kelanitissa 132kV GIS	1,400	Stage 1 - 100% completed	Sep-25
	Construction of Two Nos. of 220kV Double Busbars Transmission Line Bay at New Polpitiya Switching Station	170	100%	Mar-23
	Kotugoda Augmentation Work	960	Stage 1 - 100%	Dec-24
	Construction of 02 No. of 33kV Feeder Bays at Balangoda Grid Substation	702	85%	Mar-26
	Athurugiriya Augmentation Work	1,463	100%	Mar-24
	Construction of Two 33kV Feeder Bays at Rathmalana Grid Substation	1,898	100%	Sep-23
	Construction of 220kV GIS at Rantambe Switch Yard	464		Dec-25
	Construction of one nos of 220kV Feeder Bays at Victoria PS Switch yard	291	10%	Dec-25
	Construction of 132kV Switch Yard at Randeniya (Uma oya Hydro Power Project)	73	100%	Jul-24
	Construction of 01 Nos. of 132kV Feeder Bays at Ampara Grid	67	85%	Dec-25

Transmission Construction Projects	33kV Protection Relay Replacement	15	45%	Mar-26
	Augmentation work at Kirindiwela GS	148	92%	Nov-25
	Construction of 02 Nos. of 220kV Feeder Bays at New Anuradhapura GS	2,809	65%	May-26
	Augmentation of Chunnakam GS	229	38%	May-26
	Augmentation of Aniyakanda GS	350	48%	Mar-26
	Augmentation of Kukuleganga Switchyard	85	72%	Apr-26
	Augmentation of Mathugama GS	212	40%	May-26
	Augmentation of Nadukuda GS	595	5%	May- 26
	Augmentation of Embilipitiya GS	353	63%	Dec-25
Mannar - Vavuniya 220 kV Transmission Line Conductor Upgrading Project	Replacing of existing Zebra Conductor by a new HTLS Conductor (72 km)	569	21.50%	Sep-2026
Mullikulam Wind Power Transmission Project	*Construction of Double Circuit Mannar-Mullikulam 220kV Transmission Line (28 km)	5,951	Project to be commenced of January 2026	Aug-2027
	* Construction of 2 nos. of 220kV Line Bays in Mannar Grid Substation. / Construction of the Incomer side of Mullikulam Collector Grid Substation			
Transmission Projects	Procurement of Goods Procurement of Materials/ Equipment As Spares and Tools for Transmission Network Requirements- Package 4,5,6,10 & 11 Under Sampur Kappalthurei Transmission Development Project	4,381	98.00%	Mar- 2025
	Preliminary work of Construction of Poonaryn - Kilinochchi 220kV D/C Transmission Line PSRSP-Ph-02-OU2	3,400	12%	Dec- 2025
PSRSP : Ph II P 2 - OU 01	Balance Construction of Horana-Padukka 132 kV Transmission Line	568	2%	Dec- 2026
Power System Strengthening and Renewable Energy Integration Project - PSSREIP	Consists of 6 packages	76,281.000	Construction Contracts not yet awarded	As per Loan agreement, 2029
Power System Reliability Strengthening Project -PSRSP Package 4A - Construction of New Habarana-New Anuradhapura 220kV Tr Line	6ii) Civil Works, Tower Erection and Stringing Works for the Construction of the New Habarana – New Anuradhapura 220 kV Transmission Line and Dismantling the existing Old Habarana – New Anuradhapura 132 kV Transmission Line	1,911.000	23%	Sep-2026

3. Financial Position of the Institution

For the six-month period ended 2025-06-30, the CEB recorded a net loss of LKR 13.16 billion. The loss was primarily attributable to the tariff reductions implemented in July 2024 and January 2025. The revised tariffs were insufficient to fully recover the costs incurred during the first half of 2025, resulting in a downturn in revenue.

Despite this, the overall cost of generation declined compared to the corresponding period in 2024. This was mainly due to increased output from Non-Conventional Renewable Energy (NCRE) sources, coupled with lower coal and fuel prices. These factors offset a portion of the financial impact, even as generation volumes increased. Meanwhile, the gradual recovery of the national economy supported higher electricity demand, which in turn contributed positively to revenue growth. Historically, the absence of a cost-reflective tariff and the collection disruptions caused by the pandemic placed severe pressure on CEB's cash flows, delaying payments to major suppliers such as the Ceylon Petroleum Corporation (CPC). These delays resulted in substantial additional costs in the form of interest and penalty charges. However, with the implementation of cost-reflective tariffs, cash flow management improved, enabling CEB to settle part of its legacy debts. This has significantly reduced expenses arising from

delay charges. Furthermore, the prevailing decline in interest rates has lowered finance costs on loans and borrowings, providing further relief to the institution's financial position.

4. Future Plans for the year 2026

The implementation of generation, storage, NCRE, and transmission development projects, as presented in Section 2, will be continued throughout the year 2026 or until such time as the respective projects reach full completion. These activities remain central to strengthening system reliability, expanding capacity, and supporting the transition towards a more diversified and sustainable power sector.

In addition, the planned and ongoing programs for distribution network developments, covering both infrastructure upgrades and new initiatives, as depicted in Table 2.6 will continue. These programs are intended to enhance service quality, improve accessibility, and address growing consumer demand across the country.

The uncommitted generation, storage, NCRE, and transmission development projects, which remain under consideration for future investment and implementation, are listed separately in Table 2.7. These will be implemented subject to the availability of funds.

Table 2.6
The Progress and Programs for Distribution Development Activities

Ref	Activity	Unit	DD1			DD2			DD3			DD4		
			Target 2025	Progress 2025 (January - August)	Projection 2026	Target 2025	Progress 2025 (January - August)	Projection 2026	Target 2025	Progress 2025 (January - August)	Projection 2026 **	Target 2025	Progress 2025 (January - August)	Projection 2026
1	MV Tower	km	12.0	0 *	25.1	66.4	18.9	52.2	25.5	10.0	13.0	40.3	7.0	40.0
2	MV Pole (Lynx, Racoon, Elm & UG)	km	141.6	63.5	147.2	154.4	150.3	179.3	67.5	35.1	67.4	46.9	38.0	53.9
3	MV Pole (ABC)	km	10.0	17.2	10.0	6.0	2.3	9.0	7.5	0.0	-	6.4	3.7	11.9
4	LV (ABC)	km	94.0	37.5	96.5	350.0	204.8	381.0	166.6	110.2	154.0	28.0	19.1	38.0
5	MV re-conducting & conversion to be completed (Tower)	km	11.6	2 *	-	2.5	0.0	16.5	-	-	-	0.0	0.0	2.0
6	MV re-conducting & conversion to be completed (Pole)	km	174.2	54.2	125.9	110.1	52.3	155.5	11.7	0.0	11.0	36.4	17.0	52.8
7	LV conversion to be completed (fly to ABC)	km	275.0	36.7	200.0	555.0	335.2	932.0	134.0	168.2	541 **	167.0	84.6	180.0
8	Distribution Substations to be constructed (Distribution / Ring / Radial / Re-Distribution)	Nos	333	107	287	362	231	346	84	91	130	92	50	117
9	Primary Substation to be constructed	Nos	1	-	5	3	0	3	-	-	-	3	0	5
10	Primary Substation to be augmented	Nos	2	-	-	1	1	1	-	-	-	0	0	0
11	Gantries to be constructed	Nos	5	2	8	18	3	17	6	1	3	5	0	5
12	Gantries to be augmented / modified	Nos	1	-	-	6	1	12	-	-	-	1	0	1

13	Auto Reclosers to be installed (excluding new gantries)	Nos	14	3	12	40	20	55	20	9	15	11	5	20
14	Other (Specify)	Nos												
	LBS to be installed (excluding new gantries)					21	83							
	New LBS Installation								-	-		39	23	46
	Augmentation of Distribution Substations											24	9	26

Note :

*This figure includes the total completed MV tower line length.

Details of the cost paid jobs and the jobs under SESRIP were not included.

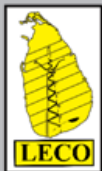
** This includes pending jobs and approved ABC conversion jobs for years 2024 & 2025 as well.

Table 2.7
Uncommitted generation, storage, NCRE, and transmission development projects

Item	Project / Programme	Expected Year of Completion ²	Total Cost Estimate (LKR Million)	Status
1	New Habarana 75 MVA Syncondenser	2028	9,559 ¹	Funds committed under World Bank support
2	Vavuniya 220 kV Development	2028	9,351 ¹	Discussions are ongoing with the World Bank regarding funding
3	400 kV Northern Development (220 kV operational Stage)	2030	62,400 ¹	Discussions are ongoing with the AIIB regarding funding
4	Installation of 100 Mvar STATCOM Unit at Padukka GSS	2028	6,760 ¹	Discussions are ongoing with the World Bank regarding funding
5	Construction of Norochcholai – Wariyapool 220 kV transmission line	2030	24,060 ¹	Discussions are ongoing with the AIIB regarding funding
6	Reconstruction of New Laxapana - Balangoda 132 kV Transmission Line with Zebra	2028	5,309 ¹	Fund mobilization in progress.
7	Maha Oya PSHP - Detailed Design of the Proposed	2034	750	Fund mobilization in progress.

¹ Including price escalation, contingencies, administration costs and levies

² As per the latest approved Long Term Generation Expansion Plan 2025-2044 and Long Term Transmission Development Plan 2025-2034



Chapter 03

Lanka Electricity Company (Private) Limited (LECO)

1. Introduction

Lanka Electricity Company (Private) Limited (LECO) is a limited liability company incorporated in 1983 under the Companies Act no. 17 of 1982 and the Companies Act No 07 of 2007. Its primary objective is to distribute electricity within its franchised area, covering the prime economic zone along the western coastal belt of Sri Lanka from Negombo to Galle except Colombo city and Dehiwala-Mount Lavinia areas. Subsequently, by the Electricity Act No 20 of 2009, LECO was brought into the regulatory domain of the Public Utilities Commission with the issue of a distribution license to the company. LECO serves approximately 615,000 consumers, which is around 10% of the country's energy.

2. Company Objectives

Our Objectives:

- To ensure stakeholder awareness of the company operations duly and transparently and to embark upon strategic diversification.
- To enhance distribution services in line with regulatory benchmarking and internal service standards.
- To enhance the technological capability of the company through research, development and innovation.
- To enhance business profitability, efficiency, internal process control and strategic investment while reducing waste.
- To ensure a productive, skilled, motivated and mutually respecting workforce through healthy working environment benchmarked by national and international norms.

3. Progress of the Development Projects & Key Activities

The Company's achievement exhibits our performance and the commitment made towards the high quality of service to the stakeholders.

- According to the LECO Smart Grid Action Plan, by 2025
 - Further improving the reliability of supply in the electricity distribution network by installing 75 remotely operated and monitored switches.
 - 30,000 smart meters have been added to the system and currently the number of LECO SMART Meter customers is 148,000, which is 24% of the total.
- 72MW of Rooftop solar PV systems have been added to the LECO power grid during this year, bringing our total capacity to over 332MW.
- A US\$50 million loan from the Asian Development Bank was secured to improve the capacity, reliability and renewable energy integration of the LECO power system, and procurement activities are being carried out successfully.
- Implemented standard network rehabilitation works to strengthen and modernize the distribution system, with steady progress recorded during the period.
- Upgraded reliability through the introduction of bundled conductor projects, which have already enhanced the performance of high-voltage lines.
- Carried out reconductoring of aged high-voltage lines, achieving significant milestones in improving network safety and reducing outages.

- Initiated distribution network strengthening projects to meet growing spot load requirements, showing consistent progress in enhancing supply quality.
- Continued construction of the new Head Office building, where structural works have progressed.
- Enhanced reliability programs through major development initiatives, with early steps taken toward the planned introduction of 33kV switching stations.

connected to smart meters, significantly improving energy monitoring, billing accuracy, and other smart services.

- **Installation of weather stations and implementation of solar power prediction model**

Weather stations will be installed to collect real-time climatic data, which will feed into a solar power prediction model. This initiative will strengthen the ability to forecast renewable energy

4. Financial Position of the Company

Table 3.1
Financial position from 2020 to June, 2025

	2020	2021	2022	2023	2024	2025 YTD June
Consumer Accounts at the year end	600729	608453	618516	624549	630859	631878
Sales GWh	1573.43	1615.7	1565.7	1580.85	1727.4	902.84
No of employees	1521	1500	1448	1413	1357	1217
Consumer/Employee Ratio	395	406	427	442	465	519
Distribution Loss	3.63	4.08	4.09	3.55	3.36	2.86
Revenue Rs Mn	30,618	32,416	39,252	75,138	67,218	24,444
Profit from operations Rs Mn	1,543	4,328	991	4,129	9,842	3,697
Profit for the year Rs Mn	1,792	3,248	1,954	4,195	5,592	2,784
Total equity Rs Mn	34,792	38,419	40,687	45,435	50,648	53,432
Total Liabilities Rs Mn	12,630	14,202	12,015	21,708	22,477	22,409
Total assets Rs Mn	47,422	52,621	52,702	67,143	73,125	75,840

5. Future Plans for the year 2026

As part of its commitment to modernization, digitalization, and customer-focused service delivery, LECO has identified several key initiatives for 2026.

- **Installation of smart meters up to 200,000**

LECO currently operates with 148,000 smart meters in service. By adding around 52,000 more units, the company plans to increase the total to 200,000 by 2026. With this expansion, more than 30% of LECO's consumer base will be

generation, ensuring better integration of solar power into the grid. Improved forecasting will also enhance supply reliability and system stability.

- **Establishment of Renewable Energy (RE) desk at Distribution Control Center**

A dedicated Renewable Energy desk will be set up at the Distribution Control Center to manage the growing share of renewable energy connections. This unit will streamline approvals, monitoring, and coordination of renewable inputs into the grid. It will also serve as the focal point for advancing the company's renewable integration agenda.

- **Enhancement of LECO Customer Service Portal**

The customer service portal will be upgraded to provide faster and more user-friendly access to services. Customers will be able to track their usage, payments, and requests more efficiently. This will enhance customer convenience and further digitalize customer interactions with the company.

- **Bill payment automation**

Automation of bill payments will reduce manual processing and improve efficiency across the system. Customers will benefit from faster payment confirmation and a wider range of automated options. This will also help minimize errors and strengthen revenue collection.

- **Implementation of a detailed KPI system for the evaluation of the management**

A comprehensive KPI framework will be implemented to measure the performance of management across key areas. This system will improve accountability and support evidence-based decision-making. The move will also create a culture of continuous improvement within the organization.

- **Extension of the services of the Call Center for elevated customer service**

The call center will be expanded to offer higher service capacity and extended operating hours. Customers will have access to faster resolution of inquiries and complaints. This will improve the overall quality of customer service and satisfaction levels.

- **Updating of ERP and Utility Billing System**

LECO will modernize its ERP and utility billing systems to improve integration and efficiency across business functions. The updated systems will strengthen

accuracy in financial transactions and service management. This upgrade will also create a stronger foundation for digital transformation.

- **Digitalization of all administrative documents**

The company will convert its paper-based records into fully digital formats. This initiative will streamline internal workflows and improve accessibility of information. It will also support greater transparency and long-term data security.

- **Extension of paperless office to all operations**

Building on earlier initiatives, the paperless office concept will be extended across all divisions of the company. This will reduce dependency on paper, cut administrative costs, and promote environmental sustainability. A fully digital working environment will also enhance efficiency and collaboration.

- **Implementation of flexible working hours for management**

LECO is a 24-hour utility operation, and managers are expected to remain available and ready to attend to the requirements at any time. In this context, flexible working hours will be introduced for management-level employees to enhance productivity while maintaining uninterrupted service delivery. This initiative is designed to balance the continuous operational demands of the company with improved work-life balance for employees.



Chapter 04

Sri Lanka Sustainable Energy Authority

1. Introduction

The Sri Lanka Sustainable Energy Authority (SLSEA), established under Act No. 35 of 2007, continues to serve as the key driver of Sri Lanka's transformation into a sustainable energy economy. SLSEA's mandate encompasses the identification, development, and regulation of renewable energy resources, while also ensuring efficiency improvements in energy use across sectors. Amid the ongoing global transition towards green energy, the Authority plays a crucial role in aligning Sri Lanka's energy sector with national and international commitments, particularly the targets outlined in the Paris Agreement, the Nationally Determined Contributions (NDCs), and the United Nations Sustainable Development Goals (SDGs).

By the second quarter of 2025, SLSEA achieved an overall performance indicator of 68%, reflecting steady progress despite challenges such as land acquisition for large-scale projects, financing constraints, and complex stakeholder engagements. Notably, the report highlights the development of rooftop solar systems, which achieved a higher level compared to global benchmarks, as detailed in Section 3.2. This report presents the major achievements up to 31st August 2025, the challenges encountered, and the strategies being implemented to overcome them. It also outlines the Authority's vision for 2026, focusing on consolidating gains and accelerating the transition to a low-carbon, energy-secure future.

2. Key Challenges Faced and Strategies to Overcome Them

Table 4.1
SLSEA Key Challenges to Implementation of programmes

Area	Challenges	Strategies to Overcome
Policy & Technical Barriers	The adoption of new standards, such as appliance energy performance and building codes, has faced delays due to administrative processes and lack of awareness.	Intervention at the ministry level is required to raise awareness and proactively request the attention of other stakeholders for the gazetting of regulations, and special secretary attention is required for Building Code Gazetting
	Lack of yearly funds can delay new projects and equipment acquisition for the appliance labeling program.	Revising government policies to enhance flexibility and ensure adequate budgetary allocation within a calendar year
	A critical problem in policy decisions is data scarcity. To address this, categorize imported electrical appliances under ISIC classification. This categorization will help measure energy savings from an appliance labeling system.	Implement a policy to classify important appliances under ISIC. Ministry-level intervention should coordinate with stakeholders.
	Compliance with ISIC classification is crucial for efficient data gathering, saving time and resources by avoiding duplicate efforts across organizations and streamlining production at the factory level.	Institutions collaborate on a practical questionnaire with the Department of Census to collect industrial, domestic, and commercial data, covering energy, financial, and social aspects.

