

Annual Report 2015

**Sri Lanka Sustainable Energy Authority
Ministry of Power & renewable Energy**

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Corporate Information

Name of the Authority

Sri Lanka Sustainable Energy Authority

Legal States

Established by the Sri Lanka Sustainable Energy Authority Act, No 35 of 2007

Board of Management Year 2015

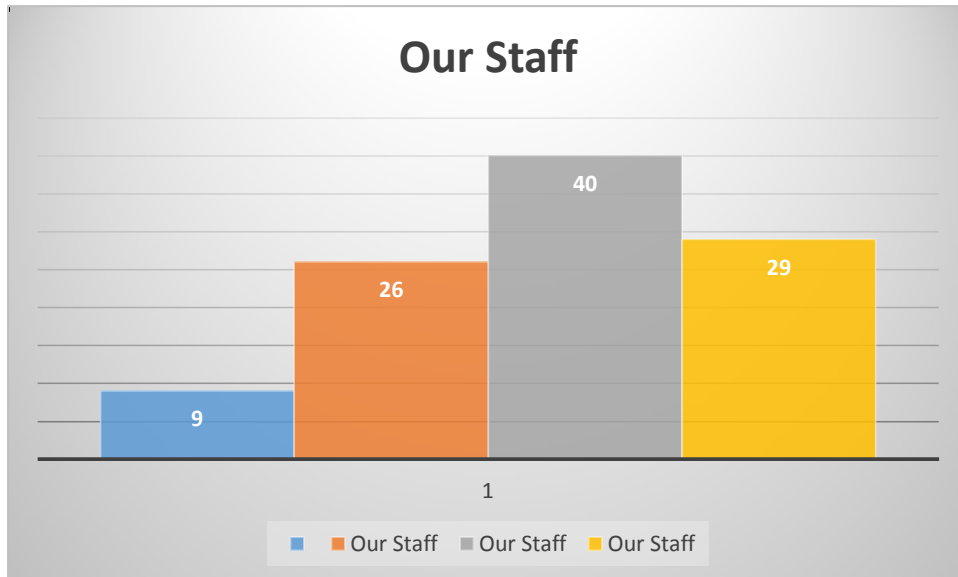
<i>Mr. Keerthi Wickramaratna</i>	<i>Chairman</i>	<i>Sri Lanka Sustainable energy Authority</i>
<i>Mr. C. Jayasuriya</i>	Member	Appointment Member
<i>Ms. I. J. Aberathna</i>	Member	Ministry of Industry & commerce
<i>Ms. H. M. S. Jayathunga</i>	Member	Ministry of lands
<i>Mr. D. V. Bandulasena</i>	Member	Ministry of Agriculture
<i>Mr. W. T. H. Ruchira Withana</i>	Member	Ministry of Mahaweli
<i>Eng. D. D. Ariyaratne</i>	Member	Ministry of Irrigation & Water Management
<i>Mr. A. M. R. J. K. Jayasinghe</i>	Member	Ministry of Transport & Civil Aviation
<i>Ms. R. P. R. Amarasinghe</i>	Member	Ministry of Science & Technology
<i>Mr. Damitha Kumarasinghe</i>	Member	Public Utilities Commission of Sri Lanka
<i>Ms. Farzana Aniff</i>	Member	Appointment Member
<i>Mr. A. M. C. Perera</i>	Member	Appointment Member
<i>Mr. G. Mahendra Perera</i>	Member	Appointment Member
<i>Ms. K. N. Kumari Somaratna</i>	Member	Ministry of Plantation Industry
<i>Mr. S. Tharshan</i>	Member	Ministry of Finance
<i>Mr. Hiran Ajith Karunaratne</i>	Member	Appointment Member

Members of the Audit & Management Committee Year 2015

<i>Mr. S. Tharshan</i>	Chairman	Ministry of Finance
<i>Mr. D. D. Ananda Namal</i>	Member	Sri Lanka Energy Managers Association
<i>Mr. A. G. M. Malika Wimalasuriya</i>	Member	Department Of Meteorology
<i>Mr. S. M. J. Priyantha</i>	Observer	Auditor General Department
<i>Mr. S. K. Malavisooriya</i>	Observer	Ministry of Power & Renewable Energy

Our Staff Composition Year 2015

We are relatively young organization with a total of 104 persons.
The Composition of our staff is shown below.



Registered Office

Block 05, 01st Floor, BMICH,
BauddhalokaMawatha, Colombo 07.
Tele: 0112677445
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Web: www.energy.gov.lk

Chairman's Statement



As the Chairman of Sri Lanka Sustainable Energy Authority, I'm happy to add this message to the performance review of activities of year 2015.

Energy is one of the primary commodities required for the development of the country. Therefore, it is very important that both energy supply and demand are optimally managed in such a way that maximum possible economic benefits are obtained in the field of energy. Giving high prominence to this, energy sustainability is identified as an important economic

dimension in the development of the country.

I'm happy to mention that Sri Lanka has given due concern to sustainable energy throughout the history of energy use. Conservation, one of the important elements of sustainable energy, is culturally endowed to our population. We were used to make use of the resources to the maximum possible benefits before they were released to the environment. It was part of our lifestyle. Then, when it comes to the energy resources, we could meet our total energy requirement through renewable energy some time back. Nevertheless, with the exhaust of especially the large hydro resources Sri Lanka had to divert to other energy resources.

I understand that through the Sri Lanka Sustainable Energy Authority Act, the country has taken strong initiatives to go for a sustainable energy path in the modern energy use. Even though we are used to the inherited conservation measures, we will not be able to exercise the conservation required by the present-day context through conventional approaches. We require modern technology, legislative approaches, research & development, knowledge & awareness to implement energy conservation through properly managing the

use of energy. Similarly, in terms of energy resource utilization we will also require to go for novel approaches in order to optimally harness the indigenous renewable energy resources to meet the future energy demand of the country.

We can be happy with the progress of the programmes implemented in the past period in view of the fact that the necessary framework for mass implementation of sustainable energy in the country has been laid down. It will be a conducive platform for a developed stage of sustainable energy in the future. In the said background, what is required is to strengthen the activities with the understanding that it will be of absolute importance to implement sustainable energy in the country in a well-focused and concerted manner.

Let me express my sincere thanks to the Ministry of Power & Renewable Energy and to all the stakeholders for the cooperation extended in taking sustainable energy initiatives in the country.

Keerthi Wickramarathna

Chairman

Director General's Review



Sri Lanka Sustainable Energy Authority (SLSEA) is the key national entity for paving the way of the country towards energy sustainability. SLSEA was established in year 2007, and it was an important milestone in the country's energy journey. With the understanding that global attention is gradually being focused to the rational use of energy, we can be happy with the progress of the entire country in line with the initiatives in sustainable energy. The activities that have been so far implemented make an enabling environment for Sri Lanka to become a leading country in the subject in the future.

With the programmes implemented under the two major thematic areas of renewable energy development and energy management, and also in the knowledge and strategic spheres and with the achievements in the period in concern, we can be happy that year 2015 has marked a good progress in the activities of SLSEA. With the new renewable energy based power generation capacity exceeding 450 MW, the country could surpass the initial target of realizing 10% of the electricity generation using new renewable energy resources. Similarly, through the energy efficiency improvement programmes implemented by way of regulatory and facilitatory interventions, considerable reductions in electricity, fuel oil and firewood consumption could be achieved, through the programmes implemented in industrial, commercial and statutory

institutions and also in the household sector. Apart from these, the programmes implemented with a future focus, especially in policy, strategy, research & development and awareness creation will provide a conducive environment to enhance the scopes of both the thematic areas in the short-term future as well as in the long run.

I would take this opportunity to express my sincere thanks to all the stakeholders who joined hands in the implementation of sustainable energy development programmes in the country. As the country will have to go a long way in the journey towards energy sustainability, the continued support from all the sectors will be the prime requirement of our future success. I make my earnest request from all to extend cooperation in the future programmes leading the country towards energy sustainability.

M.M.R. Pathmasiri

Director General

Our Vision

An Energy secure Sri Lanka.

Our Mission

Guiding towards the national efforts for conservation of local energy resources and development of energy source through exploration, research, utility supply, studies and knowledge management, and thereby pave the way to ensure energy in Sri Lanka by developing and protecting natural resources, human resources and economic resources.

Performance of Sri Lanka Sustainable Energy Authority

The National Energy Policy and Strategies of Sri Lanka places a strong emphasis on energy security from both national and individual perspectives. The policy envisions a situation wherein reliable, affordable and clean energy will be made available to all the citizens at all times.

The Sri Lanka Sustainable Energy Authority (SLSEA) is the focal government entity that promotes the increased adoption and sustainable use of all forms of renewable energy in the country. The power sector of Sri Lanka is presently facing many challenges, especially in relation to supply of uninterrupted electricity for the entire country at affordable prices, and the severe adverse effect on the economy due to heavily depending on imported fossil fuel for thermal power generation. In order to arrest this situation the Government has set the following targets;

- 20% grid electricity generation using New Renewable Energy sources by 2020 as an alternative to imported fossil fuel.
- 10% reduction in total energy consumption by 2020 through implementation of energy conservation measures.

It has been able to surpass the limit of 10% New Renewable Energy (NRE) addition in the total electricity generation by the end of 2015, which shows a satisfactory landmark in the journey of realising 20% electricity generation using NRE by 2020.

In the area of energy conservation, programmes have been implemented focusing on regulatory interventions and strengthening the energy efficiency services sector. Under the programme implemented in the year 2015, an energy saving of 100 GWh could be realised.

The programmes being implemented are under 4 thematic areas as mentioned below.

- Renewable Energy Development – The objective is to directly involve in the realisation of national renewable energy targets
(Specific theme: REACT – Renewable Energy Actions)
- Energy Conservation & Management – The objective is to directly involve in the realisation of national energy conservation targets
(Specific theme: EnMaP – Energy Management Plan)
- Knowledge Management – The objective is to implement energy education programmes towards an energy conscious nation
(Specific theme: SEEK – Sustainable Energy through Energy Knowledge)

- Strategy – The objective is to develop policy interventions, R&D interventions, technological dialogues, etc. to support long-term sustainable energy establishment in the country

(Specific theme: SAFE – Sustainability Approach for Future Energy)

Programmes implemented in the year 2015 and the Action Plan for 2016 are shown in the following sections.

2. PERFORMANCE 2015

	<i>Renewable Energy Development (under REACT)</i>
1	<u>Resource Allocation and Development Activities</u> SLSEA undertakes the issuance of Energy Permits (EP) & Provisional Approvals (PA) for on-grid renewable energy projects, to accelerate the development of indigenous RE resources in to commercial scale projects. A summary of the projects commissioned up to end 2015 is given below. • Hydro - 302 MW • Wind - 128 MW • Biomass - 24.5 MW • Solar - 1.36 MW Total electricity generation using renewable energy in 2015 is 1,215GWh (Up to November 2015); 1,760,457 kWh of Solar electricity and 192,615 kWh of Hydroelectricity were generated by the power plants operated by SLSEA.
2	<u>Progress monitoring</u> The main objective of this programme is to assist the developers in order to implement their projects without any delay. ✓ Progress of all the PA and EP issued projects are monitored quarterly and assist them in solving the problems associated with the commissioning of the project. In addition to that performances of the grid connected projects are test under this programme. ✓ Data of fifteen identified projects were collected and evaluated. Technical assistance was given to those plants to harness the energy in optimum manner.

3 **Technology development & Research**

SLSEA is undertaking Technology Development and Research activities, with the focus of mapping the renewable energy resource potential in Sri Lanka. Studies on solar, wind, small hydro, biomass, wave energy, agricultural waste and municipal solid waste are being done, with the intention of giving inputs for the Development of road map for renewable energy (thermal and electricity). Furthermore, resource technology assessments are being done for the emerging technologies like thermal storage systems. Some of the activities completed in this regard are,

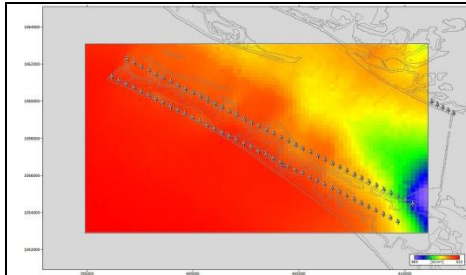
- ✓ Compilation of renewable energy resource development plan for electricity and thermal energy sources have been completed
- ✓ Wind resource map of Puttalam and Kalpitiya areas has been completed. Detailed wind resource mapping of the northern province is in progress under the ADB funded “Quantem Leap” project
- ✓ Major Maintenance of Mullipurama and Silawathura wind met-masts were completed, and new equipment installation was completed.



Pooneyrn wind measuring station – tower installation



Mullipurama Wind Met-Mast after Major Maintenance



Pooneyrn wind measuring station – tower installation



Kokilai wind measuring station – tower installation

✓ The results of the Municipal solid waste composition analysis based on thermo chemical parameters in the western province are as follows.

