



ASIAN DEVELOPMENT BANK

Project Data Sheet

Project 53193-001

Project Name

Supporting Feasibility Study and Survey to Adopt Liquefied Natural Gas (LNG) Power Generation to Diversify Energy Mix

Project Number

53193-001

Country / Economy

- Sri Lanka

Project Status

Closed

Project Type / Modality of Assistance

- Technical Assistance

Source of Funding / Amount

TA 9741-SRI: Supporting Feasibility Study and Survey to Adopt Liquefied Natural Gas (LNG) Power Generation to Diversify Energy Mix

Source

Amount

Technical Assistance Special Fund US\$ 225,000.00

Strategic Agendas

- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

Drivers of Change

- Governance and capacity development

Sector / Subsector

- **Energy** / Energy sector development and institutional reform

Gender

No gender elements

Description

The proposed feasibility study is to identify the optimal LNG facility for Sri Lanka (i.e., land-based LNG terminal or floating storage and regasification unit) and the most suitable location for the development of new LNG-fired power plants and its associated facilities. This will include detailed study by considering the demand for

natural gas in Sri Lanka, global LNG market, LNG pricing and contracts, possibility of supplying LNG to regional markets, and other social and environmental aspects. Maldives is considering importing LNG for power generation and other uses. LNG terminal in Sri Lanka with sufficient storage and adequate supply will benefit from lowering the energy cost of both countries. The site selection requires offshore survey and hydrodynamic studies to ascertain technical parameters required for LNG power generation infrastructure and its associated facilities, therefore it is recommended to engage a firm with expertise, equipment, and experience working in Sri Lankan ocean waters to carry out this marine survey assignment.

The TA will help provide necessary support for the feasibility study including marine survey for developing LNG based power generation and its value chain. CEB, a state-owned electricity utility, has already carried out a preliminary feasibility study with support from ADB exploring the possibility of LNG for Colombo-based power plants. The findings of the pre-feasibility study recommend the necessity to set-up an LNG terminal and other infrastructure on an expeditious basis for supplying LNG for power generation.

Project Rationale and Linkage to Country/Regional Strategy

The Government of Sri Lanka, through the External Resources Department (ERD), has requested ADB via letter dated 11 March 2019 to support Ceylon Electricity Board (CEB) urgently in exploring LNG as a fuel for power generation. The Ministry of Power and Renewable Energy (MPRE) also sees a greater role for LNG in its goal of reducing the use of oil and coal in the country, particularly for power generation. This is also in line with the government's key development priority to diversify the existing generation mix to include cleaner energy resources and climate change mitigation actions. A small-scale TA was preferred to initiate the necessary activities for LNG study quickly as requested by the government.

CEB currently does not have in-house capacity to undertake these tasks since LNG is entirely new to Sri Lanka. The TA will provide external consultants to assist in preparing the feasibility and survey report for LNG import, LNG terminal and sea side facilities, infrastructure and other allied facilities for LNG transmission to the prospective power plants.

Impact

Inclusion of cleaner energy resources and climate change mitigation actions in Sri Lanka government's priority to diversify the power generation mix achieved

Project Outcome

Description of Outcome

Increased viable options to diversify primary energy sources in power generation of Sri Lanka.

Progress Toward Outcome

Survey and reports have been submitted. Being reviewed by the government for final approval.

Implementation Progress

Description of Project Outputs

Feasibility study to identify optimal LNG facility and site completed

Site survey and hydrodynamic studies to confirm feasibility study for LNG infrastructure completed

Assessment of CEB's technical and procurement capacity for implementing LNG infrastructure and its associated facilities conducted

Status of Implementation Progress (Outputs, Activities, and Issues)

Survey and reports have been submitted. Being reviewed by the government for final approval. Capacity building for CEB to be continued.

Geographical Location

Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services

yes

Procurement

Not required

Contact

Responsible ADB Officer

Kolantharaj, Jaimes

Responsible ADB Department

South Asia Department

Responsible ADB Division

Energy Division, SARD

Executing Agencies

Ceylon Electricity Board

Timetable

Concept Clearance
-
Fact Finding
-
MRM
-
Approval
06 Jun 2019
Last Review Mission
-
Last PDS Update
03 Dec 2020

Funding

TA 9741-SRI

Milestones						
Approval	Signing Date	Effectivity Date	Closing			Actual
			Original	Revised		
06 Jun 2019	-	06 Jun 2019	31 May 2020	30 Sep 2021	13 Oct 2021	
Financing Plan/TA Utilization						
ADB	Cofinancing	Counterpart				Total
		Gov	Beneficiaries	Project Sponsor	Others	
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00
Cumulative Disbursements						
Date	Amount					
17 Jun 2022	195,060.80					

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