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යටිතල පහසුකම් සහ උපාය මාර්ගික සංවර්ධනය පිළිබඳ ආංශික අධීක්ෂණ කාරක සභාවේ වාර්තාව

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යටිතල පහසුකම් සහ උපාය මාර්ගික සංවර්ධනය පිළිබඳ ආංශික අධීක්ෂණ කාරක සභාවේ සභාපති

ගරු එස්.එම් මරික්කාර් මහතා, පා.ම. විසිනි

2025 ජූලි මස 22 වැනි අඟහරුවාදා

உட்கட்டமைப்பு வசதிகள் மற்றும் மூலோபாய அபிவிருத்தி பற்றிய துறைசார்

மேற்பார்வைக் குழுவிற்கு ஆற்றுப்படுத்தப்பட்ட

இலங்கை மின்சாரம் (திருத்தச்) சட்டமூலம்

மீதான

உட்கட்டமைப்பு வசதிகள் மற்றும் மூலோபாய அபிவிருத்தி பற்றிய துறைசார்

மேற்பார்வைக் குழுவின்

அறிக்கை

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மேற்பார்வைக் குழுவின்

தவிசாளர்

கௌரவ எஸ்.எம்.மரிக்கார், பா.உ. அவர்களால்

பாராளுமன்றத்திற்குச் சமர்ப்பிக்கப்பட்டது.

2025 யூலை 22, செவ்வாய்க்கிழமை.

Report of the

Sectoral Oversight Committee on Infrastructure and Strategic Development

on

Sri Lanka Electricity (Amendment) Bill

referred to

Sectoral Oversight Committee on Infrastructure and Strategic Development

Presented to Parliament by

Hon. S.M. Marikkar, M.P.

Chair of the

Sectoral Oversight Committee on Infrastructure and Strategic Development

Tuesday, 22 July 2025

## **Report of the Committee**

The Sectoral Oversight Committee on Infrastructure and Strategic Development, considered the following Bill at its meetings held on 11, 15, and 17 July, 2025, in Parliament.

- **Sri Lanka Electricity (Amendment) Bill**  
(Presented to the Parliament on 23 May 2025 and referred to the Sectoral Oversight Committee on Infrastructure and Strategic Development)

### **11 July 2025**

#### **Committee Members**

Hon. S.M. Marikkar, M.P. (Chair)  
Hon. Ajith P. Perera, M.P.  
Hon. Manjula Suraweera Arachchi, M.P.  
Hon. Ravindra Bandara, M.P.  
Hon. Shantha Pathma Kumara Subasingha, M.P.  
Hon. (Mrs.) Geetha Herath, M.P., Attorney at Law

#### **Non.Committee Members**

Hon. Kabir Hashim, M.P.  
Hon. Thanura Dissanayake, M.P.

#### **Secretary to the Committee**

Mrs. Chula Herath, Assistant Director (Administration)

#### **Officials**

##### **Ministry of Energy**

Mr. K.L.R.C. Wijayasinghe, Additional Secretary (Power & Power Sector Reforms)  
Eng. Pubudu Niroshan Hedigallage, Director General, Power Sector Reforms Secretariat  
Mr. Indra Mahakalandha, Member, Power Sector Reforms Secretariat

##### **Ceylon Electricity Board**

(Prof.) Saliya Jayasekara, Vice Chairman  
Eng. W. Edussuriya, Actg. General Manager  
Eng. (Mrs) H.R.P. Wanniarachchi, Additional General Manager (Distribution Division 2)  
Eng. (Mrs.) R.K.P.S. Gunatilake, Additional General Manager (Corporate Strategy)  
Eng. M.M. Aliyar, Deputy General Manager (Power Sector Reform and Liaison Office)

##### **Sri Lanka Sustainable Energy Authority**

Prof. T.M.W.J. Bandara, Chairman  
Mr. Chamila Jayasekara, Director (R&D)

##### **Lanka Electricity Company (PVT) Ltd**

Mr. G.J. Aluthge, Chairman  
Dr.P.S.N. de Silva, General Manager  
Mr.S.D.C. Gunawardena, Additional General Manager (Operations)  
Mr. Madhura Gamage, Additional General Manager (Engineering)