- Organic component has reduced from 65% to 52% between 2004 and 2015.
- Plastics + polythene percentage increased to 12% from 5.4%
- Paper and cardboard percentages increased to 11.35% from 7%
- The combustible portion is approximately 37% (previously appr. 25)

The results shows as the combustible percentages has increased up to 37%, therefore it is not favorable for direct combustion and need to have a pretreatment for energy recovery options.

✓ Biomass resource assessment for agricultural residues, woody residues, and animal Waste and Municipal Solid Waste (MSW) completed in North Central Province.



Segregation of Municipal solid waste at Meetotamulla.



Agricultural residue assessment in North Central Province

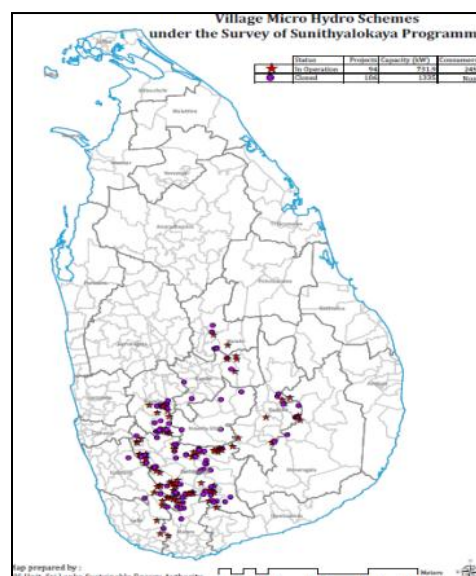
4	<u>Renewable Energy Services</u> In order to uplift the delivery of energy services to the rural community, households, SME and agricultural sectors, SLSEA intervenes through the following projects. I. Electrification of areas with no access to the grid with Off-grid Solutions (Sunithyaloka) II. RE Solutions for SME sector and Rural Industry III. Net Metering Solutions in collaboration with CEB & LECO IV. Assessment existing technologies and introduce RE solutions for basic energy needs (Provincial Biogas Programme) Activities that were completed in 2015 includes ✓ Electrified 25 houses in Baduludena Village of Haputale with micro hydro project, in collaboration with Uva Provincial Council. ✓ Sunithyaloka 200 Village hydro survey Completed. According to the survey – ○ Number of sites in operation : 94, with capacity of 731 kW ○ No of consumers served : 2,457 ○ Number of sites abandoned : 106 with capacity of 1,335 kW ○ Number of site connected to the grid: 3 pilot projects, with capacity of 83 kW ✓ Pre Feasibility report is completed for electrifying the Baththalangunduwa Island in Kalpitiya. Project proposals were handed over to obtain grants from the Japan International Cooperation System (JICS). Proposed Renewable Energy Hybrid power plant (wind, solar, etc) is of capacity 180 kW serving 650 houses. ✓ Study report is completed for electrifying 385 households in the Uchamunei, Roddapadu, Dutch Bay Islands in Kalpitiya. Currently, as the Phase 01, installation of solar home systems in 173 houses is in progress. ✓ Under SME development programme, a biomass hot water boiler was installed at the Teaching Hospital, Kurunegala. ✓ Provided technical and financial support in installation of thermal equipment
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inSouthern Provincial Council, University of Jayawardenapura, Mahailluppallama Field Crops Research and Development Institute, Institute for Agro-Technology and Rural Sciences (University of Colombo).

- ✓ Provided technical support for the Grid connected 80kW Bio gas plant in Dikkanda, Wathurugama.
- ✓ More than 50 biogas units have been commissioned and 20 masons were trained in North Western province under the “Provincial Biogas Programme”.
- ✓ Four general awareness programmes on biogas were conducted and trained 515 trainees.
- ✓ Registered 91 solar PV service providers involved in solar net metering.
- ✓ Provided the technical support for 12 state institutes (including sites inspections) for installing of solar net metering
- ✓ Bidding documents were prepared for several institutes on request.



Survey on village hydro



Final Map of the surveyed site for village hydro sites



**Electrification of 25 houses in
Baduludena Village, Haputale**



Uchchimunai Island



**Distribution of Efficient Biogas Cook
stoves**



Grid connected Biogas Power Plant



Mason training for biogas



**Facilitation of net metering (in
Mahailluppallama)**



Distribution of dryers for womens' fisheries societies in Southern Province



Installation of a hot water boiler at the Teaching Hospital, Kurunegala

4

Donor Funded Projects

Two major RE development projects funded by the Asian Development Bank (ADB) had been initiated by SLSEA, and are currently in progress. These two projects are,

1. Solar Rooftop Power Generation Project
2. Estate Micro Hydro Rehabilitation and Repowering Project

Solar Rooftop Power Generation Project

Under this Project SLSEA will implement Solar PV Pilot projects at public and private sector institutions with a view to catalyze and popularize photovoltaic based power generation in Sri Lanka. The public sector component will primarily focus on Engineering Faculties of the leading technical Universities. Following shows the activities completed under this project.

- ✓ Selection of private sector institutions to install solar rooftop systems was completed and verified through site visits.
- ✓ Installation completed at MAS Holdings, Brandix Apparel Solutions, Cacoon Villa Hotel and City Hotel.
- ✓ Notice to Proceed was sent to Asia Bike (Pvt) Ltd, Miami Clothing (Pvt) Ltd, Orange Field Tea Factory and Meezan (Pvt) Ltd to initiate their projects.
- ✓ Awarded the contract of Design, Supply, Installation and Commissioning of Solar Photovoltaic Power Generation Plants at selected four Universities of Sri Lanka to Sun Power Systems (Pvt) Ltd
- ✓ Selected Sampath Bank PLC as the Participating Financial Institution for the Project and the SEA signed the Subsidiary Loan Agreement between SEA, Treasury and SLSEA.



***Installation of Solar System at Mas Holdings,
Pallekelle***

***Installation of Solar System at City Hotels,
Colombo 1***

Estate Micro Hydro Rehabilitation and Repowering Project

Purpose of this Project is to rehabilitate and connect 19 abandoned micro-hydro power projects to the grid providing 1.3 MW. Activities completed in 2015 are,

- ✓ Finalised all feasibility reports
- ✓ Reports were submitted to NDB for following their loan procedures.
- ✓ NDB approved to disburse the loan to Elpitiya Plantation.
- ✓ ESCO in the process of recruiting contractors for each projects with the Plantation Companies.



Present Situation of Micro Hydro Projects at Tea Estates

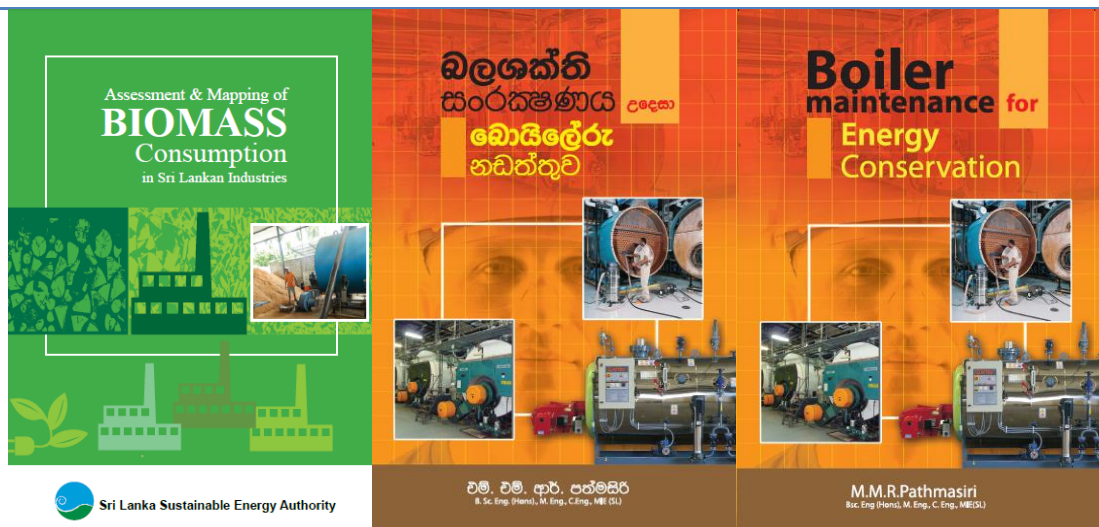
Furthermore, UNDP/GEF/FAO funded projects titled “Promoting Sustainable Biomass Energy Production and Modern Bio-Energy Technologies” and “Appropriate Mitigation Action in the Energy Generation and End-Use Sectors in Sri Lanka” are in implementation, and SLSEA is an implementing partner for the project. Following activities had been completed.

“Promoting Sustainable Biomass Energy Production and Modern Bio-Energy Technologies”

- ✓ MOU has been signed with the Sri Lanka Carbon Fund to implement 3 large scale and 16 SMI projects in switching from fossil fuel to biomass.
- ✓ A comprehensive assessment and mapping of biomass energy consumption in Sri Lankan industries has been completed.
- ✓ Comprehensive workshops of 3 day duration (with practicals) have been held on biomass energy in industrial applications
- ✓ One Training of Trainers Workshop on Supply chain management was held with an international expert. Further, three workshops/seminars on sustainable supply chain have been conducted.
- ✓ Knowledge products on boiler maintenance for energy conservation were published in Sinhala and English language.
- ✓ Consultant reports were completed to address biomass policy gaps,
 - Current status of biomass supply chains.
 - Background paper on biomass energy (including land use, growing, transport, technology use) related national policies, regulations and laws.
 - Current status of technological interventions in Biomass energy conversion and supply chains
- ✓ Following consultancy services have been awarded on
 - Mapping of current biomass related activities – project linkages and complementaries,
 - Training need assessment on biomass energy
 - Situational analysis on biomass usage in industrial thermal applications
 - Utilisation of technology in biomass energy conversion systems in Sri Lanka
- ✓ A database on light energy manufacturing companies involved in local manufacture of biomass related equipment was completed.



**Workshop participants on biomass energy
19th -21st March at Thulhiriya MAS
FabricPark.**



Report on “Assessment and mapping of biomass energy consumption in Sri Lankan industries” and book Boiler Maintenance for Energy Conservation

For the project “**Appropriate Mitigation Action in the Energy Generation and End-Use Sectors in Sri Lanka**”,

- RFP quoted and reviewed for hiring MACC & MRV international service provider.
- Quotations were called for the procurement of High Efficiency motors and due to the low diversify proposals, it was decided to requite.
- MoUon dissemination of Biogas units was prepared and handed over to Southern Provincial Council for their review.
- Stakeholder meeting was conducted to establish NAMA entity, and SLSEA, CCS, Transport ministry, SCF, and other key persons participated.

Energy Efficiency Improvement (Under EnMAP)

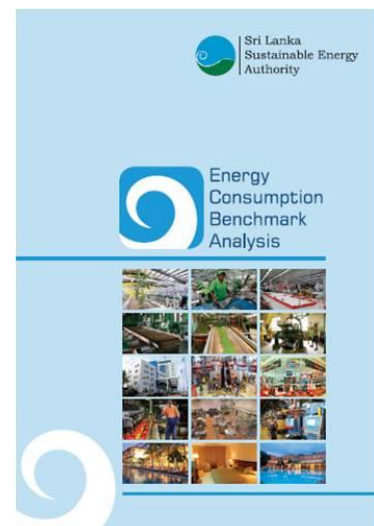
The following overall energy savings could be achieved in 2015 through implementing energy management activities;

Action	Saving	
	Type	Value
Active Energy Managers in 50 organizations	Electricity	10 GWh
SLNEEA Award Scheme	Electricity	9 GWh
	Diesel	35,663 litres
	Furnace Oil	2 Mn. litres
	Firewood	9 Mn. kg

1 **Establishment of Energy Management Systems**

SLSEA facilitates the energy conservation in commercial, industrial and domestic sectors through introducing the ISO50001 Energy Management Systems.

- ✓ Altogether 200 Energy Managers were accredited by the end of 2015.
- ✓ Registered 2 Training Institutions for Energy Auditors and 1 Training Institution for Energy Managers.
- ✓ Energy Consumption Baselines for 5 industrial sectors were formulated.
- ✓ Conducted Energy Managers Forum and 3 short lectures for Energy Managers.



Energy Managers' Forum Energy Consumption Benchmark Booklet

2 **Introducing Standards and Regulations**

Different activities are being carried out by the SLSEA to formulate proper regulatory interventions along with creating awareness to manage energy efficiency improvement in industrial, domestic and commercial sectors.

- ✓ CFL energy labeling program operates successfully. The benchmark on star rating is being revised.
- ✓ Refrigerator Tests are being carried out at the NERD Centre in order to determine benchmarks on star rating for refrigerators.
- ✓ Establishment of a ceiling fan testing laboratory was initiated.

