Annual Report 2021

Sri Lanka Sustainable Energy Authority

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About Us

The Sri Lanka Sustainable Energy Authority (SLSEA) was established on 1st October 2007 with executing the Sri Lanka Sustainable Energy Authority Act, No. 35 of 2007 enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka.

The Sri Lanka Sustainable Energy Authority is the governing body responsible for pioneering the sustainable energy revolution in Sri Lanka. It was established with the objective of forming a key institution which would drive energy efficiency throughout Sri Lanka and proactively identifying sustainable energy resources which could facilitate meeting the energy needs in an effective, efficient and eco-friendly manner. As an organization handling such a critical area of Sri Lanka's future growth, we aim to facilitate the continuous development of our nation's rich energy resources that includes solar, wind, hydro and bioenergy. At the Sri Lanka Sustainable Energy Authority, we strive to drive strategic investments in the energy sector, which will thereby pave the way for Sri Lanka to make transition to cleaner, sustainable and indigenously sourced energy solutions in the future. While aiming to develop our energy sources, we also attempt to facilitate research & development and knowledge transfers that will enable us to develop innovative energy solutions and processes to meet the nation's requirement for sustainable energy.

Our Vision

“An Energy Secure Sri Lanka”

Our Mission

To guide the nation in all its efforts to develop indigenous energy resources and conserve energy resources through exploration, facilitation, research & development and knowledge management in the journey of national development, paving the way for Sri Lanka to gain energy security by protecting natural, human and economic wealth by embracing best sustainability practices

Our Goals

Goals provide direction on what action the Sri Lanka Sustainable Energy Authority would need to take in order to succeed in its Vision and Mission. These would go on to form the strategic objectives, strategies and activities. Goals identified by the Sri Lanka Sustainable Energy Authority are:

Increase the renewable energy share in the primary energy supply

Reduce energy waste across all sectors by energy efficiency improvement and conservation

Create an environment conducive for a robust pipeline of sustainable energy programs to make those a strength to the economy

Contribute to reduce GHG emissions from energy sector

Create a policy framework to provide a fertile soil for sustainable energy programs

Transform the society to an energy-conscious society

Core Values

Core Values of the Sri Lanka Sustainable Energy Authority are:

Sustainability

Be a socially, economically and environmentally sustainable and conscious Authority, which places emphasis on long term gains for generations to come.

Aim to support the growth of the country while contributing towards the national responsibility. Provide awareness and knowledge sharing to the broader community and support to uplift the local economy.

Public Focus

Integrity

Act in a reliable, ethical and professional manner assuring the best interest of the Authority, its stakeholders and the society at large.

Drive growth through the continuous improvement of processes, people and resources and adding value to them. Always monitor the Authority's growth for potential areas of improvement, while being innovative and achieving benefits to the nation.

Continuous Improvement

Objectives

SLSEA's primary objects are prescribed in the Sri Lanka Sustainable Energy Authority Act No. 35 of 2007, as follows:

Identify, assess and develop renewable energy resources with a view to enhance energy security and thereby derive economic and social benefits to the country.

Identify, promote, facilitate, implement and manage energy efficiencey improvement and energy conservation programms for use of energy in domestic , commercial , agricultural, transport, industrial and any other relevant sector.

Promote security, reliability and cost effectiveness of energy delivery to the country, by policy development and analysis and related information management.

Ensure that adequate funds are available for the Authority to implements its objects, consistant with minimum economic cost of energy and energy security for the nation.

Following key targets are the statutory challenges need to be achieved by SLSEA by 2030.

1. Sustainable Development Goals
2. Nationally Determined Contributions (NDC) targets
3. Achieving 70 % of primary energy supply by Renewable Energy

Key activities carried out by the SLSEA

Supply Side Management activities

Carry out renewable energy resource assessments

Prepare and update the Renewable Energy Resource Development Plan

Declare renewable energy development areas

Develop and implement renewable energy parks

Carry out renewable energy project approval and facilitation process

Overcome constraints in absorbing renewable energy-based electricity to the grid

Introduce effective forecasting technologies for wind, solar and rainfall

Carry out R&D and pilot projects in different renewable energy sources and technologies

Carry out capacity building in different aspects of renewable energy

Off-grid electrification

Carry out quality assurance of rooftop solar PV systems through appropriate mechanisms

Introduce finance facilitation for encouraging rooftop solar PV systems

Overcome adverse impacts on the electricity distribution system from rooftop solar PV systems

Develop the capacity of energy service providers and technicians

Demand Side Management activities

Take measures to enhance energy utilization efficiency in building infrastructure

Take measures to enhance the energy utilization efficiency in establishments

Take measures to popularize energy efficient appliances

Intervene to popularize energy efficient technologies in electrical systems

Give priority and recognition for energy efficiency and conservation

Carry out capacity building in energy efficiency improvement

Take measures for finance facilitation for energy efficiency improvement projects

Promote efficient utilization of thermal energy systems in establishments

Carry out energy education Programmes

Carry out outreach Programmes

Make up to date data and information on energy supply and consumption available

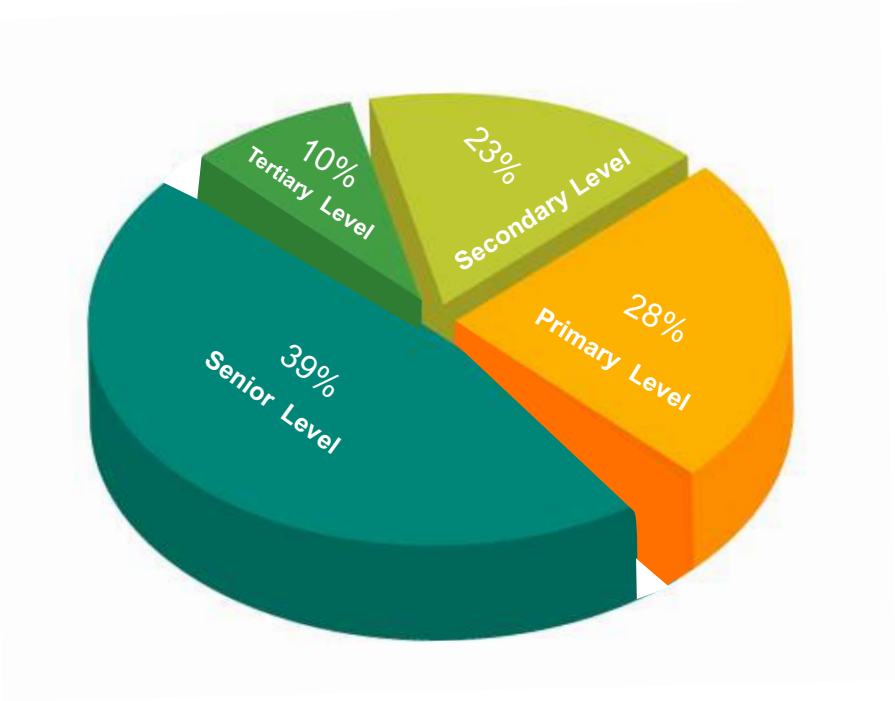
Identify policy interventions and carry out related policy dialogues

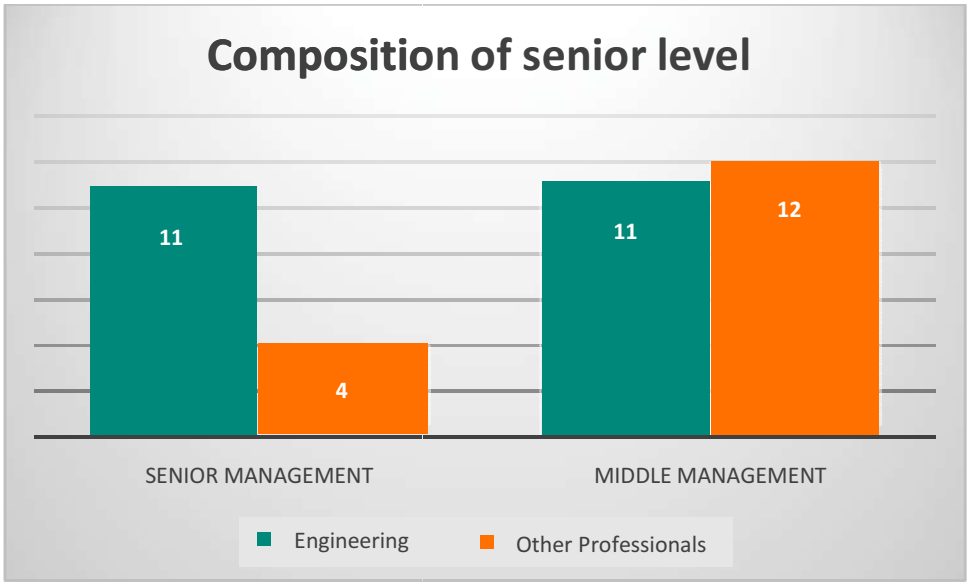
Human Resources of the Authority

Sri Lanka Sustainable Energy Authority Cadre Position - 31.12.2021

Designation /Post	Salary Code	Level	Total no. of Positions approved by DMS	Existing Cadre as at 31.2.2021	Total no. of Vacant Positions
Director General	HM2-3	Senior	01	01	
Deputy Director General	HM2-1	Senior	02	02	
Director	HM1-3 HM1-1	Senior	14	12	02
Deputy Director / Assistant Director	JM1-1	Senior	48	23	25
Audit Officer 01/Statistical Officer 01 / Procurement Officer 01/ Administrative Officer 01/Finance Officer 01/Project Coordination Officer 01/GIS Officer 02/ Land Acquisition Officer 01/Media Officer 01/Research & Mapping Officer 01	JM1-2	Tertiary	11	10	01
Management Assistant - Technical					
Technical Assistants	MA 2-2	Secondary	17	03	14
Management Assistants					
Management Assistants	MA 2-2	Secondary	27	19	08
Primary Level - Skilled					
Field Assistants	PL-3	Primary	20	14	06
Primary Level - Unskilled					
Office Aid / Labour	PL-1	Primary	20	14	06
Total			**160**	**98**	**62**

Our Staff Composition





Corporate Milestones

Developing conducive policies

Increasing the share of renewable energy

Improving energy efficiency

Empowering people

2007 SLSEA

- Establishment of SLSEA
- Sustainable Energy subject was introduced to National Science Curriculum from Grade 6 to 11

2010

- Launched Vidulka Exhibition + Symposium + National Energy Efficiency Awards
- First mandatory energy labelled product – Compact Fluorescent Lamp
- Launched net-metering scheme for rooftop power generation

2011

- School Energy clubs introduced
- Energized first grid connected solar power plant of 1.237 MW in Hambantota

2014

- Published Solar Resource Atlas of Sri Lanka

2015 10% RE

- Reached 10% share of electricity generation from new renewable energy, realizing the policy goal

2016

- Soorya Bala Sangramaya Programme launched for solar rooftop power generation, enhancing the net-metering scheme

2017 DSM

- Establishment of Presidential Task Force on Operation DSM with 10 thrust programmes

2018 100 MW

- Reached the 100 MW target set for solar rooftops under the Soorya Bala Sangramaya Programme
- Completed highly satisfactory Sustainable Biomass Energy Project of the UNDP/FAO/GEF

2019


The Gazette of the Democratic Socialist Republic of Sri Lanka

- National Energy Policy & Strategies of Sri Lanka tabled in the Parliament
- Published the Guideline for Sustainable Energy Residences in Sri Lanka
- Completed Energy NAMA Project of UNDP/FAO/GEF
- Published Biomass Resource Atlas of Sri Lanka

2020 1000 MW RE

- Reached 1000 MW from Renewable Energy
- Exceeded 300 MW from Solar Rooftop
- Compiled Renewable Energy Development Plan
- Energy Labeling Regulation finalised for ceiling fans & refrigerators
- Energy Labeling Regulation gazetted for LED Lamps

2021

- Exceeded 400 MW from Solar Rooftop with above 25,000 systems
- Initiated European Union assisted ''Training Hub for Renewable Energy Technologies in Sri Lanka Project''
- Completed the revision of Code of Practice for Energy Efficient Buildings

Highlights of the year

Performance highlights

Description	Unit	2021	2020
Renewable electricity generation	GWh	8,562	5,777
Cumulative capacity from small hydro power projects	MW	425	421
Cumulative capacity from solar projects (ground mounted)	MW	100.4	75
Cumulative capacity from wind projects	MW	248.5	148
Cumulative capacity from biomass projects	MW	43.53	53
Cumulative no of solar rooftops connected to national grid	No	36,640	31,165
Cumulative capacity from solar rooftop projects	MW	410	337
Generation from solar rooftop projects	GWh	389	250
Energy saving from efficient appliances	GWh	810	780
CO_2 avoided	Metric tones	6,512,603	2,259,749

Human Capital

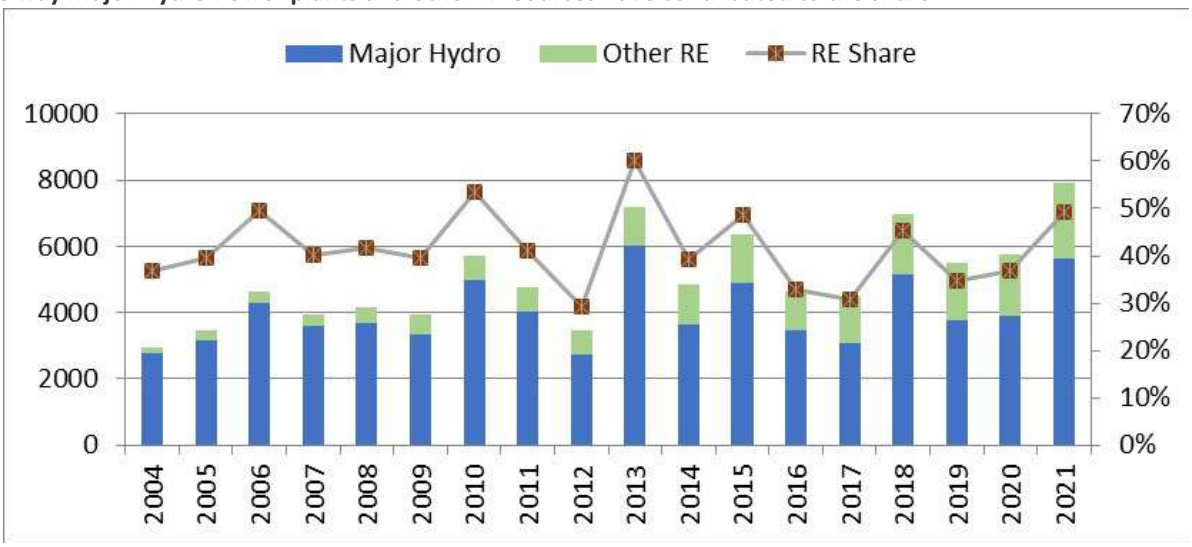
Total staff of SLSEA	No	98	100
Nos. of employees with more than 10 years experience	No	56	54
Nos. of employees with more than 5 years experience	No	76	79