Renewable energy development	Land acquisition delays and consequently increase project costs. Renewable energy project approvals from various stakeholders are often slow. Delay in national RE projects Inconsistent policies discourage investors when developing RE projects. Integrating RE sources into the existing power grid can be complex, especially for solar/wind. Lack of awareness and understanding among the general public about renewable energy and energy conservation can impede the progress.	Review land acquisition for renewables. Establish a high-level project approval committee. Appoint a presidential task force for oversight issues and barriers. Identify and amend legal gaps and review guidelines. Upgrade the grid for renewables. Promote public awareness on renewable energy and energy conservation.
Financial Intervention	Economic challenges have heightened the importance of foreign donor assistance and credit lines. Projects such as the rooftop solar program for religious institutions are reliant on Indian credit lines, while Korean donor support is critical for floating solar projects.	SLSEA is diversifying its funding base by seeking bilateral assistance, donor-funded technical cooperation, and exploring independent financing mechanisms such as public-private partnerships. CESS and royalty taxes fund SLSEA independently. A policy is needed for incentives and loans for renewables. Seek financial assistance from partners for NDCs and SDGs.
Resources	The major issues in implementing renewable energy and energy management programs include a lack of human resources and other necessary facilities	Initiating collaborative efforts with provincial energy ministries to implement SEA programs We need to expand the renewable energy sector by diversifying into different resource types, including solar, wind, rooftop solar, and more, and improve the carder positions

3. Progress of the Development Projects and Key Activities

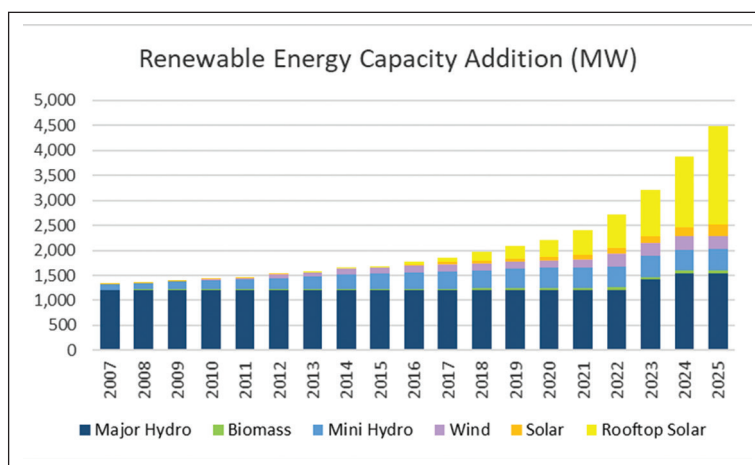
3.1 Resource Development facilitation

In 2025, the Sri Lanka Sustainable Energy Authority (SLSEA) continued its strong commitment to advancing renewable energy development in Sri Lanka.

In 2025, SLSEA has continued its strong commitment to advance renewable energy in Sri Lanka. During this period, the cumulative installed capacity of new renewable energy

projects reached **2,923 MW**, representing a 44% (including rooftop solar) share of the country's total installed electricity capacity. This marks a significant increase compared to the 35.8% share recorded in 2024 and reflects the continued expansion of the renewable energy sector. The growth of renewable energy generation, including solar, wind, biomass, and small hydro, is illustrated in **Graph 4.1**, highlighting SLSEA's ongoing role in promoting sustainable energy solutions and supporting national energy security and climate objectives.

Graph 4.1
NCRE cumulative capacity addition



In 2025, a total of **647.38 MW** of SPPAs were signed from EOI called renewable energy projects, with the highest contribution of **474 MW** from solar power technology. Energy Permits (EP) were issued for **61 projects** with a combined capacity of **322.45 MW**, of which solar PV accounted for the largest share (**281.3 MW**). Power Agreements (PA) were issued for projects totaling **1075.49 MW**, as detailed in Table 4.2.

3.2. Off Grid Solutions- Rooftop Solar system development

3.2.1 Sooriya Bala Sangramaya

The SLSEA is responsible for overseeing the implementation of the Rooftop Solar PV program, working in close collaboration with key stakeholders such as the Ceylon Electricity Board (CEB) and Lanka Electricity Company (Private) Limited (LECO) to ensure

Table 4.2
Details of Projects Called for EOI

Type	SPPA		Live EP		Live PA	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Mini Hydro	39	62.58	54	7	8	5.87
Solar PV	84	474.4	47	281.30	97	-
Wind	2	20.00	1	10.00	12	145
Biomass	7	30.4	4	22.00	2	14
Total	138	647.38	61	322.45	135	1,075.49

Table 4.3
Details of pipe line projects by the end of August

Source	EP Issued		EP Approved		PA Issued		Initial Stage		Rejected	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
Solar	6	488	3	300	17	1,917	7	600	2	100
Wind	1	50	-	-	8	612	1	40	3	213
Biomass	-	-	-	-	-	-	1	50	-	-
Total	7	538.00	3	300.00	25	2,528.50	9	690.00	5	313.00

a seamless process for consumers. The “Soorya Bala Sangramaya” Rooftop Solar PV programme remains the most prominent and fast-moving initiative under SLSEA, with its growth illustrated in Graph 4.2. In 2025, SLSEA continued to advance renewable energy development, achieving a cumulative installed capacity of 1,966 MW, directly benefiting 124,017 consumers.

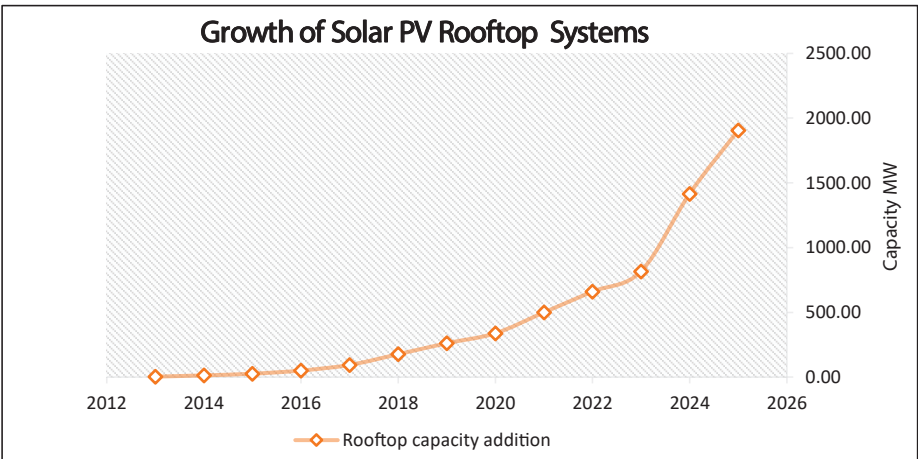
Remarkably, the division exceeded its annual targets by more than threefold: against a set target of 180 MW for 2025, it successfully implemented 550 MW of solar rooftop systems, providing connections for 12,700 new consumers.

Ensuring Quality and Regulation - SLSEA

NVQ Level 3/4, conducted in collaboration with Solar Company, NAITA, VTA, Technical College and PUCSL. In parallel, work progressed on developing standards and a Code of Practice for Battery Energy Storage Systems, ensuring quality and safety in future implementations.

By focusing on continuous skill development, solar companies ensure that their projects are not only well-built but also well-supported throughout their entire lifecycle, which is vital for both project sustainability and business success. Growth of the solar industry – Rising demand for solar panels and services has created new jobs and business opportunities. A key part of the SLSEA’s role is to lead public awareness and education campaigns.

Graph 4.2
The Growth of Solar rooftop systems



is to register and regulate solar service providers and installers. By maintaining a public directory of approved companies, the Authority ensures that consumers receive safe and high-quality installations, thereby protecting them from unqualified operators. During 2025, a total of 49 solar companies were registered, contributing to the cumulative total of 624 companies.

To strengthen technical expertise, 500 technicians were trained through a two-day gap-filling programme accredited at

These initiatives are designed to inform the public about the benefits of solar energy and the various schemes available under the program, encouraging wider adoption and participation.

Further, Sri Lanka stands second only to China globally in terms of solar rooftop capacity additions. In 2025, solar rooftop systems contributed 67.26% of total NCRE (Non-Conventional Renewable Energy) installations and 29.61% of overall capacity additions in the country.

3.2.2 Foreign Funded Projects – Off Grid Solutions

A) Indian Credit Line Solar PV Project for 5,000 Religious Places

The Government of India, through funding of USD 17 million provided by SBI Bank, has extended support for the installation of solar rooftop systems in Sri Lanka. The project involves the design, supply, installation, testing, commissioning, operation, and maintenance of 5 kW solar PV rooftop systems across 5,000 religious places in the country.

- **Project Duration:** September 2024 – August 30, 2025
- **Total Installed Capacity: 25 MW**
- **Expected Annual Generation: 37 GWh units**
- **Funding Source:** USD 17,000,000.00 under the Government of India (SBI Credit Line)

The above project has achieved significant progress. By August 2025, 100% of the systems had been received and distributed, with 5,000 systems installed (98%) and 64% commissioned. Net meter documentation submissions stand at 86%. Financial progress is fully complete, with the entire project cost disbursed to the contractor. Performance Bank Guarantees amounting to 30% for installations and 10% for the five-year maintenance period have also been secured, ensuring accountability and sustainability of the project.

B) Providing Rooftop Solar Power facility installation for Government Building - Development Assistance - DPR

Between November 2022 and December 2024, projects were planned for 120 MW of solar PV installations for government buildings, solar PV systems for religious places and RO plants, and a 5 MW floating solar PV project, with a total fund allocation of USD 930,209. The Detailed Project Report (DPR) was submitted and accepted, achieving 100% physical progress. Financial progress stands at 95%, covering expenditures related only to DPR preparation. However, implementation has not commenced as loan approval has not been granted.

C) Construction of Hybrid Renewable Energy System in Small Islands in Jaffna

The project aims to generate electricity on the islands of Analaitivu, Delft, and Nainativu in Jaffna, with hybrid power plants based on photovoltaic, wind power, diesel generator, and Lithium-ion storage batteries. The capacities of PV, wind and diesel sources with battery storage corresponding to the optimal generation mix are as follows.

Hybrid projects in Delft, Analativu, and Nainativu islands, integrating solar PV, wind, diesel, and lithium-ion batteries, are advancing. Procurement challenges remain but the groundwork for energy security in these communities has been established.

Table 4.4
The proposed Generation Mix

Island	Diesel Generators	PV generation	Wind generation	Battery storage
Nainativu	300 kW+500 kW	700 kW	200 kW	1 000 kWh (550 kW)
Analativu	1 50 kW +300 kW	300 kW	80 kW	550 kWh (275 kW)
Delft	300 kW +500 kW	700 kW	250 kW	800 h (650 kW)

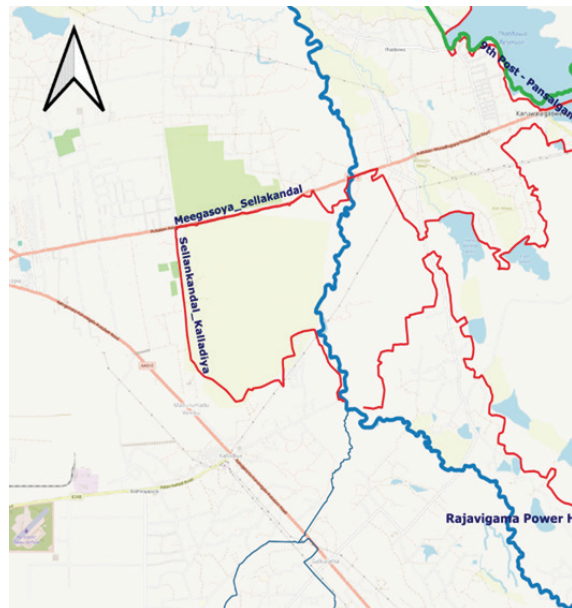
The project is advancing steadily with **team mobilization at 40%** and the **design phase nearing completion at 90%**. **Material supply has reached 23%**, while **building and road construction are 75% complete**. Installation of the solar system is also progressing well, with **75% completed to date**.

3.3 Advancing National Scale Renewable Energy Projects

3.3.1 Initial Site Identifications

The site identification and pre-site preparation is being done by the Resource mapping division of the Authority. The prepared Renewable energy development plan for 2030 has being reviewed and submitted to the Ministry for Cabinet Approval. Other new sites were identified during this year.

The Resource Mapping Division has advanced several **ground-mounted solar projects** to strengthen the national renewable energy program. At Anamaduwa DSD – Kottukachchiya, an 80 MW project has completed its prefeasibility stage, with the Divisional Secretary requesting consent from relevant agencies to release the land for SLSEA. In Puttalam DSD, the concept for a solar project along the elephant fence has been approved by the District Coordination Committee, with initial site visits conducted in collaboration with the Wildlife Department, LUPPD, and local officials. Meanwhile, the Mahaweli System “L” has been identified for a 100 MW solar development, utilizing non-irrigable flood plain and tank areas, including Konwewa (190 Ha), Kambiliwewa (19 Ha), Konwewa Flood Plain (17 Ha), and Weherawewa Flood Plain (8 Ha).



Site identification and site inspection in Weherawewa

In parallel, progress is being made on **wind and solar projects at Elephant Pass Salt Land**, where the land is available for renewable energy projects under the Salt Corporation's future development plan. Initial designs for both wind and solar components are in progress, supported by wind mast installations. At Veravil, suitable land has been selected with initial consent from the Poonerkary Divisional Secretary, pending Forest Department approval, with CEB agreeing to install the mast. Similarly, suitable lands have been secured at Karachchi (Kandawali Divisional Secretary's consent) and Nochchiyagama, where land acquisition is complete. Proposals for wind mast installations at Veravil, Karachchi,

Nochchiyagama, and Manthai West have been submitted to the NPD for approval.

3.3.2 Large Scale Renewable Energy Projects Developments List of Ongoing National Projects

The following list of largescale projects with a total of **1258 MW** is being developed by the Research and Development division of SLSEA. Table 4.5 highlight their significant contribution to the organization's renewable energy goals and at the national level and their present progress.

- **RND/02** – Pooneryn Wind Power Project – **234 MW**
- **RND/04** – Mannar Phase-II Project – **250 MW**
- **RND/05** – Veravil Wind Power Project – **204 MW**
- **RND/06** – Karachchi-Kandawalai Wind Power Project – **120 MW**
- **RND/07** – Manthai West Wind Power Project – **300 MW**
- **RND/09** – Daduru Oya Floating Solar PV Project – **100 MW**
- **RND/10** – Ridiyagama Floating Solar PV Project – **50MW**

Table 4.5
Details of National Projects

Activity	234MW Pooneryn Wind Power Project	250MW Mannar Phase-II Wind Power Project	204MW Veravil Wind Power Project	120MW Karachchi-Kandawalai Wind Power Project	300MW Manthai West Wind Power Project	100MW Deduru Oya Floating Solar PV Project	50MW Ridiyagama Floating Solar PV Project
Site Identification	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Pre-feasibility Studies	Completed	Completed	Completed	Completed	On going	Completed	Completed
On-site Wind Measurement	Completed	Completed	The installation of a wind measuring mast has been planned by the CEB, with the assistance of ADB.	The installation of a wind measuring mast has been planned by SLSEA	The installation of a wind measuring mast has been planned by SLSEA	The installation of a weather station has been planned by SLSEA	The installation of a weather station has been planned by SLSEA
Initial Environmental Assessment (IEE)	Completed	In progress	In progress	In progress	To be initiated	To be initiated	To be initiated
Environmental Impact Assessment (EIA)	Completed	In progress	In progress	In progress	To be initiated	To be initiated	To be initiated
Land Acquisition	In progress	In progress	To be initiated	To be initiated	To be initiated	To be initiated	To be initiated
Grid Interconnection Availability	Included in Renewable Energy Project Development Plan (2025-2030)	Included in Renewable Energy Project Development Plan (2025-2030)	Included in Renewable Energy Project Development Plan (2025-2030)	Included in Renewable Energy Project Development Plan (2025-2030)	Included in Renewable Energy Project Development Plan (2025-2030)	Wariyapola Switching Station and Associated Transmission developments. Wariyapola project is not yet committed, but the project is identified in the 2025-2044 LTSEP.	Included in Renewable Energy Project Development Plan (2025-2030) Hambantota – Matara T/L planned to be completed by 2028.
Feasibility Study	By the Developer / SLSEA	By the Developer / SLSEA	By the Developer / SLSEA	By the Developer / SLSEA	By the Developer / SLSEA	By the Developer / SLSEA	By the Developer / SLSEA
Invitation for Request for Proposals (RFP)	An invitation for RFP can be initiated	An invitation for RFP can be initiated after the EIA is finalized.	An invitation for RFP can be initiated after the EIA is finalized.	An invitation for RFP can be initiated after the EIA is finalized.	An invitation for RFP can be initiated after the EIA is finalized.	An invitation for an RFP can be initiated after the EIA is finalized.	An invitation for RFP can be initiated after the EIA is finalized.

3.4 Energy Efficiency & Demand-Side Management

3.4.1 Energy Efficiency Building Code (EEBC)

The revised Energy Efficiency Building Code has been finalized and submitted to the Legal Draftsman for gazetting. SLSEA, with USAID and GIZ assistance, conducted training programmes for engineers and architects on building simulation software to facilitate compliance.

3.4.2 Industrial Sector Efficiency

- National Energy Benchmarking Portal launched with over 1,000 facilities registered.
- Benchmarking initiated for the tea sector, with plans to extend to hospitals.
- Energy Manager programme strengthened: 295 Energy Managers, 25 Accredited Auditors, and 33 ESCOs now active.

3.4.3 Sri Lanka National Energy Efficiency Awards 2025

- Applications received: 40 companies, 9 service providers.
- Evaluation of sites and documentation underway.

3.4.4 Transport Sector

A draft standard for vehicle fuel economy labeling has been developed. Initial collaboration with vehicle emission testing companies is ongoing to establish baseline data for passenger vehicles.

3.4.5 Residential Sector

Energy-efficient cookstove testing programmes initiated, supported by MoU with Nilcarbon Cookstoves for the distribution of 300,000 stoves. Awareness programmes

are conducted to highlight energy savings in domestic cooking.

3.4.6 Appliance Labeling Programme

- Draft standards developed for air conditioners, electric motors, and LED lamps.
- Procurement initiated for appliance testing labs for rice cookers and pedestal fans, scheduled for commissioning in Q4 2025.
- International training completed by technical staff in Japan and South Korea.

3.4.7 Surveys and Research

- For conducting Rapid Assessment (Pre-Feasibility Study) for implementing the Tri-generation System in Seethawaka (Awissawella) BOI Export Processing Zone (EPZ) in Sri Lanka, the tendering process is in progress, and it is in the tender evaluation stage now.
- A questionnaire for the Bio Mass Consumption Survey has been prepared and finalized.
- The procurement process for the Study on Energy Efficiency Improvement in the Fisheries Sector has started. Tender documents have been prepared. Department Consultancy Procurement Committee (CPCD) has been appointed by Ministry. The TEC meeting has been scheduled.
- Performance Monitoring Report for Installing Energy Efficient Lighting System in Divulapitiya Pradeshiya Sabah has been prepared and is in the review stage.
- The Committee for developing Battery Energy Storage Policy has been appointed.

5. Future Plans for the Year 2026

The Authority has identified several key priorities for 2026:

- Expedite completion of national wind and solar projects (Pooneryn, Mannar II, Veravil, Karachchi, Manthai West).