	✓ Regulations for the tubular fluorescent lamps and fluorescent lamp ballasts are being developed. ✓ Conducted a Stakeholder Forum to introduce Minimum Energy Performance Standards (MEPS) for LED lamps. ✓ Energy Labelling Standards for Room Air Conditioners and Computers are being prepared. ✓ Awarded the contract to revise the “Code of Practice for Energy Efficient Buildings in Sri Lanka – 2008”. ✓ Developed the “Guideline for Sustainable Energy Residencies in Sri Lanka”. ✓ Developed a Motor Rewinders Guide book. ✓ Conducted ISO50001 audits at 6 organizations.
3	<u>Advisory and Counselling Services</u> The SEA assists industries, commercial and state sector institutes to solve their energy related issues by providing consulting services by answering queries, awareness programs upon request, attending ISO 50001 audits etc ✓ 15 energy audits were completed for government institutions. ✓ 31 ESCOs were registered under the categories EEI, EES and TP, and the updated ESCO list is published in the web. ✓ Conducted 2 training programmes on good practices in motor rewinding. ✓ Maintaining the Instrument Bank for Energy Auditing activities.



Training program on good practices in motor

4 **Rewarding of Achievements**

SLSEA encourages energy management practices in industrial and commercial sector through conducting the Sri Lanka National Energy Efficiency Award (SLNEEA) Scheme

- ✓ SLNEEA Ceremony was held on 23rd November 2015 at the BMICH, with the participation of H. E. the President, Maithripala Sirisena as the chief guest. The National Energy Efficiency Award (NEEA), Best Energy Services Company (ESCO) Award, Outstanding Energy Manager of the Year Award were presented to the winners for their remarkable achievements in energy saving. Lifetime Achievement awards were presented for two eminent personals in energy sector.



Winners of Sri Lanka National Energy Efficiency Award 2015

5 **Sector Specific Energy Management Programmes**

SEA assist to develop and implement energy management programmes at provincial level.

- ✓ Conducted the first phase of “Tea sector” energy management programme in Southern Province (29th, 30th April and 15th May 2015), with the participation of 30 Factory

Managers & Factory Officers. Programme was conducted by a selected Training institute (SLEMA)

- ✓ Conducted the second phase of Tea Sector energy management programme in the Central Province (1st, 2nd, and 20th October 2015) with the participation of 30 Factory Managers & Factory Officers.
- ✓ Two stakeholder workshops were conducted in Killinochchi and Jaffna to implement energy management programmes in state sector institutions in the Northern Province.
- ✓ Conducted awareness programmes for 4 state sector institutions in the Western Province (Sri Lanka Ports Authority, Central Environmental Authority, Sri Lanka Telecom, District Secretariat-Padukka).
- ✓ Provincial Energy Management Action Plans were prepared for North Western, Central and Uva Provinces.



Preparation of Energy Management Action Plans

6 **National Energy Conservation Programme**

- ✓ Conducted the Awarding ceremony on 12th March 2015 for the winners of the Art Competition held in Gampola education Zone and Published the "PataSithuwili" Book prepared with the best 25 drawings selected from 2,000 drawings, drawn by 2,000 students at the competition. Conducted another Art Competition on energy efficiency in 5 schools in Piliyandala Education Zone from 27th April to 5th May 2015 and the

winners were awarded by H. E.the President.

- ✓ Conducted two workshops for scouts from 26th to 30th August 2015.
- ✓ Commenced a training programme series for journalists on 29th September 2015 on energy conservation and renewable energy and 3 programmes were conducted so far. The programme included field visits to renewable energy sites as well.
- ✓ Commenced a radio programme series “BalashakthiNanashakthi” on 19th September 2015 at Sri Lanka Broadcasting Cooperation for scouts and 12 programmes were telecasted so far.
- ✓ Conducted an awareness programme for 100 pre-school teachers
- ✓ Conducted an awareness programme “Energy Efficient Kitchen” for Housewives in collaboration with the Sirikatha Newspaper at the Maharagama Youth Centre on 25th October 2015.
- ✓ “Sanraksha Magazine” containing latest energy conservation and renewable energy information was published every three months.
- ✓ Declared the Kotte Municipal Council as a “Green Energy Zone”.
- ✓ Conducted awareness programmes for the defence sector (police officers, army officers, security forces at the Office of the Chief of Defence Staff)
- ✓ Preliminary Training and Demonstration on Energy Auditing and Management was conducted for Air Force technical officers at Katunayaka Air Base.
- ✓ A Training Programme on Energy Management for the Town and Country planning Students of University of Moratuwawas conducted on 18th June 2015.
- ✓ A Circular on energy conservation was issued for Govt. Institutions and an awareness programme on the Circular for District Secretaries was done on 18th June 2015.

- ✓ An Energy Management and Conservation programme was conducted at the Panagoda Army camp for the army officers.
- ✓ Conducted awareness programmes for bowser owners, bus drivers, three wheel associations on energy management and efficiency improvement in transport sector.
- ✓ Circulation of Energy Saving Leaflets among the Vehicles at Filling Stations.
- ✓ Developed posters on “essay competition on energy saving” for all Buddhist Dhamma schools and distributed 9000 posters islandwide.



Radio programme “BalashakthiNanashakthi”

“Energy Efficient Kitchen” Programme



Art competition in Education Zones

Essay competition on energy saving

7

Carrying out Research and Development

Initiatives are taken for exploring the potential of adopting new and innovative technologies of the world for the development of energy management in transport sector in Sri Lanka.

- ✓ A driving cycle was developed for the Colombo Metropolitan area.
- ✓ Conducted an international seminar on E³ST (Energy Efficient & Environmentally Sustainable Transport) on 3rd, 4th and 5th December 2015.

8

Establishment of Pilot Projects

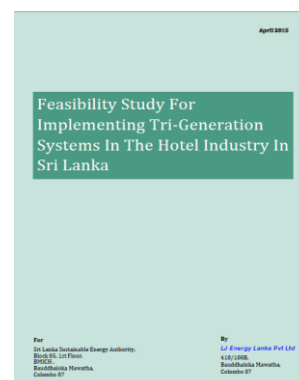
Tri-generation or Combined Cooling Heat and Power (CCHP) refers to simultaneous generation of electricity and useful heating and cooling from one source of energy, which is the best method available for maximum utilisation of energy and it can achieve efficiencies over 80%. In this context, SLSEA has decided to explore the possibilities of introducing tri-generation for sectors such as Hotels, Garments, and industrial zones etc.

Key focus of activities includes the following:

1. Feasibility Study for Implementing Tri- Generation Systems for Hotel Industry in SL.
2. Feasibility Study for Implementing Tri- Generation Systems for Industrial Zones in SL
3. Seminar in Tri-generation.

Completed and reviewed “ Feasibility Study for Implementing Tri-generation System for Hotels in Sri Lanka “by LJ Energy Lanka (Pvt) Ltd. by May 2015

- ✓ Conducted “**Seminar on Tri-generation**” on 7th May 2015. The participants were Hoteliers, Industrialists, Energy Managers, ESCOs, and Researchers etc. Numbers of participants were around 120.
- ✓ Initiated the preparation of TOR for Feasibility Study for Implementing Tri- generation System for Industrial Zones in Sri Lanka



Seminar on Tri-generation Feasibility Study on Tri-generation in Hotel Sector

School Curriculum Development

The key objective of this is to add energy related knowledge and activities to primary and secondary level school syllabus, to create a self-driven system for energy education.

- ✓ Energy related knowledge and activities have been introduced to the science subject module in Grade 10 and Grade 6 and it has already been implemented in Government schools under new syllabus and Energy related knowledge and activities have been introduced to the science subject module in Grade 11 and Grade 7 and it will be implemented in 2016.
- ✓ Introducing energy activities for other Grades (8 and 9) is being continued

Development of an Energy Education Program

A comprehensive program including school energy clubs, energy day celebration and 'Energy Star' contest was implemented to engage the teacher-student community to manage energy and utilisation of RE in their day-to-day life.

- ✓ Energy Education Programme was officially introduced to the education system on 30th April 2015 after issuing Education Circular 06/2015 by the secretary of the Ministry of Education. Accordingly, School Energy Clubs Programme has been extended to all Government schools which have Grade 6 and above. Therefore 7,000 Government schools will be qualified to the programme from 2015.
- ✓ Distributed the Circular among the 7,000 schools.
- ✓ Received 1,800 applications from schools and 800 Energy Clubs among them have been registered. Further registrations are being carried out.
- ✓ Developed provincial level implementation plan in collaboration with the Ministry of Education.
- ✓ Conducted six training programmes (300 participants –science teachers and directors) to train the Trainers of Science Teachers in collaboration with the Ministry of Education and National Engineering Research & Development Centre.

- ✓ A Media Programme is being developed with the assistance of ITN and National Rupavahini.



Sustainable Energy Zone (SEZ)- Kotte

A pilot project for SEZs is implemented at the Kotte area to introduce and practice circular economy concepts and create Energy Conscious Community.

- ✓ Entered into an MoU with Municipal Council of Kotte and facilitated the establishment of SEZ.
- ✓ An Energy Awareness Programme was launched in the zone and 10 Energy Clubs were established.
- ✓ An awareness Programme was held for Grama Niladari officers
- ✓ Communication officers for all Gov. institutions have been appointed and energy audits for Gov. institutions have been carried out.
- ✓ A pilot survey was conducted to identify the energy utilisation pattern of the residences of the SEZ at Kotte.

Pilot Survey on Utilisation of Energy



Energy Awareness Program for schools in Kotte



Conducting Promotional Programs and Image Building Activities

SLSEA was the main partner of National Energy Conservation Programme conducted by the Ministry of Power and Renewable Energy, and following school awareness programme were carried out.

- ✓ Organised Pro. Hon. Abdul Kalam's lecture for 1,000 school children at BMICH
- ✓ Organised National Energy Oath at Mahanama Collage, Colombo 03.
- ✓ Presented stalls at the 'Environment Day' exhibition for promoting renewable energy and energy management, and distributed 5,000 leaflets among the public who participated for the exhibition.
- ✓ Conducted 10 awareness programme for school Children as a part of the National Energy Conservation Programme.
- ✓ Presented an exhibition stall at the exhibition organised by the Central Province.
- ✓ Coordinated all major events conducted by the SLSEA according to the standard event management guideline, as means of image building for the Authority.

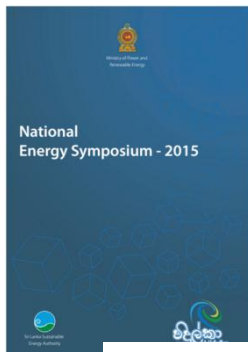


Development of Sustainable Energy Policies and Strategies (Under SAFE)

1 Sustainable Energy Technology Archives & Energy Information Analysis

This is an initiative to establish a sound knowledge based on sustainable energy within SLSEA, industry, universities and research institutes

- ✓ Published National Energy Symposium Book with many research papers



National energy Symposium Book 2015

- ✓ Conducted the National Energy Symposium 2015 on 20th November 2015 at BMICH with five technical sessions covering the areas of Power Systems and Grid Integration, Performance of Energy Systems, Building Energy, Biomass Energy.



National Energy Symposium 2015

- ✓ Conducted Pilot Petrol Shed Survey covering fifteen fuel stations in Western Province for disaggregation of energy data related to petroleum products by end use category.



Pilot Petrol Shed Survey 2015

- ✓ Four research papers were presented at Asia Clean Energy Forum - 2015
 - 100% RE Plan of Sri Lanka
 - Assessment of Renewable Energy Technologies
 - Industrial cooking solutions
 - Energy management initiatives in production facility
- ✓ Initiated to conduct three advanced research projects related to technical interventions in large-scale solar power development, in collaboration with the Faculties of Engineering in the national universities
 - Energy efficient utilisation of PV through dc micro-grids
 - Identifying the grid connection issues and improving the performance of solar power plants in the country
 - Enhance electricity supply security with the large-scale deployment of solar PV
- ✓ Revamping SLSEA website is in progress



2 **Policy Interventions & institutional frameworks**

- ✓ Published a leaflet on “Towards an Energy Sustainable Country” for presenting at the ‘Sri Lanka National Energy Efficiency Award’ held on 23rd November 2015 in the presence of President, Hon. Maithreepala Sirisena.