Social and Relationship Capital

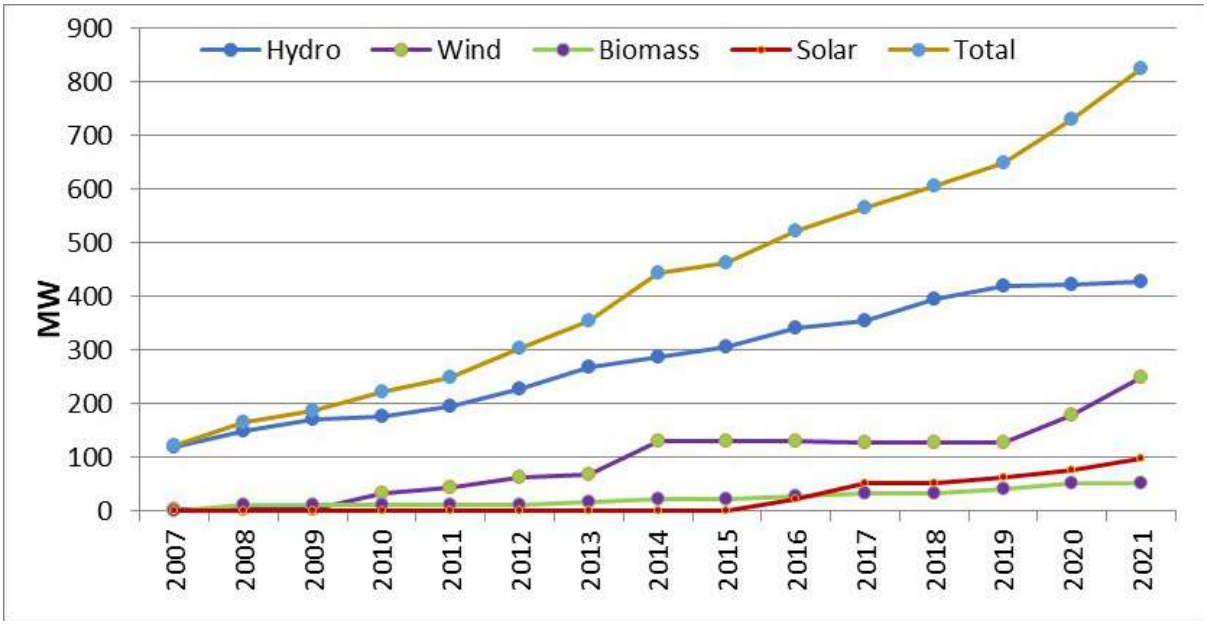
Nos. of Energy Audits conducted	Nos.	3	5
Nos. of Energy Managers	Nos.	234	226
Nos. of equipment hiring days	Nos.	900	900
Nos. of Energy Labeling standards published	Nos.		01
Nos. of visitors for the Hambantota Solar Park	Nos.	51	560
Nos. of solar service companies registered by SLSEA	Nos.	431	305
Nos. of energy service companies registered by SLSEA	Nos.	29	50
Nos. of persons trained in energy management	Nos.	80	100
Nos. of persons trained in solar PV technology	Nos.	580	160
Nos. of solar standards published	Nos.	01	01
Nos. of research facilitated	Nos.	01	01
Nos. of publications	Nos.	02	07

Achievements

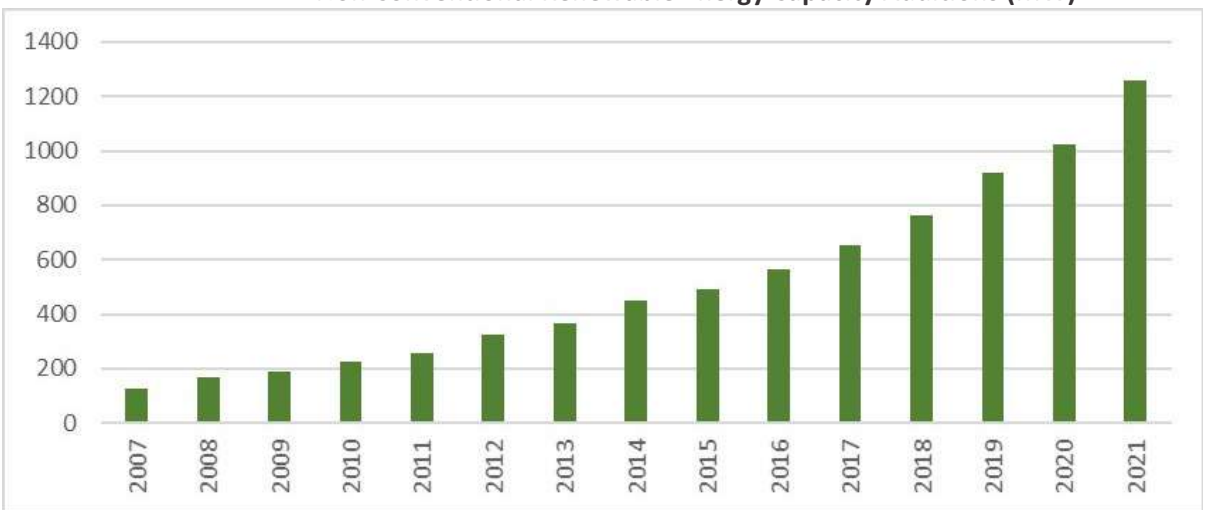
The way Major Hydro Power plants and other RE sources have contributed to the share



Annual Capacity Addition from Different Sources (without Roof top Solar)



Non Conventional Renewable Energy Capacity Additions (MW)



Chairman's Message

In the global level we are passing a period where the importance of sustainability is receiving much attention. In the midst of fluctuating energy prices and the push towards climate change mitigation technologies, the shift towards sustainable energy is happening in the world at a faster phase than it was predicted in the past. In the circumstances, the role of Sri Lanka Sustainable Energy Authority has become more pivotal in the energy sector development agenda, entrusting a significant role in the journey towards energy security. With the dire recognition of this, SLSEA has been facilitating the creation of a more conducive sustainable energy development programme in the country, and we were able to make a noteworthy contribution towards this through the interventions in 2021.

With the declaration of the target of realizing 70% electricity generation from renewable energy sources, the major focus was on identifying the modalities of renewable energy project development to meet the particular target. In this context, we were specifically working towards investor attraction for renewable energy project implementation, where the government identified the subject as a priority area for development in the upcoming periods. A great milestone was realized under this with obtaining environmental clearance for the first large-scale renewable energy project to be tendered the, Siyambalanduwa 100 MW solar power project. Similarly, further projects of different scales are being developed, or are in the pipeline. I'm thankful for the contribution extended by all the related government institutions in the renewable energy project development process for understanding the significant importance of the speedier renewable energy development programme in the country, and being part and parcel of the process. I would urge continuous cooperation of all of them, which will be key to achieve the said targets in the future.

Facilitating the solar rooftop programme was another highlighting area, and in terms of job creation, capacity building and all other related dimensions the programme has been established as a key technical venture in the country, while supporting the energy sector to meet a significant fraction of the electricity using the solar energy resource. As a means of strengthening the programme, an agreement was entered into by the Sri Lankan Government with the Government of India, on supporting the programme with a credit line facility of USD100 million.

We have been in thorough understanding that sound energy conservation and demand side management programmes are absolutely necessary in order to reap the actual fruits of the inclusion of renewable energy into the system. Further, sound in-depth interventions towards creating a fertile soil for the subject was on much focus, whereby solid measures are taken in energy efficiency was particularly looked at. In this line, the new edition of the Building Code developed in 2021 is a welcoming intervention. We expect that it will be prudently followed in the design of new buildings, where any additional initial expenditure will be paid back through savings, while leading to lesser carbon foot-prints in the building sector. I would also point out that we are hoping to go for regulatory interventions in accordance with the provisions of the Sri Lanka Sustainable Energy Authority Act within the next couple years, making mandatory the implementation of the Building Code.

Chairman's Message

Conclusively I would reiterate that the journey has begun towards the high sustainable energy targets established by the Government, and collaborative work of all the stakeholders concerned will be of utmost necessity, to continue the journey with much vigour. My sole expectation is that joining hands we will be able to achieve good success in sustainable energy, for all of us as a country be relieved of energy issues, and make avail affordable, clean energy to the public, assuring the energy security of the nation.

Eng. Ranjith Sepala
Chairman
Sri Lanka Sustainable Energy Authority

Director General's Review

Sri Lanka Sustainable Energy Authority has a role in a wide spectrum in the implementation of sustainable energy development programmes in the country. I'm pleased to note that we were able to accomplish many activities in 2021 in this broad scope work. Apart from the direct benefits of the activities towards catering to the energy needs, especially electricity; those are of importance as green-house gas (GHG) mission reduction approaches, for which we as a country have a global responsibility.

In the area of planning for the future, I see that the year 2021 was an important milestone for us. An ambitious renewable energy development target was announced by the Government, and as the focal entity for the programme implementation, it was our duty to identify programmes for that. Meanwhile, under the accomplishment of the said international commitments, the year in concern was the starting point. So, itwas a profound necessity for us to revisit our programmes and plan for the future. Catering to this, we were able to publish Corporate Plan 2021-2025. Meanwhile, the Renewable Energy Resource Development Plan published in the previous year was released for public comments, and the comments thus received were incorporated into the Plan. As the developable renewable energy sites are identified therein, on instructions of the Ministry of Power & Energy, SLSEA and the Ceylon Electricity Board could have a wider dialogue on the renewable energy resource development process, which supported to lay down framework for the collaborative project development initiatives formeeting the renewable energy development targets.

In terms of technological interventions, energy storage technology could be taken as a fore-runner in the programmes. Particularly, with the introduction of hybrid inverters for the grid-connected solar roof-top systems, opportunity could be made available for electricity consumers to switch to own power as a back-up source using solar-assisted energy storage systems. SLSEA could also establish an energy storage demonstration facility at the Indurana hydro Power Training Center. Further, we could provide rural electrification systems through solar – energy storage combination to remote villages. This in addition to being a measure in the direction of enhancing electrification, it happened to be a welcoming instrument for the societal upliftment as far as the life-style improvement of the rural families are concerned.

We have also been continuing with the consultancy in energy management & energy auditing, energy labeling programme, energy efficient building code, awareness creation programmes, etc. where energy efficiency & conservation was promoted in the country through both as a facilitator and as a regulator.

I would like tomake note of the cooperation fromthe international donor financing agencies as well in terms of accomplishing our end evours. Asian Development Bank's support for the solar rooftop programme continued with the second tranche of the loan facility. Further, support from ADB was extended for the completion of environmental & social impact assessment of the Pooneryn wind power project. Meanwhile, the cooperation from UNDP was available with the continuation of the biomass energy development project, denoting further

milestones in the particular area of subject. It has been the teamwork of SLSEA, support from all the stakeholders and the experience & expertise available with the relevant sectors, that have made the journey a success. I thank them all.

Sulakshana Jayewardane
Director General
Sri Lanka Sustainable Energy Authority

Board of Management

Eng. Ranjith Sepala
Chairman
Sri Lanka Sustainable Energy Authority

Ms. Wasanatha Perera
Secretary, Ministry of Power & Energy
(January - February 2021)

Mr. Hemantha Samarakoon
Secretary, State Ministry of Solar, Wind and Hydropower Power Generation Project
(February - December 2021)

Ms. Nayana Nathavitharana
Additional Secretary, Ministry of Public Administration, Home Affairs, Provincial Councils & Local Government

Ms. P. Naamagal
Director, Ministry of Industries
(March - December 2021)

Ms. E. A. R. Renuka
Additional Secretary (Development), Ministry of Lands and Land Development

Ms. Anjalika K. Gunasekara
Director, Department of National Budget, Ministry of Finance, Economic and Policy Development

Ms. Lathisha Liyanage
Additional Secretary (Policy & Project Evaluation), Ministry of Mahaweli, Agriculture, Irrigation and Rural Development

Mr. Damitha Kumarasinghe
Director General, Public Utilities Commission of Sri Lanka

Mr. Rohana Thalpavila
Appointed Member
(January - August 2021)

Mr. Boopathi Kahathuduwa
Appointed Member
(January - August 2021)

Mr. Nishad Upendra
Appointed Member
(January - August 2021)

Mr. Chandrarathna Vithanage
Senior Assistant Secretary General,
The Ceylon Chamber of Commerce

Mr. W. J. L. S. Fernando
Appointed Member

Mr. Lakshman Silva
Chief Executive Officer
(Appointed member), DFCC Bank PLC

Mr. Ravindra Hewawitharana
Secretary, Ministry of Plantation Industries and Export Agriculture

Mrs. Kulani H W Karunarathna
Director (Investigation), Ministry of Environment and Wildlife Resources

Mr. A. M. R. J. K. Jayasinghe
Senior Assistant Secretary (Admin.),
Ministry of Transport Services Management

Mr. Janaka Ambagahawatta
Appointed Member
(January - August 2021)

Mr. Ravi Krishan Jayawardena
Appointed Member
(September - December 2021)

Mr. Fahim Alawdeen
Appointed Member
(September 2021- January 2022)

Mr. Lakmal Thushara Fernando
Appointed Member
(September 2021 - February 2022)

Mr. Dammika Pieris
Appointed Member
(September 2021 - March 2022)

Audit & Management Committee

Ms. Anjalika K. Gunasekara

Director, Department of National Budget, Ministry of Finance,
Economic and Policy Development

Ms. Nayana Nathavitharana

Additional Secretary, Ministry of Public Administration,

Home Affairs, Provincial Councils and Local Government

Mr. Boopathi Kahathuduwa

Board Member, SLSEA

Mrs.B. A. D. A. Abeywardena

Chief Internal Auditor, Ministry of Power

Ms. H. A. D. Chandani

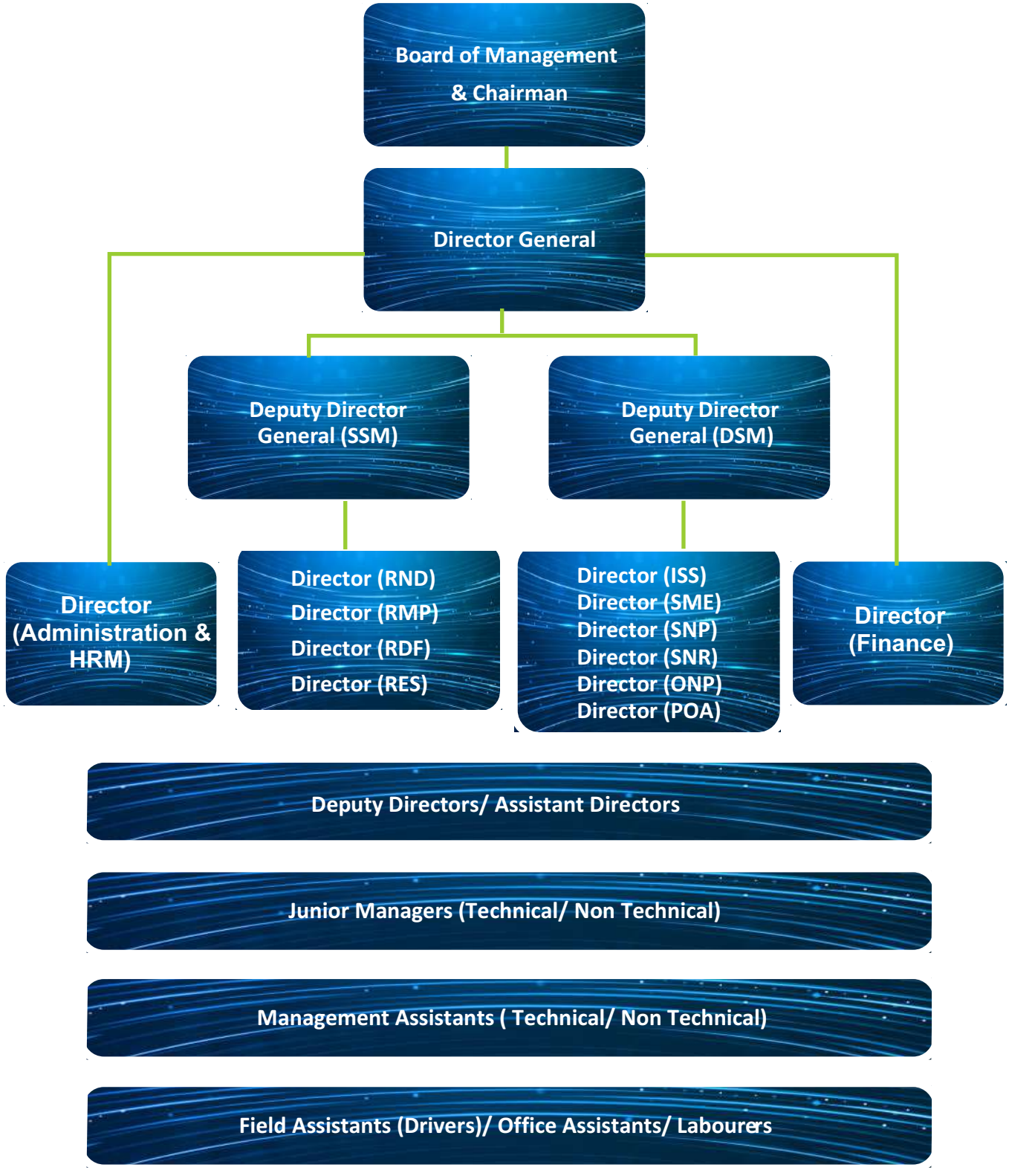
Superintendent of Audit, National Audit Office