##### **Public Utilities Commission of Sri Lanka**

Mr. Damitha Kumarasinghe, Director General  
Mr. Kanchana Siriwardena, Deputy Director General  
Mr. Yasantha Rathuwithana, Director Consumer Licensing

Mr. Amila Rajapaksha, Deputy Director Licensing

**Legal Draftsman's Department**

Ms. R.P. Kodithuwakku, Assistant Legal Draftsman

Mrs. R.C. Mihirani, Assistant Legal Draftsman

**The Institution of Engineers, Sri Lanka**

Eng. (Prof.) W.D. Asanka S. Rodrigo

Eng. N.R. Jayasinghe

Eng. B.N.I.F.A. Wickramasuriya

**Attorney General's Department**

Ms. V.S.P. Siriwardena, P.C., Additional Solicitor General

Ms. Ishara Madarasinghe, State Counsel

**Ceylon Chamber of Commerce**

Mr. Riyaz M. Sangani, Co-Chair-Energy Committee

Mr. Shiran Fernando, Chief Economic Policy Advisor

**National Chamber of Commerce**

Dr. Lakmal Fernando, MD/CEO-Regan Renewables PVT LTD

L.P. Jayasinghe, MD-Geotech PVT LTD

**CEB Engineer's Union**

Eng. T.A. Wanniarachchi

Eng. Isuru Kasthurirathne

**Federation of Renewable Energy Developers**

Mr. G.G.S. Gomes, Representative

**Rooftop Solar Developers Association**

Mr. H.S.P. Pathiraja, President

Mr. T. Thriyambagan, Treasure

Mr. D.N. Goonawardena

**Consultant**

Nihal Ranjan Sooriyarachchi, Engineer

**15 July 2025**

**Committee Members**

Hon. S.M. Marikkar, M.P. (Chair)

Hon. Ajith P. Perera, M.P.

Hon. Nalin Bandara Jayamaha, M.P.

Hon. Ravindra Bandara, M.P.

Hon. Asitha Niroshana Egoda Vithana, M.P.

Hon. (Mrs.) Geetha Herath, M.P., Attorney at Law

**Non.Committee Members**

Hon. Kabir Hashim, M.P.

**Secretary to the Committee**

Mrs. Chula Herath, Assistant Director (Administration)

## **Officials**

### **Ministry of Energy**

Prof. K.T.M. Udayanga Hemapala, Secretary, Ministry of Energy

Mr. K.L.R.C. Wijayasinghe, Additional Secretary (Power & Power Sector Reforms)

Eng. Pubudu Niroshan Hedigallage, Director General, Power Sector Reforms Secretariat

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Mrs. R.C. Mihirani, Assistant Legal Draftsman

### **Attorney General's Department**

Ms. V.S.P. Siriwardena, P.C., Additional Solicitor General

Mr. Medaka Fernando, State Counsel

### **CEB Engineer's Union**

Eng. Isuru Kasthurirathne

### **LTL Holdings (Pvt) Limited**

Mr. Dammika Nanayakkara, Deputy Chief Executive Officer

Mr. Sudath Annasiwatta, Chief Operations Officer

Ms. Surindi Wijethunga, Electrical Engineer

### **Consultant**

Nihal Ranjan Sooriyarachchi, Engineer (Freelance)

## **17 July 2025**

### **Committee Members**

Hon. S.M. Marikkar, M.P. (Chair)

Hon. Ajith P. Perera, M.P.

Hon. Nalin Bandara Jayamaha, M.P.

Hon. Manjula Suraweera Arachchi, M.P.  
Hon. Asitha Niroshana Egoda Vithana, M.P.  
Hon. Shantha Pathma Kumara Subasingha, M.P.

### **Non.Committee Members**

Hon. (Dr.) Harsha De Silva , M.P.