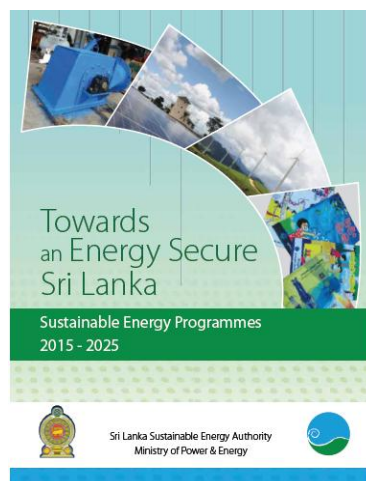


Leaflet on Towards an Energy Sustainable Country

- ✓ Completed the Sustainable energy development programmes for realising an energy secure Sri Lanka 2015 – 2025

Programme Concepts for Realizing Energy Secure Sri Lanka

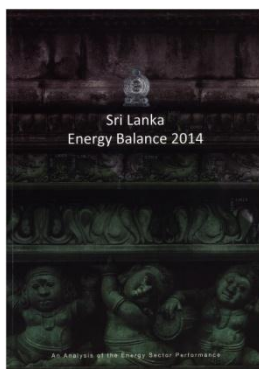
- Distributed solar electricity generation
- Mapping of Renewable energy resource in Sri Lanka
- Energy labeling of Electrical Appliances
- Energy Conservation Initiatives in Building Construction
- Making Fuelwood a Sustainable Commercial Fuel
- Energy Efficient and Environmentally Sustainable Transport Sector
- Enhancement of Rural Energy Services
- Waste Management and Resource Recovery – MSW
- Energy Efficiency Services
- Energy Management Systems
- Use of Agricultural and Industrial Waste for Thermal Energy Needs
- Research & Development and Model Projects
- Enhancement of Energy Consciousness in the Society



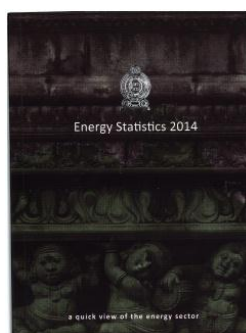
Sustainable energy development programmes for realizing an energy secure Sri Lanka 2015 – 2025

3 Energy Information Analysis

- ✓ Sri Lanka National Energy Balance 2014
Published National Energy Balance 2014 and Key Energy Statistics 2014



Sri Lanka Energy Balance 2014



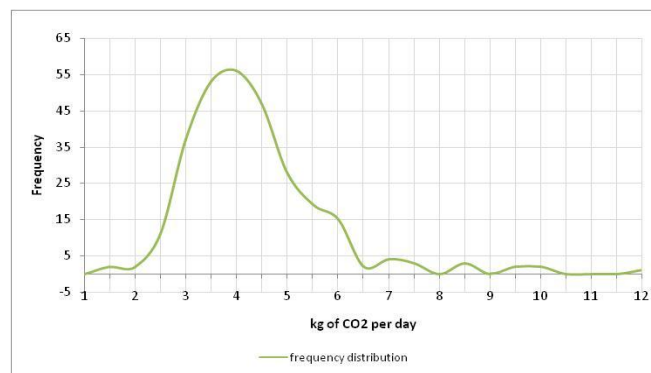
Energy Statistics 2014

- ✓ Updated Energy Balance Website
- ✓ End-user Energy Consumption Assessments
 - Conducted the preparation survey as an initiation for the petrol shed survey
 - Submitted the Inception report of the agriculture survey and the second stage is in progress
 - Obtained load profiles for selected appliances as a part of a domestic energy consumption survey and data collection is in progress (Refrigerator, Washing machine, Television, E- Vehicle)

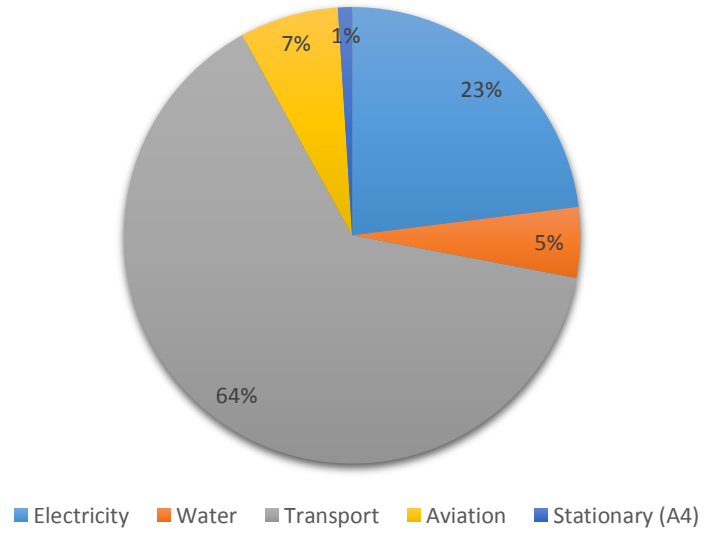
- ✓ Carbon footprint as a sustainability analysis tool
 - Carbon footprint calculation tool for institutions was developed.
 - Carbon footprint calculation tool for school children
 - 287 students – via newspapers and by writing to schools
 - Calculated Carbon Footprint for the SLSEA

- ✓ A tool for sizing plant capacity for solar net-metering
 - User-friendly configurators (tools) were developed to identify the 'right size' for a solar net-metering solution

- ✓ A tool for understanding solar irradiation level
 - Developed a tool to decipher the Global Horizontal Irradiation (GHI) level at the GN level.



Analyzed data of Carbon Footprint of School Children



Carbon Footprint of SLSEA

Financial Statement – 2017

Sri Lanka Sustainable Energy Authority						Final
Balance Sheet as at 31st of December 2015						
		2015		2014		
		Rs		Restated		
Note						
ASSETS						
Non Current Assets						
Property, plant and equipment	3	1,025,253,785		1,129,552,505		
Intangible assets	3	6,540,250		896,800		
Work In Progress	4	13,744,628		11,957,800		
Investments	5	74,514,711	1,120,053,373	71,072,018	1,213,479,123	
Current Assets						
Receivables	6	17,932,086		9,578,548		
Other current assets	7	27,574,659		34,351,481		
Cash and cash equivalents	8	266,066,769	311,573,514	298,543,573	342,473,602	
Total Assets			1,431,626,887		1,555,952,725	
EQUITY AND LIABILITIES						
Equity						
Accumulated fund	9	22,100,336		22,100,336		
Net Surplus		44,713,662		36,428,919		
Deferred Grant	10	985,011,232		1,127,706,633		
Sri Lanka Sustainable Energy Fund	11	251,755,985		232,345,722		
Sustainable Guarantee fund		76,496,567	1,380,077,782	73,321,629	1,491,903,239	
Non current liabilities						
Gratuity Liability		12,005,755	12,005,755	10,700,605	10,700,605	
Current liabilities						
Other payables	12	33,444,129		48,183,445		
Short term provisions-audit fees		2,222,636		1,622,636		
Net deposit on land acquisition		3,876,585	39,543,350	3,542,800	53,348,881	
Total equity and liabilities			1,431,626,887		1,555,952,725	

FOR AND ON BEHALF OF THE SRI LANKA SUSTAINABLE ENERGY AUTHORITY.

Head (Finance)

Director General

Chairman

Sri Lanka Sustainable Energy Authority
Income statement for the year ended 31st December 2015

Final

	Note	2015 Rs.	2014 Rs. Restated
Revenue			
Capital Grant for activities/program expenses	13	27,910,521	33,592,173
Amortized deferred grant	14	160,205,804	162,919,375
Treasury Recurrent Grant		85,160,000	81,999,500
UNDP- Ministry of Environment			1,146,043
UNDP- min of mahweli development		3,968,047	
Revenue Grant ADB G0303			4,404,284
Revenue Loan ADB 2733 SRI		2,865,301	786,109
UNDP NAMA project grant		39,000	
UNDP Bio mass project grant		506,070	
Other Income	15	98,832,993	117,995,527
less VAT		(6,098,165)	(10,286,572)
Total Revenue		373,389,571	392,556,439
Expenditure			
Project/activity Expenses	16	(79,369,233)	(104,212,364)
Salaries and allowances	17	(76,761,267)	(61,778,116)
Travelling and subsistence	18	(2,465,530)	(1,323,070)
Supplies	19	(5,227,728)	(9,687,374)
Maintenance expenses	20	(7,607,804)	(8,015,311)
Contract service	21	(27,220,840)	(26,994,516)
Depreciation expenses	22	(160,205,804)	(162,919,375)
Other recurrent expenses	23	(6,254,970)	(5,628,271)
Expenditure for Period		(365,113,176)	(380,558,396)
Prior year Adjustments		8,348	626,320
Surplus /(Deficit)		8,284,743	12,624,363

Final

Sri Lanka Sustainable Energy Authority
Cashflow statement for the year ended 31st December 2015

	2015		2014	
	Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities				
Surplus for the period	8,276,395		11,998,043	
Previous year adjustment	8,348		626,320	
Transfer to Guranty fund				
Adjustment for:				
Transferred to Gurantee fund				
Amortised Grant (for funds recived)	(160,205,804)		(162,919,375)	
Interest Income	(1,207,403)		(1,829,641)	
Service Gratuity Provision	1,305,150		976,802	
Depreciation	160,205,804		162,919,375	
	<u>8,382,490</u>		<u>11,771,524</u>	
 (Increase)/decrease in Other current assets	 (1,576,716)		 (17,141,030)	
Increase/ (decrease) in current liabilities	<u>(13,805,531)</u>		<u>11,779,854</u>	
Cash generated from operations	<u>(6,999,757)</u>		<u>6,410,348</u>	
 Net cash from operating activities		 (6,999,757)		 <u>6,410,348</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(50,887,934)		(24,241,303)	
Intangible assets	(5,643,450)			
Work in progress	(6,805,978)		(2,559,793)	
Interest Invested/Investments in FD & TBs	<u>(2,235,290)</u>		<u>(10,714,282)</u>	
 Net cash used in investing activities		 (65,572,652)		 (37,515,378)
Cash flows from financing activities				
Deferred Grant	17,510,403		20,703,095	(44,944,398)
Sri Lanka Sustainable Energy Fund	19,410,263		25,784,671	
Accumulated fund	-		-	
Sustainable Gurantee fund	3,174,939		3,767,583	
Gratuity Payment	<u>-</u>		<u>2,424,900</u>	
Net cash used in financing activities		<u>40,095,604</u>		<u>52,680,249</u>
 Net Increase in cash and cash equivalents		 (32,476,804)		 28,750,746
Cash and cash equivalents at beginning of period		<u>298,543,573</u>		<u>269,792,827</u>
Cash and cash equivalents at end of period		<u><u>266,066,769</u></u>		<u><u>298,543,573</u></u>

The Accounting policies and notes appearing on pages 5 to 17 form an integral part of the financial statements.

Sri Lanka Sustainable Energy Authority
Statement of changes in Equity for the year ended 31 December 2015

Description	Accumulated fund (Rs.)	Net Surplus / deficit (Rs.)	Deferred Grant (Rs.)	Sri Lanka Sustainable Energy Fund (Rs.)	Sustainable Guarantee Fund (Rs.)	Total (Rs.)
Balance as at 31.12.2014	22,100,336	36,428,919	1,127,706,633	232,345,722	73,321,629	1,491,903,239
Increase/ decrease for the year 2015	-	8,276,395	(142,695,402)	19,410,263	3,174,939	(111,833,805)
Previous year adjustment		8,348				8,348
Balance as at 31.12.2015	22,100,336	44,713,662	985,011,232	251,755,985	76,496,567	1,380,077,782

The Accounting policies and notes appearing pages 5 to 17 form an integral part of the financial statements.

Notes to the Financial Statements as at 31.12.2015

1. Corporate Information

1.1 General

Sri Lanka Sustainable Energy Authority (SEA) was established on 1st of October 2007. It is Located at block -5 of the BMICH in Colombo 7.

Energy Conservation Fund (ECF) Act No. 02 of 1985 was repealed by Sri Lanka Sustainable Energy Authority Act No. 35 of 2007. All the assets and liabilities of ECF as at 30th September 2007 were automatically transferred to the accounts of SEA from 1st of October 2007.

The Regional Center for Lighting (RCL) which was under the SL SEA was transferred to the Ceylon Electricity Board as per Instruction received from the Ministry of Power & Energy. Accordingly the assets and liabilities and employees of the RCL were transferred to the CEB in December 2012.

1.2 Principal Activities of Authority

Sri Lanka Sustainable Energy Authority; to develop renewable energy resources; to declare energy development areas; to implement energy efficiency and conservation measures to conduct programs to promote energy security, reliability and cost effectiveness in energy delivery and information management.

1.3 Funds of the Authority

AS per the SL SEA act 35 of 2007 the SL SEA is required to maintain and operate 3 funds. They are as follows:

1.3.1 Fund of the Authority

This fund is maintained to deposit initial capital, permit fees, loans, lease rentals and other receipts approved by parliament. Further there shall be paid out of the fund all such sums of money to defray expenditure incurred by the authority in exercise, discharge & performance of its power functions and duties as per the act.

1.3.2 Sri Lanka Sustainable Energy Fund

This fund is maintained to deposit initial grant from consolidated fund, proceeds of Cess, Royalties, fees for professional services, money from lease rentals, application fees and, fees for managing carbon assets.