(January to March 2021)

Mrs. N. W. Gunawardena

Superintendent of Audit, National Audit Office
(April to December 2021)

Organization Structure



Corporate Governance

The Board of Management of Sri Lanka Sustainable Energy Authority operates on the five principles of equity, fairness, impartiality, transparency and accountability. With these governing principals as the foundation, it endeavours to build strong relationships with all its stakeholders and nurture an environment conducive for sustainable energy development. The Authority's activities are conducted in line with ethical standards and in the best interest of the state and all Sri Lankans. This commitment is supported with the right roles, structures and information which are in alignment with the stated policies of the Government.

Board Of Management

The Board of Management is ultimately accountable and responsible for discharging the duties assigned to it by the Sri Lanka Sustainable Energy Authority Act No. 35 of 2007. It is lead by a Chairman appointed by the Minister in charge of the subject.

Responsibility

The Board of Management also bears the ultimate responsibility of meeting the objectives set out in the Act, exercising the powers vested in it by the Act, proper functioning of systems of internal controls and for the integrity of the financial information provided. The affairs of the Authority are carried out by the Director General of the Authority who is the Chief Executive Officer subject to the general direction and control of the Board. The Board is supported by a sub-committee to oversee the financial aspects of the Authority name the Audit & Management Committee. Similarly, the Board is supported by external advisory committees when the need arises to make decisions on matters of great technical complexity, beyond the capacity of the Board.

All procurement activities of the Authority are carried out in strict compliance with the Government Procurement Guidelines. These activities are undertaken by the officials of the Authority with the guidance of independent Technical Evaluation Committees and two Procurement Committees depending on the value of the procurement envisaged.

Composition

The Board comprised twenty two members with twelve ex-officio members and ten appointed members including the Chairman.

Board Meetings

Board Meetings are scheduled on a fixed calendar with at least one monthly sitting. At these meetings the Board sets out the strategic direction of the Authority, reviews the performance and progress of all activities, the recurrent and the capital expenditure programs. These meetings also provide the forum for the officials of the Authority to submit proposals to meet the objects of the Authority for the consideration of the Board. The Board members are given appropriate documentation in advance of each Meeting. The level of participation of the Board of Management at these meetings during the year 2021 are as follows:

No.	Date of Meeting	Participation
01	19 Jan 2021	15
02	16 Feb 2021	13
03	16 Mar 2021	16
04	30 Apr 2021	14
05	20 May 2021	15
06	15 Jul 2021	13
07	19 Aug 2021	12
08	16 Sep 2021	15
09	28 Sep 2021	15
10	21 Oct 2021	12
11	17 Nov 2021	16
12	16 Dec 2021	16

Compliance With Legal Requirements

The Board of Management makes every endeavour to ensure that the Authority complies with the SLSEA Act and other applicable rules, regulations and guidelines published by the Government from time to time. The Board ensures that the financial statements of the Authority are prepared in accordance with the Sri Lanka Public Sector Accounting Standards and comply with the requirement of the Finance Act No. 38 of 1971.

Risk Management

Sri Lanka Sustainable Energy Authority has identified some common risks as well as additional risks which are specific to sustainable energy recognizing risk management as an integral component of good management and governance. The specific risks are mainly in relation to the energy efficiency improvement and renewable energy development and the policy environment in which it operates. The Board of Management therefore, places special attention on the risk management together with the senior management of SLSEA to ensure sound financial and operational control systems are put in place. Internal auditors and the management team from time to time review the systems' effectiveness in delivering the mandate of the Authority.

Risk culture

The Board of Management has identified its position and a clear uniform tone has been maintained in risk assignment. The management in reflecting on their commitment to ethical principles have taken into consideration the positions of all stakeholders when decision making. In adherence with the leadership, the staff has also recognized the importance of such ethical principles and have continued to follow the same.

Risk identification

The Authority is closely following the external environment identifying risks. The Authority further categorize these identified risks; some common to the global energy industry and some specific to the country, for effective control purposes. The Authority contributing to formulate the National Energy Policy & Strategies of Sri Lanka in 2019 identified programmes which are in agreement with the stated policy, minimizing the policy risks affecting its programmes.

Risk management

The Authority considers renewable energy resources and reduction of energy waste as the primary thrust areas and foresee the main risks as low fossil fuel prices which can become a cheaper alternative to renewable energy and which also can cause end user indifference to energy costs, which will lead to energy waste at the end user point.

Accordingly, SLSEA has undertaken a risk management strategy of transforming the sustainable energy market to the least possible cost condition, so even under a low fossil fuel price condition, the demand for sustainable energy services will not diminish. Development of renewable energy through several approaches undertaken by the electricity utilities are thus supported by SLSEA, realizing significant capacity additions. The solar industry is nurtured by allowing a large number of start-up companies to become service providers to encourage competition in the solar rooftop industry, again bringing out solar electricity to become price competitive. Similarly, the energy services

companies are nurtured and supported so these companies can continue to serve the industry and commerce delivering energy efficiency services, even at lower electricity and fossil fuel prices.

Covid - 19 out break has gives many challenges to the citizens and also to all entities. SLSEA had acted in stringent health care precautions and all employees were ensured maximum safety protocols.

The stakeholders were affected with innovative solutions in training, financial matters and approvals process and all responsibilities of SLSEA was conducted without backlog.

The stagnant customer tariffs and increased generation costs are causing substantial losses to the electricity industry, leading to a severe cash flow crisis. There is a strong likelihood that the renewable energy industry will be adversely affected by these developments, making the industry face significant risks than ever before.

Risk of losing resources

The valuable renewable energy resources of the country are adversely affected by change of land use patterns and human activities. Vast swathes of productive wind energy resource sites are lost due to expanding settlements. Similarly, good hydro power resources which exhibited excellent stream flow characteristics in the past have started to behave erratically, due to deforestation of catchment areas, again due to expansion of commercial plantations and also due to changing rainfall rhythms, a direct result of climate change. Further compounding these natural causes are the increased legal actions taken by the civil society organizations against renewable energy project development. Number of law suites brought against project developers in which SLSEA was made a respondent had continued in 2021, causing severe loss of productive renewable energy resources.

Risk of low prices of energy services

Electricity prices which underwent a 25% price reduction in 2014 continued to affect the energy services industry as the enthusiasm of institutional users remained diminished. Industrial sector continued to enjoy very low tariffs during day time, bringing down cost of production. This resulted in reduced interest in curtailing energy waste and caused significant market shrinkage in the energy efficiency services sector. Similarly, fossil fuels used in industrial thermal applications too remained low, compounding these effects. Nevertheless, a limited number of institutional users pursued their sustainability goals by engaging in large scale energy efficiency improvement projects, gaining substantial benefits in reduced carbon footprint and lower operating costs.

Risk monitoring and review

The presence and the functioning of Authority's risk management components are assessed over time with the purpose of identifying weaknesses in the controls thereby undertaking the required internal and external changes. While the senior management and the Audit and Management Committee hold the ultimate responsibility for ongoing monitoring activities or separate evaluations, the Internal Auditor carry out frequent system base audits by focusing of different service delivery arms of the Authority. Effectiveness of the risk management process is reviewed annually, and adjustments are made to the current process.

Management Discussion & Analysis

SLSEA as the national entity responsible for implementing sustainable energy development programmes in the country, carried out its activities in 2021 giving major emphasis to the national-scale upliftment of the sustainable energy development activities. Activities were carried out in the two thrust areas of Supply Side Management (SSM) and Demand Side Management (DSM). Interventions in the implementation of large-scale renewable energy projects as energy parks, Soorya Bala Sangramaya programme promoting rooftop solar PV systems, regulations on energy consumption benchmarks, revised code of practice for energy efficient buildings, etc. are the performance highlights.

Details of the programmes implemented by the SSM and DSM Divisions are given in the following sections under Renewable Energy Development Programmes and Energy Efficiency Improvement & Conservation Programmes.

Corporate Plan 2021 - 2025

Policy Interventions

With the establishment of an ambitious target of realizing 70% electricity generation from renewable energy resources, there has been a high impetus in the sustainable energy development programmes in the country. Amidst this background, SLSEA took initiatives to come out with a broad framework of sustainable energy development programme implementation, which will be extensively supportive towards the realisation of medium-term and long-term sustainable energy development targets of the country. In this context, SLSEA published the Corporate Plan 2021-2025, which spells out the project implementation framework for the upcoming periods going in par with the global developments in terms of energy transition.

Supply Side Management Activities

Renewable Energy Development Programmes

Resource Mapping

Renewable Energy Resource Development Plan

Renewable Energy Resource Development Plan, 2021-2026 compiled by SLSEA in 2020, reviewed and opened for public comments, where a remarkable interest was observed from the public in providing valuable comments.

Measures were taken to incorporate these comments and finalise the Plan. The Plan provides a basic identification of the feasible lands for renewable energy project development in the whole country for the future development. In context of the implementation of this Plan, following measures were taken:

- Present the Plan to the Land Use Policy Planning Department (LUPPD), National Physical Planning Depart (NPPD), etc., opening an extensive dialogue so that this Plan will be taken into consideration in the preparation of high-level multi-sectoral planning activities.

- In view of developing large-scale renewable energy development projects, potential areas were studied through site visits, in order to identify the most optimum locations to be taken as probable project sites for the upcoming periods. Key considerations therein were the possibilities of obtaining lands, availability of transmission system or the feasibilities of transmission system augmentation/expansion for evacuating the electricity generated from the prospective projects associated with the proposed sites. The project site identification was carried out in alignment with the national renewable energy development target of 70% electricity from renewable energy by 2030, of which the details are given below:

Proposed Renewable Energy Sites

Resource	Location	Proposed Capacity (MW)
Solar	Trincomalee	100
	Hambantota	100
	Kilinochchi	30
	Ampara	50
	Puttalam	125
Wind	Musalai	100
	Nanaddan	25
	Pooneryn	45
	Kalpitiya	10
	Vanathavilluwa	50
	Vengalacheddikulam	25

Collation of Wind Datasets for Improved Bankability of Projects

The island-wide wind measurement programme that had been carried out in the previous years helped SLSEA to identify the feasible areas for prospective wind power development projects. Therefore, rather than continuing the programme as an island-wide wind reference station network, the modality of it was shifted to a prospective project site based wind measurement programme. Accordingly, activities were carried out for installing two wind measuring masts in Pooneryn and Silawathura areas in order to obtain on-site wind datasets for enhancing the bankability of prospective projects. The operation of wind masts will be continued for two years.

Proposed wind measuring location in Pooneryn

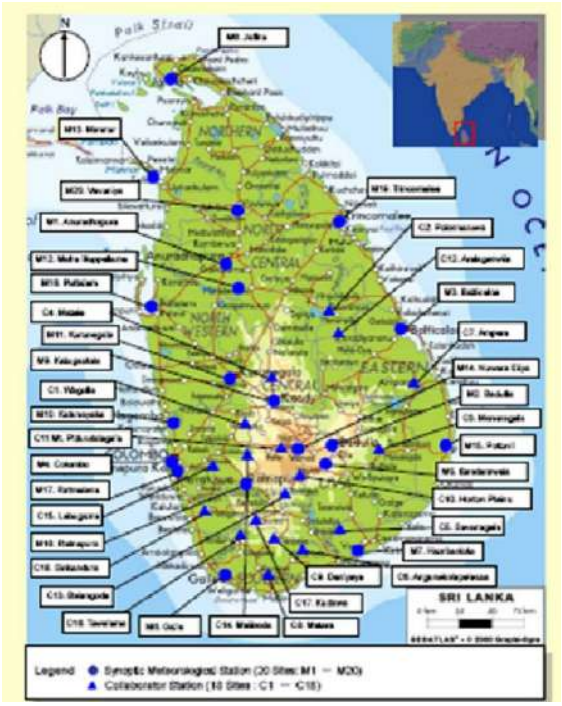
Proposed wind measuring location in Silawathura

As a furtherance of the above, a project proposal was submitted to the Department of National Planning (NPD) in order to obtain financial assistance for installing new wind measuring masts to obtain the bankable wind data during the year 2022 in potential sites identified for wind power development. Accordingly, NPD approved the proposal and forwarded to the Department of External Resources (ERD) in identification of the same as a potential proposal for seeking donor financial assistance. The proposed locations that have been included in the proposal are as follows.

Proposed Sites for Wind Measuring Stations

Provence	District	DS Division	GS Division
Northern	Kilinochchi	Pooneryn	175 - Ponnaveli
	Jaffna	Maruthankerny	426 – Chempiyanpattu North
	Vavuniya	Vengalacheddikulam	211- Periyapuliyankulam
North Central	Anuradhapura	Kahatagasdigiliya	215- Divulwewa
North Western	Puttalam	Vanathavilluwa	635/3 – Serakkuliya

Island-wide Solar Measurements using Automated Weather Stations



Department of Meteorology has established Automated Weather Stations (AWS) island-wide, and they agreed for making use of them to obtain island-wide solar resource measurements. Accordingly, SLSEA assisted the Department of Meteorology to rehabilitate 12 AWSs, in accordance with the Data Sharing Agreement.

In recognition of the importance of the maximum use of available systems and infrastructure of different institutions, it is hoped that this will bring in substantial benefits fulfilling the solar resource information of different parts of the country on long-term basis.