- Commission energy performance laboratories for appliances and strengthen appliance labeling schemes.
- Implement the Energy Efficiency Building Code on a mandatory basis.
- Expand rooftop solar installations by an additional **170 MW**.
- Establish energy benchmarks for the hospital sector and expand voluntary benchmarking schemes.
- Introduce fuel economy labeling for electric and hybrid vehicles.
- Enhance training facilities at Indurana Training Centre, including new.
- Conduct a Rapid Assessment of Trigenation in Sethawaka and other BOI EPZ Zones.
- Conduct a Study on Energy Efficiency Improvement in the Fisheries Sector
- Development of Battery Policy.



Chapter 05

Sri Lanka Atomic Energy Regulatory Council

1. Introduction

1.1 Establishment of the Sri Lanka Atomic Energy Regulatory Council

The Sri Lanka Atomic Energy Regulatory Council (Council) was established on the 1st of January 2015 under the Sri Lanka Atomic Energy Act No. 40 of 2014 (Act). Council presently functions under the Ministry of Energy. As per the provisions of the Act, the Sri Lanka Atomic Energy Regulatory Council is mandated for;

- (a) Regulation of practices and sources involving ionizing radiation by implementing licensing, inspection and import & export control programmes for the protection of the public, radiation workers, patients and the environment
- (b) Ensuring the safety & security of radiation sources
- (c) Taking enforcement actions for violations of provisions of the Act and licensing conditions
- (d) Taking actions to fulfill the obligations of Sri Lanka on agreements signed by Sri Lanka on safety, security and safeguards related to nuclear applications

1.2 Key functions of the Council

- (a) Licensing of the practices involving the use of ionizing radiation and renew, modify, suspend or revoke the same.
- (b) Conducting inspections to ensure compliance with the requirements imposed under the Act and conditions specified in the licenses issued.
- (c) Taking appropriate measures to ensure due compliance with the provisions of

the Act and proper enforcement of noncompliance.

- (d) Maintenance of a national register containing information on all radiation sources used in Sri Lanka.
- (e) Formulation of national policies and strategies on protection against ionizing radiation, on the safety and security of sources and nuclear and other radioactive material and on radioactive waste management.
- (f) Formulation of regulations, rules, codes, standards and procedures relating to radiation protection and the application of ionizing radiation, which reflects best practices enunciated by the International Atomic Energy Agency and any other similar International Organizations.
- (g) Taking necessary steps to fulfill the obligations of Sri Lanka under the international treaties, conventions, relevant protocols and agreements relating to the safety & security of sources to which Sri Lanka is a party.
- (h) Conducting public awareness programmes in relation to nuclear science and technology and training of radiation workers on radiation safety and security aspects.
- (i) Supervision of radioactive waste management and transport of radioactive materials.
- (j) Granting approvals for the plans of the buildings for the construction of radiation facilities.
- (k) Approvals for import/export of radioactive materials and irradiating apparatus
- (l) Taking actions for arrangements for preparedness and response to nuclear or radiological emergencies

2. Challenges faced and strategies adopted to address such challenges during the period

1. It was a challenge for the Council due to lack of a sufficient number of Scientific Officers & Administration staff to execute planned activities and in a timely manner and to attend to some of the requested inspections within a reasonable timeframe. The resignations & retirements of several employees, coupled with government restrictions on recruitment, are the reason for this staff shortage. Despite having 45 approved cadre positions, currently only 31 employees are available at the Council.

However, the Council has taken its maximum effort to improve regulatory and administrative work of the Council meeting international standards amidst the above constraints due to dedication, commitment and unwavering support of the staff in implementing the operational

activities of the Council.

2. Council has identified that 12 nos. of rules, policies, regulation & procedures need to be prepared in accordance with the provisions given by the Sri Lanka Atomic Energy Act No.40 of 2014. A separate officer of the Council has been appointed to prepare such a document and a member of the Board of Management has also been appointed to supervise such a document. This process was initiated in late 2023. Accordingly, in the year 2025, the Regulatory Council has managed to complete about 60% of the work of making the above rules, regulations, etc. The Regulatory Council expects to complete these works by the end of this year, and the existing shortage of employees has become a great challenge for the Regulatory Council to finish these works promptly.

3. Progress of the Development Projects and Key Activities

Table 5.1
Regulatory activities

No	Activity	Target for 2025	Target till 31st August	Progress till 31st August	Progress Percentage	Constrains/ Remarks
01.	Issuing new & renewal licenses (which also include processing of application, issuing of modifications and extensions to the existing license)	560	55	111	201.8%	Target achieved.
02.	Issuing regulatory certificates for food samples tested for radioactive contamination	4000	2700	3234	119.7%	Target achieved. Depend on the request made.
03.	Regulatory inspection of radiation facilities	500	330	194	58.8%	Due to lack of staff, the target could not be achieved
04.	Import/export approvals for radioactive materials and irradiating apparatus	480	320	379	118.4%	Target achieved. Depend on the request made.
05.	Approval of plans of irradiation facilities	80	55	81	147.3%	Target achieved. Depend on the request made.
06	Supervision & Inspection of High-Activity Radioactive Sources	01	01	01	100 %	Target achieved.
07	On request inspection for transport & radiation protection services	06	04	12	300 %	Target achieved. Depend on the request made

Table 5.2
National Training Courses

Programme	Physical	
	Target as at 31/08/2025	Achieved
National Training Course on “Radiation Protection for Radiation Protection Officers & Operators” working in Industrial and medical facilities, Diagnostic X-ray facilities (Course 1 for Category 1 & 2 operators)	Training of 30 participants	Conducted training course on 12-15 August for 17 participants
National Training Course on “Radiation Protection for Radiation Protection Officers & Operators” working in Industrial and medical facilities, Diagnostic X-ray facilities (Course 2 for Diagnostic X-ray RPOs & Operators)	Training of 30 participants	Conducted training course on 26-28 August for 73 participants
National Table Top Exercise in collaboration with US DOE for SLAERC & other stakeholders (Colombo City Thunder Table Top Exercise)	Training of 100 participants	Conducted training course on 19-20 February for 104 participants
National Training Course on “Emergency Preparedness & response under IAEA TC Project “National capabilities for responding to Nuclear or Radiological Emergencies and Human Resource Development”	Training of 25 participants	Conducted training course on 07-09 July for 25 participants

Table 5.3
Preparation of Regulations, Rules, Procedures & Codes

	Programme	Physical	
		Target as at 31/08/2025	Achievement/Achieved %
1	Finalization of draft Regulations on Ionizing Radiation Protection and Safety of Radiation Sources.	Gazetting the Regulations	90%
2	Preparation of a national policy on Radioactive Waste Management	Re-submission to Cabinet Office	80%
3	Implementation of the Nuclear or Radiological Emergency Management Plan	Training of SLAERC Emergency Response groups	95%
4	Preparation of the Atomic Energy Act for fulfilling the requirements of the operation of NPP	Preliminary drafting completed	Preliminary drafting completed
5	Maintenance of the national sealed source registry	Entering data and keeping the registry	100%
6	Maintenance of a registry of sources in the Regulatory Authority Information System (RAIS)	Keep updating the Authority Information in the RAIS	100%
7	Introduction of an online licensing and approval system	Implementation	90%
8	Training of scientific and other staff through local, foreign training and training under IAEA TC projects	On the job training	100%
9	Publication of license information and services on the official website for information to the stakeholders and public	Keep updating the license information and services in the official Web	100%

4. On-going bi-lateral programme

(a) The Council is engaged with the Global Material Security (GMS) programme of the Department of Energy of the United

States of America (USDOE) to provide security for high activity radioactive sources used in the Country and with the technical assistance of the GMS Programme, the Council is coordinating with stakeholders

for installation and implementation of physical security systems at facilities which use high radioactivity sources in order to ensure security of these sources. The USDOE approved a maintenance contract for maintenance of physical security systems at 12 facilities where high activity radioactive sources are used and connection of all security systems at 12 high activity radioactive source sites to the Central Monitoring Station located at STF training college, Katukurunda.

(b) The Council is participating International Atomic Energy Agency Technical Cooperation project “Strengthening of preparedness and response to nuclear or radiological emergencies. Under this project

(c) The Council has taken steps to train scientific staff, obtaining necessary instruments for emergency response and preparedness and expert missions to prepare necessary emergency preparedness and response documents.

5. Future Plans for the year 2026

Table 5.4
Regulatory activities

Programme	Activities to be performed for 2026
1. Preparation of regulations, rules, policies & procedures	1.1. Obtaining approval of the Legal Draftsman Department for the draft Regulations on Ionizing Radiation Protection and Safety of Radiation Sources and translation to Sinhala and Tamil languages and publication in the Government Gazette. 1.2. Obtain approvals for the Rule on the criteria for the qualifications of radiation workers from the Legal Draftsman Department and translation into Sinhala and Tamil. 1.3. Implementation of inspection procedure by Authorized Inspectors 1.4. Implementation of the requirement of the National Policy on Radioactive Waste Management after receiving the cabinet approval. 1.5. Preparation of rule on Safe Transport of Radioactive Materials, Safety & Security Policies, Emergency Rule & Enforcement Procedure in accordance with International Guidelines as per the requirements given in the Sri Lanka Atomic Energy Act No.40 of 2014
2. Licensing & inspections of radiation sources and irradiation facilities	1.1. No. of licenses planned to be issued (new & renewal) - 560 1.2. No of inspections planned to be conducted - 500
3. National training course on radiation protection	1.1. Conducting national training courses for operators and radiation protection officers of the licensed facilities in medical and industrial fields (Radiation Protection Officers and operators of the machines) 1.2. Conducting trainings for response teams & committees appointed as per the requirements of National Nuclear or Radiological Emergency Management Plan
4. Granting approvals & issuing certificates	1.1. Granting approvals for the import/export of radioactive materials & irradiating apparatus. No. of approvals estimated to be given - 480 1.2. Issuing certificates for food testing No. of samples estimated to be tested - 4000 1.3. Granting approvals for the irradiation facility plans. No. of approvals estimated to be given - 80

Programme	Activities to be performed for 2026
5. Online licensing & approval system	Establishment of an online licensing & approval System and use it for licensing for selected facilities and import and export approvals.
6. Maintenance of database & Source registry	6.1. Maintenance of the database of licenses, inspections and other relevant information. 6.2. Maintenance of National Registry of Radiation Sources
7. Publication of information on licensed facilities on the WEB	Up to date information of all licensed facilities in the Council's WEB for public information to identify suitable places for obtaining services.
8. Approval and supervision of the transport of high activity radioactive materials	Granting approvals for the transport of high activity radioactive materials on request & supervision of transportation

- **Implementation of IAEA TC Project activities**

IAEA Technical Corporation Project SRL9013 “Strengthening of preparedness and response to nuclear or radiological emergencies” was conducted for the 2022-2023 project cycle. Since some activities could not be completed during the project cycle, the following outcomes will be extended through this project in 2026.

a. Training of several officers from the Council, first responding organizations and technical organizations.

b. Acquire necessary equipment to conduct emergency exercises and to respond to real emergencies. Measuring equipment, training equipment and decontamination equipment will be received through this project.

c. Maintenance & Functioning of Newly Installed Early Warning Detector System. This system will be compatible with the International Radiation Monitoring Information System (IRMIS) data sharing platform and will help to receive early warning during a nuclear disaster.



Chapter 06

Sri Lanka Atomic Energy Board

1. Introduction

Sri Lanka Atomic Board (SLAEB) is the Government's premier Nuclear Science and Technology Organization, which is operated under the Ministry of Energy. The mandate of the SLAEB flows from the powers vested by the Atomic Energy Act No. 40 of 2014, for the promotion and encouragement of the use of Nuclear Science and Technology for national development purposes. SLAEB promotes and encourages peaceful applications of nuclear technology through related services, Research and Development (R&D) work and provides radiation protection services to meet regulatory requirements while ensuring safety, security, and quality. Nuclear Technology has a wide range of applications in many fields that can make a significant contribution to the development of medical, agricultural, industrial, energy and environmental sectors in Sri Lanka.

SLAEB receives consolidated funds from the Government for recurrent and capital expenditures. Also, the technical support is received mainly from the International Atomic Energy Agency (IAEA) to develop capacities and capabilities, through its Technical Cooperation (TC) Projects, Regional Cooperation Agreement (RCA) Projects and Coordinating Research Projects (CRPs). SLAEB has assisted relevant stakeholder organizations/institutes in the country to get the benefits of nuclear science and technology for the socio-economic development of the country.

2. Progress of the Development Projects and Key Activities

2.1 Nuclear Analytical Testing (NAT) Service of the Life Sciences Division

The Nuclear Analytical Testing (NAT) Service

of the Life Sciences Division plays a vital role in safeguarding public health and supporting industry through accredited laboratory testing. In 2025, up to the month of August alone, the Gamma Spectroscopy Laboratory analyzed 3,266 samples of imported milk powder, 84 samples of exported tea and other products, and 160 samples with detailed radioactivity measurements to ensure compliance with Sri Lanka Atomic Energy Regulatory Council (SLAERC) regulations. Additional analytical services included testing 8 samples for elemental composition by XRF, 18 wastewater samples for gross alpha and beta activity, 5 service samples for stable isotopes using IRMS and ATR-FTIR analysis, and 30 R&D samples by IRMS and ATR-FTIR for chemical characterization.

By upholding international standards, NAT ensures technical accuracy and credibility of results, while also generating significant income through regulatory and commercial testing services.

Table 6.1
Total income up to August 2025 - Rs 52.9 Mn

Service	Income (Rupees)
Testing of imported milk powder, allied products and tea- (NaI[Tl]) analysis	49,535,600.00
Detailed Radioactivity measurements- HPGe analysis	2,856,000.00
X-ray fluorescence (XRF) analysis by EDXRF, and PXRF (portable XRF)	330,000.00
Gross alpha- beta measurements in industrial wastewater, water and other solid samples	119,000.00
Fourier-transform infrared spectroscopy (FTIR) analysis	60,000.00
Amendments	1,635.00
Total income	52,902,235.00

2.2 Irradiation Services of Sri Lanka Gamma Centre (SLGC)

The Sri Lanka Gamma Centre (SLGC), located in the Export Processing Zone, Biyagama, is the only Government-owned irradiation facility in the country. Established in 2014, SLGC provides multipurpose gamma irradiation services that support a range of national industries. Sterilization of surgical gloves used in all Government hospitals across Sri Lanka remains its primary activity. In addition, SLGC offers irradiation services for other medical devices, food items (including spices and herbal products), packaging materials, activated carbon, and various industrial raw materials, albeit in smaller volumes compared with surgical gloves.

From January to the end of August 2025, SLGC generated a total income of Rs.40.31 M through irradiation services in the Table 6.2.

Table 6.2
SLGC generated income from
January to the end of August 2025

Income Source	Generated income
Generated income from LALAN RUBBERS (Surgical Glove Irradiation)	Rs. 31,377,379.95
Other medical products irradiation (Gauze Swabs, Cotton Balls, Eye Pads, Paraffin Gauze, Surgical Apron)	Rs. 1,472,517.82
Other products irradiation through a commercial conveyor (Activated Carbon)	Rs. 5,245,769.92
Generated income through food irradiation (Organic Herbs)	Rs. 1,183,252.40
Generated income through the sample conveyor	Rs. 373,746.25
Generated income through static irradiation	Rs. 466,687.24
Generated income through microbiology testing	Rs. 187,782.05
Generated Total Income for 2025 (As at 31.08.2025)	Rs. 40,307,135.63

Key Achievements during the Reporting Period:

- Conducted a **Customer Awareness Programme** with the participation of **three IAEA experts** under project SRL 1011, enhancing international collaboration and technical knowledge exchange.
- Provided strategic updates on the **Frozen Chicken Feet Irradiation Project** to **H.E. President** demonstrating SLGC's importance to national food safety and export competitiveness. Above strategic updates were followed by discussions on possibilities of exporting frozen chicken feet with irradiation in order to enhance the food safety aspects and uninterrupted supply of product to the export market was carried out with a potential customer.
- Undertook **research on frozen product irradiation**, focusing on achieving uniform dose distribution through a four-sided irradiation method.
- Completed a **dose rate distribution study near the source rack** to improve operational safety and optimize facility efficiency.
- Actively engaged with **dry fish exporters, medical device manufacturers, herbal and spice producers, and cosmetic manufacturers**, providing scientific and technical guidance to broaden the customer base.

The period under review reflects steady progress in both operational and strategic aspects of SLGC. While sterilization of surgical gloves continues to be the main source of revenue, the Centre has demonstrated its commitment to diversifying its service portfolio by engaging with **activated carbon, food, spices, and herbal product exporters**. This is well aligned with global trends where irradiation ensures food safety, extends shelf life, and supports export competitiveness.

Going forward, it is recommended that SLGC:

- **Strengthens efforts to diversify its customer base**, particularly in the food and herbal sectors where export demand is growing.
- **Continues investment in R&D** to study possibilities for modifying the irradiation facility to optimize dose uniformity for frozen food irradiation, or alternatively, develops and submits a proposal to Government for an additional facility if required by industry demand.
- **Explores new business models and partnerships** to expand revenue streams while maintaining its role as the national sterilization facility for critical medical supplies.
- **Plans discussions with the Ministry of Health, Ministry of Industries, and Ministry of Finance** to build close institutional relationships, ensuring the smooth functioning of gamma irradiation services in Sri Lanka. These discussions will also address the expansion of services to the health sector, particularly for sterilization of surgical gauze, surgical instruments, and other medical supplies, as well as to industrial products intended for export.

2.3 National Center for Non-Destructive Testing (NCNDT)

NCNDT carries out a wide range of Non-Destructive Testing (NDT) services for the industrial sector in the country. Under this, the services required to ensure the quality of metal components, assemblies, and structures, as well as civil construction related to the industrial sector of the country, are provided to those sectors.

The National Center for Non-Destructive Testing (NCNDT), located in Kelaniya, serves as a leading institution in the field of Non-

Destructive Testing (NDT) in Sri Lanka. Its primary objectives include providing high-quality NDT inspection services, delivering specialized NDT training, offering NDT personnel certification, and conducting Welder Performance Qualification (WPQ) examinations, all in accordance with international standards.

i. The Inspection Body of the NCNDT is accredited in accordance with ISO/IEC 17020 for the following Non-Destructive Testing (NDT) methods:

- Magnetic Particle Testing (MT)
- Liquid Penetrant Testing (PT)
- Ultrasonic Testing (UT)
- Concrete Structure Testing (CST)
- Radiographic Testing – Film (RT–F)
- Visual Testing (VT)

Between January and August 2025, NCNDT successfully conducted 127 NDT inspections across various sites nationwide, generating a total revenue of Rs. 29.3 million from inspection services.

ii. National Certification Body for Non-Destructive Testing, Sri Lanka (NCBNDT)

In addition to its inspection and training services, NCNDT also facilitates the operation of the National Certification Body for Non-Destructive Testing, Sri Lanka (NCBNDT). NCBNDT delivers reliable qualification and certification services for NDT personnel, ensuring customer satisfaction through strict adherence to the latest versions of ISO/IEC 17024 and ISO 9712 standards. This commitment underscores NCNDT's role in maintaining the highest levels of competence and professionalism within the NDT industry in Sri Lanka.