### **Secretary to the Committee**

Mrs. Chula Herath, Assistant Director (Administration)

### **Officials**

#### **Ministry of Energy**

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#### **Attorney General's Department**

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Mr. Medaka Fernando, State Counsel

#### **Consultant**

Nihal Ranjan Sooriyarachchi, Engineer

### **Introduction**

The Sri Lanka Electricity Act No. 36 of 2024 is an Act to provide for the implementation of reforms to the Electricity Industry; to provide for the establishment of the National Electricity Advisory Council; to provide for the Public Utilities Commission of Sri Lanka, Established under the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002 to be the regulator for the Electricity Industry in terms of this Act; to provide legislative measures applicable to the incorporation of corporate entities under the Companies Act, No. 07 of 2007 in whom all activities connected to the generation, transmission, distribution, trade, supply and procurement of electricity shall vest; to specify the

processes to be applicable to all related activities; to repeal the Ceylon Electricity Board Act, No. 20 of 2009 and to provide for all matters connected therewith or incidental thereto.

The main purpose of presenting this Bill is to amend the long title of the Sri Lanka Electricity Act No. 36 of 2024 and to make changes under 20 sections of the principal Act, ensuring that the objectives contained in that Act are consistent with Sri Lanka's national policy and its international commitments.

The proposed Electricity Bill and its amendments have been the subject of extensive discussions, revealing various perspectives and concerns as follows:-

### **Public Utilities Commission of Sri Lanka (PUCSL)**

PUCSL emphasized that the current draft significantly weakens consumer rights by omitting explicit provisions found in previous Acts, such as those related to consumer rights and the comprehensive Supplier Service Code. They also noted that the removal of exemptions that previously allowed private entities, like large apartment complexes and EV charging stations, to distribute electricity internally, which could now render such activities illegal and impact thousands of consumers. PUCSL also advocates for the reintroduction of provisions for land acquisition and compensation related to power lines.

PUCSL vehemently objected to the proposed requirement for them to consult the Ministry of Finance, Planning & Economic Development for tariff setting, asserting that such a move undermines their 100% independence and subjects a technical process to political interference. They also proposed broadening PUCSL's mandate to regulate other utilities like water and oil.

PUCSL view the amendments as a "rebundling" rather than true "unbundling" of the Ceylon Electricity Board (CEB) entities, which they believe reverses the original intent of promoting competition and private sector participation. A specific concern is the proposed placement of LTL Holdings under the National Network Service Provider (NTSP), given that NTSP is explicitly prohibited from engaging in power generation, raising significant conflicts of interest.

### **Ceylon Electricity Board (CEB)**

The CEB's perspective, as a state-owned entity, aligns with the government's policy decision for 100% state ownership of the transmission company (Transco). This approach is defended as government policy, with the expectation that funding for the projected 5 billion USD transmission network expansion over eight years will largely come from development agencies like ADB and JICA.

On the technical side, the CEB advocated for "security constrained economic dispatch" over the "least cost technical feasibility principle" for electricity dispatch. They argue that while "least cost" focuses solely on cost minimization, "economic dispatch" encompasses broader factors such as network stability, reliability, and security of supply, and is better suited for a market model that aims for benefit maximization rather than just cost minimization.

### **Lanka Electricity Company**

Lanka Electricity Company consistently emphasized the critical importance of preserving its independence and high operational efficiency within the proposed Electricity Act amendments. Lanka Electricity Company currently operates as a separate and effective distribution company, and its representatives voice concerned that the "rebundling" of its functions and shares under a larger, consolidated Distribution Company (Disco) could erode its autonomy and service quality. They highlighted that Lanka Electricity Company's proven efficiency surpasses that of the CEB largely due to its independence.

### **Ceylon Electricity Board Engineer's Union**

There is no any clear provision to ensure the return of the Transmission Line Corridors (not the assets) to the Government of Sri Lanka, after a specified period.

## **The Ceylon Chamber of Commerce, The National Chamber of Commerce, Federation of Renewable Energy Developers**

The proposed structure effectively shifts the sector from a single monopoly to a concentrated oligopoly. The allocation of generation and distribution subsidiaries alongside entities such as LTL under a single transmission entity significantly compromises the independence, focus, and accountability that unbundling was intended to achieve. Instead of progressing towards genuine structural reform, this proposal risks institutionalizing a more complex, less transparent version of the current system.

## **The Institution of Engineer's Sri Lanka – IESL**

The replacement of the National Electricity Advisory Council (NEAC) with a Minister Appointed Committee lacks institutional independence and multi-stakeholder representation.