Island-wide Solar Measurements using Automated Weather Stations

Implementation of Energy Park Projects

Creating a good milestone in the implementation of large-scale renewable energy projects with the involvement of government in the initial project development activities, whereby the projects are tendered on ready-to-invest projects were carried out as 'Energy Park Projects'. In these projects, feasibility studies, environmental impact assessment, social impact assessment, processing of obtaining lands, etc. are carried by SLSEA in collaboration with the CEB and other related government institutions. Siyambalanduwa, Pooneryn and Mannar Phase II projects were carried out as energy park projects.

Siyambalanduwa 100 MW Solar Power Project

With a target of floating Request for Proposals (RfPs) for the Siyambalanduwa 100 MW solar power project, all the required preliminary project development activities were carried out.

- Based on the Environmental Impact Assessment (EIA) report of the Siyambalanduwa 100 MW solar power project and the associated transmission line submitted by SLSEA to the Department of Forest Conservation, environmental approval for the project was received from the Department of Forest Conservation, which is to be endorsed by the Central Environmental Authority.

Project site - Siyambalanduwa 100 MW solar power project

- On the successfully reaching the environmental clearance stage, Department of Forest Conservation local level activities associated with the project including providing alternative lands for the cultivators, etc. were carried out through the assistance of regional Forest Department officials in Monaragala and the Divisional Secretary – Siyambalanduwa.

- It was planned to implement the projects with the highest socio-environmental considerations, and accordingly measures were taken to implement the Environment Management Plan of the project. Under this, activities were initiated for a tree re-plantation programme in collaboration with the Department of Forest Conservation and a tank (Wewa) rehabilitation programme for the purpose of making available drinking water for animals was initiated in collaboration with the Department of Wildlife Conservation and the Irrigation Department.

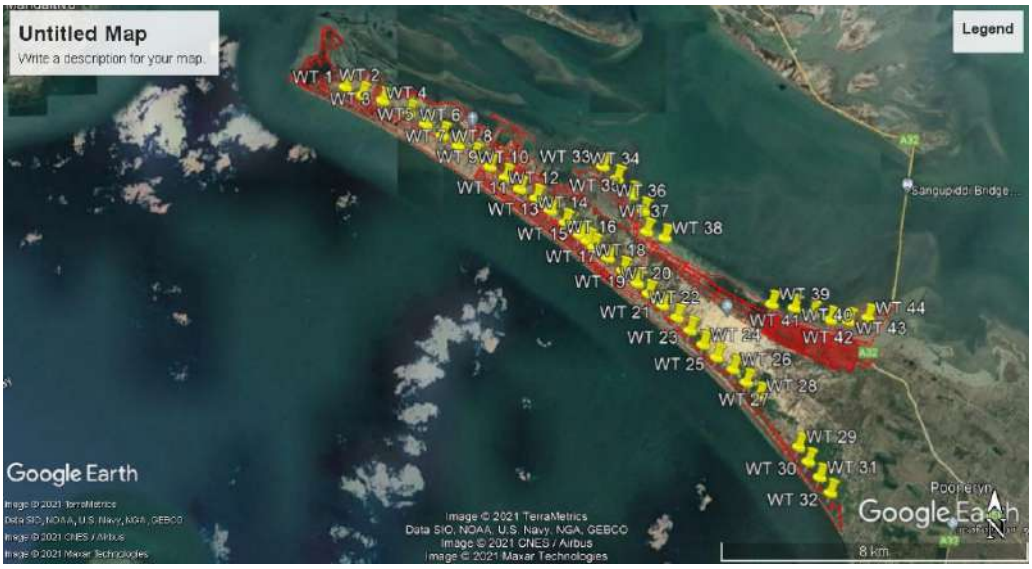
- In consideration of the fact that bankable solar resource information with ground measurements is one of the key necessities for obtaining the most competitive proposals, a weather station with on-line data monitoring facility was established at the project site.

- Technical assistance was provided by the ADB for the preparation of RfP for the project. In subsequence to that, preparation of RfP documents were carried out in collaboration with the CEB based on the draft RfP documents received from the ADB.

Pooneryn RE Park Project

Project development activities of the Pooneryn Renewable Energy Park project were continued and the main activity carried out was the Environmental and Social Impact Assessment carried out with the financial assistance from ADB. The consultant is WAPCOS Ltd. India in association with a local firm - Consulting Engineers and Architects, and the initial report of the consultants has been submitted. This study encompasses the overall scope of wind power and solar power development in Pooneryn with the respective capacities of 233 MW and 150 MW.

A wind power capacity of 100 MW has been selected for the first phase of the project, and the initial project development activities were carried out for this phase of the project. International Finance Corporation (IFC) has been providing technical assistance for the development of Transaction Structuring Report, for the Phase I (100 MW wind) that awaits the approval from the Cabinet of Ministers.



Project location – Pooneryn 100 MW wind power project

Mannar Phase II Wind Power Project

With the successful commissioning of the first large-scale wind power project along-with high plant performance by the CEB in the Mannar peninsula which is the best wind power site in the country, initiatives were made to implement the Mannar phase II wind power project.

Micro-siting for the project was carried out using “Wind Atlas Analysis and Application Programme” (WAsP) and the analysis was done by a technical consultancy team from University of Moratuwa. The proposed turbines spread over nine Grama Niladhari Divisions (GNDs).

Proposed areas for Mannar phase II wind power project

The design of the plant was done using several commercially proven wind turbine models for capacity and energy analysis, and the final analysis was proceeded with two leading suppliers' proposed wind turbines. In the wake-optimised scenario, commercially proven wind turbines with capacities of 4.2 MW, 4.3 MW and 5 MW were considered, and 55 new wind turbines can be installed under the wake-optimisation scenario. The estimated P50 annual energy production values for these three turbine models are 1,014 GWh, 1,025 GWh and 1,064 GWh respectively. A commercially proven 6 MW wind turbine was also considered under the wake-optimization scenario, and it was found that the estimated P50 annual energy production for this layout is 1,097 GWh.

With the completion of the detailed design, obtaining the ground information was done through a comprehensive drone survey. The Orthomosaic imagery derived from this survey will be used to obtain land ownership information etc.. The Social Impact Assessment study was started with the assistance of University of Jaffna, and the Bird Study which is expected to provide the major input in environmental aspects was started with the assistance of the University of Colombo.

Renewable Energy Services

Soorya Bala Sangramaya Programme

Soorya Bala Sangramaya programme was continued in collaboration with the CEB and LECO, and it passed the the 400 MW milestone in 2021, connecting more than 36,640 solar rooftop systems with combined capacity of 410 MW to the national electricity grid. 137 new solar PV service providers were registered for rooftop solar PV programme leading to a cumulative figure of 431.

10 Solar PV committee meetings have been conducted for the Registration of Solar Service Providers. And More than 9,000 new jobs opportunities have been created and new entrepreneurs have created in this industry under the 'Soorya Bala Sangramaya Programmme. Online training programs were conducted on solar PV technology for rooftop solar suppliers.

SLSEA continued its service as the programme implementing agency, where assurance of quality of products, quality of installation and post commissioning services and all other necessary interventions for the upkeep of the programme as one of the most dynamic programmes in the country.

A standard was published by the Sri Lanka Standards Institution (SLSI) using the technical assistance provided by SLSEA for energy storage systems (ESS) with hybrid inverters.

The remarkable contribution of this programme has added green electricity generation capacity to the country while avoiding the traditional renewable energy related project implementation constraints such as securing land resources. It has availed with a high economic input to the entire society by way of creating job opportunities for engineers, technicians as well as for skilled and unskilled labour.

Growth of Rooftop Solar PV installation and Job Market

Growth of Solar PV Rooftop Installation		
Scheme	**No. of Customers**	**Total Capacity (MW)**
Net Metering	13,686	93.83
Net Accounting	18,513	158.96
Net Plus	2,020	157.85
Total	**34,219**	**410.64**

Solar PV workforce on Job Category	
Engineers	1,206
Technical	2,754
Non-Technical	3,200
Indirect	2,300
Total	**9,460**

The first tranche of USD50 million concessionary financing provided by the Asian Development Bank (ADB) was exhausted in 2021 under the Rooftop Solar Power Generation Project (RSPGP) of the Government of Sri Lanka delivering impressive results.

Category	No. of Projects	Capacity MW
Commercial	739	21.13
Residential	4,710	49.80
Total	**5,449**	**70.92**

There are many potential customers who are keen to take part in the project, awaiting more loans, as it is provided at an attractive 4% annual interest rate, a rate buydown of approximately 50%.

Renewable Energy as a means of Rural Electrification & Societal Upliftment

In the electrification of remote households, it is not economical and practical to provide electricity through the national electricity grid. Therefore, SLSEA facilitates that type of projects through the use of renewable energy sources in off-grid electricity systems. Under this initiative, technical assistance was provided for networking the rural hydro power plants in Meemure, Udagal Debokka and Galamuduna villages. Provision of electricity for Gala Muduna,Udagaldebokka and Madakale villages was done using solar PV systems with mini-grid battery storage systems. Technical assistance was provided to develop rural hydro power plants in Kalukandawa village, Palindanuwara.

In addition to the renewable energy based rural electrification, following interventions were made targeting rural households.

- Commencing activities for providing solar powered water pumps for agrarian families in the Rajanganaya and Kekirawa areas.
- Small solar kits were provided for school children in 3 villages and solar PV street lamps were provided for public places.
- Provided technical assistance to developed rural micro-hydro power plants in Kalukandawa village, Palindanuwara which is unable to get grid electricity. This program is operating with the Western Provincial Council and there are 21 households to get electricity. All arrangements were made to provide electricity under the 'Gama Samaga Pilisadara' to the villages in Knuckles Hills, which are not able to provide the national grid electricity.


Social upliftment under the Gama Samaga Pilisandara Programme

Follow-up work was carried out with banks and relevant solar service providers to promote 4% the loan facilities and assistance was provided to banks to evaluate proposals. Activities were continued in connection to obtaining data from government institutions and conducting basic technical studies in relation to the proposed Indian Credit Line facility for strengthening the Soorya Bala Sangramaya program.

Bilateral agreement Indian Credit Line Facility was signed 26th June 2021


Operation of Renewable Energy Training Facilities

With a view to promote renewable energy and provide on-line training facilities for different target groups, SLSEA operates renewable energy demonstration plants, and Indurana mini hydro power training facility and Hambantota solar power training facility are being operated at present. In addition to providing on-site training in these for different target groups, interventions in the upkeep of repair and maintenance of these facilities were given priority in the year.

Hambantota Solar Energy Park

The National Renewable Energy Park of SLSEA in Hambantota is an apex national research & development facility in the field of solar energy. It consists of two large-scale solar power plants that have been implemented on demonstration basis with the grant financial assistance from Japan and Korea. These power plants are highly important to SLSEA in implementing programmes in line with the national renewable energy targets. At present the plant is operated for practical training on solar PV technology for the students in the training programmes conducted for different target groups. It has been accredited as an NVQ level technician training center on solar PV systems.

Solar energy is the most promising source of renewable energy source because of its abundance, versatility and environmentally friendly nature. There are different environment and geographical factors that affect solar energy resource. So, measurement of solar resource under these factors is highly essential, which is also being demonstrated at the facility. Progress achieved in 2021 is as follows.

Inverter Repair

The second inverter of the Japan solar power plant was burnt and it was repaired by a local Engineer after few days of hard work and the plant is operating as in original state.

Inverter Repair

Repairing High-tension line of Korean Plant

The insulation condition of the high voltage cables connecting the Korea Plant to the national grid had weakened and it was repaired.

Daily/routine maintenance activities are essential to keep the power plant in good condition. The labour force appointed for the solar energy park have been engaged in a scheduled time frame for cleaning purposes and they have engaged in routine cleaning activities of both power plants ensuring their smooth operation.

Cleaning of Solar Panels

The power generation has increased as the panels were cleaned as shown below.

Power generation at the two sites

Month	Japan Plant		Korean Plant	
	Generated Energy (kWh)	Revenue (Rs)	Generated Energy (kWh)	Revenue (Rs)
January	49,745	1,029,721.50	20,104	416,152.80
February	59,181	1,225,046.70	Breaker Damage	0
March	55,930	1,157,751.00	42,569	881,178.30
April	62,506	1,293,874.20	59,409	1,229,766.30
May	52,757	1,092,069.90	47,349	980,124.30
June	61,721	1,277,624.70	61,898	1,281,288.60
July	62,624	1,296,316.80	58,225	1,205,257.50
August	60,671	1,255,889.70	59,451	1,230,635.70
September	59,965	1,241,275.50	55,556	1,150,009.20
October	78,362	1,622,093.40	56,314	1,165,699.80
November	78,411	1,623,107.70	45,446	940,732.20
December	85,213	1,763,909.10	26,364	545,,734.80
Total	**767,086**	**15,878,680.20**	**532,685**	**11,026,579.50**

Land Clearance

The solar power plant was encroached many times by elephants and damaging the elephant fence, and the officials of the Wildlife Department have supported to catch the elephants several times. The Wildlife Department officers have informed SLSEA that the reason for the frequent encroaching of elephants to the solar site is, it is visible as a jungle to elephant in the area, and clearing of the entire site was required due to that.

Land clearance in Hambantota Solar Park

Improvement of Sanitary facilities

As the site is frequently visited by a large number of outside personnel for education purposes, improved sanitary facilities were introduced.

Maintenance activities of Indurana hydro-power training facility

In association with the Indurana mini hydro power training facility, some civil construction work and lightening protection system installation work were carried out in this year.

Civil construction work and lightening protection system installation

A pilot plant to demonstrate the operation of a Solar PV/ESS was implemented at the Sarathchandra Rajakaruna Centre of Excellence in Small Hydropower at Indurana. The installation is equipped with a special interface to train technical personnel on battery management aspects and also powers an innovative footpath lighting system as a direct powered load.

PV / ESS at Indurana site

Renewable Energy Resources Allocation Process

Renewable energy resource allocation and project facilitation process was continued with a considerable progress in the registration of tendered solar power projects with SLSEA and the issuance of Energy Permits for them. 101 projects were registered and 100 Energy Permits were issued for 1 MW projects and Provisional Approvals were issued for 11 projects with a capacity of 56 MW under the 150 MW solar tender, by 31st October 2021.

Progress of Tendered Solar Projects

	Solar Tenders – No. of Projects		
	1 MW x60-2017	**1 MW x 90-2018**	**150 MW x - 2020**
Total Tender Called for	60	90	23 (147 MW)
LOI Issued	35	70	13 (74 MW)
Registered in SLSEA	35	66	11 (57 MW)
Energy Permit Issued	35	52	1 (3 MW)
Grid Connected (MW)	**32**	**13**	**Not Connected**

Details of Land-based Renewable Energy Projects

Resource	**Installed Capacity (MW)**
Biomass Including Agricultural and Industrial Waste)	43.53
Mini Hydro	425
Solar Rooftop	410
Solar Ground Mounted	100.4
Wind	248.5
Solid Waste	10
Total	**1,237.43**

Donor - Assisted Renewable Energy Projects

The ADB Supporting Electricity Reliability Improvement Project

This project aims to support livelihood improvement through the productive use of electricity in Nainativu, Analaitivu and Delft islands in the Northern Region including for women and People Below Poverty Line (BPLs). The Aryans and Atkins Limited is the consultant selected for this program. The delivery of energy based technical and skills training as well as training on the safe and efficient use of electricity will enable residents of the three islands to pursue new employment opportunities to generate income and improve their livelihoods.