There shall be paid out of this fund subsidies for renewable energy conversion plants, subsidies for promoting energy efficient appliances & technologies, subsidies for fuel switching, expenses of awareness programs, incentives for encouraging energy conservation measures.

1.3.3 Sustainable Guarantee fund

The purpose of this fund is to provide guarantees on behalf of investors who apply for loans to carry out projects relating to energy efficiency. As per the act there shall be credited to this fund an initial capital from the consolidated fund, an annual premium and interests for guarantees offered and funds received from the Fund of Authority.

1.4 No of Employees

Number of employees as at 31.12.2015. - 106

2.1 Summary of Significant Accounting Policies

2.1.1 Basis of Preparation and statement of compliance

The Balance sheet, Income statement, Statement of changes in Equity and Cash flow statement of the Sri Lanka Sustainable Energy Authority (SLSEA) as at 31 December 2015 together with accounting policies and notes have been prepared in compliance with the Sri Lanka Public Sector Accounting Standards.

The financial statements of the SLSEA are presented in Sri Lankan Rupees. The financial statements are prepared on accrual basis under the historical cost convention. Where appropriate the accounting policies are disclosed in succeeding notes.

2.1.2 Comparative figures

Comparative figures have been adjusted to conform to the changes in presentation in the current financial year. The comparative figures for Year 2014 have been restated as note 24 per.

2.2.1 - Accounting for Government Grants and Disclosure of Government Assistance.

Government grants are divided into two categories as capital grant and recurrent grant. Recurrent grant is used to meet the reoccurring expenses such as salaries of the staff, building rent etc. Capital grant is used to meet program (activities) expenses and purchase of fixed assets. As the Activity/program expenses comprise recurrent and capital expenses they are incurred from the capital grant.

Government capital grants used in purchase of fixed assets are considered as deferred income which is recognized as income on a systematic and rational basis over the useful life of the asset.

Grants related to activities/program expenditure are presented as a credit in the income statement, under the heading capital grant for Programs/activity expenses.

2.2. Accounting for long -term Investments.

Investments are made in Govt. Treasury Bills and Fixed Deposits at National Savings Bank and stated at cost.

2.2.3 - Revenue recognition

Revenue represents Energy permit fees, sale of electricity, Training course fees, income from exhibitions, hiring of instruments and other income.

Part of the Interest from Sustainable Guarantee Fund has been treated as income. While part of it has been re invested. Part has been utilized to meet the cost of maintaining /earning the income to the fund.

2.2.4 Contingent Liabilities and Contingent Assets

As per the cabinet decision dated 31 March 2008 the SL SEA has to pay the Ceylon Electricity Board an estimated Rs. 897 million for purchase of electricity from non-conventional renewable energy producers. The SL SEA currently has no means of making this payment, unless funds are granted by the treasury or from earnings through CESS, royalties etc., these are subject to the approval of the General Treasury. Therefore this is disclosed only as a contingent liability.

2.3 Property, Plant and Equipment

2.3.1 Cost and valuation

Fixed Assets is stated at cost less accumulated depreciation. The provision of depreciation for fixed assets is calculated by using straight line method.

2.3.2 Depreciation

Depreciation rates of fixed assets are based on the estimated life span of the asset and could be subject to revision. The current rates are given bellow:

Depreciation rate for a year is shown below:

Item	Rate of Depreciation
Furniture & Office Equipment	25%
Motor Vehicles	20%
Photocopier	25%
Computers	33.33%
Electrical Goods	25%
Library Book	20%
Energy Instruments	33.33%
Exhibition Equipment	25%
Wind towers	20%
Building & structures	5%

Solar Power /Mini Hydro Projects:

A. Solar Panels	5%
B. Steel Structure	10%
C. Building	5%
D. Switch gear	20%
E. Inverters	20%
F. Transformers	5%
G. Power Electronics	33.33%
I. Sanitary & Plumbing	5%
J. Cables	20%
K. Furniture Fittings & Office equipment	25%
L. Tools	33%
M. Machinery	20%
H. Other	20%

2.4 Liabilities and provisions

2.4.1 Gratuity

An amount equal to a half-month's salary for each year of employment based on the salary of the last month of the financial year is allocated for gratuity for all entitled employees.

2.4.2 EPF & ETF

Employees' are entitled to contribute to EPF & ETF according to the respective rules & regulations. Contributions by the SL SEA are made to EPF & ETF as 12% and 3% respectively.

2.4.3 Mahaweli Land

The title deed for the 50 acre Mahaveli land acquired for the Hamabanthota solar plant has not been valued yet. Hence it has not been included as an asset in the accounts.

2.4.4 Approval of the board

These financial statements have been approved by the board of management of the Authority on 26th September 2016.

**Note 3 :
Property, Plant & Equipment**

Fixed Assets

Description	Balance as at 31.12.2014. Rs.	Acquisition during the period 2015	Balance as at 31.12.2015. Rs.
Land		45,856,451	45,856,451
Building		-	
Furniture & office equipment	17,065,555	2,354,629	19,420,184
Motor vehicles	47,366,119	4,900,376	52,266,495
Photocopier	2,994,191	-	2,994,191
Computers	33,030,820	227,750	33,258,570
Electrical Goods	429,197	-	429,197
Library Book	453,352	985,000	1,438,352
Energy Instruments	88,536,935	606,000	89,142,935
Wind towers and Instruments	45,732,498	750,375	46,482,873
Refrigerator testing laboratory	42,165,337	-	42,165,337
<u>Solar & Mini Hydro projects:</u>		-	
A. Solar Panels	660,106,452	-	660,106,452
B. Steel Structure	222,261,738	-	222,261,738
C. Building	130,929,816	87,790	131,017,606
D. Switch gear	13,973,767	-	13,973,767
E. Inverters	79,041,306	50,000	79,091,306
F. Transformers	45,753,626	-	45,753,626
G. Power Electronics	31,257,940	-	31,257,940
I. Sanitary & Plumbing	166,473,900	-	166,473,900
J. Cables	100,224,571	-	100,224,571
K. Furniture Fittings & Office Equip.	3,014,584	-	3,014,584
L. Tools	14,174,220	69,213	14,243,433
M. Machinery	4,001,375	-	4,001,375
H. Other	60,039,664	-	60,039,664
Exhibition Equipments	354,853	-	354,853
Fixes assets for UNDP projects		19,500	19,500
	1,809,381,816	55,907,084	1,865,288,900

Depreciation Account

Description	Rate of Dep. %	Balance as at 31.12.2014. Rs.	Net book Value as at 31.12.2014Rs.	Depreciation for the year 2015 Rs.	Balance as at 31.12.2015. Rs.	Net book Value as at 31.12.2015Rs.
Land	0		-			45,856,451
Building	5		-			
Furniture & office equipment	25	13,411,285	3,654,270	2,379,666	15,790,951	3,629,233
Motor vehicles	20	46,203,579	1,162,540	1,158,245	47,361,824	4,904,671
Photocopier	25	2,249,867	744,324	373,223	2,623,090	371,101
Computers	33.33	25,315,579	7,715,241	3,099,306	28,414,885	4,843,685
Electrical Goods	25	262,072	167,125	52,682	314,754	114,443
Library Book	20	421,978	31,374	71,175	493,153	945,199
Energy Instruments	33.33	82,202,208	6,334,727	7,041,829	89,244,037	(101,102)
Wind towers and Instruments	20	29,590,895	16,141,603	9,648,214	39,239,109	7,243,764
Refrigerator testing laboratory	20	7,855,460	34,309,877	8,433,067	16,288,527	25,876,810
<u>Solar & Mini Hydro projects:</u>			-	-		-
A. Solar Panels	5	115,708,060	544,398,392	33,024,410	148,732,470	511,373,982
B. Steel Structure	10	76,633,366	145,628,372	22,226,174	98,859,540	123,402,198
C. Building	5	21,999,159	108,930,657	6,444,377	28,443,536	102,574,070
D. Switch gear	20	10,987,591	2,986,176	2,794,753	13,782,344	191,423
E. Inverters	20	55,828,816	23,212,490	15,732,456	71,561,272	7,530,034
F. Transformers	5	7,948,458	37,805,168	2,287,681	10,236,139	35,517,487
G. Power Electronics	33.33	26,399,022	4,858,918	3,770,899	30,169,921	1,088,019
I. Sanitary & Plumbing	5	28,448,946	138,024,954	8,323,695	36,772,641	129,701,259
J. Cables	20	68,714,583	31,509,988	20,044,914	88,759,497	11,465,074
K. Furniture Fittings & Office Equip.	25	2,546,551	468,033	442,990	2,989,541	25,043
L. Tools	33.33	14,003,302	170,918	47,340	14,050,642	192,791
M. Machinery	20	1,789,255	2,212,120	800,275	2,589,530	1,411,845
H. Other	20	40,955,054	19,084,610	12,007,933	52,962,987	7,076,677
Exhibition Equipments	25	354,225	628	500	354,725	128
Fixes assets for UNDP projects			1,809,381,816			19,500
		679,829,311	1,129,552,505	160,205,804	840,035,115	1,025,253,785

Intangible Assets

Description		Balance as at 31.12.2014. Rs.		Acquisition during the period 2015	Balance as at 31.12.2015. Rs.
Computer Software				2,085,000	2,085,000
Data & Information		896,800		3,558,450	4,455,250
		896,800		5,643,450	6,540,250

Note 4 : Work In Progress

	31.12.2015	31.12.2014
Renewable Energy Assessment	2,377,000	2,377,000
New Theater production	-	689,500
Payroll System	-	25,500
Data& Information	-	200,000
ADB quantum Leap -WRA (wind Force)	2,299,935	
Ennergy Efficiency Utilisation of PV thru DC Mi	442,000	
Building Office complex	668,893	
National Clener Prod. Biomass evaluation Rep	-	709,000
Electric prototype Vehicle	7,956,800	7,956,800
	<u>13,744,628</u>	<u>11,957,800</u>

Note 5 : Investments

Fixed Deposits (Deposited in National Savings Bank, Borella)

Date of Investment	Date of maturity	Rate of investment	Deposit Reg. No.	Deposit as at 31.12.2015	Deposit as at 31.12.2014	Deposit as at 31.12.2013.
21.09.2011.	21.09.2015	6.5%	2-0061-05-10416	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10432	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10408	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10343	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10335	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10378	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10386	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10327	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10319	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10297	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10289	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-102262	1,200,000	1,200,000	1,200,000
21.09.2011.	21.09.2015	6.5%	2-0061-05-10254	1,200,000	1,200,000	1,200,000
25.09.2011.	21.09.2015	6.5%	2-0061-04-12376	450,000	450,000	450,000
05.10.2011.	05.10.2015	6.5%	2-0061-03-09834	2,800,000	2,800,000	2,800,000
02.05.2014	02.05.2015	6.50%	2-0061-09-60845	8,540,000	8,000,000	
20.10.2014	20.10.2015	6.50%	2-0061-09-49981	423,400	400,000	
				27,813,400	27,250,000	18,850,000

Treasury Bills- Invested in People's Bank, Head Quarters

Date of Investment	Date of maturity	Rate of investment	Deposit Reg. No.	Deposit as at 31.12.2015	Deposit as at 31.12.2014.	Deposit as at 31.12.2013.
18.01.2011.	17.01.2015		LKB00615C156	14,807,605	13,846,931	12,489,626
09.07.2011.	11.07.2015		LKB00314J011	31,893,706	29,975,087	27,188,469
				46,701,311	43,822,018	39,678,095
Total Amount				74,514,711	71,072,018	58,528,095

Note 6 - Receivables

Receivable interest on Fixed Deposits

Date of Investment	Date of maturity	Rate of investment	Deposit Reg. No.	Deposit as at 31.12.2015 Rs	Receivable for 2015 Rs.	Deposit as at 31.12.2014	Receivable for 2014 Rs.
21.09.2011.	21.09.2014	6.5%	2-0061-05-10416	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10432	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10408	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10343	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10335	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10378	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10386	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10327	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10319	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10297	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10289	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-102262	1,200,000	21,450	1,200,000	24,750
21.09.2011.	21.09.2014	6.5%	2-0061-05-10254	1,200,000	21,450	1,200,000	24,750
25.09.2011.	21.09.2014	6.5%	2-0061-04-12376	450,000	7,719	450,000	8,906
05.10.2011.	05.10.2014	6.5%	2-0061-03-09834	2,800,000	42,972	2,800,000	42,972
02.05.2014	02.05.2015	6.50%	2-0061-09-60845	8,540,000	366,983	8,000,000	401,096
20.10.2014	20.10.2015	6.50%	2-0061-09-49981	423,400	5,351	400,000	5,129
				27,813,400	701,875	27,250,000	779,853

Receivable interest on Treasury Bills

Date of Investment	Date of maturity	Rate of investment	Deposit Reg. No.	Deposit as at 31.12.2015 Rs	Receivable for 2015 Rs	Deposit as at 31.12.2014.	Receivable for 2014
18.01.2011.	17.01.2013.		LKB00615C156	14,807,605	736,370	13,846,931	928,651
09.07.2011.	11.07.2013		LKB00314J011	31,893,706	873,153	29,975,087	914,534
				46,701,311	1,609,523	43,822,018	1,843,185

