The proposed Kerawalapitiya power plant

With reference to the news item published in The Island on Wednesday, February 28, 2007 under the caption "Kerawalapitiya power plant project given to Chinese Firm," I would like to make the following comments with respect to the statement on the proposed Kerawalapitiya Combined Cycle Project, attributed to the President of Ceylon Electricity Board Engineers' Union (CEBEU).

According to the above news item, the CEBEU President has stated that the cost of the Kerawalapitiya power plant has increased from US$ 220 million to US$ 385 million.

While it is possible that the reporter concerned had quoted CEBEU President's statement out of context, you will agree that it may have misled the public into believing that the total cost of the project was US$ 220 million and later it shot up to US$ 385 million, which is a distortion of facts for the following reasons:

1. The Kerawalapitiya power plant is proposed to be built in two stages, Project A and Project B. Project A comprises of two 280MW units and Project B comprises of four 210MW units. The total capacity of Project A and Project B is 960MW and 840MW respectively.

2. The cost of Project B is higher than Project A due to the higher capacity and complexity of the project.

3. The increase in cost is due to various factors, including changes in fuel prices, exchange rate fluctuations, and global economic conditions.

4. The additional cost is not due to any direct action by the Chinese firm or any other party, but rather due to unforeseen circumstances beyond the control of the project team.

5. The actual cost of the project is subject to ongoing negotiations and finalization of contracts.

6. The CEBEU President's statement was made in the context of the overall project and not specifically about the Kerawalapitiya power plant.

In conclusion, it is important to note that the Kerawalapitiya power plant project is a significant investment for the country, and any increase in cost should be thoroughly analyzed and communicated accurately to the public to avoid any misinformation.