The residents living below the poverty line and female headed households will be the target beneficiaries for Micro Small and Medium Enterprices (MSMEs.) These social categories have the lowest levels of income, the highest unemployment rates, lowest levels of education and also bare the majority of the household responsibility and chores therefore reducing the amount of time they have available to undertake activities to increase their income.

The outcome of this deliverable is to present key findings and data which will form the basis for a detailed feasibility assessment of each business activity highlighted by the residents as those they would want to start a business in. In total, 892 residents attended community presentations. During the presentations, 49 potential business activities and proposals were presented to the residents to raise their awareness of the types of opportunities available to them.

Residents were then invited to complete business engagement forms, if they are interested in starting their own businesses. 678 residents across the three islands completed a form. This number represents 51% of the total population of residents living below the poverty line aged between 15 and 70 years old. Of these residents, 47% are female living below the poverty line, 22% are female headed households and the remaining 31% are men living below the poverty line. A target of 50 micro, small and medium enterprises are to be developed as a result of this project with at least 20% required to be led by female headed households.

The engagement in the community consultations therefore satisfies these targets. In addition, residents expressed an interest in 45 of the business activities presented to them out of a possible 49 in the business engagement forms. This highlights the success of the community presentations, which aimed to raise their awareness of potential MSMEs they could take part in as a result of this project to improve their livelihoods. The mapping and engagement forms allowed the project team to identify all residents living below the poverty line and female headed households who are committed to the project and wish to initiate their own enterprises. The following activities were planned to meet the scope of the project and to developed the 50 small business to improve their living standards. The development process of energy-based livelihood with a focus on women's micro-enterprises are as follows.

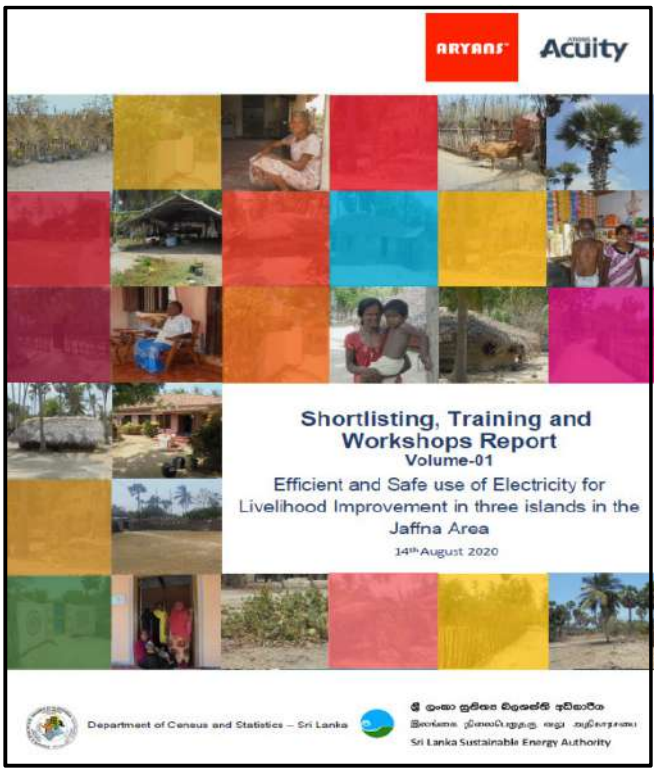
- Selection of the target 50 MSMEs
- Conduct the tailored training to the selected MSMEs
- Facilitated for the establishment of MSMEs (i.e. linking client access with producer)
- Provide business, management, marketing advice for the establishment of the MSMEs
- Liaison with organizations, institutions, government programs to facilitate the integration of identified activities into

- Provide technical training in relation to safe use of equipment for use by the MSMEs
- Established the 50nos of MSMEs.

The majority of the household responsibility and chores, therefore reducing the amount of time they have available to undertake activities to increase their income.

These selected 678 residents will be invited to attend further consultations where the support they require, the skills they need and the ideas they have for each activity and business proposal will be identified. This will then inform the short listing and selection process by the steering committee and will be allowed the development and deployment of the training programmes for each MSME to be delivered to the residents. It should be noted that additional feasibility assessment of each business activity will be undertaken in the next phase of work. This will include assessing the demand for each activity, the availability of natural resources and materials, the training required, access to markets as well as the affordability and price to produce each service and/ or product. Most of the selected MSMEs have selected the cultivation of Aloe Vera. From the selection, there are 14 Aloe Vera oriented MSMEs (9 in Delft, 3 in Nainativu and 2 in Analaitivu).

The residents who are willing to start these businesses belong to Below Poverty Line (BPL) and Female Headed Household (FHH) categories.



Shortlisting MSME and Training and Workshop Report completed

In order to maintain high quality standards of production, there is a possibility of developing these islands as an Aloe Vera production hub. So, the consultant has requested from foreign companies to grant their support for developing as an Aloe Vera Hub and buy the production from these MSMEs and the tried to find a benevolence party for the help.

Training on selected MSMEs business

Majority of MSMEs selected

As there are organizations willing in participating for "Corporate Social Responsibility" programs for demonstrating their commitments to all their stakeholders including the communities and environment in which their business could be operated. Hence, the consultant has shown his commitment about this project and moved ahead of the scope of the project and has done additional commitments to establish a sustainable mechanism for developing their livelihood. The project will be finished soon if a sustainable system exists, it would be operational for a long time for the people to find a good and a safe lifestyle.

UNDP assisted Biomass Energy Development Project

SLSEA continued its work on biomass energy development obtaining assistance from the Biomass Energy Development Project implemented under the assistance of UNDP. The major focus that had been on the thermal energy area in the past periods was shifted to the use of biomass for electricity generation. Accordingly, it was possible to publish the following valuable compilations that will be useful in implementing power generation projects in the future.

- Site identification for establishment of 30 MW biomass power plants in Sri Lanka
- Feasibility of small-scale biomass power plants in Sri Lanka

Publications; UNDP-assisted Biomass Energy Development Project

EU-assisted related for Capacity Building in RE Project

SLSEA got involved in the EU-assisted Training Hub for Renewable Energy Technologies in Sri Lanka project is being carried out with the involvement of local universities, foreign experts, with the objective of developing the required skill levels in Sri Lanka for sustainable energy development by encompassing knowledge exchange with EU universities.

Demand Side Management Activities

Energy Efficiency Improvement & Conservation Programmes

In the area of energy efficiency improvement & conservation, programmes were carried out focusing regulatory interventions, strengthening the energy efficiency services and training and awareness.

Establishment of Energy Management Systems

SLSEA facilitates the energy conservation in commercial and industrial sectors through long-term programs such as Energy Manager program, Energy Auditor program, establishing energy consumption benchmarks etc. Altogether 234 Energy Managers, 24 Accredited Energy Auditors and 29 Energy Service Companies (ESCo) have been registered with SLSEA, who are involved in energy management activities mainly in the industrial and commercial sectors. SLSEA has the direct involvement with the mainly through the training and capacity building programs. In this year, two on-line awareness programs on energy efficiency improvement were conducted targeting technical staff in the hotel industry. Each program was conducted for 8 days covering different technical areas related to energy efficiency improvement, and around 80 participants joined the programmes.

Energy consumption reporting and assessment of energy performance of different energy consuming sectors is a very important intervention in context of enhancing the energy utilization efficiency. In accordance with the provisions given in the Act, Energy Consumption Benchmark Regulations were formulated and proceeded for implementation. This regulation is initially targeted for retail stores and financial services sectors as a mandatory energy efficiency improvement programme. The draft regulations approved by the Department of Legal Draftsman was handed over to the Ministry to obtain the approval of the Cabinet of Ministers. Initial activities were carried out to develop a web portal for reporting and analysis of energy consumption data and the Terms of Reference was presented to a development partner, seeking technical assistance for implementation.

Energy Audits, Consultancy Services & Facilitation of Measurements

SLSEA assists industries and commercial and state sector institutes to solve their energy related issues by providing consulting services, answering queries, etc. A well-maintained instrument bank is available for hiring to use in energy auditing activities. Instrument utilization for 2021 is about 900 instrument-days. Further, in this year, the instrument bank was strengthened by purchasing 4 power analysers and the calibration of temperature loggers, probes and power loggers was carried out. Energy audits were conducted for Lady Ridgeway hospital, Sri Jayewardenepura general hospital, Matara District Secretariat and Sri Lanka Rupavahini Corporation, where energy conservation potential in the health sector is observed to be quite considerable.

Parameter	Sri Jayewardenepura General Hospital		Lady Ridgeway Hospital	
	Saving	% Saving	Saving	% Saving
Max. demand (kVA/year)	215 x 12	18	147 x 12	11.5
Electrical energy (kWh/year)	5,555,000	9	350,000	6
Water consumption (m^3/year)	22,000	61	5,200	4.5
Cost (LKR/year)	19,281,000	10	9,918,500	8

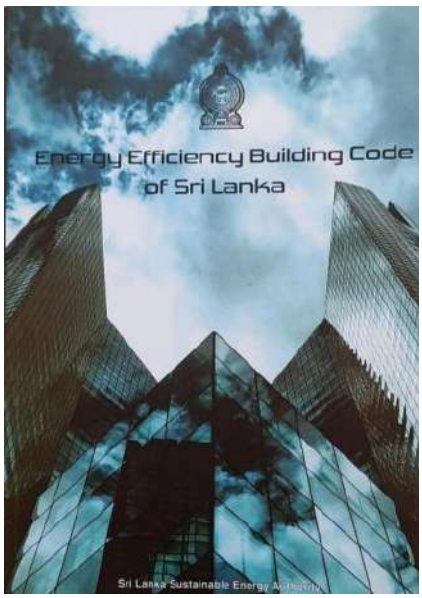
Appliance Energy Labeling Program

As far as ensuring energy utilizations efficiency in end-use sectors is concerned, use of energy efficient appliances plays a pivotal role in realising the same. The Act sets high recognition on this and makes provisions to increase the penetration of energy efficient appliances while gradually phasing out the inefficient products through the energy labeling program. Preparation of standards, establishment of testing facilities and introducing regulations are the different phases involved in the energy labelling programme implementation process. Energy labelling schemes for refrigerators, air-conditioners, computers, LED modules, electric motors, rice cookers, TVs, ceiling fans were continued in this year, and the progress of the programme is as follows:

- Voluntary labelling programme for refrigerators was launched, and 3 companies have joined the programme.
- Followed by the requests made by the SLSEA, a grant for the establishment of an air-conditioner test facility was approved by the Korean Government.
- Regulations on mandatory labeling for computers were submitted for approval of the Cabinet and was declined, leading to the continuation of the voluntary programme.
- Preparation of energy performance standards for LED modules and water pumps were completed in 2021, and the initial work related to the procurement of a pump test facility was also completed in 2021.
- Preparation of energy performance standards for televisions, table/pedestal fans and rice cookers was initiated in 2021.
- The energy label format was revamped to include a more communicative graphical presentation and also to introduce a quick recognition (QR) code to lead buyers of appliance to a web based comparator of competing products.

Codes and Guidelines for Built Environment

The most appropriate approach for ensuring energy efficiency in buildings is to incorporate energy efficiency measures at the design stage. Code of Practice for Energy Efficient Buildings (Building Code) caters to this requirement, containing the energy efficiency measures in air-conditioning, lighting and all other building energy systems. Especially for large building infrastructure, the energy savings achievable through making compliance to the Building Code is substantial.



Building Code has been published by SLSEA, and it is reviewed and updated at certain intervals to be in par with technology updates and enhanced compliance requirements. New edition of the Building Code was completed in 2021, which included the following activities:

- Incorporation of revisions to the Code and presentation of same for a second public review.
- Preparation of the finalized document and printing.
- Development of regulatory and implementation framework.
- Training of Building Services Engineers and the staff of SLSEA on building simulation software.
- Registration of service providers for building simulation.
- Development of a user guideline and application formats.

In addition to the Building Code, which is targeted for large-scale commercial buildings, Sustainable Energy Residences Guideline has been introduced by SLSEA targeting the household sector. Awareness programs on this guideline were conducted for the service providers.

Chiller Survey

Under this project activity, it is expected to conduct a survey, collect the data on existing HVAC Systems, prepare an Inventory of Chiller Units in operation and identify the saving potential of existing chillers in Sri Lanka. Accordingly, procurement process was initiated and is being progressed for conducting a survey on chillers. Currently procurement activities are handed over to the Consultant Procurement Committee Department (CPCD).

Efficient Refrigerator Programme

This programme was formulated to replace inefficient 1000 Nos. refrigerators with efficient refrigerators in the Western Province (Colombo, Gampaha, Kalutara). The SLSEA, vendors, waste management companies, INSEE and National Ozone Unit and customers will be the stakeholders of the programme. Accordingly, meeting with refrigerator vendors (Samsung, Abans, Damro, Singer) was held on 30th March 2021 to get comments to develop a programme and discussed about pilot project. Preparation of Leaflets and Guideline are in progress. Also the purchase of 7 Refrigerant collecting cylinders to recover the old refrigerant was done in this year.

Study on Suitable Technologies for Street Lighting

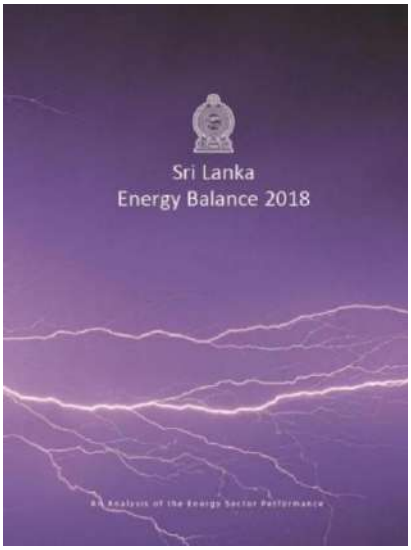
It is planned to conduct a study on Suitable Technologies for Street Lighting. Proposal has been received from LECO for Sri Jayewardenepura Kotte Municipal Council and the comments has been sent. LECO has started replacement of street lights in Nugegoda Supermarket Area.

Publication of Energy Data & Information

Publication of energy data and information is one of the key aspects of the involvement of SLSEA. Energy being one of the most vibrant sectors, these data are of extensive support to the sector to take policy decisions, and support researchers, students and all other stakeholders in the involvement in energy activities in diverse dimensions. Publication of annual energy information is done through Energy Balance, and as a furtherance of this, performance analysis of different energy supply and use patterns are done from time to time.

Use of petroleum fuels for different purposes than for transport had been a contentious issue, with very little known about the actual situation. A groundbreaking field investigation was conducted to disaggregate the demand among different classes of vehicles and also among transport and non-transport uses of products. The results provide a wealth of information for the planners in the petroleum sector.
Following publications were made in this year:

- Sri Lanka Energy Balance 2018
- Disaggregation of Petroleum Product Usage by End Use Category



Outreach & Promotion Activities

Energy Education & Communication Programme

Building awareness in energy efficiency and renewable energy is crucial in promoting sustainability and reducing our carbon footprint. Recongizing the importance of this, SLSEA has taken steps into Energy Education and outreach programmes and to public campaigns.