Note 6 - Receivables

Receivable Income-Energy Instrument Hiring

	31.12.2015	31.12.2014
Barndes Finishing Ltd. - 2005	-	4,850
BMI Holding (Pvt.) Ltd-2005	-	7,200
Hayleys Industrial Solutions -2005	-	500
Enerfab (Pvt) Ltd-2006	-	3,750
Access Energy Solutions	-	500
Access Energy Solutions	-	500
Brandix	-	2,650
DIMO	-	1,600
Energy Solve Int.	-	5,750
National Cleaner Production center	-	750
MAS Active	-	2,400
Engineering Design center	-	-
Glide (Pvt) Ltd	-	150
SLEMA	-	250
	-	30,850
Interest Recivable on Fixed Deposits	701,875.06	779,853
Interest Recivable on Treasury Bills	1,609,522.58	1,843,185
Recivable -Vidulka income		-
Training program		
Power generation -hambanrthota/Indurana	13,109,742	7,593,385
Prior year adjustment		
Recivable employees	2,382	2,138
VAT Credit from Dept of Inland revenue	2,071,868	(1,096,987)
Peoples Travel Pvt Ltd		8,871
Local Training program (suspence)	376,322	417,253
Aitkenspence traval	24,715	
Heritance Ahungalla	35,659	
	17,932,086	9,578,548
Total Amount		
	17,932,086	9,578,548

	31.12.2015	31.12.2014
Note 7: Other current assets		
Advances/Refundable Deposits		
CFL loan		
Recivable from Energy Fund TO Fund of Authority	12,748,404	20,435,260
Recivable from Fund of authority to Energy Fund		
Receivable from CEB		
Medical Insurance	500	500
Advance A/C for Programs etc		
Deposit fuel ect	186,500	186,500
Hambantota - CEB deposit	52,000	52,000
Indurana- CEB Deposit	62,500	62,500
Telephone Deposit	351,048	351,048
Telephone Deposit - Mobitel	2,000	2,000
Deposit SWRDB National Memorial fund	284,280	22,543
Advances for programes etc	27,990	15,881
Deposit -Hambanthota hostal rent	132,000	132,000
deposit- Spring Water Pvt Ltd.,	3,500	3,500
Ministry of Fisheries -Sothorn Provincial Council	1,800,000	1,800,000
Deposit-American Premium Water	23,000	18,000
Refundable Deposit -Paradise College		10,000
Deposit-National Youth	40,000	40,000
Deposit -JR Jayawardena Center	5,000	5,000
Advance-District Secretary-Kilinochchi		240,000
Advance-National Hospital Of Sri Lanka	475,000	475,000
Advance -Dept of Animal Husbanndry, Wayamba Prov	26,777	2,500,000
Advance- District secretary -Hambanthota	2,298,168	
Advance- Industry technology Institue	97,680	
Advance-Mahaveli Reach hotel	231,388	
Advance-University of Sri Jayawardenapura	700,000	
Advance- Sri lanka Rupavahini Corp	150,000	
	<u>19,599,235</u>	<u>26,351,732</u>
Revolving Fund		
Distress loan	7,925,100	7,870,760
Special Advance	4,585	5,000
Festival Advance	45,739	123,989
	<u>7,975,424</u>	<u>7,999,749</u>
	<u>27,574,659</u>	<u>34,351,481</u>
Note 8: Cash and cash equivalents		
National Savings Bank-Borella	153,623,898	213,443,382
People's Bank-SEA-078-1-001-8-8-503576	6,434,270	5,430,427
People's Bank-SEA-078-1-002-7-8-503576	4,578,684	4,578,684
Bank of Ceylon-Trrington - Revolving fund	1,875,373	1,460,067
Bank of Ceylon-Trrington - fund of authority	31,943,304	33,376,650
Bank of Ceylon-Trrington - Energy Fund	67,611,240	40,254,363
	<u>266,066,769</u>	<u>298,543,573</u>

Note 9 : Accumulated fund

Accumulated fund of Energy Conservation Fund (ECF) as at 30 September 2007 transferred to Sri Lanka Sustainable Energy Authority (SLSEA) on 1 October 2007. It consists the following :

Accumulated fund as at 30 September 2007	7,076,392	7,076,392
Initial Capital	5,000,000	5,000,000
Capital Grant - Ministry of Power And Energy	5,761,145	5,761,145
Capital Grant UNDP	3,612,560	3,612,560
Donor Grant - Food & Agriculture Organisation	650,239	650,239
Sustainable Gurantee Fund		
Total	<u>22,100,336</u>	<u>22,100,336</u>

2015

2014

Note 10: Deferred Grant

Capital Grant 2008	33,770,435	33,770,435
Capital Grant 2009	11,955,533	11,955,533
Foreign Grant 2009-Japanese	24,165,380	24,165,380
Capital Grant 2010-Hambantota solar park	46,693,991	46,693,991
-Unamortised capital grant	10,646,819	10,646,819
Foreign Grant 2010-Japanese	11,419,569	11,419,569
Capital Grant 2011-Indurana mini hydro project	15,523,945	15,523,945
-Unamortised capital grant-Indurana M	68,798,341	68,798,341
Foreign Grant 2011-Japanese	1,155,016,402	1,155,016,402
- Korean	191,097,075	191,097,075
Deffered grant -Foreign aid -2012 -ADB	15,082,346	15,082,346
Treasury capital grant-2012	23,581,236	23,581,236
Differed Grant -ADB- 2013	43,416,071	40,560,683
Differed Grant -KOIKA- 2013	35,662	35,662
Treasury capital grant/FARDF -2013	41,873,961	41,873,961
Capital Grant 2014	20,487,827	20,487,827
Capital Grant 2015	14,655,015	

Less:

-Deffered Revenue-2015	(160,205,804)	
-Deffered Revenue-2014	(162,919,374)	(162,919,374)
-Deffered Revenue-2013	(168,752,494)	(168,752,494)
-Deffered Revenue-2012	(161,579,648)	(161,579,648)
-Deffered Revenue-2011	(63,412,336)	(63,412,336)
-Deffered Revenue previous years	(26,338,720)	(26,338,720)
	<u>985,011,232</u>	<u>1,127,706,633</u>

	31.12.2015	31.12.2014
Note 11:		
Sri Lanka Sustainable Energy Fund		
RE income	234,856,712	222,352,762
Instrument hiring and energy auditing	23,657,099	13,459,090
Interest on Savings A/C - NSB	36,591,569	26,890,749
WHT	(258,884)	(14,772)
Withdrawal for programmes/activities of Energy Fund	(43,091,011)	(30,342,607)
BOC savings A/C opening cost	500	500
	251,755,985	232,345,722
Note 12: Other Payables		
Sustainable Energy Fund		-
Payable to Fund of the Authority from En Fund	12,748,404	20,435,260
Switch Asia control A/C	4,548,176	4,548,176
Ministry of Power and Energy	500	500
Accrued expenses	11,579,596	12,241,722
Unpresented cheques	121,271	129,837
Creditors		
Renewable Energy-E Net Solutions (Private) Ltd.	1,667,500	1,667,500
Acquisition of Energy Instruments		
- E-Net Solutions (Pvt.) Ltd	326,025	326,025
John Keels Office Automation		128,999
Sri Lanka State Trading Gen Corp.		202,359
University Of Moratuwa	-	340,000
Sybergate Service Pvt Ltd		394,998
Federation of Electricity consumers		1,662,852
Uwa Provincial Council Power & Energy		3,990,000
Retention	1,614,807	549,392
Narahenpita Jathika Pola	99,405	99,405
Other Creditors	(1)	827,973
Sundry creditor		
Sri Lanka Custom	310,748	310,748
Welfare Society SEA	442	442
Sundry payable		
Refundable deposits:		
E-Net solutions (Pvt) Ltd	10,000	10,000
ENL Consultant	150,000	150,000
E-Net solutions (Pvt) Ltd		
Zigma Technologies	10,000	10,000
Renco Renewable Energy Co. (Pvt.) Ltd	30,000	30,000
Gamini Senannayake		
vidulka exhibition	9,256	9,256
vehicle disposal tender		
Ceylon petroleum Corp	54,000	54,000
Refundable Deposit - Vehicle	14,000	14,000
ATA International	50,000	50,000
Ruhunu Solar Energy Systems	75,000	
Vidulka symposium	25,000	
	33,444,129	48,183,444

	2015	2014
Note 13 : Capital grant for project expenses		
Capital grant received from Treasury	42,565,536	54,080,000
Transfer payments under FR 295 (1) FASRDF -2013		
Less:		
Hambantota Solar Park		-
Work in progress	6,805,978	2,559,793
Intangible Assets	113,450	
Capital assets acquired during the current year	7,735,587	17,928,034
	27,910,521	33,592,173
Note 14 : Amortized deferred grant		
Depreciation for current year	160,205,804	162,919,375
Depreciation for previous years		
	160,205,804	162,919,375
Note 15 : Other Income		
Energy permit fees	31,813,385	51,125,464
Interest on Fixed deposits	1,207,403	1,829,641
SAARC Energy centre		
Distress loan interest	389,555	293,874
Special advance interest	3,110	2,201
Income from power generation-Hambanthota	42,049,876	26,971,206
Income from power generation-Indurana	3,559,824	2,737,184
Energy Managers Training Prog	359,250	1,238,086
Vidulka exhibition (sponsorship)		
Vidulka exhibition (stalls)		
Switch Asia programme accreditation of energy managers		
Other Income	429,021	2,826,039
Income from energy fund	12,748,404	20,435,260
Regional centre for lighting		
Prior year adjustment		
Value added tax on taxable income	6,098,165	10,286,572
Wind Data Income		250,000
lamp testing	175,000	
	98,832,993	117,995,527

Note 16 : Project Expenses

Renewable Energy	2015	2014
Preparation of RE Recourse Development		1,260
Assessment of Wind Recourse		541,990
Assesment of Solar Energy		664,349
Assessment of Hydro Energy		86,655
Assesment of bio mass energy Consumption		976,849
Assesment of bio mass energy		1,769,466
Assesment of Energy potential in Agriculture		1,102,094
Maintenance of Wind & Solar data		2,281,009
Introduce technology compendium		850
Workshops training		3,937,856
Resource allocation 1		248,364
Maintain the WEB based updated GIS System		97,715
Send details to CEB requesting grid availability		450
Represent is Scoping/TEC meetings		102,567
Development of new methodology & allocate		2,057
	31.12.2015	31.12.2014
Extraordinary gazettes regulations		610,146
Maintain the progress of PA & EP		184,776
Completion of out standing issues in th project		87,009
Develop & Implement a performance testing program		41,035
Electrification of none accessible areas to the national grid		22,450,677
RE solutions for SME sector		1,282,438
Net metering solutions in collaboration with CEB		447,380
Assess existing technologies & introduce RE solutions		1,539,438
Provincial bio gas programs		6,290,312
Energy sector investment promotion (pvt) sector facilitation		159,832
Power sector support project		28,385
Clean energy network improvement project		315,616
Quantum leap program- Wind energy assessment project		23,407
UNDP		1,046,043
Operation of Hambanthota RE sight		12,261,613
Operation of Indurana RE sight		1,863,758
Promoting sustainable bio mass energy		59,600.00
1 Resource Allocation & Development	551,826	
2 Progress Monitoring	210,453	
3 technology Development & research	1,762,389	
4 Renewable Energy services	10,280,995	
5.1 Donor Funded Projects	3,106,625	
5 Donor Funded Projects	4,388,732	
5.5 donor funded project	3,185,627	
5.5 donor funded project	39,000	
6 Operation of Hambanthota RE sight	6,766,182	
7 Operation of Indurana Sight	1,597,884	
	-	
	31,889,713	60,504,996

	2015	2014
Energy Management		
Establishment of energy management cells		7,303,385
Introduction of standards & regulations		3,696,855
providing advisory & counseling services		2,080,604
Rewarding of achievements		1,392,573
Promoting ISO 5001		463,683
Carrying out research & development		3,036,384
Establishment of pilot project for future replication		72,926
Introducing market based instruments		1,200
Secure funds		
1 Energy management Cells	6,939,616	
2Standards & Regulations	611,912	
3 Advisory & Counseling	72,862	
4 Rewarding & achievements	7,141,977	
5 Sector Specific programs	1,711,166	
6 Research & development	2,098,844	
7 establishment of Pilot Projects	780,263	
8 Energy audit	2,598,873	
	21,955,513	18,047,610