Between January and August 2025, a total of five (05) initial certifications were issued under the scopes of Magnetic Particle Testing (MT) and Ultrasonic Testing (UT). In addition,

three (03) re-certifications were granted in the areas of Radiographic Testing (RT), Magnetic Particle Testing (MT), and Ultrasonic Testing (UT). Accordingly, the total revenue generated from NDT personnel certification during this period amounted to Rs. 0.1 million.

Between January and August 2025, a total of three (03) original qualification examinations were conducted in accordance with ISO 9712:2021, under the Authorized Qualification Body (AQB) of NCBNDT, in the following methods:

NDT Method and Level	No of Candidates
Ultrasonic Testing-Level 1	19
Liquid Penetrant Testing-Level 2	11
Magnetic Particle Testing-Level 2	12
Generated income through the sample conveyor - Rs. 373,746.25	

In addition, three **(03) first re-examinations** were held in:

Magnetic Particle Testing – Level 2

Ultrasonic Testing – Level 1

Magnetic Particle Testing – Level 3

Furthermore, **one (01) second re-examination** was conducted for Magnetic Particle Testing – Level 2.

Total income received from re-examinations is **Rs. 0.1 million**.

iii. Welder Qualification Facility (WQF):

The Welder Qualification Facility (WQF) was established with the objective of developing internationally recognized welding professionals including Welding Technicians, Welding Supervisors, and Welding Inspectors to strengthen the welding community and elevate professional standards in Sri Lanka. Commercial operations of the WQF commenced in January 2021, focusing on providing Welder Performance Qualification

(WPQ) services for Sri Lankan welding community. Since its inception, the WQF at NCNDT, operating under SLAEB, has functioned as the leading government sector Gap-Filling and Examination Centre for WPQ

From January to August 2025:

1. American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code, Section IX Qualifications
 - Total Welders Qualified: 92
 - Plate 3G Flux Cored Arc Welding (Spray Transfer with Ceramic Backing): 87 welders
 - Pipe 6G Gas Tungsten Arc Welding (GTAW): 4 welders
 - Pipe 6G Shielded Metal Arc Welding (SMAW): 1 welder
2. National Vocational Qualifications (NVQ)
 - NVQ Level 4 Certified Welders: 23
 - Certified under National Competency Standard (NCS): D28S002 - Welder
 - In collaboration with the Tertiary and Vocational Education Commission (TVEC)

Total Income from Welder Qualification Facility (WQF): **Rs. 5.6 million**

Looking ahead, the WQF aims to expand its certification services in alignment with the ISO certification scheme, further enhancing the global recognition of Sri Lankan welders.

iv. Training Unit of NCNDT:

From January to August 2025, the Training Unit of NCNDT successfully conducted three NDT training courses with a total of 42 participants, and organized one NDT workshop attended by 18 participants.

Training Course/Workshop	No of Candidates
No of Candidates	19
Ultrasonic Testing-Level 1	19
NDT workshop for Asian Aviation Centre Students	18
Liquid Penetrant Testing-Level 2	11
Magnetic Particle Testing-Level 2	12

Total Income from the Training Unit of NCNDT is Rs. 3.3 million.

In addition to the above NDT services, Rs. 3.0 million revenues were received from the rent of the Sri Lanka Atomic Energy Regulatory Council (SLAERC).

Accordingly, the total income generated from all activities of NCNDT amounted to Rs. 41.4 million.

2.4 Radiation Protection, Safety and Nuclear Security Services

This service provides technical and scientific support for radiation protection and nuclear security to the country to meet regulatory requirements for the safety of the general public, radiation workers, and the environment from unwarranted exposure to ionization radiation. Personal monitoring services for the safety of radiation workers in health and industrial sectors and calibration services for radiation measuring instruments in the Secondary Standard Dosimetry Laboratory are obligatory services for the country. In terms of radiation protection and security of the radioactive sources in the country, awareness programmes are being conducted for radiation workers, security officials (Tri-Forces and Police) etc., regularly. In addition to that maintains the Central Disused Radioactive Sources Storage (CDRSS), the nation's sole authorized repository for disused radioactive sources.

Total income up to August 2025 -**Rs18.87 M**

Income Source	Total up to August (Rs.)
TLD Services	11,782,302
Calibration Services	2,870,134
Radiation Monitoring Services	699,176
Work Place Monitoring	40,978
Radiation Protection TC	583,787
Instruments Repair	231,000
Nuclear Security - TC	2,230,422
Disused Radioactive Source Mgt.	300,000
Awareness Programme	137,797
Total	18,875,595

2.5 International Cooperation Division - Technical Cooperation through International Atomic Energy Agency and other related international bodies and Nuclear Power Study and Planning Programme

International Cooperation Division (ICD) of Sri Lanka Atomic Energy Board (SLAEB) which is functioning as the National Liaison Office to the International Atomic Energy Agency (IAEA) is mainly responsible for coordination for activities with IAEA in order to obtain technical assistance under its Technical Cooperation (TC) Programme to develop nuclear science and technology which leads towards the socio economic development of the country and it also deals with IAEA Member States to initiate and implementation of bilateral activities.

The Division has been effectively carrying out SLAEB's role as the National Focal organization on behalf of Sri Lanka to the International Atomic Energy Agency in order to acquire the recognition of the International Atomic Energy Agency in conforming to its stipulations, as well as in securing substantial assistance received from the IAEA in the enhancement of nuclear technology related applications in the country.

This division also coordinates with other international organizations in order to obtain technical assistance in the field of nuclear technology.

- Regional Cooperative Agreement Regional Office (RCARO) for Asia & Pacific in Korea
- Japan Assisted Programmes such as, Ministry of Education Sports Culture Science and Technology (MEXT), Japan International Cooperation Agency (JICA) & Fukui International Human Resources Development Centre (FulHRD)
- Korean Government assisted programmes such as, Korean International Cooperation Agency (KOICA), Korea Atomic Energy Research Institute (KAERI), Korea Advanced Institute of Science & Technology (KAIST) & Korea Institute of Nuclear Safety (KINS)
- Abdus Salaam International Center for Theoretical Physics (ICTP), Trieste, Italy
- Russian State-owned Atomic Energy Cooperation (ROSATOM)

IAEA provides technical assistance to its member states under Technical Cooperation (TC) projects in the forms of fellowships, scientific visits, training, expert mission which are focused to develop human resources in nuclear field and the equipment required to perform the planned activities of projects and the International Cooperation Division is assigned planning, designing, implementation and evaluation of these project in order to obtain the maximum benefits to the country through IAEA TC.

Through the Regional Cooperation Assistance projects Sri Lankan scientists/ Engineers/ Technical Personnel received opportunities to attend various kinds of meetings, training, workshop etc. through online which were organized by IAEA.

Furthermore, Two (02) Fellowships, Two (02) Scientific Visits, Fourty Five (45) Training Courses, Twenty Eight (28) Workshops,

Twenty Three (23) Coordination/ Technical Meetings, Four (04) Conferences, Two (02) Expert (Resource Persons), Two (02) Inspections, One (01) Forum were received by scientists, engineers and researchers in related national institutes to participate in overseas and opportunities were also received by our scientists and technical personnel to participate in such events which were organized under regional and inter regional Technical Cooperation projects of IAEA. In addition, ten (10) Expert Missions and 04 review Missions (Follow-up impACT, Follow-up ORPAS, Follow-up INIR, Follow-up SEED) were arranged with assistance of IAEA during 2025. In addition, we arranged 03 fellowships in Department of Animal Sciences, University of Peradeniya under IAEA Technical Cooperation.

The Technical Cooperation Programmes of the International Atomic Energy Agency [IAEA] for Sri Lanka focuses on priority areas such as nuclear and radiation safety and security, food and agriculture, health and nutrition, water resources management, energy and industry, environmental monitoring, food safety, human health, and energy and industry, and human resources development for nuclear applications. There are six projects for the 2024-2025 programme cycle. For the 2026-2027 cycle, Sri Lanka has proposed 5 new projects in the areas of nuclear power infrastructure development, nuclear medicines, animal health, food safety, and radiation safety infrastructure development and final budget has to be approved by the IAEA Board of Governors during the IAEA GC 2025.

In addition, International Cooperation Division (ICD) coordinated with IAEA and assisted to conducted 04 follow-up review missions in Sri Lanka. ICD coordinated logistics arrangements and gratis visa (as landing endorsements letters to the all the IAEA/ external experts who attended those review missions to uplift the peaceful applications of

Nuclear Science and technology in Sri Lankan context. The 04 follow-up review missions in Sri Lanka as follows.

- **Impact 3 Review mission to Sri Lanka (Health Sector)** during 23 – 29 Mar 2025 carried out jointly by the IAEA, the World Health Organization (WHO) and the International Agency for Research on Cancer (IARC), with technical engagement from St. Jude Children's Research Hospital and the MD Anderson Cancer Center in the United States of America.
- **IAEA Occupational Radiation Protection Appraisal Service (ORPAS) mission** (Radiation Protection area) to Sri Lanka participated in an IAEA Occupational Radiation Protection Appraisal Service (ORPAS) mission in 2019 to review its radiation safety systems and has formally requested a follow-up mission in 2024 for end of 2025, following a preparatory meeting in 27 -30 January 2025.
- **Follow-up Site and External Events Design (SEED - FU) Review Service Mission in Sri Lanka during 29th June – 04th July 2025 (Nuclear Energy Sector)**
As per the IAEA Report, Sri Lanka has made considerable progress over the last year in collecting additional regional and site-specific data. The initial twenty-seven (27) potential sites have been reduced to five (05) candidate sites across four (04) regions. More site-specific data remains to be collected (e.g. geological and hydrogeological data, information on historical earthquakes, site-specific geophysical data, meteorological data, population and land use data, information

relevant to human-induced events, and perhaps most importantly, coastal flooding data) before a comparison and ranking of the five sites can be completed to arrive at a preferred site for a future Nuclear Installation.

- **(IAEA), Phase-I, Follow-up of Integrated Nuclear Infrastructure Review (INIR - FU) Mission for ongoing Nuclear Power Study and Planning Programme in Sri Lanka (Nuclear Energy Sector)**

The Phase 1 Follow-up INIR mission was conducted from 14 to 18 July 2025, Colombo, Sri Lanka. The INIR team was led by Mr John Haddad of the IAEA Nuclear Infrastructure Development Section (NIDS) and consisted of Ms. Fanny Tonos from the IAEA Department of Nuclear Energy and (02) international experts from Turkey and Bulgaria, who were recruited by the IAEA. Interviews were conducted over four (04) days as cooperative and open atmosphere with 57 participants representing 15 organizations involved in the nuclear power programme in Sri Lankan context.

2.6 Promotions Section

A total of 16 awareness programs were successfully conducted, including guest lectures, field visits, workshops, meetings, and television discussions. These initiatives reached 6,630 stakeholders, comprising schoolchildren, teachers, undergraduates, naval officers, and members of the business community, effectively raising awareness on relevant subjects.

Table 6.3
Details of Awareness Programmes conducted

No	Date	Event Name /Activity	Location	Number of Participants
1	30/01/2025	Awareness Programme for Undergraduates from University of Sri Jayawardenapura	SLGC	50
2	19/02/2025	Cyclotron Workshop for NMRA, SLAEB, SLAERC, and University of Colombo and Access Medical Tracers	Sri Lanka Foundation Institute	25
3	25/02/2025	AL Physics Seminar	Sangamitta Balika Viddyalaya - Galle	1850
4	12/03/2025	Awareness Programme for Kotmale Gamini Dissanayake M.V	SLAEB	38
5	22-25/05/2025	Senex 25 Educational Exhibition	D.S. Senanayake College - Meerigama	3500
6	27/05/2025	Awareness Programme for A/L Students	Sri Dharmaloka College - Kelaniya	323
7	09/06/2025	Practical Workshop on A/L Physics students	Physics One Institute - Matara	320
8	20/06/2025	Educational Field Visit on food irradiation by undergraduates of Wayamba University of SL	SLGC	56
9	24/06/2025	AL Physics Seminar	Anula Viddyalaya - Nugegoda	650
10	25/06/2025	AL Physics Seminar	Nalanda College- Colombo	280
11	02/07/2025	AL Physics Seminar	Holicross College - Gampaha	1530
12	03/07/2025	Awareness activity for the Nuclear Olympiad student	SLAEB	4
13	22/07/2025	Key note speech on Science day	Rahula College- Matara	1150
14	27/07/2025	Awareness on Gamma Irradiation on Dehydrated fruits and vegetable sector	Virtual via zoom	100
15	29/07/2025	Visit For SL Navy	SLAEB	30
16	19/08/2025	School Awareness Program with Practical session	Dhammissara National College - Naththandiya	160
17	21/08/2025	Awareness Programme for Sri Lanka Navy	SLAEB	26
18	27-28/08/2025	Innovation for Future Education Exhibition	BD/ Welimada Central College - Welimada	2500
19	31/08/2025	Awareness program for NMRA officers on Radiopharmaceutical manufacturing and GMP with IAEA expert assistance	National Medicine Regulatory Authority	38
Total number of stakeholders made aware				12630

The Sri Lanka Atomic Energy Board (SLAEB) also participated in two major exhibitions: the Innovation for Future Education Exhibition held at Central College, Welimada, and the Senex'25 Education Exhibition at D.S. Senanayake College, Mirigama. Approximately 6,000 schoolchildren and members of the general public visited the SLAEB stalls during these events.

In addition, 14 publicity materials were developed, including two e-magazines, brochures, posters, exhibits, and newspaper articles, to further support outreach efforts. Moreover, the awareness programs generated a total income of Rs. 166,664, contributing to the sustainability of these initiatives.

2.7 Establishment of Cyclotron based radiopharmaceutical production facility in Sri Lanka

A joint venture company, Access Medical Tracers (Pvt) Ltd., was established under the Companies Act of Sri Lanka to manage the cyclotron-based PET radiopharmaceutical production facility. The primary shareholder is Access International, holding 80% of the shares, while the Sri Lanka Atomic Energy Board (SLAEB) and the Ministry of Health (MOH) each hold 10%.

Construction work commenced in March 2025. As of 31st of August 2025, approximately 65% of civil construction has been completed, while 40% of mechanical, electrical, and plumbing (MEP) work is also complete. The cyclotron machine and other essential equipment have been ordered, and the required payments have been made. Installation of the cyclotron system is expected to be completed by December 2025. Recruitment of staff has already commenced to ensure operational readiness.

3. Research & Development achievements

As mandated by the Act, SLAEB engages in R&D work on Nuclear Science and Technology to uplift the current living status of the people, manage natural resources, protect the environment, Agriculture and food security, Radiation processing, Radiation protection etc. of the country while achieving national development objectives. The SLAEB consists of unique and specialized laboratory facilities and competent, qualified, and dedicated nuclear scientists to fulfill the technical requirements for the above-mentioned services and research activities through the IAEA technical cooperation programme.

3.1 R & D Projects – Life Sciences Division

- Assessing and Mitigating Agro-Contaminants to Improve Water Quality and Soil Productivity in Catchments Using Integrated Isotopic Approaches (RCA) (RAS 5091).
- K41023-IAEA Research Contract No. 26537- recommendations for environmental radiological assessment.
- Research on Microplastics in Drinking Water Bottles. Identify the microplastics in drinking water bottles, Sri Lanka. The project started in 2025, and 25% of the work has been completed
- Contributing to the global monitoring of marine plastic pollution under the IAEA NUTEC Plastic initiative (INT7021) study, health impact due to microplastics, and capacity building. The project started in 2025, and 25% of the work has been completed.
- Conducting the Research for Radioecology studies. Establish the radiochemical method for extracting and quantifying Alpha and Beta emitters, and explore the possibility of establishing an analytical service for Sr-90 analysis.
- 08 students (undergraduate, internship trainees, and post-graduate) completed

their industrial training or undergraduate research projects in the Life Sciences Division during this period under the supervision of our scientists during the period of January to August 2025

3.2 Projects, Programmes and Services under the Industrial Applications Division.

A. Isotope Hydrology Section

Water is a vital resource for human health, agriculture, and ecosystems, yet it is increasingly threatened by climate change, overuse, and pollution. Advanced tools, such as isotope and chemical analyses, provide detailed insights into water sources, movement, and quality, allowing scientific understanding of groundwater and surface water systems. Such information is essential for effective water management, enabling sustainable use, protection of vulnerable communities, and informed decision-making for long-term water security. Following research and development activities were carried out under the Isotope Hydrology programme of SLAEB as part of ongoing research and services.

- Groundwater Recharge & Quality Assessment in Malala Oya Basin, Hambantota
- Investigation of Artificial Recharge of Groundwater in Akiriyankumbura and Rajanganaya
- Assessment of Water Resources under the Knuckles Project of the Ministry of Irrigation
- Extension of Bottled Water Project
- Groundwater Study – Katunayake BOI Zone
- Investigation of the Recharge mechanism of Natural Springs in the Anuradhapura District
- Global Isotope Networks – GNIP & GNIR
- Analytical Services for Customers
- Awareness and Training

B. Radiation Processing Section

R&D activities continued using the application of radiation processing techniques:

- Reutilization and recycling of polymeric waste for the production of industrial goods to reduce plastic waste in the country.
- Development of hydrogel products for medical, agricultural, and industrial purposes.
- Monitoring the Marine Environment for Enhanced Understanding of the Abundance and Impact of Marine Plastic Pollution.

C. Isotope Ecology/Agriculture Water Management Programme

- Research on the topic “Assessment of Isotope Variation in the Soil–Plant–Atmosphere Continuum of a Hybrid Chilli Variety Grown in a Protected House Under Different Soil Moisture Levels” was carried out with completed sampling sessions.
- A setup for air moisture collection was fabricated at the SLAEB. In addition, several soil moisture gauges were developed with the support of an undergraduate student from the Department of Export Agriculture, Uva Wellassa University, who was engaged in research activities

D. Nuclear Science and Technology (NST) Education Programme:

In parallel with the ongoing national secondary curriculum reform, SLAEB drafted content to be incorporated into the Science subject, along with material for an additional optional module. The proposed content document was submitted to the National Institute of Education through the relevant ministries.