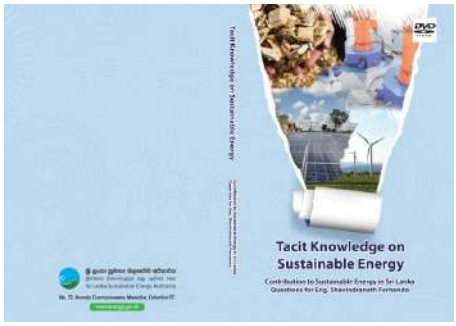
Steps have been taken to collect new inventions through School Energy Clubs and Science teachers in Grade 6-11, in order to develop a hand book on new Inventions for 1000 School Energy Clubs (SEC) in the Island. A cartoon film named 'Sulan Mama' has been developed and published in social media with the objective of educating preschool community in renewable energy resources.

With the objective of promoting 'Energy Conservation in Kitchen' concept among the public, a video has been produced and published in social media.

The quarterly magazine 'Sanraksha' was published to educate the school and university community on events carried out by SLSEA regularly, keeping them informed of the energy sector activities.

A video clip named 'Tacit knowledge on Sustainable Energy' has been produced based on the interview with Eng. Shavindranath Fernando (Former GM of CEB & a member of SLSEA Board of Management). The main objective of this is to share expert's knowledge on innovativeness, overcoming challenges, solving problems and making smart decisions in promoting Sustainable Energy in Sri Lanka.

Video For Kids on Wind Energy



Video on Tacit Knowledge

A Solar Energy documentary video has been published targeting the NAITA Level IV Solar PV Technician Training Programme. It aimed to popularize the solar PV technology among the youth, which will create a gateway for unemployed youth to cater the foreign job opportunities.

Two webinars were conducted on LP Gas: Technology & Usage by Eng. Bandula Jayampathi and Energy Efficiency & Renewable Energy Usage in Process Industries by Eng. Sumudu Priyantha respectively.

An awareness programmes has been successfully conducted in Nawasenapura, Kandakadu Vauniya rehabilitation centers on 16th& 17th December, 2021 for the 300 numbers of inmates on energy conservation and renewable Energy.

Awareness in Nawasenapura

An advertisement campaign has been carried out in social media on energy conservation tips to be adopted in households during the covid-19 pandemic island wide lockdown period.

Human Resource Development

The Sustainable Energy Authority has continuously invested in the renewable energy sector stakeholders both internal and external, as a means of ensuring a steady growth in the renewable energy platform in Sri Lanka. The Authority has created opportunities for technology transfers, knowledge transfers, capacity development and increased exposure and training in the sustainable energy sphere. This is one of the key priorities in the Authority's human resource development mandate which has contributed immensely towards the increase in sustainable energy projects in the country.

External Human Resource Development Programmes

With the understanding of the absolute necessity of Enhancing the number of Engineers and technicians for the increasing demand in the sector, training programmes were conducted even in the midst of Covid 19 situation, where extensive on-site training was provided at the Hambantota solar power demonstration facility operated by SLSEA. In context of the high relevance of electricity consumers to the subject, Public Utilities Commission of Sri Lanka (PUCSL) showed keen interest in training their engineers and collaborated the programme. Training programmes were also conducted for solar rooftop system suppliers, the three defence forces and the Police, provincial education officers and National Apprentice and Industrial Training Authority (NAITA) trainees. NAITA has identified the requirement of the trained workforce in the country to facilitate the government renewable Energy Development program in the future, and they have designed the courses on Solar PV Technology with Sri Lanka Sustainable Energy Authority and launched training programs in ten centres for Technicians and School Students, targeting school leavers. In collaboration with NAITA, an educational training project on Prototype Manufacturing of Solar Panels was conducted under the guidance of State Ministry of Skill Development, Vocational Education, Research and Innovation.

A highlight in the training programmes for solar rooftop system service providers was the introduction of energy storage systems (ESS) with hybrid inverters in line with the standard that has been published by the Sri Lanka Standards Institution (SLSI) using the technical assistance provided by SLSEA.

165 Engineers & Technical Officers from Air Force, Navy and Army underwent training

Conducted 5-day program for 25 Sri Lanka Police Technicians on installation of solar PV power systems

Solar PV System Installation Training Program (2021) for 1,500 electricians to NVQ3 level qualified students by PUCSL and SLSEA

Action Plan 2022

Renewable Energy Development Programmes

- Formulating methodologies and approaches to implement the Renewable Energy Resource Development Plan by obtaining inputs from relevant stakeholders
- Renewable energy resource assessments
- Implementation of Energy Parks
- Carrying out of Feasibility Studies, Environmental Impact Assessments, Social impact assessments, processing of obtaining lands, etc.
- Soorya Bala Sangramaya programme
- Monitoring performance of the service providers through an on line system
- Training programmes and other necessary capacity building interventions
- Resource allocation for renewable energy process by way of issuing the Energy Permit
- European Union Project related for Capacity Building in Renewable Energy

Energy Efficiency Improvement & Conservation Programmes

- Development of regulatory and implementation framework for Code of practice for Energy Efficient Buildings and Training of energy sector professionals
- Registration of service providers for building simulation & consultants
- Establishment of Energy Consumption Benchmarks
- Implementing Energy Management programmes in establishments through Energy Managers, Energy Auditors & ESCos.
- Introduce Energy Labeling Program for appliances
- Publishing a Results Delivery Framework (RDF) of the National Energy Policy by convening the National Steering Committee
- Report on Policy gaps, barriers and obstacles to EEI&C and Renewable Energy Development Programmes of all sectors in Sri Lanka
- Chiller Survey
- Efficient Refrigerator Programme
- Study on Suitable Technologies for Street Lighting
- Implementing Energy Education and promotional programmes separate point Formulate an appropriate mechanisms and implemented catering to the IT needs of the organization for efficient operation.

Financial Information

Income Statement

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
Income			
Operational Income	3	391,513,834	294,715,582
Non Operational Income	4	61,360,718	41,367,716
Total Income		**452,874,552**	**336,083,298**
Expenditures			
Project/activity Expenses	5		
Renewable Energy	5.1	17,214,942	34,248,312
Energy Management	5.2		12,959,330
Knowledge Management	5.3	4,035,074	5,736,895
Strategic Activities	5.4	7,007,929	5,727,915
Resource Mapping	5.5	10,871,558	-
Research & Development	5.6	15,723,800	-
Resource Development &Facilitation	5.7	1,757,397	-
System & Planning	5.8	859,592	-
Industrial & Service Sector	5.9	473,243	-
Household & Agro Sector	5.10	1,577,808	-
Surveys & Research	5.11	885,336	-
Policy & Advocacy	5.12	3,223,965	-
		63,630,644	58,672,452
Recurrent Expenses	6		
Salaries and Allowances	6.1	104,993,947	108,185,111
Travelling and Subsistence	6.2	2,829,577	769,938
Supplies	6.3	8,290,995	4,648,745
Maintenance Expenses	6.4	11,290,862	8,359,168
Contract Service	6.5	45,578,404	54,835,600
Depreciation Expenses	6.6	48,332,862	46,326,457
Other Recurrent Expenses	6.7	9,920,275	11,166,182
		231,236,922	**234,291,201**
TOTAL EXPENDITURE		**294,867,566**	**292,963,653**
SURPLUS/(DEFICIT)		**158,006,986**	**43,119,645**

The Accounting policies on pages 59 to 62 and Notes on pages 63 to 82 form an integral part of these Financial Statements. Certified as correct,

.....
Director (Finance)

.....
Director General

"

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.....
Board Member

.....
Chairman

Statement of Financial Position

AS AT 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	10		
Free Hold	10.1	486,783,687	474,698,637
Lease Hold	10.2	35,920,888	37,449,436
Intangible Assets	11	3,092,770	2,472,914
Work in Progress	.12	121,609,494	73,397,597
Investments	13	68,033,522	111,803,519
TOTAL NON CURRENT ASSETS		**715,440,361**	**699,822,103**
CURRENT ASSETS			
Receivables	14	18,606,750	23,312,323
Other Current Assets	15	51,371,803	34,424,024
Cash and Cash Equivalents	16	586,693,911	459,993,159
TOTAL CURRENT ASSETS		**656,672,464**	**517,729,506**
TOTAL ASSETS		**1,372,112,825**	**1,217,551,609**
EQUITY AND LIABILITIES			
EQUITY			
Accumulated Fund	17	22,100,336	22,100,336
Net Surplus/Deficit		366,472,913	195,836,450
Deferred Grant	18	303,534,570	338,856,524
Sri Lanka Sustainable Energy Fund	20	367,557,645	385,061,573
Sustainable Guarantee Fund		120,769,996	115,895,545
Revaluation Reserve		101,217,000	101,217,000
TOTAL EQUITY		**1,281,652,460**	**1,158,967,428**
NON CURRENT LIABILITIES			
Gratuity Provision		36,309,505	34,010,857
TOTAL NON CURRENT LIABILITIES		**36,309,505**	**34,010,857**
CURRENT LIABILITIES			
Other Payables	19	48,556,961	19,523,839
Net Deposit on Land Acquisition		5,593,899	5,049,485
TOTAL CURRENT LIABILITIES		**54,150,860**	**24,573,324**
TOTAL EQUITY AND LIABILITIES		**1,372,112,825**	**1,217,551,609**

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Chairman

Statement of Changes in Equity

YEAR ENDED 31ST DECCEMBER 2021

(All amounts in Sri Lanka Rupees)

Description	Accumulated Fund	Net Surplus / Deficit	Deferred Grant	Revaluation Reserve	Sri Lanka Sustainable Energy Fund	Sustainable Guarantee Fund	Total
Restated Balance as at 2019.01.01	**22,100,336**	**175,950,748**	**423,846,967**	**101,217,000**	**335,605,770**	**98,275,578**	**1,156,996,399**
Increase/(Decrease) for the Year 2019		43,935,742	(46,572,033)				(2,636,291)
Transferred to Guarantee Fund		(9,143,908)				9,143,908	
Transferred to Energy Fund income		(44,628,149)			44,628,149		
Transferred to Energy Fund - Project exp		9,330,944			(9,330,944)		
Land Revaluation							
Balance as at 31.12.2019	**22,100,336**	**175,445,377**	**377,274,934**	**101,217,000**	**370,902,975**	**107,419,486**	**1,154,360,108**
Prior Year adjustment		(93,915)					(93,915)
Increase/(Decrease) for the Year 2020		43,119,645	(38,418,410)				4,701,235
Transferred to Guarantee Fund		(8,476,059)				8,476,059	
Transferred to Energy Fund - income		(19,817,444)			19,817,444		
Transferred to Energy Fund - project - exp		5,658,846			(5,658,846)		
Land Revaluation							
Balance as at 31.12.2020	**22,100,336**	**195,836,450**	**338,856,524**	**101,217,000**	**385,061,573**	**115,895,545**	**1,158,967,428**
Increase/(Decrease) for the Year 2021		158,006,986	(35,321,954)				122,685,032
Transferred to Guarantee Fund		(4,874,451)				4,874,451	
Transferred to Energy Fund income		(43,855,379)			43,855,379		
Transferred to Energy Fund-Project exp		61,359,307			(61,359,307)		
Land Revaluation							
Balance as at 31.12.2020	**22,100,336**	**366,472,913**	**303,534,570**	**101,217,000**	**367,557,645**	**120,769,996**	**1,281,652,460**

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Board Member

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Chairman

Statement of Cash Flows

YEAR ENDED 31ST DECCEMBER 2021
(All amounts in Sri Lanka Rupees)

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
Cash Flows From Operating Activities			
Surplus/ (Deficit) for the Year		158,006,986	43,119,645
Adjustment For:			
Loss and Damage			
Interest Income	4.9	(18,906,420)	(22,439,783)
Amortized Grant (for Funds Received)	8	(35,321,954)	(38,418,410)
Transfers From Energy Fund			
Gratuity Provision		2,481,573	9,917,344
Vehicle Donation			(7,800,000)
Profit from Disposal of Fixed Assets		(2,658,970)	
Depreciation	6.6	48,332,862	46,326,457
Operating Profit / (Loss) before Working Capital Changes		**151,934,077**	**30,705,253**
(Increase)/Decrease in Other Current Assets		(14,330,252)	(1,015,167)
Increase/ (Decrease) in Current Liabilities		29,577,536	(11,953,465)
Cash Flow generated Operating Activities		**167,181,361**	**17,736,621**
Gratuity Paid		(182,925)	(333,606)
Net Cash Flow Generated from Operating Activities		**166,998,436**	**17,403,015**
Cash Flows from/(Used in) Investing Activities			
Purchase of Property, Plant and Equipment	10.1	(58,026,569)	(3,928,516)
Intangible Assets	11	(1,482,650)	(2,026,415)
Work in Progress	12	(48,211,897)	(2,638,353)
Investments in Fixed Depositss and Treasury Bills	13	(4,507,110)	(9,470,761)
Received from TB		50,732,494	
Interest received		18,539,078	23,434,485
Disposal of Fixed Assets		2,658,970	
Net Cash Flow from/(Used in) Investing Activities		**(40,297,684)**	**5,370,440**
Cash Flows from/(Used in) Financing Activities			
Deferred Grant			
Sri Lanka Sustainable Energy Fund			
Accumulated Fund			(93,923)
Sustainable Guarantee Fund			
Loans Repayable to Foreign Donors			
Net Cash Flow from/(Used in) Financing Activities			**(93,923)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**126,700,752**	**22,679,532**
Cash and Cash Equivalents at Beginning of the Year	16	**459,993,159**	**437,313,627**
Cash and Cash Equivalents at End of the Year		**586,693,911**	**459,993,159**

The Accounting policies on pages 59 to 62 and Notes on pages 63 to 82 form an integral part of these Financial Statements.
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Board Member

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Chairman

Statement of Comparison Figures of Budget and the Actual Amounts - 2021
Recurrent Budget and Actuals

(All amounts in Sri Lanka Rupees)	Note	Actuals 2021 Rs.	Budget 2021 Rs.	Variance Rs.
Personal Emoluments				
Salaries & Wages		61,260,377	65,844,372	4,583,995
EPF 12%		8,975,308	9,460,560	485,252
ETF 3 %		2,243,827	2,365,140	121,313
Overtime & Holiday Pay		6,618,562	7,418,562	800,000
Interim Allowance				
Cost of Living		8,884,200	9,079,200	195,000
Other Allowance		4,775,500	4,814,400	38,900
Travel Allowance (own vehicle)		5,625,000	6,000,000	375,000
Fuel Allowance		3,441,510	3,869,000	427,490
NAITA Salary		784,100	1,000,000	215,900
Adjustment allowance				
Gratuity		182,925	1,000,000	817,075
New Recruitment			8,219,597	8,219,597
		102,791,309	**119,070,831**	
Travelling Expenses				
Domestic		592,667	800,000	207,333
Foreign		2,069,090	2,300,000	230,910
Printing & Publications		**2,661,757**	**3,100,000**	
Supplies & Requisits				
Stationary & Office Requisites		660,105	1,350,000	689,895
		3,199,823	6,000,000	2,800,177
Fuel & Lubricants		4,198,931	4,200,000	1,069
News Paper		87,300	150,000	62,700
Uniform		220,975	250,000	29,025
		8,367,134	**11,950,000**	
Repairs & Maintenance Expenditure				
Vehicle Maintenance & Insurance		8,522,482	8,500,000	(22,482)
Plant, Machinery & Equipment		777,295	800,000	22,705
Furniture & Fittings			500,000	500,000
Buildings & Structures		774,000	1,500,000	726,000
		10,073,777	**11,300,000**	