	2015	2014
Knowledge Management		
Vidulka Energy Exhibition		4,740
Energy symposium		125,000
Sri Lanka National Energy Efficiency award		
Event Branding		150,000
Awareness thru electronic & print media		44,300
Education & awareness for school children		
Education & awareness for public & corporate sector		661,920
Education & awareness for general public		
Development of educational & promotional tools		
Biogas Generation		
Communication Programs		162,626
1 Education Programs	9,994,530	
2 Communication Programs	4,812,136	
	<u>14,806,666</u>	<u>1,148,586</u>
Economic Affairs		
Energy policy interventions		1,519,346
Energy planning & impact assessment		61,855
Establishment of energy efficient zones		2,217,025
School energy club program		4,211,392
Awareness program through media		4,896,729
Vidulka 2014		6,182,760
Project expenses ADB grant		4,404,284
Project expenses-Estate micro hydro rehabilitation		786,109
Formulation & publishing of energy data & information		63,672
Energy policy research workshop		168,000
	<u>-</u>	<u>24,511,172</u>
Strategic Activities		
1 Formulation & Publishing Energy Data & Information	1,944,284	
2 Island wide Petro shed survey	6,721,053	
3 Characterization of Domestic Energy demand	911,334	
4 Energy policy research work shops	1,140,670	
	<u>10,717,341</u>	
	<u>79,369,233</u>	<u>104,212,364</u>
Recurrent Expenses		
Note 17 : Salaries and allowances		
Salaries for staff	46,665,650	40,090,983
Cost of living allowance	8,751,600	8,682,144
Allowances for staff	5,839,872	
E.P.F. 12%	6,654,047	5,329,702
E.T.F. 3 %	1,663,161	1,346,171
Overtime & Holiday Pay	3,700,950	3,852,306
PAYE Tax		
Gratuity	1,305,150	976,802
Compensation payment		
un utilized leave		
Medical Insurance	1,490,837	1,500,008
own vehicle utilization	690,000	
	<u>76,761,267</u>	<u>61,778,116</u>

	2015	2014
Note 18 : Travelling & Subsistence		
Travelling- Local	559,522	763,931
Travelling- Foreign	153,531	559,139
Substance-Foreign	1,752,477	
	2,465,530	1,323,070
Note 19 : Supplies		
Printing, Stationary & office requisites	1,329,229	3,578,925
Fuel & Lubricants	3,764,224	5,972,476
Others- News Papers & Miscellaneous Service	134,275	135,973
	5,227,728	9,687,374
Note 20 : Maintenance Expenditure		
Maintenance of Vehicles and Insurance & License fees	7,084,759	7,420,108
Maintenance of Office Equipment	430,170	595,203
Maintenance building & structure	92,875	
	7,607,804	8,015,311
Note 21 : Contract Service		
Office Rents and hire charges	23,205,507	23,089,238
Postal and Telecommunication charges	2,613,004	2,479,476
transport	802,329	825,802
Audit fees	600,000	600,000
	27,220,840	26,994,516
Note 22: Depreciation Expenses		
Furniture & office equipment	2,379,666	1,978,455
Motor vehicles	1,158,245	524,235
Photocopier	373,223	459,480
Computers	3,099,306	4,124,389
Electrical Goods	52,682	36,531
Library Book	71,175	9,801
Energy Instruments	7,041,829	4,731,111
Wind towers and Instruments	9,648,214	9,712,206
Refrigerator testing laboratory	8,433,067	7,855,460
Hambantota Energy park	127,947,897	133,487,207
Exhibition Equipments	500	500
	160,205,804	162,919,375
Note 23 : Other Recurrent Expenses		
Office & other miscellaneous Expenses	2,255,581	1,158,584
paper advertisements	246,186	
Insurance	32,966	
Translation Fees	41,721	61,061
Allowances for Board Members	465,000	700,000
Refreshment Charges	506,147	1,045,782
Labour Charges		
Welfare Expenses		
Local Training Program	1,433,270	911,812
Bank charges	27,388	84,095
Vidulka and public awareness		
National Building tax (NBT)	1,246,711	1,666,937
Bad debts	25,700	
	6,254,970	5,628,271

Note 24**Restatement of Prior Years**

2014
Rs
(Dr)/Cr

In Year 2015

1 Work in progress- Hambanthota Solar park Fixed Assets- Building Net surplus /Activities	4,332,591 Cr (3,517,591) Dr (815,000) Dr	Being WIP completed at Solar park by Suhada Enterprices
2 Depreciation- Wid Towers Accumulated Depreciation - Wind towers Differed grant Differed Revenue	(105,395) Dr 640,503 Cr (640,503) Dr 105,395 Cr	Depreciation of Wind towers in previous year
3 Activities Accrued Expense	(47,501) Dr 47,501 Cr	Being accounting for accrued expense
3 WIP- Biomass Municipal solid inspection report Activities	(709,000) Dr 709,000 Cr	Being correction of WIP investment in Bio mass Dr to Activities (RE/03)
4 Differed Grant Capital grant for Activities Net surplus	750,375 Cr (750,375) Dr	Being retention of wind towers
5 Accrued Expense Net surplus/Activities	(659,860) Dr 659,860 Cr	Being correction of posting error of expenses to Rotax & SS Printers
6 Net Surplus/RCL Rent Accrued Expense	3,956,635 Cr (3,956,635) Dr	Being removal of RCL Rent payable from Accrued expenses
7 Net surplus/other income Receivable stall income	(374,675) Dr 374,675 Cr	Being Vidulka stall income received
8 Net Surplus/depreciation Accumulated Depreciation Differed grant Differed Revenue	3,962,770 Cr (3,962,770) Dr 3,962,770 Cr (3,962,770) Dr	Being rectification of over depreciation of power electronics items in 2014.
9 Net surplus/Gratuity Expenditure Gratuity Liability	(2,453,100) Dr 2,453,100 Cr	Being Gratuity adjusted for COLA in 2014
10 Recivable- Power generation Other Income- power Generation	(404,958) Dr 404,958 Cr	Being amount receivable from CEB for Power generation in 2014 not accounted
11 WIP- Electric prototype Vehicle Net surplus/Activity	(7,956,800) Dr 7,956,800 Cr	Being Capitalising of expenses on electric prototype Vehicle
Net Surplus	-	
	<u>(0)</u>	

Auditor General's Report



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මගේ අංකය
எனது இல.
My No.

POE/C/SLSEA/FA/2015

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

08 December 2016

The Chairman,
Sri Lanka Sustainable Energy Authority

Report of the Auditor General on the Financial Statements of the Sri Lanka Sustainable Energy Authority for the year ended 31 December 2015 in terms of Section 14(2)(c) of the Finance Act, No.38 of 1971

The audit of the financial statements of the Sri Lanka Sustainable Energy Authority (SLSEA) for the year ended 31 December 2015 comprising the balance sheet as at 31 December 2015 and the statements of income, statements of changes in equity and statements of cash flow for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No 38 of 1971 and Section 50(3) of the Sri Lanka Sustainable Energy Authority Act, No. 35 of 2007. My comments and observations, which I consider should be published with the Annual Report of the Authority in terms of Section 14(2) (c) of the Finance Act, appear in this report. A detailed report in terms of Section 13(7) (a) of the Finance Act will be issued to the Chairman of the Authority in due course.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effect of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Sustainable Energy Authority as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

Even though comparative information should be presented for all values included in the financial statements in terms of Sri Lanka Public Sector Accounting Standard 01, comparative information had not been presented relating to the note on property, plant and equipment.

2.2.2 Accounting Policies

A sum of Rs.8,033,271 payable as building rent relating to the year 2012 had neither been accounted nor sufficiently disclosed in the financial statements due to being disputed. However, that amount had been paid by the Authority on 29 February 2016.

2.2.3 Accounting Deficiencies

The following observations are made.

- (a) Even though income from solar power generation and income from Indurana Mini Hydropower Plant amounting to Rs.42,049,876 and Rs.3,836,217 respectively had been brought to account, the income of the year under review had been overstated by a sum of Rs.3,324,695 as the income



according to the invoices amounted to Rs.39,129,831 and Rs.3,431,567 respectively.

- (b) Even though a sum of Rs.12,981,175 had been brought to account as income receivable from the power generation of Hambantota and Indurana, income receivable according to the invoices had been a sum of Rs.16,560,440. As a result, income receivable had been understated by a sum of Rs.3,579,265.
- (c) Even though the canopy fixed to a cab by spending a sum of Rs.218,670 in the year under review had been capitalized, depreciation relating to the year under review amounting to Rs.32,800 had not been brought to account.
- (d) A land, 50 acres in extent acquired from the Mahaweli Authority on 28 July 2011 for the Hambantota Solar Park Project had not been assessed and brought to the financial statements even in the year under review.
- (e) Damage had been caused by the collapse of Udappuwa Wind Mast costing Rs.2,244,000 in October 2010 and it had been inoperative for more than 05 years. Action had not been taken to dispose the net value of this asset amounting to Rs.601,875 from books even up to 30 September 2016.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Action had not been taken by the Authority to recover balances amounting to Rs.3,486,182 remained in the accounts for more than 1 year and less than 4 years and a balance of Rs.9,275 which had lapsed over 5 years as at the last date of the year under review.



- (b) A sum of Rs.7,622,186 out of a sum of Rs.11,579,596 stated in the accounts as accrued expenditure as at the end of the year under review had been brought forward from the year 2011 and action had not been taken either to settle this amount or to credit to the income by the Authority even up to the year under review.

2.4 Non- compliance with Laws, Rules, Regulations and Management Decisions

Instances of non- compliance observed during the course of audit were as follows.

Reference to Laws, Rules, Regulations and Management Decisions

Non- compliance

(a) Sustainable Energy Authority Act No.35 of 2007

Sections 7(1), 8(1) and 42(1)

The Renewable Energy Inventory, Energy Map, Energy Development Plan and the Report on the Performance in the field of Energy in Sri Lanka had not been prepared and presented to the Minister.

(b) Finance Act No.38 of 1971

Section 14(1)

The Draft Annual Report for the year 2015 with the financial statements for the year under review had not been presented to the Auditor General.

(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

(i) Financial Regulation 108

A Register of Losses and Damages had not been maintained.



(ii) Financial Regulation 1645

There were 16 vehicles belonging to the Authority and the fuel consumption of 8 vehicles had not been noted in the log books since the year of purchase of these vehicles and the fuel consumption of the 8 remaining vehicles had not been noted from several years.

(iii) Financial Regulation 756(i)

A Survey of Goods had not been conducted as at 31 December of the year under review.

(d) Treasury Circulars

(i) Circular No.842 of 19 December 1978

A Register of Fixed Assets had not been maintained in terms of the Circular.

(ii) Circular No.IAI/2002/02 of 28 November 2002

A Register of Fixed Assets had not been maintained in respect of Computer, Software and Accessories.

(iii) Public Finance Circular No.03/2015 of 14 July 2015

Advances exceeding Rs.100,000 had been provided to non- Staff Grade Officers in 9 instances in the year under review, contrary to the provisions of the Circular.

(e) Public Administration Circulars

Circular No.13/2008(IV) of 09 February 2011

Four- thousand eighty- eight point five litres of fuel had been provided to 6 officers of the Authority including the Director General exceeding the approved limit of fuel in the year under review and its value amounted to Rs.478,373.



(f) Public Enterprises Circulars

Circular No.PED/45 of 02 October
2007

Statements of liabilities that should be
included in the financial statements had
not been included.

2.5 Transactions not supported by Adequate Authority

A sum of Rs.3,135,202 out of a sum of Rs.7,334,354 received under the “Switch-Asia” programme had been paid as professional allowance for all officers of the Authority in the years 2010 and 2011 contrary to the provisions in the Public Enterprises Circular No.95 of 04 June 1994 and the Public Finance Circular No.PF/PE/5 of 11 January 2000.

Even though it had been instructed to the Chairman of the Authority by the then Secretary to the Ministry of Power and Energy by his Letter No.PE/IA/22/vol- II of 03 December 2012 to recover this payment either from all officers or from the Chairman of the Authority, action had not been taken to recover even up to 30 September 2016.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Authority for the year under review had resulted in a surplus of Rs.8,284,743 as compared with the corresponding surplus of Rs.12,624,363 for the preceding year, thus indicating a deterioration of Rs.4,339,620 in the financial result in the year under review as compared with the preceding year. Even though the expenditure in the year under review had decreased by a sum of Rs.15,442,220, the decrease of other income by a sum of Rs.19,162,534 had been the main reason for this deterioration.



In considering financial results of 04 preceding years, even though a financial deficit had indicated in the year 2011, a financial surplus had been indicated from the year 2012 to the year under review. Although this surplus had been improved up to the year 2013, thereafter it had been continuously deteriorated up to the year under review. However, even though the contribution of the Authority had continuously increased in considering personnel emoluments, taxes paid to the government and depreciation, it had been slightly deteriorated by 7 per cent in the year 2014 and it had again improved by 2 per cent in the year under review.