SLAEB also coordinated and supported Sri Lanka's participation in the Second

International Nuclear Science Olympiad (2025), in collaboration with the IAEA and the Institute of Physics (Figure 1.). Four students represented Sri Lanka at the Olympiad held in Malaysia in September 2025, where they achieved outstanding success by winning two silver medals and two bronze medals. The competitors were trained by SLAEB scientists in the laboratories. The Sri Lanka team comprised four students and two team leaders. The participation costs including logistics, airfare, and registration for three students and both team leaders were covered by the IAEA with the support of SLAEB.



Sri Lankan students shine at the 2025 Malaysia Second International Nuclear Science Olympiad, winning two silver and two bronze medals through their remarkable performance.

as a national sterilization and irradiation service provider while ensuring long-term sustainability and competitiveness.

- I. Initiation of R&D on Ceric–Cerous Dosimetry
 - II. Upgrading of Co-60 Source
 - III. Expansion of Customer Base
 - IV. Strengthening Microbiology Laboratory Capabilities
 - V. Revision of Pricing Structure
- Re-establishment of the Nuclear Energy Programme Implementing Organization (NEPIO)
 - Advancing the IAEA-assisted Follow-up Integrated Nuclear Infrastructure Review (FU-INIR) Mission's recommendations and suggestions.

4. Future Plans for the year 2026

- The Sri Lanka Gamma Centre (SLGC) has identified the following key programmes and strategic targets for the year 2026, with the objective of strengthening its role

1. Introduction

Lanka Coal Company (Pvt.) Ltd (LCC) is a fully government owned business undertaking. The Company was incorporated solely for the purpose of importing and supplying coal to the Lakvijaya Power Plant (LVPP) at Norochcholai, which operates under the Ceylon Electricity Board (CEB). Our Shareholders consist of the following;

- Ceylon Electricity - 60%
- Treasury Department - 20%
- Ceylon Shipping Corporation - 10%
- Sri Lanka Ports Authority - 10%

LCC is procuring 2.25 million tons of coal for the Norochcholai power plant for a season as an annual requirement of CEB. Due to the southwest monsoon season on the west coast, coal supply is limited to seven months from the month of September to the month of April next year. However, the power plant is operating throughout the year for a continuous supply of coal to the national grid. Therefore, Coal storage to use in the off-season is a must.

Due to the nature of procurement and operation of the coal supply has always been spread over two calendar years. Accordingly, the procurement and action plan has been derived and projected to meet the coal requirement. However, both of the schedules are highly dependent on the annual coal requirement, which is informed by the Power Plant Manager in June or July of each year.

Lanka Coal Company is also responsible for coal unloading/barge operation and coal insurance. Based on the cabinet decision, the coal unloading/barge operation is handled

by Ceylon Shipping Cooperation (CSC) for the season 2025-2026.

In addition, for coal inspection, there is a tri-party agreement among Lanka Coal Company, Ceylon Electricity Board and the Service Provider. The service provider will be selected by the International Competitive Bidding process.

2. Performance of LCC 2024-2025

We were able to secure of LVPP's coal requirements until the start of the next coal season on September 10, 2025, despite the difficult effort of managing supplies due to the country's existing several challenges.

Programmes for Season 2025- 2026

A. Coal Supply 2025-2026

- The CEB coal requirement of 2,320,000MT $\pm 10\%$ for the season 2025-2026 will be supplied by 40 shipments. A new Term Tender LCC/25/TT/1 was executed to procure 15 consignments under proposals, LCC/23/PROP/1 and remaining 25 consignments. 11 bidders submitted bids. Then the Line Ministry submitted to the Cabinet Paper and upon its approval 1,500,000.00 MT $\pm 10\%$ will be given to Term Tender.

Coal Supply Schedule for Season 2024-2025

Supply Method	Quantity MT $\pm 10\%$	No of Shipments
Proposal LCC/23/PROP/1	540,000	15
Term Tender LCC/25/TT/1	1,500,000	25
Lakvijaya Power Plant requested quantity for 2025-26	2,320,000	40

B. Coal Transportation Up to the LVPP Jetty (freight + Lightering + Insurance)

I. Freight from the port of loading to the Puttalam Anchorage

LCC has awarded all three contracts by a CFR basis which include the Cost of Coal and freight only and the Insurance will be covered by LCC for the season 2025-2026. Term Tender LCC/25/TT/1 pending for award.

II. Lightering/barge operation from mother vessel to barges and to the Jetty CEB

The contract of Lightering and barge operation which was awarded to Ceylon Shipping cooperation to two seasons 2021-22 and 2022/23 has been extended for the season 2024-2025 and 2025-2026. Further, CSC has obtained the Cabinet approval for the same.

III. Marine Insurance for Coal Transportation

The insurance coverage for the cargo will be done locally by calling a tender from the companies who are listed under the Insurance Regulatory Commission of Sri Lanka (IRCSL). The company namely Fairfirst Insurance Limited was awarded the insurance contract to prove the service for one season 2025/2026 by 40 shipments.

IV. The Independent Testing Agency for coal supply at discharge port.

A fresh tender has invited by CEB to select independent inspection service provider for the January 2025 to May 2026 and 2026-2027.

For Draft Surveying, Sampling and Analysis of coal at the discharging Port will be done by an independent coal inspection agency who have the fully accreditation. This is a tri-party agreement in between LCC, CEB and selected coal inspector. The contract period of the Cotecna Inspection awarded for the season 2025-2026 and 2026-2027.

C. Coal Payment Mechanism for Season 2025-2026

A particular method of payment has not been finalized for the season 2025 - 2026. The summary of the fund requirement is as follows;

Summary of fund requirement for season 2025-2026

Supply Method	No of shipments	Fund Requirement	
		USD million	LKR billion
Proposal LCC/23/PROP/1	15	93	28
LCC/25/TT/1	25	157	48
Total	40	250	76

Summary of the Payment Method for Season 2025-2026

Supply Method	Payment Terms
Proposal LCC/23/PROP/1/ for 38 shipments	Telegraphic Transfer (TT) Terms per MT. The Composite index price in to 0.926 multiplication factor (MF) will be the final price per shipment by CFR
Term Tender LCC/25/TT/1 for 25 Shipments	Letter of credit at sight 80% payment based on the load port certificate and balance payment based on the discharge port certificate.

1. Introduction

Sri Lanka Energies (Pvt) Ltd is a 100% Ceylon Electricity Board-owned company, registered under the Companies Act No. 7 of 2007, formed as authorized in the cabinet decision for memorandum no. 10/2906/516/001, dated 07.12.2012, submitted by the Minister of Power and Energy under the heading "Incorporation of a Company by the name of 'Sri Lanka Energy Private Limited' to accelerate the Electricity Generation through Renewable Energy Resources and to provide facilities. This company plays a vital role as CEB's accessory manufacturing arm, effectively representing the interests of the Government of Sri Lanka (GOSL) in the energy sector. Under its renewable energy generation portfolio, Sri Lanka Energies currently operates three mini hydro power plants, namely the Kumbalgamuwa Mini Hydro Power Plant, Daduruoya Mini Hydro Power Plant, and the Biomed Mini Hydro Power Plant. In addition, the company operates a meter enclosure manufacturing plant. The company also has a subsidiary, which is known as SLE HR, specializing in providing labour services to CEB. This subsidiary plays a crucial role in ensuring that the necessary workforce is available to support CEB's operations and maintenance activities.

As a renewable energy company, our major achievements and milestones are as follows.

I. Mini-Hydro Power-Plant Operation

- **Kumbalgamuwa Mini Hydro Power Plant (KMHPP)**

This project, which has been boosting the economy since 2016, uses the water that leaks from Samanalawewa Reservoir. The

Kumbalgamuwa Mini Hydro Power Plant, with a capacity of 1.2 MW, has been in operation contributing renewable energy to the national grid. As of 30th June, the plant has supplied 684.16 MWh of electricity, supporting the country's growing demand for clean and sustainable power.

- **Daduruoya Mini Hydro Power Plant (DMHPP)**

The Daduru Oya Mini Hydro Power Plant, with an installed capacity of 1.3 MW, was officially commissioned on 26th January 2025. In the year 2025, the plant has supplied approximately 594.38 MWh of renewable energy to the national grid, supporting Sri Lanka's growing electricity demand while promoting clean and sustainable power generation.

- **Biomed Mini Hydro Power Plant**

The Biomed Oya Mini Hydro Power Plant, with a capacity of 0.9 MW, supplied 60.5 MWh of electricity to the national grid in 2025. The plant was officially acquired by Sri Lanka Energies (Pvt) Ltd on 1st December 2025, further strengthening the company's renewable energy portfolio and contribution to sustainable power generation.

II. Meter Enclosure Manufacturing Plant

Sri Lanka Energies (Pvt) Ltd (SLE) established the Meter Enclosure Manufacturing Plant (MEMP) as a specialized facility to manufacture polycarbonate meter enclosures. The Galigamuwa Meter Enclosure Manufacturing Plant specializes in the production of domestic energy meter enclosures using high-quality polycarbonate material. As of June 2025, the plant has successfully manufactured a total of 98,600 units, contributing to the reliable supply of durable enclosures for the energy sector.

III. Man Power Services Division

The main objective of setting up this division by SLE is to provide suitable employees for the requirements of the Parent Entity (CEB) and its subsidiaries. Going deeper into this process, this service was started in 2015 and provides its contribution in the current context also in a considerable manner.

IV. Rooftop Solar Installation Service

The first commercial solar project is currently ongoing at the Kaduwela Municipal Council, where we are implementing a rooftop solar installation.

3. Future Plans for the year 2026

I. Seethawaka Mini Hydro Power Projects

With important benchmarks set for completion in 2025, Sri Lanka Energies (Pvt) Ltd is making great strides on the Seethawaka Mini Hydro Power Project. Getting clearance from the Central Environmental Authority (CEA) is the main goal in order to guarantee complete adherence to environmental laws and standards. The business then intends to complete the Standard Power Purchase Agreement (SPPA) with the appropriate authorities and secure the required energy permission to proceed with the project. Construction will start when these important agreements and permits are obtained, which will be a crucial step in making this sustainable energy project a reality.

II. Scrap Aluminium Recycling Project (SCALP)

Sri Lanka Energies (Pvt) Ltd, as part of its commitment to renewable energy and sustainable practices, is currently advancing its aluminium recycling project. Significant progress has already been made, with the procurement of the required machinery successfully completed. Construction work is now underway, marking a crucial phase in the project timeline. The final stage will be the commissioning of the project, which will

position the company to contribute further to environmental sustainability and resource conservation.



Figure 1 - Scrap Aluminium Recycling Plant



Figure 2 - Imported Machineries for the Plant_1

1. Introduction

LTL Holdings Limited (LTLH), formerly known as the “Lanka Transformers Limited” is a public private partnership between the Ceylon Electricity Board (CEB) and three other entities, the ownership of which rests with the employees of LTL Group, and West Coast Power (PVT) Limited (WCPL). Based on a current shareholding structure, which represents 35% to the CEB and 28% to the WCPL, whilst the balance 37% to two (02) companies representing the employees of LTL Group. The registered office of the Company is at 77 Park Street, Colombo 02. The Company had achieved robust, healthy and steady growth during its corporate journey over the past four and decades and thus has become a leading Power Sector Engineering Organization in Sri Lanka.

In early 1980, the Company commenced its business initially with the manufacturing of Power Distribution Transformers and thereafter, had diversified its business into Hot Dip Galvanizing, Power Generation, Electricity Infrastructure Development and manufacturing of switchgear & feeder pillars etc., thereby covering the entire value chain of the power sector Engineering works in Sri Lanka. A significant growth of the Company in areas of its business activities have been witnessed in the local and international markets over the last four & half decades, having harnessed the full potential of its professionally qualified and well knitted team of young engineers coupled with vast experience gained through innovative moder technology in the field of Power Sector engineering works with international exposure, under the able guidance and

directives of the Senior Management Team of the Company.

The Company had also been successful in investing in Power Plants and undertaking Engineering, Procurement and Construction (EPC) contracts and Civil Engineering infrastructure activities in Sri Lanka and Overseas, such as Bangladesh, Tanzania, Uganda, Kenya, Ethiopia, Ghana, Oman, India, Nepal, Jordan, Myanmar, Maldive Islands and Australia

LTL Holdings is the largest independent power producer (IPP) in Sri Lanka, providing over 660 MW of power to the national grid through its subsidiaries and associate companies. Lakdhanavi Limited, a subsidiary and Power Plants Operations Wing (PPOW) of LTL Holdings Limited, had successfully completed the contract awarded by the Ministry of Power and the CEB in the year 2021, through Sobadhanavi Limited its Special Purpose Vehicle (SPV) company established for the development of the First 350 MW LNG Operable Combined Cycle Power Plant on a BOOT basis. The commercial operations of the combined cycle operations of the Plant were successfully completed on 23rd June 2025, adding a total of 350 MW to National Grid of the CEB.

The Ministry of Power & Energy at that time and the CEB had awarded another contract to Lakdhanavi Limited, the PPOW and subsidiary of LTL Holdings Limited and the Letter of Intent (LOI) was issued on 12th December 2023 for the development of Second 350 MW RLNG/ Diesel operable Combined Cycle Power Plant at Kerawalapitiya on BOOT basis. Sahasdhanavi Limited has been established

as the Special Purpose Vehicle (SPV) in order to execute the project agreements and to proceed with the environmental, engineering, financial and other preliminary project development activities. The Power Purchase Agreement (PPA) and Land Lease Agreement (LLA) with the CEB has already been signed on 03rd April 2025. The other Project related agreements, such as Fuel Supply Agreement (FSA) with the Ceylon Petroleum Corporation (CPC), Implementation Agreement (IA) with the Government of Sri Lanka and Board of Investment (BOI) Agreement with BOI are being in the process for signature.

The Company continues to maintain its engineering excellence over the years for its extra ordinary performance including winning the prestigious Gold Award for best independent power producer (IPP) in the Asian Region, with others including:

- Asian Power Awards 2016 Power Utility of the Year – Sri Lanka
- Silver Winner of the National Institute of Occupational Safety and Health
- Asian Power Awards 2017 Innovative Power Technology of the Year – Sri Lanka
- Asian Power Awards 2017 Power Utility of the Year – Sri Lanka
- International Safety Award Merit 2017 (by British Safety Council)
- International Safety Award Winner 2018 (by British Safety Council)
- Asian Power Awards 2018 - Innovative Power Technology of The Year
- Asian Power Awards 2018 - Power Utility of the Year
- International Safety Award Merit 2019 (by British Safety Council)
- International Safety Awards 2021 Best in Country Award (by British Safety Council)



2. Challenges encountered and strategies adopted to address/overcome such challenges:

Construction of the Second 350MW Sahasdhanavi RLNG Combined Cycle Power Plant

- a) The Long-Term Generation Expansion Plan (LTGEP) published by the CEB and approved by the Public Utility Commission (PUCSL) consistently identified this Power Plant as essential for ensuring stability and technical security of the National power grid. Sahasdhanavi Power Plant, therefore, is considered as a critical national asset, designed to provide reliable, dispatchable, cost-effective electricity during peak demand and emergencies, strategically vital, fast-response, grid-stabilizing resource for the country.
- b) Having had extensive discussions with the CEB, Ministry of Energy, PUCSL and Attorney General, the requisite approval was obtained for levelized tariff and the Power Purchase Agreement (PPA) and Land Lease Agreement (LLA) were signed with the CEB on 03rd April 2025. The signing of the Implementation Agreement with Government of Sri Lanka, Fuel Supply Agreement with Ceylon Petroleum Corporation and Board of Investment Agreement with the Board of Investment (BOI) are being attended to at present.
- c) Consequent upon, the depleted macro-economic situation and credit rating of Sri Lanka, overseas financial and lending institutions have declined to provide project funding to Sri Lanka. The Company, therefore, exploring the possibility of seeking project funding arrangements from overseas and local equity partners and negotiations are being currently in progress. It is expected that Sahasdhanavi 350MW RLNG Combined Cycle Power

Plant will be brought into commercial operation during May/June 2028.

3. Progress of the Development of Projects and Key

Operations and Maintenance of Power Plants:

3.1 300MW Yugadanavi Combined Cycle Power Plant at Kerawalapitiya

Installation	Yugadanavi Power Plant, Kerawalapitiya, Sri Lanka
Total Plant Capacity	300 MW Combined Cycle HFO fired Power Plant
Engine Model	GT – Frame 9E, ST SC5
Alternator Type	GE 9A5
Configuration	2:2:1
Machine Output	100 MW each
Number of Machines	2 GTs & 1 ST
PPA Period	25 Years start from May 2010

The 15th contract year of the Yugadanavi 300MW Combined Cycle Power Plant was completed on 9th of May 2025 and achieved availability was 74.23%. The declared availability of 70% for the 15th contract year was reached on 15th of April 2025. The Energy sales from 01st January to 31st August 2025, is 423.68 GWh, having operated the plant during the period under review for 243 days. The annual availability target for the year 2025 has been based at 72%.

As of 31st August 2025, the power plant delivered 423.68 GWh of electricity to the national grid, reflecting an 8.88% reduction compared to the corresponding period of the previous year. The decrease was primarily due to higher renewable energy penetration, which resulted in lower dispatch requirements for the plant.

The scheduled outage for GT01 Hot Gas Path Inspection has been carried out on

21st of April to 05th May 2025. Scheduled inspections, calibrations and PMs of motors and instrumentation on GT01 and HRSG01 were conducted parallel to the outage along with various maintenance activities.

The certification of ISO 9001, ISO 14001 and ISO 45001 for O&M operation of Yugadanavi power plant has been renewed for Year 2025/2026.

3.2 Sobadhanavi 350MW RLNG Combined Cycle Power Plant at Kerawalapitiya

The Sobadhanavi 350 MW Combined Cycle Power Plant has successfully achieved full commissioning and is presently delivering its rated capacity to the National Grid of Sri

capacity of 312 MW. With the completion of the combined cycle phase of the project, Sobadhanavi now stands available as a major addition to the National Grid.

Installation	Sobadhanavi 350MW CCPP, Kerawalapitiya, Sri Lanka
Total Plant Capacity	350 MW Combined Cycle RLNG fired Power Plant
Engine Model	GT – SGT5-4000F, ST– SST5-3000
Alternator Type	GT – SGEN5-1200A, ST– SGEN5-1000A
Configuration	1:1:1
Machine Output	GT – 223.90 MW, ST – 114.81 MW
Number of Machines	1 GT & 1 ST
PPA Period	20 Years



Original Site – 2017 December



Present Site – 2025 July

Lanka. The project was executed in two key phases to ensure timely contribution to the nation’s growing electricity demand.

The First Phase, involving Open Cycle Commercial Operations, was initiated in August 2024, during which the plant supplied 212 MW of power to the National Grid of Sri Lanka.