Statement of Comparison Figures of Budget and the Actual Amounts - 2021
Recurrent Budget and Actuals

(All amounts in Sri Lanka Rupees)	Note	Actuals 2021 Rs.	Budget 2021 Rs.	Variance Rs.
Contractual Services				
Transportation		381,046	1,000,000	618,954
Telephone & Postal charges		5,302,011	6,000,000	697,989
Electricity		3,331,492	4,420,000	1,088,508
Water		375,770	396,000	20,230
Medical Insurance		2,082,256	2,500,000	417,744
Utility Expenses				
Security		3,145,300	4,995,000	1,849,700
Janitorial		83,520	1,200,000	1,116,480
Rent		35,418,201	40,857,230	5,439,029
		50,119,595	**61,368,230**	
Other				
Board Expenses		1,148,710	2,000,000	851,290
Advertisements		1,135,123	1,200,000	64,877
Debit Tax & Bank Charges			75,000	75,000
Office Expensces		5,303,261	6,000,000	696,739
Refreshments		728,488	1,000,000	271,512
Audit Fees		456,000	800,000	344,000
Legal Fee		558,800	1,500,000	941,200
Translation fees		49,206	300,000	250,794
		9,379,588	**12,875,000**	

Statement of Comparison Figures of Budget and the Actual Amounts - 2021
Capital Budget and Actuals

(All amounts in Sri Lanka Rupees)

Code	Activity	Actuals 2021 Rs.	Budget 2021 Rs.	Variance Rs.
	Admin Division			
	Rehabilitation & Improvement	5,164,283	5,200,000	35,717
	Acquition of Fixed Assets & Intangible Assets	5,673,711	7,080,000	1,406,290
	Staff Training	479,554	500,000	20,446
	Total for Administration	**11,317,548**	**12,780,000**	**1,462,452**
	(RMP) Resource Mapping			
RMP01	Renewable Energy Development Plan	5,103,482	5,200,000	96,518
RMP02	Resource Assessment	57,421,984	61,000,000	3,578,016
		62,525,466	**66,200,000**	**3,674,534**
	(RND) Research & Development			
RND02	Pooneryn Wind-Solar Hybrid Energy Park	2,592,154	3,150,000	557,846
RND03	Siyambalanduwa 100 MW solar	20,082,411	21,100,000	1,017,589
RND04	Mannar Phase II	15,720,900	16,000,000	279,100
		38,395,465	**40,250,000**	**1,854,535**
	(RES) - Renewable Energy Services			
RES01	RE Services (Soorya Bala Sangramaya)	10,890,421	20,370,800	9,480,379
RES02	Donor funded projects	60,000	100,000	40,000
RES03	Hambanthota Solar Energy Park	31,021,638	33,589,000	2,567,362
RES04	Indurana International Training Centre & Hydro Power Site	5,130,623	5,500,000	369,377
		47,102,682	**59,559,800**	**12,457,118**
	(RDF) - Resource Development & Facilitation			
RDF01	Project Approving Committe Meetings	730,286	1,000,000	269,714
RDF04	Gazzette Special Development Areas	22,550	100,000	77,450
RDF05	Online System Development	1,000,000	1,000,000	
		1,752,836	**2,100,000**	**347,164**
	(SNP) - Systems & Planning	855,591	1,500,000	644,409
	(ISS) - Industrial & Service Sector			
ISS01	Establishment of Energy Consumption Benchmarks for retail & financial institutions	321,343	400,000	78,657
ISS02	Energy Manager Scheme	1,610,838	2,300,000	689,162
ISS04	Instrument bank	2,060,000	2,100,000	40,000
ISS06	Energy audits	24,260	25,000	740
		4,016,441	**4,825,000**	**808,559**

Statement of Comparison Figures of Budget and the Actual Amounts - 2021
Capital Budget and Actuals

(All amounts in Sri Lanka Rupees)

Code	Activity	Actuals 2021 Rs.	Budget 2021 Rs.	Variance Rs.
	(SME) - Household, Agro & SME Sector			
SME1	Appliance Labelling			
SME1A	Energy Labelling Programme for Refrigerators	300,402	400,000	99,598
SME1B	Energy Labelling Programme for Air conditioners		3,000	3,000
SME1C	Energy Labelling Programme for Computers	2,810	100,000	97,190
SME1D	Energy Labelling Programme for LED modules	817,250	820,000	2,750
SME1F	Energy Labelling Programme for rice cookers	1,143,280	1,150,000	6,720
SME1G	Energy Labelling Programme for water pumps	293,000	300,000	7,000
SME1H	Energy Labelling Programme for TVs			
SME1J	Energy Labelling Programme for ceiling fans with diameter 1200 mm	344,540	400,000	55,460
SME1K	Energy Labelling Programme for Pedestal fans	1,200	101,200	100,000
SME2	Residential sector	62,325	70,000	7,675
		2,964,807	**3,344,200**	**379,393**
	(SNR) - Surveys & Research			
SNR 02	Serveys and Research	881,496	1,000,000	118,504
SNR 03	New Technology and Energy Chains	55,000	100,000	45,000
		936,496	**1,100,000**	**163,504**
	(POA) - Policy & Advocacy			
POA01	Energy Information	300,125	301,000	875
POA02	New Technology and Energy Chains	3,028,750	3,100,000	71,250
		3,328,875	**3,401,000**	**72,125**
	(ONP) - Outreach & Promotion			
ONP01	Energy Education Programme	601,325	600,000	(1,325)
ONP02	Communication Programme	3,619,359	3,720,000	100,641
		4,220,684	**4,320,000**	**99,316**
	Employee Capacity Development	43,500	400,000	356,500
	Grand Total	**177,460,390**	**199,780,000**	**22,319,610**

Notes to the Financial Statements as at 31.12.2021

1. Corporate Information

1.1 General

Sri Lanka Sustainable Energy Authority (SLSEA) was established on 1st of October 2007. It is located at No 72, Ananda Coomaraswamy Mawatha in Colombo 07.

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 SLSEA from 1st of October 2007.

1.2 Principal Activities of Authority

The principal activities of SLSEA are developing renewable energy resources including declaring energy development areas, implementing energy efficiency and conservation measures, conducting programmes to promote energy security, reliability and cost effectiveness in energy delivery and carrying out information management of the energy supply and demand.

1.3 Funds of the Authority

As per the Sri Lanka Sustainable Energy Authority Act, the SLSEA 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. All sums of money to defray expenditure incurred by the authority in exercise, discharge & performance of its powers, functions and duties as per the Act, are paid out of this fund.

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.

Subsidies for renewable energy conversion plants, subsidies for promoting energy efficient appliances & technologies, subsidies for fuel switching, expenses of awareness programmes, incentives for encouraging energy conservation measures are payable out of this fund.

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 Number of Employees

Number of employees as at 31st December 2021 – 98

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 statements of SLSEA as at 31st December 2021 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 2020 have been restated.

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 programme (activities) expenses and purchase of fixed assets. As the activity/programme expenses comprise recurrent and capital expenses, they are incurred from the capital grant.

Government Capital grant used in purchase of fixed assets are considered as income for the year.

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

2.2.2 Accounting for Foreign Aid

The SLSEA carries out many foreign aid projects. Most of the assistance is received from the ADB and UNDP in the form of loans and grants. However, some of the payments to supplies and loans are made directly by the CBSL and the ADB on the recommendations made by SLSEA. They have been accounted for in separate project financial statements.

2.2.3 Accounting for Long–term Investments

Investments are made in Govt. Treasury bills and Fixed Deposits at National Savings Bank and stated on cost basis. Interest receivable from investments in fixed deposits and treasury bills at the end of the year is credited to the respective fund.

2.2.4 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.

2.2.5 Contingent Liabilities and Contingent Assets

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

Further, SLSEA sells the electricity generated from the Hambantota solar power plant to the CEB on monthly basis. However, the payment for the production sold during the last few months of 2021 was paid only in 2022.

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. Power purchase agreement with CEB for Hambantota solar power plant will be expired in 2031.Therefore, revalued fixed assets in Hambantota solar power plant will be depreciated within the remaining 12 years.

Hambantota solar power plant was revalued in 2018.

2.3.2 Depreciation

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

Notes to the Financial Statements

Item	Rate of Depreciation
Furniture & office equipment	25%
Motor vehicles	20%
Photocopiers	25%
Computers	33.33%
Electrical goods	25%
Library books	20%
Energy instruments	33.33%
Exhibition equipment	25%
Wind towers	20%
Building & structures	5%
Refrigerator testing laboratory	20%
Solar Power / Mini Hydro Projects	
A. Solar panels	8.33%
B. Steel structures	8.33%
C. Buildings	5%
D. Switch gears	8.33%
E. Inverters	8.33%
F. Transformers	8.33%
G. Power electronics	8.33%
H. Sanitary & plumbing	8.33%
I. Cables	8.33%
J. Furniture fittings & office equipment	25%
K. Tools	8.33%
L. Machinery	20%
M. Other	20%

2.3.3 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, these assets are stated in the Statement of Financial Position at cost, less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any.

Software	5 Years

2.3.4 Fully Depreciated assets still in use as at 31st December 2021

Furniture & Fittings	19,251,786/-
Motor Vehicles	45,136,495/-
Photocopy Machines	4,367,941/-
Computer	35,707,660/-
Electrical	446,964/-
Library books	1,438,352/-
Energy instrument	91,583,387/-
Wind towers	47,238,802/-
Refrigerator Testing Lab	42,165,337/-
Solar Power Mini Hydro Projects	
Furniture & Fittings	3,014,514/-
Machinery	4,047,375/-
Other	60,039,664/-
Exhibition Equipment	354,853/-
UNDP Project Equipment	524,300/-

2.3.5 Indurana Land

The title deed for the Indurana land (2 rood & 32.32 perches) donated by M.P. Harshana Rajakaruna for the Sarathchandra Rajakaruna Memorial International Centre for Hydropower Promotion has not been valued yet. Hence it has not been included as an asset in the financial statements.

2.4 Liabilities and Provisions

2.4.1 Gratuity

An amount equal to a half-month's salary for each year of employment based in 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 SLSEA are made to EPF& ETF as 12% and 3% respectively.

2.4.3 Legal

Sri Lanka Sustainable Energy Authority currently facing 18 number of legal cases. The said cases are not claiming any financial damage against SLSEA and have been filed praying Writ of Mandamus/ Certiorari of Fundamental Rights Applications. Therefore, it has not been recognized any financial value prayed as damages against SLSEA.

2.4.4 Approval of the Board

The financial statements for the year ended 31st December 2021 were authorized by the Board of Management of the Authority on 27th October 2022.

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 03 - OPERATIONAL INCOME			
Treasury Income (Capital)	7	106,870,000	75,904,009
Amortized Differed Grant	8	35,321,954	38,418,410
Treasury Income (Recurrent)		131,697,000	113,112,314
Power Generation - Hambantota		26,682,776	31,001,480
Power Generation - Indurana		1,369,959	1,694,889
Energy Manager Training Programme - Income		84,000	55,750
Expression of Interest for RE Projects		28,300,000	
Energy Management Guide line			500
Solar Atlas Income		32,000	25,000
Wind Data Income		937,500	2,000,000
Energy Permit Income		51,298,245	26,435,330
Solar Registration Fee		8,920,400	6,067,900
Solar Equipment Registration Fee			
Solar Training Programme			
Total		**391,513,834**	**294,715,582**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 04 - NON OPERATIONAL INCOME			
UNDP Projects (NAMA)			3,782,513
Lanka Electricity Co. (LECO) - ODSM			
Tender Fee		10,500	30,500
Supplier's Registration fee		6,000	192,250
Distress Loan Interest		657,307	336,204
Sponsorship			
Other Income		366,550	930,910
Special Advance Interest		1,674	1,836
Vidulka Stall Registration Fee			
Income - Funded Project		8,929,887	
Income from Energy Fund	9	43,855,379	19,817,444
Interest Income		4,874,451	8,476,059
Disposal of Fixed Assets		2,658,970	
Grant- Vehicle			7,800,000
Total		**61,360,718**	**41,367,716**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - PROJECT EXPENSES			
NOTE 05 -1 RENEWABLE ENERGY			
Resource Allocation and Development			717,075
Progress Monitoring			245,375
Technology Development and Research			
Donor Funded Projects UNDP Bio Mass Project		60,000	
Donor Funded Project - ADB (L 2892 SRI)			
NAMA Project			102,805
Operation of Hambanthota Renewable Energy Site		10,558,031	9,352,292
Operation of Indurana Site		1,363,337	982,813
Pooneryn Energy Park Project			
Supporting Electricity Supply Reliability Improvement Project			5,380
Mahaweli Project Developments			
Provincial Energy Programmes			
Soorya Bala Sangramaya		5,233,574	22,842,572
Total		**17,214,942**	**34,248,312**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 2 ENERGY MANAGEMENT			
Energy Management Cells			269,583
Standards and Regulations			2,350,895
Advisory and Counseling			1,994,889
Rewarding and Achievements			529,962
Sector Specific Programs			206,025
Research and Development			
Energy Audit			15,839
Demand Side Management			7,592,137
Establishment of Pilot Project			
Total			**12,959,330**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 3 KNOWLEDGE MANAGEMENT			
Energy Education Programs		1,321,947	416,301
Promotion Programs		2,713,127	5,320,594
Vidulka			
Total		**4,035,074**	**5,736,895**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 4 STRATEGIC ACTIVITIES			
Implementation Solar R & D Center			44,145
Technology Development			1,450,603
Pooneryn Energy Park		889,783	3,360,805
Solar Energy Park		5,918,041	396,000
National Energy Balance			
Wind Power Development		200,105	476,362
Total		**7,007,929**	**5,727,915**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 5 RESOURCE MAPPING		5,527,332	
Renewable Energy Development Plan		5,344,226	
Resource Assessment			
Total		**10,871,558**	

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 6 RESEARCH & DEVELOPMENT			
Pooneryn Wind-Solar Hybrid Energy Park			
Siyambalanduwa 100 MW solar park			
Mannar Phase II		15,723,800	
Total		**15,723,800**	

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 7			
Resource Development & Facilitation		1,757,397	
Total		**1,757,397**	

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 8 SYSTEMS & PLANNING			
Systems & Planning		859,592	
Total		**859,592**	

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 9 INDUSTRIAL & SERVICE SECTOR			
Establishment of Energy Consumption Benchmarks for retail & financial institutions		473,243	
Energy Manager Scheme			
Appointing of Accredited Energy Auditors			
Instrument bank			
Energy audits			
Total		**473,243**	

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 10 HOUSEHOLD & AGRO SECTOR			
Energy Labelling Programme for Refrigerators		1,515,483	
Residential sector		62,325	
Total		**1,577,808**	

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 11 SURVEY & RESEARCH			
Policy Review and Analysis			
Surveys and Research		885,336	
New Technology and Energy Chains			
Total		**885,336**	

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 05 - 12 POLICY & ADVOCACY			
Policy & Advocacy		3,223,965	
Total		**3,223,965**	