4. Operating Review

4.1 Operating Activities

A sum of Rs. 7,888,000 had been paid in the year 2009 to develop three prototype electric vehicles within 18 months from 28 September 2007. Nevertheless, the developer had failed to complete even a single vehicle even when it had elapsed 7 years and necessary action had not been taken either to return the 03 vehicles having being developed or to take legal action to get the paid amount refunded.

4.2 Idle and Underutilized Assets

Two cabs out of the 16 vehicles belonging to the Authority remained idle and had been halted in the vehicle yard from around 1 ½ years and a sum of Rs.113,103 had been spent on 26 January 2015 for the insertion of tires to one vehicle. The other vehicle had been removed from running due to reasons such as not having a driver, excessive fuel consumption and being inconsistent with the road system.

4.3 Delayed Projects

Sums of Rs.416,875, Rs.576,500 and Rs.833,750, totalling Rs.1,827,125 as mobilization advances, equipment cost and site inspection fees respectively, had been paid in the year 2011 for the construction of Kabaragala Wind Measuring Mast. These constructions had not been completed by even by 30 September 2016 and the function

of obtaining the expected data by constructing Masts could not be achieved due to this delay.

4.4 Human Resources Management

The following observations are made.

- (a) An approved recruitment procedure of the Authority had not been prepared in terms of paragraph 9.3 of the Public Enterprises Circular No.12 of 02 June 2003.
- (b) The cadre approved for the Authority by the Department of Management Services had been 136 and the actual cadre as at 31 December 2015 had been only 106. As such, 30 vacancies existed in the cadre and among them there were key posts such as 2 Directors, 4 Divisional Head posts and 11 managerial posts. Therefore, it was observed that it had been a fetter in achieving the main objectives of the Authority.
- (c) Twenty- eight files on foreign training provided within the year 2015 were subjected to audit and reports that should be presented by the officer at the end of the training had not been presented in 26 files of them.

5. Accountability and Good Governance

5.1 Internal Audit

Even though it is essential to carry out an internal audit in terms of the provisions of Financial Regulations 133 and 134 and the Circular No.DMA/2009(1) dated 09 June 2009 of the Department of Management Audit, a Division consisting of officers attached to that function itself including the Chief Internal Auditor, had not been established.

5.2 Budgetary Control

The following observations are made.

- (a) A sum of Rs.79,369,233 out of a sum of Rs.134,243,000 allocated in the year under review for projects, programmes and activities had been spent and the balance of Rs.54,873,767 or 41 per cent remained underutilized. Accordingly, it was observed that action had not been taken to utilize allocated money effectively for the achievement of the relevant objectives.
- (b) A provision of Rs.10,000,000 for capital expenditure had been made by the Budget and only a sum of Rs.5,254,951 of that had been spent. As such, it was observed that a sum of Rs.4,745,049 out of capital allocations or 47 per cent had remained underutilized.
- (c) Even though provisions had not been made by the Budget for the acquisition of lands and buildings, it was observed that a sum of Rs.49,185,376 out of the capital savings had been spent therefor in the year under review.
- (d) In comparing the budgeted expenditure with the actual expenditure for the year under review, significant variances ranging from 10 per cent to 104 per cent were observed relating to 32 items of expenditure, thus indicating that the budget had not been made use of as an effective instrument of financial management control.

6. Systems and Controls

The deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Authority from time to time. Special attention is needed in respect of the following areas of control.

Areas of Systems and Controls

Observations

(a) Budgetary Control

Not utilizing as an instrument of control by preparing realistically.

(b) Assets Management

Valuation, documentation and protection of property, plant and equipment, and not utilizing the resources of the Authority effectively for the achievement of the objectives.

(c) Control of Debtors

Not promptly collecting debtors and other receivables and not accounted.

(d) Human Resources Management

Not managing human resources in terms of the extent and role for the achievement of the objectives of the Authority.

(e) Implementation of Projects

Not implementing the functions of the projects towards their objectives for the achievement of the expected objectives of the projects.

(f) Computerized Ledger System

Not introducing computerized ledgers enabling the analysis of expenditure incurred under various Expenditure Heads.

(g) Accounting

Not preparing journal entries.

W.P.C Wikramaratne
Auditor General (Acting)

Response to Auditor General's Report

2. Financial Statements

2.2 Comments on Financial Statements

After shifting computer software concerned, it is noted to include this data in the coming years

2.2.2 Accounting policies

It is informed by the Auditor General also not to mention anything for RCL in our accounts following the year 2012. As such, there was no reason to mention this as a contentious issue in year 2015 accounts. Further, our institute has taken action to recover this amount from Ceylon Electricity Board through the Ministry. This matter had been discussed at ministerial AMC meetings.

2.2.3 Accounting deficiencies

- (a) Income is correctly accounted by issuing invoices and issuing date of them. As invoices for Hambantota solar power house is issued after receiving data related, invoices are issued for the month followed by month of meter reading. This has been correctly accounted.

As per the aforesaid clarifications, Hambantota Solar Power generation income for year 2015 amounting to Rs. 42,049,876/- is correctly accounted.

It was clarified to the current Audit Superintendent of correctness of this.

- (b) As the way mentioned, Idurana power house income related to year 2015 had been corrected as Rs. 3,559,824/-.

According to afore given clarification, receivable from Hambantota and Idurana power houses has been corrected as Rs. 13,109,742/-.

- (c) Value of said canopy had depreciated in year 2016.

- (d) Deeds concerned have been received by now. Southern Provincial sub office has been informed in writing by Valuation Department for valuing the said land on 28 September 2016.

They had already done this land valuations and informed verbally for sending valuation report in the future.

- (e) This is written off from 2016 year account after getting approval for this Wind Measuring tower at Udappuwa.

2.3. Accounts receivable and payable

- (a) Most of these items are deposits made for Ceylon Electricity Board, fuel, telephone etc. These amounts can be recovered by accomplishing their services.

Out of these, few are advances paid to institutes for each project.

eg. Ministry of Fisheries, Pradeshiya Sabha, Southern province) This sum had not yet paid by section handling the project)

- (b) As Prescription period of Rs. 2,945,699.50 had been lapsed, it is noted to write off from accounts after getting approval of Director Board.

2.4 Non compliances with rules, regulations & Management Decisions

(a) Sustainable Energy Act No. 35 of 2007

Sections 7 (1), 8 (1) & 42 (1)

Under the Section 7 (1) of Act, mapping of rechargeable power resources found by renewable resources had been accomplished by Sri Lanka Sustainable Power Authority. There, “Sri Lanka Solar Atlas” on Solar power was declared and information on solar source could be available from internet at Divisional Secretary division level.

(www.energy.gov.lk/sub_pgs/energy_renewable_solar_atlas.html)

As well, report on Bio Mass Consumption is also accomplished and it can be downloaded by www.energy.gov.lk/biomass-energy-consumption-sri_lanka-industries. A report on Bio Mass Generation in 11 districts is accomplished by Sustainable Bio Mass Power Project under the aid of GEF/UNDP/FAO.

A long time is taken to map out solar resources and Wind Power station had constructed and implemented in eligibly areas. Details of such places are still being received. Based on data already received with, Wind data mapping in areas like Mannar, Jaffna and Puttalam have been accomplished. Development projects have been started in other areas based on these data. Data of long term to be taken after fixing wind mills and mapping of them is also to be accomplished immediately.

Calculations on total Hydro Power Ability at regional level had been accomplished and it is be declared by gazette. We have already received 802 applications for mini hydro power house promotion (total capacity of them is around 1179.37 mega watts). Out of these, 178 projects have been already networked and 83 applicants are doing constructions by getting final Energy permit. Other 88 applicants have got temporary approvals and working towards getting approvals. Request for ability to networking other projects have been referred to the Ceylon Electricity Board for which a reply is still awaited.

Out of Wind and Solar Power Projects 15,128 and 7 respectively have already been networked. In addition, we have received nearly 665 applications (2036 megawatts) for nearly 89 Solar projects. Due to not settling technical issues in networking them, they are not in implementation level.

According to data available with us, in Sri Lanka boasts of capacity about 20,000 mega wats for wind power and in case of solar powered electricity, mere about 1% of total land area of the country. Every project handed over to us by Project Proposers had been promoted with the help of our data i.e. Renewable Energy Inventory & Renewable Energy plans.

Under Section 8(1), Renewable Power Development plans have been worked out till year 2025.

Based on them, Sri Lanka Power Plan up to 2015 up to 2025 has been worked out by Ministry of Power and Renewable Energy.

Report referred under Section 42 (1) for year 2014 had been prepared in year 2015 and referred it to institutes including Ministry of Power and Renewable Energy. The report for year 2016 is being prepared in year 2017 and it will be out at the end of this year.

(b) Section 14(1) of Financial Act No. 38 of 1971

Action is taken to submit annual report for year 2015 with its financial statements to the Auditor General.

(c) (i) No damage or loss had been reported in preceding years.

(ii) 15 vehicles out of 16 vehicles of the Authority have been adjusted and included in log notes. Cab bearing No. 54-3189 is not fit for running.

iii) A Board of Survey had not done by 31 December of year under review.

The Board of Survey had accomplished at beginning of year 2016 and a report had issued by the said Committee.

(d) Treasury circulars

(i) A Fixed Asset register had been maintained from year 2009 up to 2016

(ii) A Fixed Asset register on computers has been started in year 2016 by Assistance Services Section of the institute. There, details of all computers of the institute is embodied.

(iii) This amount has been paid on approval for conducting programs such as special exhibitions in eternal places and for paying allowances to Board Members. But according to current circular, this circular is followed as up to Rs. 100,000/= could be paid for ranks over MM 1

(e) **Public Administration Circulars**

Fuel is issued as per the Public Enterprises Circular No. PED 1/2015 and additional fuel is issued with Board approval going by its par 3.2.

(f) **Public Enterprise Circulars**

Accounts of our institute is made in accordance with SLPSA Accounting Standard. According to its standard, Liabilities are shown in account balances and notes.

2.5 Transactions not authorized by competent authority

Order of this nature from Secretary of Ministry had not received by Financial Section. However, Acting Chairman of the institute is taking steps to get Treasury approval for this.

3. Financial Review

3.1 Financial Result

The current status of this is Net surplus has been gone high by Rs. 15.263 Mn as indicated by Account report of year 2016. The main reason for this is increase of Permit fees in year 2015 from Rs. 31.813 Mn. to Rs. 57.407 Mn. In year 2016.

4. Operational Review

4.1 Operational Activities

Action are taken to work out a detailed report on this project and submit same to Auditor General's Department forthwith.

4.2 Idle and underutilized Assets

Cab bearing No. PD-4477 is back in service.

As vehicle bearing No. 54-3189 has been very old (around 22 years), Lanka Automobiles had informed of not worthlessness in repairing such a vehicle. With that, Section concerned is taking steps to auction the said vehicle.

4.3 Belated projects

Items valued to Rs. 576,500/- paid for the Kabaragala tower is with the institute. Agreement concerned is already cancelled due to failure to construct Wind Tower by the E- Net. The balance from 25% to be paid to the said institute and retention of 5% had been ceased. Action are taken to construct the tower concerned on another location.

4.4 Human Resources Management

- (a) Recruitment procedures of Authority have already been prepared under the restructuring process.
- (b) Action is taken to fill vacancies once recruitment procedure is approved.
- (c) Officers have been educated to issue reports no sooner foreign training is concluded and action is taken to get back reports.

5. Accountability and Good governance

5.1 Internal Audit

The Audit Section comprising with an Internal Auditor, Audit Executive and a junior audit executive has been established.

As given in the Audit query, it was agreed to postpone approving a chief internal auditor by Salary and Cadre Commission and also agreed to pass approval only for a post of Internal Auditor.

5.2 Budgetary Control

- (a) The main reason for this difference between the budget and current reports was stop payment by Ceylon Electricity Board for electricity generated by the Hambantota Solar Power house. As such, Certain expenditure related to the said income could not borne by the projects. Anyway, these arrears was recovered to from Ceylon Electricity Board with help of Ministry in the year 2016. Even such these payments have been suspended again by CEB. Though a major project got off as “Rural electrification” could not bear the contractor concerned as its wide expansion. This has been another causative factor.
- (b) Though estimates of Rs. 10 Mn. Is available, only Rs. 6,161,611/- had been incurred. Balance provision too had not been received from Treasury.
- (c) The said land is acquired to construct our office building. This decision was taken after approving 2015 Budget. As this so essential, it was paid by our income with Board approval.
- (d) Some of these expenditures are expenditure incurred for projects notified by external institutes to us at last moment. As VVIP are coming to watch and open them, they are implemented with Board approval

6. Systems and Controls

A system of paying salaries by computers had already introduced. Further, though tender called from registered suppliers for a computerized accounting system has been reacted only with two suppliers. Though one supplier had recommended by a TEC Committee by calling tenders for the second time, the Purchasing Section had intimated verbally of rejecting it by Chairman of Procurement Committee.