The project work has now been fully completed. Subsequently, **the Combined Cycle Commercial Operations** were formally declared on the **23rd June 2025**, enabling the plant to reach its net dependable

The Sobadhanavi 350MW Combined Cycle Power Plant has been in commercial operation on Open Cycle mode from the 20th of August 2024 to 17th of January 2025. From 1st to 17th January 2025, plant availability was maintained 91.42%

The Combined Cycle Commercial Operation (COD) was declared on the 23rd of June 2025. From the day of declaration till 31st of August 2025, the achieved cumulative availability of the plant was 99.17%. The energy exports during this period were 1.18 GWh.

3.3. Raj Lanka Power Plant at Natore, Bangladesh (RLPP)



Installation	Raj Lanka Power Plant, Natore, Bangladesh
Total Plant Capacity	52.2 MW
Engine Model	W20V32
PPA Period	15 Years starts from January 2014

The Energy sales of RLPP for the year 2025 (January to August 2025) are 15.81 GWh with an average plant factor of 5.19% for the period and the achieved availability is 97.49%. The annual availability target for the year 2025 has been set at above 90%. This is the first Sri Lankan owned Thermal Power Plant outside Sri Lanka.

3.4 Lakdhanavi Bangla Power Plant, Comilla, Bangladesh (LBPP)



Installation	Lakdhanavi Bangla Power Plant, Comilla, Bangladesh
Total Plant Capacity	52.2 MW
Engine Model	W20V32
PPA Period	15 Years starts from December, 2014

Energy sales of Lakdhanavi Bangla Power Plant for the year 2025 for January to August 2025 are 91.791 GWh with an average plant factor of 30.80% for the period and the achieved availability is 95.84%. The annual availability target for the year 2025 has been set at above 90.00%.

3.5 Feni Lanka Power Plant, Feni, Bangladesh



Installation	Feni Lanka Power Plant, Feni, Bangladesh
Total Plant Capacity	114 MW
Engine Model	Six 18V50 and one W20V32
PPA Period	15 Years starts from November 2019

Energy sales of Feni Lanka Power Plant for the year 2025, January to August 2025, are 290.015 GWh with an average plant factor of 43.62% and achieved availability of 91.83%. The annual availability target for the year 2025 has been set at above 90%.

3.6 Pawandhanavi Wind Power Plant, Norochcholai



Installation	Pawandhanavi Wind Power Plant, Ilanthadiya, Norochcholle
Total Plant Capacity	9.8 MW
Turbine Model	G58
PPA Period	20 Years starts from September, 2012

The Energy sales of Pawandhanavi for the year 2025 up to 31st August is 14.02 GWh and the achieved Plant Factor is 25%. The annual availability target for the year 2025 has been set at 95%. This plant was subject to periodical maintenance service during the period under review.

3.7 Nividhu Mini hydro Power Plant at Belihul Oya



Installation	Nividhu Mini Hydro Plant, BelihulOya
Total Plant Capacity	2.2 MW
Turbine Type	Horizontal Turbo Impulse
PPA Period	15 Years starts from May, 2003 1st Extension granted was expired on 19.5.22 2nd Extension granted is valid till 31.12.2038

The Energy sales of Nividhu PP for the year 2025 up to 31st August is 7.65 GWh and the achieved Plant Factor is 58 %. The annual availability target for the year 2025 has been set at 95%. The PPA has been extended up to 31st December 2038.

3.8 Assupini Ella Mini hydro Power Plant



Installation	Assupiniella Mini Hydro Plant, Aranayake
Total Plant Capacity	4 MW
Turbine Type	Horizontal Pelton
PPA Period	15 Years starts from November, 2005 1st Extension granted is valid till 30/10/2025

The Energy of Assupiniella sales for the year 2025 up to 31st August is 7.76 GWh and the achieved Plant Factor is 33 %. The annual availability target for the year 2025 has been set at 95%. The PPA has been extended up to 30th October 2025.

3.9 10MW Makarigad Hydro Power (PVT) Ltd, Nepal

Location	Water Source, Makari Gad, a tributary of the Chemeliya River in Khandeswari and Gujar Village of Darchula District in Far Western Nepal
Total Plant Capacity	10 MW
Turbine Type	Horizontal 2 1 Jet Pelton
Hydrology	Rain & snow fed perennial stream

The Energy of Assupiniella sales for the year 2025 up to 31st August is 7.76 GWh and the achieved Plant Factor is 33 %. The annual availability target for the year 2025 has been set at 95%. The PPA has been extended up to 30th October 2025.

3.10 100MW Solar Power Park Facility at Siyambalanduwa

Rividhanavi (Private) Limited, the Special Purpose Vehicle (SPV) was established for the development of 100 MW solar Photovoltaic Park Facility at Siyambalanduwa and the 132kV Transmission Facility spanning across around 27 Kms, has made substantial progress. This Solar Power facility will be established in a land to the extent of 200 hectares in and around Siyambalanduwa.

Preliminary works for both the solar power plant and the transmission facility are underway and construction work for both the solar park and the transmission facility are actively in progress. The project has incurred an expenditure of Rs. 1,100 million as at 31st August 2025, financed equally by Lakdhanavi Limited and WindForce Limited, the shareholders of Rividhanvi.

The groundbreaking ceremony for the construction of the power plant was held on 6th September 2025 under the patronage of Hon. Anura Kumara Disanayake, President of the Democratic Socialist Republic of Sri Lanka and with the presence of Hon. Minister of Energy, Eng. Kumara Jayakody.



- Rividhanavi (Private) Limited has initiated with four CSR projects for the betterment of the people living in Siyambalanduwa area as below.

1. Water supply project aiming to provide safe and reliable drinking water to households in the three closest villages to the project site.
2. Rehabilitation of the existing tank bund located next to the project land to ensure structural safety and expand water storage
3. Expansion of training programs from NVQ Level 3 to NVQ Level 4, especially in areas such as electrical, mechanical, and solar PV technology.

4. Scholarship Program for Kotiyagala Schools (A/L Commerce & Science)

3.11 Manufacturing and Marketing of Transformers



Transformer Production Stages at the facility

a) The production recorded for the Period 01/01/2025 to 31/08/2025 is as follows:

		2025 (Jan to Aug.) Nos	2024 (Jan to Aug.) Nos	Variance (+)/(-)
a)	Transformers supplied to CEB/LECO	1,641	1,550	(+)91
b)	Transformers supplied Other Local customers	64	56	(+)08
c)	Transformers exported to other countries	398	207	(+)191
TOTAL		2,103	1,813	(+)290

b) Details of Sale Proceeds for the period January to August 2025

Buyers/Customers	No of Transformers	Total Sale Proceeds in Rs. Million
CEB/LECO	1,564	3,717.
Private Local Customers	60	650.
Exports revenue	437	588.
Total	2,061	4,955.

c) Production & Sales of Transformer Plant for 2025 (January to August)

With the expansion of solar rooftop supplies and the rising demand for electricity, the supply of distribution transformers to the CEB has increased by 91 Nos, reflecting a 5.55% growth compared to the same period under review in the previous years. Additionally,

the supply of distribution transformers to local clients has risen by 08 Nos. compared to the corresponding period last year. Furthermore, 398 Nos. have been exported, having received an award secured through international competitive bidding.

d) Improvement Programmes for 2026

Research & Development (R&D)

- **Develop Smart Transformer Substation (STS) for Battery Energy Storage Systems**
Currently, the STS enclosure is successfully constructed and the next step is an STS solution for BESS integration. The design will include RMU, transformers, converter set, and communication system to support grid flexibility and renewable penetration.

- **Develop PAD Mounted transformers for the USA market segment.**
With increasing tender opportunities, a dedicated R&D program will be launched to develop and optimize pad-mounted transformers. The objective is to gain design and manufacturing experience about PAD mount Transformers, meet IEEE/ANSI standards, and establish a competitive position in the U.S. market.

- **Develop Prototype Transformers with an amorphous 5 limb core.**
Many global manufacturers adopt 5-limb amorphous cores in place of oil-immersed transformers due to lower noise, improved efficiency, and easier assembly. A prototype development project will be carried out to study these advantages, enabling the company to participate more effectively in international tenders.

- **Develop a Distribution transformer with On Load Tap Changer (OLTC)**
With rising solar installations in Sri Lanka leading to network voltage fluctuations, an R&D program will develop distribution

transformers equipped with OLTC. These units will provide voltage stability and improved network reliability, aligning with the future grid requirements.

Process Improvements

- The implementation of the AFISOL system, integrated with SAP ERP, enables complete digitalization and real-time visualization of production flow operations. The integrated platform provides live dashboards for production progress, machine performance, operator efficiency, inventory movements, and quality compliance.
- Under the Lean implementation program, our next project will be Kanban-Based Inventory & Workflow Optimization in Transformer Manufacturing.
- Establish a unified JSA and combined HIRA process to ensure safe work practices and achieve our 2026 goal of Zero Loss Time Injuries and compliance violations.
- To obtain a NIOSH safety award or British Safety Council award.

People Improvements

- LTL Transformers will strengthen its talent pipeline through technical training, expanded trainee intake, retention initiatives, and workforce diversity, building on its Great Place to Work certification 2024-2025.
- Focus will also be on succession planning, leadership development, and advanced upskilling, positioning the workforce as regionally competitive and future ready.

Corporate Social Responsibility (CSR) & Community Impact — LTL Transformers

- **“1000 Books of Knowledge” – Education for All (SDG 4)**

Successfully carried out at Mahanagapura School, Hambantota, in July 2025, by donating 1,000 books collected from employees, refurbished computers, and book racks. The initiative bridged educational gaps, promoted digital learning, and fostered knowledge-sharing, while engaging employees in meaningful CSR participation.

Proposed Plans for 2025–26

- **“Clean Ocean” – Beach Cleanup (SDG 14)**

Planned for October 2025 as a coastal cleanup with employee volunteers to remove plastic waste and install plastic collectors. The project will promote marine conservation, community awareness, and reinforce LTL Transformers’ commitment to sustainability

- **Construction Projects**

a) Fire Hydrant Improvement

The fire hydrant network will be upgraded to meet required safety standards. This includes increasing pipe diameters and improving flow rates to ensure faster emergency response in the event of fire. The project will mitigate fire risks, ensure workplace safety compliance, and safeguard critical production assets.

b) Upgrading oil storage facilities to improve capacity

The existing oil storage facilities will be modernized to increase storage capacity, improve safety, and comply with environmental regulations. This includes modifications to pipelines, painting for corrosion protection, and structural improvements. The upgraded facility will

enhance reliability of operations and reduce potential hazards associated with oil handling and storage.

3.12 Galvanizing & Fabrication Plants at Sapugaskanda

LTL Galvanizers (Pvt) Ltd, established in 1999, is a subsidiary of LTL Holdings and Sri Lanka's leading provider of steel protection solutions. The company specializes in hot-dip galvanizing, thermal spray metallizing, duplex coating, and steel fabrication services, catering to both local and international markets. With modern CNC fabrication facilities and advanced galvanizing technology, LTL Galvanizers ensures long-term corrosion protection for critical infrastructure, power transmission, renewable energy, marine, and transport sector projects.

During January–August 2025, the company achieved significant progress under its development roadmap. Key initiatives included:

- Completion of the 100m Met Mast tower in Mannar – the tallest Met Mast in Sri Lanka, engineered and galvanized for long-lasting performance in harsh coastal conditions, strengthening the country's renewable energy development efforts.
- Strengthening the domestic project portfolio, successfully executing galvanizing and fabrication works for road development, power, and industrial clients, and becoming a registered supplier with the Urban Development Authority (UDA) and CIDA.
- Expanding technical knowledge-sharing through awareness sessions with key stakeholders such as CEB, RDA, SLPA, and private sector engineers, and conducting a CPD training programme IESL.



Galvanizing Plant at Sapugaskande

Production Details:

The production recorded for the Period 01/01/2025 to 31/08/2025 is as follows:

Production Output Galvanizing Plant (MT)		
Customer	2025 Jan-Aug	2024 Jan-Aug
CEB	774	1241
Export	0	0
Local	2830	3929
Total	3604	5170

Production Output Fabrication Plant		
Customer	2025 Jan-August	2024 Jan-August
CEB	150	243
Export	-	71
Local	266	423
Total	416	682

LTL Galvanizers (Pvt) Ltd Summary of 2025

- Periodic kettle changeovers and combustion system upgrades were carried out at the beginning of 2025 to ensure optimal performance, reduce downtime, and uphold high-quality standards in production.
- To mitigate the decline in business, the company decided to pursue turnkey tender projects. By August, the company had actively participated in twenty-five such tenders across various sectors, successfully securing the lowest bid in eight.

CSR & ESG Activities:

- *Thatu 2.0* (Southern Province, Aug 2025): Empowered 25 women entrepreneurs with financial literacy
- *Clean Water Project* (Polonnaruwa, May 2025): Donation of water filter to Bogaswewa Maha Vidyalyaya
- *Seeds of Hope* –සෙනෙහසේ සුවඳ (Galle, Aug 2025): Dry ration packs for 96 pregnant mothers
- Sponsorships for IESL New Year, Viharamahadevi Past Teachers' Association, CEB Welfare Society, and Poson cultural events.

Proposed Plans for 2025–26

Technology & Capacity Development

- Fabrication plant premises, Sapugaskanda From Q1 2026 onwards, with phased completion by end of 2026.
- Invest in advanced CNC fabrication machinery, galvanizing plant upgrades, and coating technology to increase production capacity, improve efficiency, and ensure international quality compliance.

Turnkey Service Expansion

- Nationwide infrastructure and energy sector projects. Continuous throughout 2025–26.
- Strengthen “one-stop solution” model by integrating design, fabrication, galvanizing, logistics, and installation services under a single project management framework.

3.13. Asiatic Electrical & Switchgear Pte. Ltd, New Delhi, India

Asiatic Electrical & Switchgear Pvt. Ltd: Performance Highlights and Strategic Plan

Asiatic Electrical & Switchgear (PTE) Ltd, a wholly owned subsidiary of **LTl Holdings (PVT) Ltd**, has demonstrated consistent growth during the reporting period. With a solid financial standing, Asiatic achieved a commendable **sales revenue of INR 1134.17 million** from January 2025 to August 2025 (**Export: INR 455.13 million; Local: INR 679.04 million**). The company also maintained a stable **Net Profit Before Tax (NPBT)**, showcasing sustained performance.

Notably, in the **2023/24 financial year**, Asiatic recorded its **highest-ever turnover of INR1.49 billion**, marking a historic milestone in its journey. Over the years, Asiatic has built a strong global presence, earning approvals from prominent utilities worldwide, including:

- **Middle East:** DEWA (Dubai), AADC/ADEWA (Abu Dhabi), MEW (Oman & Kuwait), EWA (Bahrain), Kahramaa (Qatar), PEC Yemen.
- **Africa:** Eskom (South Africa), KPLC (Kenya), REA- Uganda, EEU (Ethiopia).
- **Asia & Europe:** EAC (Cyprus), CEB (Sri Lanka)

Beyond approvals, Asiatic exports its products to multiple international markets such as the **UK, Uganda, Ghana, Nepal, Bangladesh**, and several others.

In India, Asiatic serves **all major electricity distribution companies**, including JVVNL (Jaipur), AVVNL (Ajmer), JdVVNL (Jodhpur), BEST (Mumbai), BSES (Delhi), TPDDL (Delhi), MPPVVC (Madhya Pradesh), BESCOM (Bangalore), KSEB (Kerala), PUVVNL Uttar Pradesh among others.

Additionally, the company caters to **government and private sector projects**, supplying medium-voltage (MV) panels through both local contractors and direct customers

Special Achievements

- **Lean Technology Implementation:** Introduced lean manufacturing practices focused on reducing inventories, minimizing wastage, and accelerating production speed. With these initiatives, Asiatic is now targeting delivery timelines of **7 days for standard MV panels** and **21 days for non-standard panels**. A specially designed manual conveyor has already reduced man-hours by **35%**, with plans to extend this innovation to LV lines. Over time, the company aims to transition to semi-automatic systems to further enhance production efficiency.
- **Customer Engagement Excellence:** For the first time, Asiatic hosted a **Customer Meet 2025 in Sri Lanka**, offering elite customers a unique experience that combined an excursion to scenic destinations with a visit to the **state-of-the-art facilities** of its sister companies. The event reinforced customer confidence in Asiatic's strong technical and financial backing. A special **award ceremony**, led by the CEO, recognized customers across multiple categories—fostering loyalty and strengthening long-term partnerships.
- **Foray into Renewable Energy:** Asiatic's **two Solar IPP projects in Rajasthan (8 MW combined capacity)** are nearing completion and are expected to be operational by the **end of September 2025**. This landmark initiative marks Asiatic's **entry into the renewable energy sector**, supporting ESG commitments and reducing carbon footprints. Despite initial financing challenges due to foreign ownership, the projects were successfully funded through equity infusion from **BIP-Singapore, LTL Transformers, LTL Galvanizers, and LTL Holdings**. With

this maiden project, Asiatic is well-positioned to become a **key player in the renewable energy domain**, with plans to progressively expand its installed capacity in the years ahead

- **During this period, Asiatic operations commenced at its newly leased plant at E-92, Bhiwadi.** The modern facility is equipped with **state-of-the-art fabrication machinery**, including a newly purchased **Laser machine**, along with existing **CNC Muroto & Amada machines**. It also houses **CNC copper fabrication machines** for precision cutting and punching of busbar links. A **new pretreatment & powder coating plant** is under installation and expected to be operational by **mid-September 2025**.

Other highlights

On **World Environment Day, 5th June 2025**, the Asiatic team participated in a tree plantation drive to promote environmental sustainability. The initiative emphasized the importance of tree planting in preserving ecological balance and underscored Asiatic's commitment to supporting the environment.

Proposed Plans for 2025–26

Asiatic is gearing up for the next phase of growth through a focused strategy built around expansion, innovation, and customer engagement. Key initiatives include:

- a) Product Portfolio Expansion
- b) Domestic Market Penetration
- c) Corporate Branding
- d) Capacity Expansion
- e) Global Market Expansion

3.1. Learning, Development and Other Activities

• Internship Placements

Internship placements have been offered to 88 undergraduates, mainly from Mechanical, Electrical, and IT fields, across the Sri Lankan business units.

• Cumulative Group L&D figures for the period of 1st Jan. 2025 to 31st Aug. 2025

Total Learning Hours	Total Investment (LKR)	Total No. of
6863.1	23,877,632.54	2786

• Career Fairs and related talent pipeline building activities

The LTL Holdings actively engages in Career Fairs to enhance the employer brand and to invest in talent pipeline building as its talent strategy.