The proposed requirement for PUCSL to consult the Ministry of Finance on tariff matters risks political interference in core regulatory functions.

## **Rooftop Solar Developers Association**

Introducing the concept of “Security Constrained Economic Dispatch” instead of Least Cost Technical Feasibility Principle can affect negatively for the consumer when imposing Tariff.

After consideration, the Committee recommended following amendments to be included in the Bill at the Committee Stage after getting the opinion of the Attorney General in this regard and Cabinet approval.

### **1. Amendment to Section 10. (2) (a): Responsibilities of the National System Operator**

One of the objectives stated in the paragraph (a) of section 2 of the Principal Enactment has been changed to ensure a continuous and reliable electricity supply. This amendment assigns the responsibility of ensuring continuous and reliable electricity supply to the National System Operator.

### **2. Amendment to Section 14. (2): Additional Transmission Licensee**

This amendment specifies the period of ownership of Transmission Assets built by an Additional Transmission Licensee.

### **3. Amendment to Section 18. (3) (e) (ii): Pension Fund Obligations**

This amendment assigns the Pension Fund obligations of the employees of the Ceylon Electricity Board to the company referred to in item (h) (ii) of Schedule I of the Principal Enactment.

### **4. Amendment to the Clause 20 and Schedule I: Structure of the Electricity Industry**

Shares owned by Ceylon Electricity Board (CEB) in LTL Holdings Limited (LTLH) and Sri Lanka Energies (Pvt) Limited (SLE), 35% and 100% respectively, to be transferred to NTNSP according to the Amendment Bill. Several stakeholders requested to transfer these shares directly to the Treasury or to the Generation Company referred to in item (a) of Schedule I of the Principal Enactment.

There are six (6) successive companies to be incorporated according to the preliminary transfer plan, namely; Generation Company referred to in item (a), NTNSP referred to in item (e), NSO referred to in item (f), Distribution Company referred to in item (g), one company to take over the functions of CEB other than those entrusted in above (a), (e), (f) and (g) referred to in item (h) (i), and one company to take over the functions of the Provident Fund and Pension Fund referred to in item (h) (ii) of Schedule I of the Principal Enactment.

Transferring CEB shares in LTLH and SLE to either the Generation Company or Distribution Company will create a large monopoly in Electricity Markets. And transferring to NSO will create a conflict of interest. The company referred to in item (h) (ii) is limited to Fund Management.

Thus, the only feasible options are to transfer to either NTNSP or the company referred to in item (h) (i). The Ministry of Energy considered in the Amendment Bill to keep LTLH and SLE as assets to NTNSP as its subsidiary companies. It will create other income to NTNSP for its Transmission Network Development.

However, this amendment is to transfer shares owned by CEB in LTLH and SLE to the company referred to in item (h) (i) considering request of the SOC and LTLH Management.

**5. Amendment to the Clause 13: The Board of Directors of the company referred to in item (h) (i) of Schedule I**

This amendment specifies the qualification criteria of the members of the Board of Directors of the company referred to in item (h) (i).

**6. Amendment to the Clause 13: Appointment of Directors for the Successive Companies**

This amendment is to avoid conflict of interests of the directors in successive companies.

**7. Amendment to Section 18. (2) (b): Final Transfer Plan**

This amendment is to reduce the preparation time of the final transfer plan by one year.

**8. Amendment to Section 28. (1): Statutory Exception**

This amendment is to facilitate the statutory exception required for supply of electricity to special purposes such as condominiums.

**9. Amendments to the Schedule II and Schedule III**

This amendment is to replace the Schedule II and Schedule III of the Principal Enactment with the respective amendments made to the Sri Lanka Electricity Act No. 20 of 2009 by the Sri Lanka Electricity (Amendment) Act No. 31 of 2013 to rectify the errors in drafting the Principal Enactment.

**Decision of the Committee**

After deliberation, the Committee agreed to the Sri Lanka Electricity (Amendment) Bill and decided that the Report of the Committee thereon be presented to Parliament by the Hon. S.M. Marikkar, M.P, Chair of the Committee, on Tuesday, 22 July 2025.