• CSR Activities

The company has launched a programme named “දස දහසක් මී මිතුරු” (Dasa Dahasak Mee Thuru), an Eco System Enhancement project aligned with the “Clean Sri Lanka” initiative to plant 10,000 mee trees across various parts of Sri Lanka within 2025 -2027. Currently, 1700 trees have been planted in Monaragala district. (surroundings of Galapitaara Wewa, Monaragala)



- The Company hosted the Silver Plus Sponsorship for “Team FalconE,” a group of young engineers of the Faculty of Mechanical Engineering Department of Moratuwa University, for the purchase of materials and spare parts for the manufacturing of the 2nd generation car in order to participate in the IMechE Formula Student Competition held in the UK.
- The company, in collaboration with its subsidiary LTL Transformers (Pvt) Ltd and the Ceylon Electricity Board (CEB), has commenced the first phase of a landmark Corporate Social Responsibility (CSR) initiative to upgrade the electrical infrastructure of the National Hospital of Sri Lanka (NHSL). The project is designed to modernize and replace the hospital’s outdated electrical systems, with the primary objectives of Ensuring uninterrupted power supply for critical operations including surgeries, transplants, and intensive care units, Improving reliability of power distribution across the hospital, and Mitigating safety risks arising from obsolete equipment while preventing unexpected power disruptions.

4. Overall Financial Position of the Institution

Performance of LTL Holdings Group of Companies during the Financial Year including Financial Highlights from January to August 2025

The gross profit generated during the period January to August 2025 recorded an increase of 6% over the corresponding period same date last year. This trend is expected to increase further to around 20% at the end of the financial year with the full operation of the 350MW Sobadhanavi RLNG Power Plant, which commenced its commercial operation in June 2025. The depleted foreign exchange situation coupled with the restrictions enforced by the Central Bank of Sri Lanka on imports, has somewhat been relaxed, which facilitated the imports to a considerable extent to improve the performance of the group of companies.

Tabulated below is a summary of the Financial Performance on major operations of the company in comparison to the previous years are shown below:-

Period	01 Jan '25 to 31 August'25	Calen. Year Jan '24 to Dec.24	Calen. Year Jan '23 to Dec'23
Turn Over	(Rs. Million)	(Rs. Million)	(Rs. Million)
Manufacturing & Misc. Services	10,757	15,387	13,906
Power Generations	32,394	43,343	42,717
Total	43,151	58,730	56,623
Gross Profit			
Manufacturing & Misc. Services	2,360	4,152	4,678
Power Generations	8,562	14,184	14,552
Total	10,922	18,336	19,230

Dividend Income – January to August 2025

The Company received dividend income from its investments, earning much needed funds for the Company during the year under review, amounting to a sum of Rs. 5,715,600,909.00 as per the details tabulated below:

Dividend Income earned by LTL Holdings Group	
Names of Companies	Amount - Rs.
Lakdhanavi Limited	4,084,965,451
LTL Galvanizers (PVT) Ltd	1,000,000,000
Asiatic Electrical & Switchgear (P) Ltd	15,383,454
Pawandhanavi (Pvt) Ltd	25,500,007
LTL Transformers (PVT) Ltd	500,000,000
Nividhu (PVT) Ltd	89,751,997
Total	5,715,600,909

5. Programmes & Projects for 2026

(a)Expansion of Transformer Manufacturing Facility in Tanzania, Africa

LTL Transformers Tanzania has successfully dispatched the 1 Lot and 2 Lot of 124 transformers from their first-ever transformer order for 375 Transformers after the successful completion of two Factory Acceptance Tests (FATs) with the participation of the Rural Energy Agency (REA), which is the ultimate client and Tanzania Electric Supply Company Limited (TANESCO) officials. The next 137 transformers have been manufactured and are scheduled for FAT by the end of July 2025 and the remaining 114 units will be ready to be dispatched by the end of September 2025.

LTL Holdings is confident that the experience gained thus far, having been a strong & regular successful bidder for the tenders in the East African region, would open avenues to establish its presence in Africa. Therefore, the Company, in order to penetrate into high-level competition, intends to come up with a solid pricing strategy to harness the potential to win tenders, for which a low-cost transformer manufacturing is a must

**(b)Development of Power Plant Projects -
350MW RLNG – II Combined Cycle Power
Plant at Kerawalapitiya – Sahasdhnavi
Power Plant**

The other project related agreements, such as the Fuel Supply Agreement (FSA) with the Ceylon Petroleum Corporation (CPC), Implementation Agreement (IA) with the Government of Sri Lanka and Board of Investment (BOI) Agreement with BOI are being processed for signature.



Chapter 10

Ceylon Petroleum Corporation

1. Introduction

The Ceylon Petroleum Corporation was established under the Ceylon Petroleum Corporation Act, No. 28 of 1961, with the mandate to engage in the importation, exportation, refining, sale, supply, and distribution of petroleum products, and to perform all related functions as stipulated by the Act.

2. Progress of the tasks completed during the year 2025

The Ceylon Petroleum Corporation (CPC) meets the majority of the country's demand for petroleum products through imports and local supply. In addition to importing refined petroleum products, CPC also produces fuel domestically by refining imported crude oil at the Sapugaskanda Oil Refinery. Accordingly,

this chapter outlines the operational performance and progress of the Ceylon Petroleum Corporation during the year 2024.

2.1 Imports of the petroleum products of Ceylon Petroleum Corporation

The Ceylon Petroleum Corporation (CPC) is the primary importer of petroleum products in Sri Lanka, meeting approximately 52% of the total national demand through imports and distribution. In addition, since 1969, the Corporation has been the sole entity responsible for the import, refining and supply of crude oil domestically, and contributes to approximately 27% of the country's total petroleum requirements through domestic refining operations. Accordingly, the progress of petroleum product imports and supplies during the period 2022 to 30 September 2025 is presented in Table 10.1.

Table 10.1
Imports of Petroleum Products (2022 – 30. 09.2025)

Products	Quantity MT (000)			
	2022	2023	2024	30.09. 2025
1.Quantity of import of refined products				
• Auto Diesel	1,267	695	547	408
• Super Diesel	128	24	27	15
• Petrol 92 Octane	888	794	586	466
• Petrol 95 Octane	46	28	20	10
• Jet A 1	269	168	316	219
• Low Sulphur Fuel Oil (180 CST)	124	124	35	0
• Naptha	-	16	-	-
Total	2,723	1,849	1,531	1,118
2.Quantity of import of Crude Oil				
• Crude Oil	743	1,666	1,519	1,319
Total Quantity of import	3,466	3,515	3,050	2,437

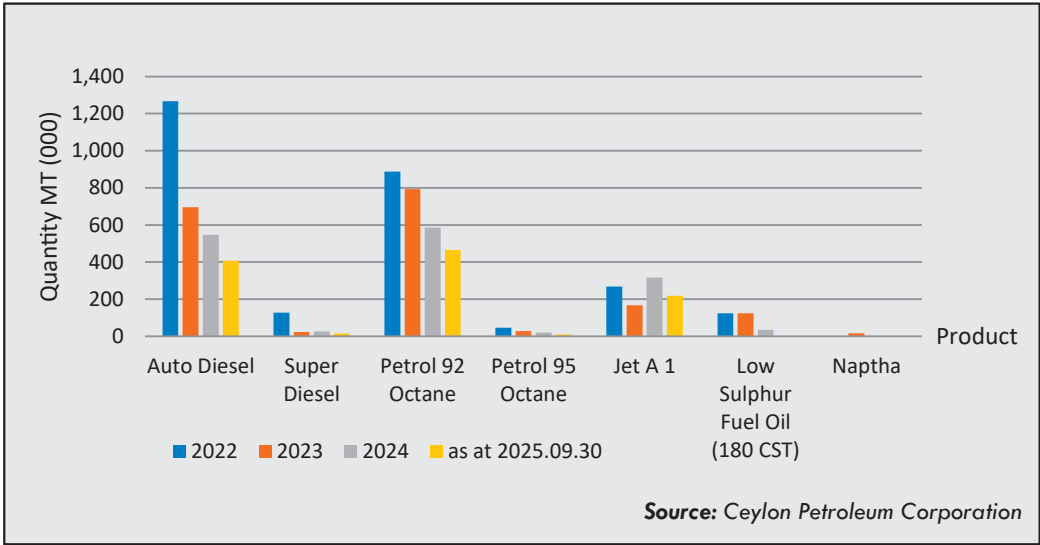
Source: Ceylon Petroleum Corporation

Considering the import volumes of refined petroleum products of the Ceylon Petroleum Corporation from the year 2022 to 30 September 2025, 2,723,000 metric tons, 1,849,000 metric tons and 1,531,000 metric tons were imported from 2022 to 2024 respectively, while the import volume of refined products up to 30 September 2025 was 1,118,000 metric tons.

per day and a maximum refining capacity of 1,934,500 metric tons per year. Up to 30 September 2025, 1,355,201 metric tons of crude oil have been refined, which is 70% of the maximum refining capacity.

Up to 30 September 2025, 1,287,215 metric tons of 08 petroleum products were produced through the refining process, which

Graph 10.1
Refined Petroleum Products Imports: 2022 - as at 30 September 2025
Ceylon Petroleum Corporation



Furthermore, considering the crude oil import volumes in previous years, 743,000 metric tons were imported in 2022, 1,666,000 metric tons in 2023, 1,519,000 metric tons in 2024, and 1,319,000 metric tons were imported up to September 30, 2025.

2.2 Contribution of Sapugaskanda refinery

Sapugaskanda Fuel Refinery has a refining capacity of about 5,300 metric tons of fuel

is close to 53% of the petroleum supply of the Ceylon Petroleum Corporation. Auto diesel, fuel oil, Jet A1, petrol 92 octane and kerosene are the main products produced by this refinery. The composition of petroleum products refined by the Sapugaskanda refinery is given below.

Table 10.2
Refinery Production (Mt) (2022 - 2025.09.30)

Year	2022	2023	2024	As of 30.09.2025
Quantity of Crude Oil Inputs	529,773	1,677,033	1,528,719	1,355,201
Product				
• Petrol 92 Octane	38,666	171,186	150,566	138,367
• Lanka Auto Diesel	128,165	505,675	443,933	384,312
• Kerosene	25,289	49,484	72,618	58,490
• Jet A 1	57,346	233,652	207,434	196,559
• Fuel Oil 800 Super	87,196	379,015	345,447	388,480
• Fuel Oil 1500 Super	107,001	103,111	-	-
• Fuel Oil 800 Bunkering	-	-	82,000	-
• Naptha	30,835	129,058	121,449	116,139
• SBP	2,690	1,524	1,267	515
• Bitumen	-	-	-	-
• LP Gas	5,687	23,800	20,815	20,654
Total Output	482,875	1,596,505	1,445,529	1,287,215

Source: Ceylon Petroleum Corporation

Table 10.3
Imported finished products and domestically refined products – up to 30th September 2025

Product	Quantity of Products Imported (MT)	Quantity of Refinery Production (MT)	Total (MT)
Petrol 92 Octane	465,751.15	138,367	604,118.15
Petrol 95 Octane	10,277.91	-	10,277.91
Lanka Auto Diesel	408,450.03	384,312.35	792,762.38
Lanka Super Diesel	15,098.09	-	15,098.09
Kerosene	-	58,490	58,490
Jet A 1	219,142.59	196,559	415,701.59
Fuel Oil 800 Super	-	388,480	388,480
Fuel Oil 800 Bunkering	-	-	-
Low Sulphur Fuel Oil (180 CST)	-	-	-
Naptha	-	116,139	116,139
SBP	-	515.00	515.00
LP Gas	-	20,654	20,654
Total	1,118,719.77	1,287,215	2, 422,236.12

Source: Ceylon Petroleum Corporation

2.3 The total sale of the petroleum products of Ceylon Petroleum Corporation

In line with the growing needs of the population, petroleum consumption has increased not only in the domestic and commercial sectors but also in the power generation, transportation, industry, fisheries and agricultural sections. Accordingly, in order to fulfill the existing demand for petroleum products, the Ceylon Petroleum Corporation engages in product sales through all the sectors.

Ceylon Petroleum Corporation has sold fifteen (15) types of petroleum products during the period up to 30 September 2025. Information on the total fuel sales of Ceylon Petroleum Corporation during the period 2023 - 2025.09.30 is given in Table 10.3 - A total fuel sales of 2,506,953 metric tons has been recorded up to 30 September 2025.

Table 10.4
Total Sales of Fuel (2023 – 30. 09. 2025)

Type of Product	Total Sale (MT)		
	2023	2024	As of 30.09.2025
Petrol 92 Octane	982,939.25	804,419	624,797
Petrol 95 Octane	29,042.01	20,893	18,509
Lanka Auto Diesel	1,257,303.75	1,025,160	770,631
Lanka Super Diesel	29,809.39	23,531	20,121
Lanka Kerosene	82,724.80	134,580	110,624
Lanka Industrial Kerosene	1,828.13	4,134	6,497
Lanka Chemical Naptha	120,093.96	101,541	88,618
Lanka Fuel Oil 800	12.51	6	-
Lanka Fuel Oil 1500 Sec.(High Sulphur)	168,800.54	116,652	75,348
Lanka Fuel Oil 1500 Sec.(Low Sulphur)	237,192.23	155,816	86,649
Lanka Fuel Oil Super	117,198.22	155,857	118,607
Jet A 1	377,456.72	468,158	374,699
Lanka Solvents (SBP)	1,362.94	1,161	751
LP Gas	23,877.74	19,676	19,918
Lanka AV Gas	120.67	132	108
Total	3,429,762.86	3,031,716	2,506,953

Source: Ceylon Petroleum Corporation

2.4 Sale of fuel for Power Generation

The Ceylon Petroleum Corporation acts (CPC) as the sole supplier of fuel for electricity generation and supplies fuel to the Ceylon Electricity Board and private electricity producers. The fuel sales for electricity generation from the year 2022 to 30 September 2025 are shown in Table 10.5. Accordingly, 402,730 liters of fuel were supplied for electricity generation up to 30th September 2025.

Rajapaksa International Airport (MAIA), Ratmalana Airport and Palaly Airport.

A total aviation fuel sales of 373,668 metric tons was recorded up to 30 September 2025, with an average daily demand of about 1,369 metric tons. Information on aviation fuel sales during the period 2022 – 30 September 2025 is presented in Table 10.6.

Table 10.5
Sales of fuel for Electricity Generation (2022 – 30. 09. 2025)

Year	Ceylon Electricity Board (Ltr '000')				Independent Power Producers (Ltr '000')			Total (Ltr '000')
	Lanka Auto Diesel	Naptha	Fuel Oil	Lanka Super Diesel	Lanka Auto Diesel	Fuel Oil	Lanka Super Diesel	
2022	86,769	46,781	181,103	12,147	115,205	123,369	5,678	571,051
2023	102,877	174,136	228,885	-	3,175	256,580	-	765,653
2024	44,647	147,251	206,467	-	16,609	164,335	-	579,309
2025.09.30	12,813	128,496	119,979		23,839	117,603	-	402,730

Source: Ceylon Petroleum Corporation

2.5 Sale of Aviation fuel (Jet A-1)

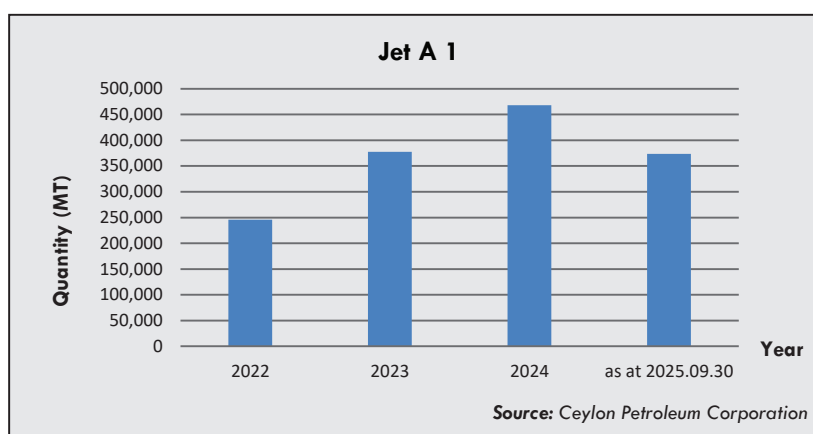
As the sole supplier of aviation fuel in Sri Lanka, Ceylon Petroleum Corporation has become a major player in the national economy. The aviation fuel division of Ceylon Petroleum Corporation provides its services to four airports namely Bandaranaike International Airport (BIA), Mattala

Table 10.6
Sales of Jet A 1 - (2022 – 30. 09. 2025)

Year	Quantity (MT)
2022	245,838
2023	377,608
2024	468,158
2025.09.30	373,668

Source: Ceylon Petroleum Corporation

Graph 10.2
Sales of Jet A 1 - (2022 – 30. 09. 2025)



2.6 Sale of lubricants

Lubricant industry is one of the most competitive and strategic business in the industrial field. Ceylon Petroleum Corporation sells its products under the brand name Ceypetco and their products are presented in accordance with international standards.

The lubricant sales volumes of Ceylon Petroleum Corporation from the year 2022 to 30 September 2025 are shown in Table 10.7. According to the data, there is a significant decline in the lubricant sector in the year 2022 and a gradual recovery of its business in the market from the year 2023.

Table 10.7
Lubricant Sales - (2022 - 2025.09.30)

Year	Quantity (KL)
2022	901
2023	1,310
2024	1,532
As at 30.09.2025	1,862

Source: Ceylon Petroleum Corporation

2.7 Agro-chemicals sales

Ceylon Petroleum Corporation has been engaged in the agrochemical business for more than five decades. Considering the progress of the agrochemical sector in the year 2025, several types of insecticides, herbicides have been introduced to the market and after a few years, several types of insecticides, herbicides and fungicides have been re-imported. Furthermore, a new application for agrochemical products and a QR code for agricultural product packaging have been introduced.

2.8 Progress of infrastructure development activities

• Establishment of electric vehicle Charging Facilities at filling stations

A study conducted by the Ceylon Petroleum Corporation (CPC) revealed a high demand for electric vehicle (EV) charging stations associated with fuel filling stations. Based on this study, CPC has planned to establish EV charging stations at strategically located fuel stations across the island. For 2025, a budget of LKR 100 million has been allocated for this initiative. The plan targets the construction of 10 EV charging stations, of which 7 stations have already been completed and are providing services to customers. These operational stations are located in Galle, Divulapitiya, Athulkotte, Kadawatha, Kalutara, Hikkaduwa, and Piliyagoda.



Establishing EV charging stations

- **Development of 24 Nos. tanks at Trincomalee upper Tank Farm.**

Following works have been completed as at 30.09.2025.

- Tank Mechanical Cleaning of phase – 1 (12 Tanks)
- Tank Mechanical Cleaning of phase – 2 (09 Tanks)
- Construction of fire water and waste water tanks (75%)
- Tank Repairing of TK 40 & 41 (75%)

- **Development & Upgrading of Aviation Refueling Terminal & the Existing Fuel Hydrant System and Installation of a Fuel Hydrant System - (BIA), Katunayake**

The total project cost is Rs. 7,970.691 million and the original project period was from January 2018 to July 2020 (30 months), later revised to January 2018 to November 2024 (82 months) . The cumulative expenditure as at 30.09.2025 stands at Rs. 7,207 million and the cumulative physical progress achieved by 30.09.2025 was 92%.

- Improvement of sanitation facilities at all fuel stations owned by Ceylon Petroleum Corporation under Clean Sri Lanka Programme

- The selection of the prospective contractor for oil and natural gas exploration activities is scheduled to take place in the first quarter of 2026, followed by the signing of the contract agreement. The project is expected to be completed within 30 months from the date of signing the agreement.

3. Future Plans for the year 2026

- Initiating the construction of Jet A-1 pipeline and tank project
- Initiating the second step of the first phase of the project on developing 24 tanks in Trincomalee
- Promoting Electric Vehicle Charging Centers at Island-wide Filling Stations
- Study and capacity building on alternative energy fuel technologies such as green hydrogen, green ammonia, biofuels, solar Power etc. that can replace fossil fuels to achieve net zero carbon goals in the future



Chapter 11

Ceylon Petroleum Storage Terminals Limited

1. Introduction

The Ceylon Petroleum Storage Terminals Limited is a company duly incorporated under the Companies Act, No. 17 of 1982, in terms of Section 2(1) of the Act on the Conversion of Public Corporations or State-Owned Enterprises into Public Companies Act, and has the right to own the common use facilities consisting of oil terminals, storage facilities, pipelines and fuel transport vehicles, etc., as more fully described in the Extraordinary Gazette No. 1310/8 dated 13.10.2003. The company is a subsidiary of the Petroleum Corporation Limited and 2/3 of its capital shares are held by the Ceylon Petroleum Corporation and the balance by the Lanka Indian Oil Company Limited.

The Ceylon Petroleum Storage Terminals Limited is responsible for the safe management and timely transportation of petroleum products throughout the country, ensuring uninterrupted energy supply to homes, transport networks, industries, airports and power generation facilities. It also performs the necessary functions by assuming its responsibilities as the central petroleum supply hub of Sri Lanka.

2. Progress of the tasks completed during the year 2025

The Ceylon Petroleum Storage Terminals Limited is engaged in the storage and distribution of petroleum products and plays a major role in ensuring a continuous supply of fuel while maintaining the high quality of the fuel. This chapter presents the progress of the fuel storage and distribution activities of the Ceylon Petroleum Storage Terminals Limited.

2.1 Storing Fuel

Ceylon Petroleum Storage Terminals Limited operates fuel storage facilities mainly at two main terminals at Kolonnawa and Muthurajawela. Accordingly, a fuel storage capacity of 471,043 metric tons is maintained in the country, with a fuel storage capacity of 265,305 metric tons at Kolonnawa Terminal and 208,738 metric tons at Muthurajawela Terminal. Accordingly, these two main terminals made an active contribution to fuel storage during the year 2025 and the total fuel storage capacity is given in Table 11.1.

Table 11.1
Kolonnawa and Muthurajawela Fuel Storage Information

Product	No. of tanks		Storage Capacity (MT)	
	Kolonnawa Terminal	Muthurajawela Terminal	Kolonnawa Terminal	Muthurajawela Terminal
Naptha	4	-	14,209	-
Petrol 95 Octane	3	-	18,249	-
Petrol 92 Octane	6	14	65,473	95,105
Kerosene	1	-	10,488	-
Jet A 1	5	-	44,703	-
Auto Diesel	5	15	44,896	113,633
Super Diesel	3	-	17,232	-
Fuel Oil	8	-	48,120	-
Solvents	1	-	342	-
Industrial Kerosene	1	-	1,593	-
Tanks in a repair state	3	-	-	-
Total	40	29	265,305	208,738

Source: Ceylon Petroleum Storage Terminal Limited

2.2 Fuel distribution

By the year 2025, four fuel supply companies will be engaged in fuel distribution activities and the Ceylon Petroleum Storage Terminals Limited will distribute fuel according to the fuel requirements of those companies. The fuel will be released to the fuel supply companies from the regional fuel depots including the two main terminals of the Ceylon Petroleum Storage Terminals Limited at Kolonnawa and Muthurajawela and the progress of fuel distribution to the fuel supply companies during the year 2025 is shown in Table 11.2.

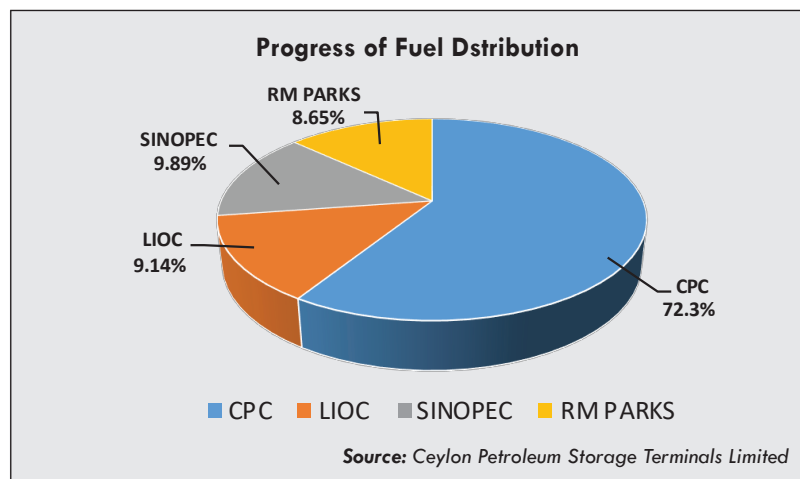
Accordingly, the total volume of deliveries reported in the year 2025 is 3,502,397 kiloliters, of which 2,532,372 kiloliters of Ceylon Petroleum Corporation fuel, 320,214 kiloliters of Lanka Indian Oil Company fuel, 346,512 kiloliters of Sinopec fuel and 303,299 kiloliters of R.M. Parks fuel. Accordingly, 72% of the total fuel deliveries of the Ceylon Petroleum Storage Terminals Limited are fuel owned by Ceylon Petroleum Corporation and the remaining 28% are fuel owned by Lanka Indian Oil Company, Sinopec and R.M. Parks (Pvt) Ltd.

Graph 11.2
Fuel Distribution Progress - As of 2025.09.30

Product	Quantity (KL)				
	CPC	LIOC	SINOPEC	R.M.PARKS	Total
Fuel Oil	385,960	-	-	-	385,960
Jet A-1	453,410	-	-	-	453,410
Lanka Auto Diesel	761,621	144,042	167,935	136,250	1,209,847
Lanka Super Diesel	23,784	5,023	6,580	6,857	42,244
Naptha	193,018	-	-	-	193,018
Petrol 92 Octane	690,258	160,226	166,189	153,665	1,170,339
Petrol 95 Octane	24,321	10,923	5,808	6,527	47,579
Total	2,532,372	320,214	346,512	303,299	3,502,397

Source: Ceylon Petroleum Storage Terminals Limited

Graph 11.1
Fuel Distribution Composition - 2025



2.3 Developing the facilities related to fuel distribution

Since the Ceylon Petroleum Storage Terminals Limited is responsible for maintaining fuel storage facilities and pipelines used for fuel transportation, it has been identified that these facilities need to be upgraded to ensure higher quality and standardization. Accordingly, several projects have been initiated to enhance and modernize the existing infrastructure to improve efficiency, safety, and reliability in fuel handling and distribution.

- **Construction of 06 new storage tanks to improve petroleum storage facilities at Kolonnawa**

The Ceylon Petroleum Storage Terminals Limited, which operates as a public facility provider for petroleum storage in Sri Lanka, commenced the construction of six (06) new fuel tanks to enhance fuel storage facilities at the Kolonnawa Terminal in September this year. The construction of these six tanks, which were planned to be constructed during the previous Covid pandemic, could not be implemented due to the crisis situation. However, the development work was resumed



Commencement of construction of new storage tanks under the patronage of His Excellency the President

this year and the project was inaugurated on 17th September under the patronage of the His Excellency the President. The construction of these 06 storage tanks is expected to be completed on 29th September 2027. The storage capacity of these 06 tanks is 64000 cubic meters. This will significantly increase the fuel storage capacity at the Kolonnawa Terminal. The estimated cost for this is Rs. 3374 million. This fund is being held by the Ceylon Petroleum Storage Terminals Limited (CPSTL). By September 30, the relevant contractor had entered the site and commenced the initial phase of tank construction.

- **Construction of an 18-inch diameter pipeline from Colombo Port to Kolonnawa Terminal**

The pipeline system which transports fuel from Colombo Port to Kolonnawa terminal is very old and dilapidated, and so it was planned to construct a pipeline with 18 inches diameter in order to make efficient the unloading of fuel. For that, the procurement activities were started with the approval of the Department

of National Planning and with the approval of Cabinet of Ministers. The estimated cost for this is Rs. 2853 million (without tax) and the expected project duration is 18 months.

- **Relocation of the existing LBD at KKS**

The regional fuel depot at Kankesanthurai is a strategically important depot for fuel distribution to the Northern Province. This depot was operated on land belonging to the cement factory and is currently not operational. This regional depot was re-established on land belonging to the Ceylon Petroleum Terminals Limited. The total installed capacity is about 540,000 liters. This project was completed on 8th May 2025 and the relevant operations commenced.

- **Construction of an 18-inch diameter pipeline from the Kolonnawa Fuel Storage Terminal to the Colombo Port Terminal Seram Gate in place of the existing 10-inch diameter pipeline.**

The procurement process for this project

has been completed and the evaluation of the bids has been completed. The report is scheduled to be submitted to the Cabinet Appointed Procurement Committee (CAPC) to select the relevant contractor.

- **Relocation of two (02) tanks numbered 30 and 31 located at the Kolonnawa Fuel Storage Terminal**

Approval has been received from the National Planning Department regarding this project and a Cabinet memorandum is scheduled to be submitted.

- **Development of fuel filling facilities in Zone No. 07 of the Kolonnawa Fuel Storage Terminal**

Rs. 500 million has been allocated for the year 2026. Approval has been received from the National Planning Department in this regard and approval from the Cabinet is expected to be obtained.

- **Installation of a 12-inch pipeline to replace the 10-inch pipeline transporting naphtha from the Kolonnawa Fuel Storage Terminal to the Kelanitissa Power Plant**

The approval of the National Planning Department has been received for this project and the approval of the Cabinet of Ministers is expected to be obtained.

Following the completion of a newly constructed auxiliary pipeline and supporting infrastructure, bunker fuel supply operations were officially commenced at the South Jetty of the Port of Colombo on 22 August 2025. This significant development marks a major step forward in expanding Sri Lanka's capabilities in the regional marine fuel trade.

2.6 Future Plans for the year 2026

1. Infrastructure and Capacity Expansion

- Continue the construction and operation of the Kolonnawa and Muthurajawela storage tanks to increase the overall storage capacity with the aim of improving fuel security.
- Improve pipeline infrastructure, including replacement and integrity assessments, to ensure safe and reliable fuel transfer.
- Improve the operational efficiency and capacity of bulk depots to meet demand across the country.

2. Operational Excellence and Safety

- Implement the Occupational Health, Safety and Environmental Management System: OHS* and obtain relevant certifications to reduce incidents and enhance emergency preparedness.
- Maintain zero critical incidents and strive to reduce lost time injuries and vehicle accidents through staff training and robust safety programs.

3. Technology and Innovation

- Upgraded the latest version of the software to improve system utilization, data integrity and operational efficiency, ensuring zero downtime.
- Expanded the integration of solar photovoltaic systems at multiple locations to reduce electricity consumption and operating costs.
- Implemented advanced testing technologies such as magnetic flux leakage (MFL) tools to protect asset integrity.

4. Human Resource Development

- Strengthened the workforce through revised human resource policies, succession planning, updated recruitment and promotion frameworks and continuous professional development programs.
- Improved employee performance management and training programs that align with organizational objectives.

5. Expanding services and revenue streams

- Explore the diversification of laboratory services and training programs as additional revenue sources.
- Develop fuel oil supply facilities to capitalize on emerging market opportunities and continue to expand storage capacity for the bunker business.

1. Introduction

The evolution of the Petroleum Resources Development Secretariat (PRDS) into the Petroleum Development Authority of Sri Lanka (PDASL) stands as a notable milestone, realized with the enactment of the new Petroleum Resources Act No: 21 of 2021 on 8th October 2021 by the Parliament of the Democratic Socialist Republic of Sri Lanka. In its newfound capacity as an independent government regulatory body, the PDASL assumes a crucial role in the regulation and management of all facets of oil and gas exploration, development, and production operations in Sri Lanka. The oil and gas exploration has been carrying out in three identified prospective offshore basins namely Mannar, Cauvery and Lanka since 1960s. In particular, the PDASL stands responsible for ensuring that both the exploration and exploitation of the petroleum resource are carried out using good oil field practices, while also adhering to good health, safety and environmental practices to protect lives and capital.

Objectives

- Increase upstream petroleum activities, encompassing both exploration and production, to stimulate growth and efficiency.
- Augment the volume of data and enhance the quality within the national petroleum data repository, ensuring a comprehensive and reliable information database.
- Establish a systematic framework to regularize upstream petroleum activities, promoting consistency, transparency and adherence to industry standards.
- Enhance national socio-economic benefits

across successive phases of petroleum operations, fostering positive impact on the economy at each stage of development.

- Implement proactive measures to prevent environmental pollution and mitigate Health, Safety, and Environmental (HSE) risks, associated with petroleum operations, prioritizing the well-being of both ecosystems and individuals involved in the process.

Main Functions of the Institution

The primary functions of the Petroleum Development Authority of Sri Lanka (PDASL) include designating exploration blocks, promoting these blocks to attract investors, issuing all necessary licenses and certificates in accordance with the Petroleum Resources Act, preparing draft regulations, issuing instructions and guidelines for petroleum operations, entering into relevant agreements and ensuring efficient and responsible regulation of an internationally competitive upstream sector in addition to performing all duties prescribed by the Act.

2. Project and operational performance in 2025

- Cabinet approval was granted on 07 May 2025 to conduct a licensing round for the exploration, development and production of oil and gas in four selected blocks in the Mannar Basin. The approval also included the procurement of a suitable marketing consultant to promote the licensing round, for which an invitation for proposals was advertised on 15 July 2025. The proposals received are scheduled to be opened on 09 September 2025.

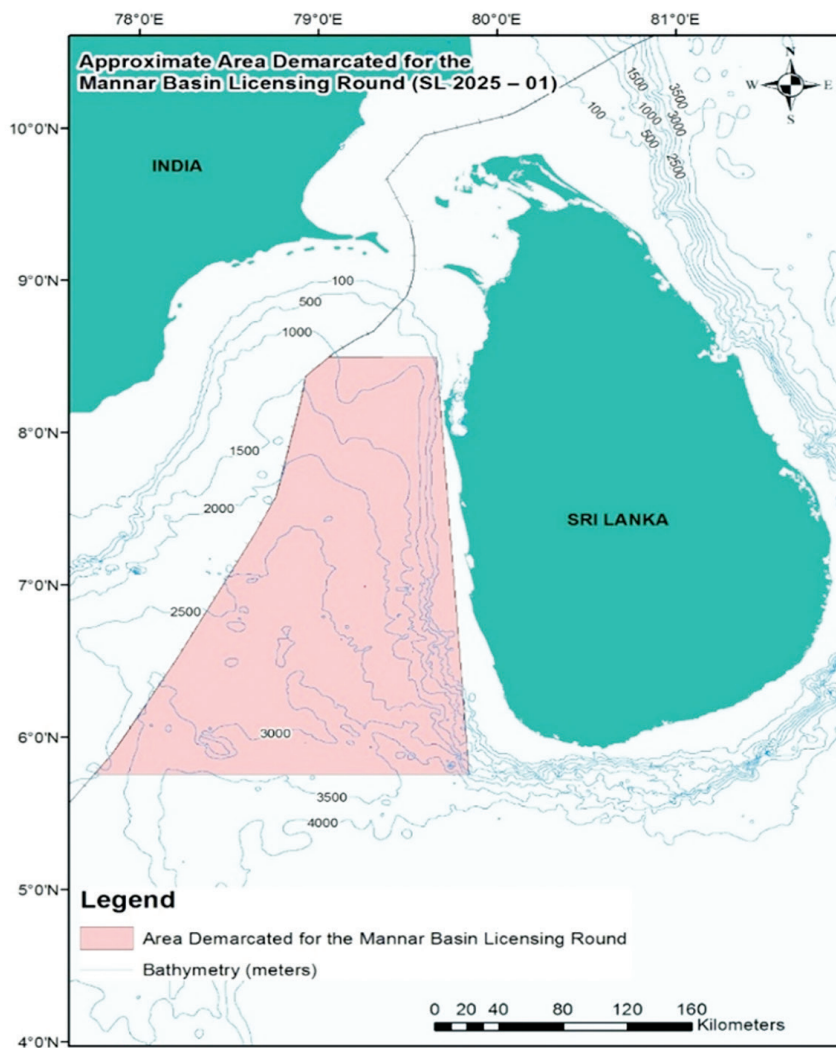
In parallel, the draft regulations for the Petroleum Resources Agreement (PRA) have been prepared and are being finalized in conjunction with the Legal Drafting Department.

- In preparation for the 2025 Mannar Basin licensing round, the updated Model Petroleum Resources Agreement, a key bidding document, was sent to the Attorney General's Department on 12 August 2025 for review and approval. The Petroleum Development Authority of Sri Lanka has informed the Ministry of Energy of the need to appoint a Cabinet-appointed Negotiation Committee

(CANC) and a Procurement Committee (PC) for the above licensing round.

- As a strategic move to minimize operational costs, the Petroleum Development Authority of Sri Lanka was relocated from its previous premises to the Ceylon Petroleum Corporation premises, thereby saving millions of rupees every month.
- Currently, the Petroleum Development Authority of Sri Lanka is focusing on preparing all the necessary documents for the upcoming licensing round (2025-01).

Map 12.1
Approximate area allocated for the 2025 Mannar Basin licensing round: 2025 - 01)



(Source: Petroleum Development Authority of Sri Lanka)

3. Future Plans for the year 2026

The licensing round is expected to proceed according to the following schedule:

- The marketing campaign will be completed and proposal evaluation will begin by June 2026.
- Negotiations for the terms of the Petroleum Resources Agreement with the selected investors are scheduled to be completed by August 2026.
- The ultimate goal is to award blocks and implement the PRA by November 2026.
- Exploration licenses will then be issued to operators, enabling them to commence exploration on the awarded blocks by December 2026.

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