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 06 - RECURRENT EXPENSES			
NOTE 06 - 1 SALARIES AND ALLOWANCESS			
Salaries for Staff		60,977,442	63,368,727
Cost of Living Allowance		8,866,839	9,034,740
Adjustment Allowance			
E.P.F. 12%		8,938,528	9,178,492
E.T.F. 3 %		2,234,633	2,294,624
Overtime and Holiday Pay		6,887,114	6,155,547
Own Vehicle Utilisation		5,625,000	1,350,000
Fuel Allowance		3,399,576	1,997,597
Professional Allowance		4,753,242	4,413,540
NAITA Salary		830,000	474,500
Gratuity Expense		2,481,573	9,917,344
Total		**104,993,947**	**108,185,111**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 06 - 2 TRAVELLING AND SUBSISTANCE			
Travelling - Domestic		760,486	708,413
Travelling - Foreign		2,069,091	61,525
Total		**2,829,577**	**769,938**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 06 - 3 SUPPLIES			
Printing, Stationery and Office Requisites		3,971,521	1,251,996
Fuel and Lubricants		4,232,174	3,287,329
Other - News Papers and Miscellaneous Service		87,300	109,420
Total		**8,290,995**	**4,648,745**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 06 - 4 MAINTENANCE			
Vehicles, Insurance and License Fees		9,165,129	7,814,316
Plant Machinery		1,887,274	342,171
Office Equipment		69,601	23,633
Building and Structure		168,858	179,048
Total		**11,290,862**	**8,359,168**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 06 - 5 CONTRACT SERVICES			
Office Rents and Hire Charges		33,921,531	50,752,980
Electricity & Water		2,659,077	
Security Expenses		3,516,300	
Postal and Telecommunication Charges		5,007,861	3,173,271
Transport		380,201	159,349
Audit Fees		93,434	750,000
Total		**45,578,404**	**54,835,600**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 06 - 6 DEPRECIATION, IMPAIRMENT AND AMORTISATION			
Furniture and Office Equipment		1,143,009	683,361
Motor Vehicles		1,560,000	771,749
Photocopier		208,427	232,688
Computers		1,896,674	1,696,887
Electrical Goods		4,442	4,442
Library Book			197,000
Energy Instruments		3,128,457	1,803,930
Wind Towers and Instruments		1,181,145	1,708,811
Refrigerator Testing Laboratory			
Hambantota and Indurana Energy Park		35,722,450	34,778,528
Exhibition Equipments			
Fixes Assets for UNDP Projects		75,513	104,465
Fan Testing Lab		1,021,404	977,139
Amortisation of Lease Hold Land		1,528,548	1,528,548
Impairment of Hambantota Solar Park			
Intangible Assets Amortisation		862,793	1,838,909
Total		**48,332,862**	**46,326,457**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 06 - 7 OTHER RECURRENT EXPENSES			
Office and Miscellaneous Expenses		3,614,546	5,844,658
Paper Advertisements		943,367	464,454
Insurance		2,082,257	2,539,340
Translation Fees		49,208	3,783
Allowances for Board Members		1,155,300	793,970
Refreshment Charges		737,745	497,199
Local/Foreign Training Programmes		745,555	974,994
Bank Charges		31,805	47,784
Legal Fee		560,492	
Tax expenses (Unclaimed VAT, NBT & WHT)			
Total		**9,920,275**	**11,166,182**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 07 - TREASURY INCOME (CAPITAL)			
Capital Grant Received from Treasury		106,870,000	75,904,009
Total		**106,870,000**	**75,904,009**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 08 - AMORTISED DEFERRED GRANT			
Amortisation for Current Year		35,321,954	38,418,410
Total		**35,321,954**	**38,418,410**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 09 - INCOME FROM ENERGY FUND			
Energy Management Income		685,375	583,720
Income from Renewable Energy		29,138,035	5,270,000
Net Interest		14,031,969	13,963,724
Total		**43,855,379**	**19,817,444**

Notes to the Financial Statements

AS AT 31ST DECEMBER 2021
(All amounts in Sri Lanka Rupees)

Description	Restated Balance as at 01.01.2021	Acquisition	Revaluation	Disposal	Balance as at 31.12.2021
NOTE 10 - PROPERTY, PLANT AND EQUIPMENT					
NOTE 10 - 1 FREE HOLD ASSETS					
Land - Hambanthota	101,217,000				101,217,000
Furniture and Office Equipment	21,737,454	5,647,651			27,385,105
Motor Vehicles	58,986,495			6,050,000	52,936,495
Photocopier	4,809,941	340,200			5,150,141
Computers	39,134,509	4,099,750			43,234,259
Electrical Goods	446,964				446964
Library Book	1,438,352				1,438,352
Energy Instruments	99,052,427	3,185,000			102,237,427
Wind Towers and Instruments	65,961,090				65,961,090
Refrigerator Testing Laboratory	42,165,337				42,165,337
Fan Testing Lab	4,885,693	297,000			5,182,693
Name Board		1,661,250			1,661,250
Weather Station and solar meas		10,404,275			10,404,275
Solar Instrument		5,623,000			5,623,000
Solar and Mini Hydro Projects					
A. Solar Panels	79,329,510				79,329,510
B. Steel Structure	57,650,000				57,650,000
C. Building	131,017,606	24,691,052			155,708,658
D. Switch Gear	10,007,800				10,007,800
E. Inverters	61,054,625				61,054,625
F. Transformers	4,700,000				4,700,000
G. Power Electronics	31,619,040				31,619,040
I. Sanitary and Plumbing	82,881,814				82,881,814
J. Cables	30,000,000				30,000,000
K. Furniture Fittings and Office Equip.	4,150,744	1,588,304			5,739,048
L. Tools	5,700,000	489,087			6,189,087
M. Machinery	9,284,158				9,284,158
H. Other	60,103,364				60,103,364
Exhibition Equipments	354,853				354,853
Fixes Assets for UNDP Projects	524,300				524,300
Total	**1,008,213,076**	**58,026,569**		**6,050,000**	

Notes to the Financial Statements

AS AT 31ST DECEMBER 2021
(All amounts in Sri Lanka Rupees)

Description	Restated Balance as at 01.01.2021	Depreciations	Disposal	Accumulated Depreciation As at 31.12.2021	Net Book Value As at 31.12.2021
NOTE 10 - PROPERTY, PLANT AND EQUIPMENT					
NOTE 10 - 1 FREE HOLD ASSETS - DEPRECIATION					
Land - Hambanthota					101,217,000
Furniture and Office Equipment	20,118,280	1,143,009		21,261,289	6,123,816
Motor Vehicles	51,784,852	1,560,000	6,050,000	47,294,852	5,641,643
Photocopier	4,633,164	208,427		4,841,591	308,550
Computers	36,889,032	1,896,674		38,785,706	4,448,553
Electrical Goods	442,523	4,441		446,964	
Library Book	1,438,352			1,438,352	
Energy Instruments	95,035,025	3,128,457		98,163,482	4,073,945
Wind Towers and Instruments	62,557,251	1,181,145		63,738,396	2,222,694
Refrigerator Testing Laboratory	41,587,728			41,587,728	577,609
Fan Testing Lab	2,449,540	1,021,404		3,470,944	1,711,749
Name Board					1,661,250
Weather Station and solar meas					10,404,275
Solar Instrument					5,623,000
Solar & Mini Hydro projects					
A. Solar Panels	13,221,585	6,610,793		19,832,378	59,497,132
B. Steel Structure	9,608,334	4,804,169		14,412,503	43,237,497
C. Building	60,662,978	6,550,881		67,213,859	88,494,799
D. Switch Gear	1,667,997	833,983		2,501,980	7,505,820
E. Inverters	10,175,772	5,087,885		15,263,657	45,790,968
F. Transformers	783,334	391,667		1,175,001	3,524,999
G. Power Electronics	31,619,040			31,619,040	
I. Sanitary and Plumbing	13,813,636	6,906,818		20,720,454	62,161,360
J. Cables	5,000,000	2,500,000		7,500,000	22,500,000
K. Furniture Fittings and Office Equip.	3,057,953	499,201		3,557,154	2,181,894
L. Tools	475,000	475,000		950,000	5,239,087
M. Machinery	5,644,406	1,049,313		6,693,719	2,590,439
H. Other	60,045,016	12,740		60,057,756	45,608
Exhibition Equipments	354,853			354,853	
Fixes Assets for UNDP Projects	448,788	75,512		524,300	
Total	**533,514,439**	**45,941,519**	**6,050,000**	**573,405,958**	**486,783,687**

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2021
(All amounts in Sri Lanka Rupees)

Description	Balance as at 01.01.2021	Acquisition	Amortization	Balance as at 31.12.2021
NOTE 10 - 2 LEASE HOLD ASSETS				
Land - Battaramulla	37,449,436		1,528,548	35,920,888
Total	**37,449,436**		**1,528,548**	**35,920,888**

Notes to the Financial Statements

AS AT 31ST DECEMBER 2021
(All amounts in Sri Lanka Rupees)

Description	Balance as at 01.01.2021	Acquisition	Amortisation	Balance as at 31.12.2021
NOTE 11 INTANGIBLE ASSETS-				
Computer Software	2,472,914	1,482,650	862,793	3,092,770
Data and Information				
Total	**2,472,914**	**1,482,650**	**862,793**	**3,092,770**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 12 - WORK IN PROGRESS			
Centre of Excellence in Sustainable Energy		23,290,653	23,290,653
Electric Prototype Vehicle		7,956,800	7,956,800
Pooneryn Project		23,726,194	23,726,194
Hambanthota Solar Park Training Centner Construction			1,540,9623
WIP - CWC Building Partition		3,878,959	
WIP - Storlion-Indurana battery		1,591,000	
WIP - Hambantota - Nimashi Construction		11,554,300	
WIP - Inova-weather station			
WIP - DARE-com-North Province		47,980,788	
WIP - DARE-Pooneryn		1,630,800	
Indurana Mini Hydro			16,882,988
Total		**121,609,494**	**73,397,597**

Notes to the Financial Statements

Fixed Deposits (in NSB, Borella)

Deposit Reg. No.	Date of Maturity	Rate of investment	Net Interest for 2021	Deposit as at 31.12.2021	Deposit as at 01.01.2021
NOTE 13 - INVESTMENT					
2/0061/11/33829	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33861	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33853	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33888	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33772	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33837	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33845	9/21/2022	5.50%	98,435	1,859,861	1,762,902
2/0061/11/33756	9/21/2022	5.50%	98,435	1,859,861	1,762,902
2/0061/11/33764	9/21/2022	5.50%	98,435	1,859,861	1,762,902
2/0061/11/33802	9/21/2022	5.50%	98,435	1,859,861	1,762,902
2/0061/11/33713	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33896	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33799	9/21/2022	5.50%	98,435	1,859,862	1,762,902
2/0061/11/33870	9/21/2022	5.50%	36,891	697,448	661,086
2/0061/09/60845	10/20/2022	5.50%	36,532	693,222	657,083
2/0061/11/34051	09/30/2022	5.50%	237,113	4,486,068	4,252,197
2/0061/09/49981	05/02/2022	5.00%	842,817	14,171,456	13,061,250
Total			**2,433,012**	**44,226,394**	**41,549,342**

TREASURY BILLS - (In Peoples Bank Head Quarters)

Deposit Reg. No.	Date of Maturity	Rate of investment	Net Interest for 2021	Deposit as at 31.12.2021	Deposit as at 01.01.2021
LKB00323A151	17/01/2022	4.75%	1,159,780	23,807,128	21,977,070
LKB00323A151			1,281,658		48,277,107
Total			**2,441,438**	**23,807,128**	**70,254,177**
TOTAL INVESTMENT				**68,033,522**	**111,803,519**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2021 Restated Rs.
NOTE 14 - RECEIVABLES			
Interest Receivable on Fixed Deposits		919,613	1,163,653
Interest Receivable on Treasury Bills		1,084,366	2,928,372
Ceylon Electricity Board - RCL Rent			8,033,271
Power Generation - Hambantota/Indurana		13,840,156	10,814,850
Receivable from Employees		547,483	209,689
Recievable - LECO		565,681	
Recievable - CWC -Arrears Water & Electricity		502,963	
Recievable - State Ministry		1,100,000	
Employee Receivable - Telephone		4,520	4,520
Trade - Recievable (EF)			
Trade - Receivable (FOA)			
Local Training Program (Suspense)			116,000
Aitkenspence Travel		6,309	6,309
Heritance Ahungalla		35,659	35,659
Total		**18,606,750**	**23,312,323**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 15 - OTHER CURRENT ASSETS			
REFUNDABLE DEPOSIT			
Water Board		2,500	2,500
Medical Insurance		500	500
Fuel, etc.		186,500	186,500
Hambantota - CEB		52,000	52,000
Indurana- CEB		62,500	62,500
Sooriyawewa - CEB		1,500	1,500
Telephone		8,776	8,776
Hambantota Hostel Rent			132,000
Spring Water Pvt Ltd		3,500	3,500
American Premium Water		23,000	23,000
Mobitel		2,000	2,000
Refundable Dep - CWC		3,989,928	
Refundable deposit- Siyambalaanduwa		280,000	
BMICH		479,902	479,902
Vidulka Exhibition		25,000	25,000
ADVANCE			
Advances for Programs, etc		717,273	405,622
Divisional Secretariat - Ruwanwella		6,233,678	6,341,674
Advance - C W C		5,319,904	
Adv-Dis.Secr-Monaragala District		1,425,000	
Adv. Divisional Secr- Siyabalaanduwa		3,027,120	
Advance - Sadew Printers		96,000	
Advance - New Kandy Electronic		60,296	
Advance - Singer Lanka Plc		586,983	
Advance - Cegetel Service pvt		4,170,540	
Secretary-Min EDU-Uva /North Western Pro - NAMA Project		869,500	869,500
Chief Secretary Southern / Eastern pro.- NAMA Project		2,854,800	2,854,800
Advance-Secretary Ministry of Road Development (Central Pro.) - NAMA Project			
Other	22	6,212,739	7,818,029
Total		**36,691,439**	**19,229,303**
REVOLVING FUND			
Distress Loan		14,582,490	15,085,854
Special Advance		73,385	51,385
Festival Advance		24,489	24,489
Flood Loan			32,993
		14,680,364	**15,194,721**
TOTAL OTHER CURRENT ASSETS		**51,371,803**	**34,424,024**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 16 - CASH AND CASH EQUIVALENT			
NSB Savings Account - 100610493406		193,716,488	187,046,758
Peoples Current Account - 078100188503576		61,372,065	7,492,484
Peoples Current Account - 078100278503576		4,620,072	4,620,072
BOC Current Account - 8002630		2,322,191	1,069,504
BOC Current Account - 74944408		43,454,670	56,102,958
BOC Savings Account - 75803419		280,943,280	198,149,579
BOC Current Account - 80595356		265,145	5,511,804
Total		**586,693,911**	**459,993,159**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 17 - 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 from UNDP		3,612,560	3,612,560
Donor Grant from Food and Agriculture Organization		650,239	650,239
Total		**22,100,336**	**22,100,336**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 18 - 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
- 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
- Capital Grant		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
Differed Grant 2012 - ADB		15,082,346	15,082,346
Capital Grant 2012		23,581,236	23,581,236
Differed Grant 2013 - ADB		43,416,071	43,416,071
Differed Grant 2013 - KOICA		35,662	35,662
Capital Grant 2013 - FARDF		41,873,961	41,873,961
Capital Grant 2014		20,487,827	20,487,827
Capital Grant 2015		14,655,015	14,655,015
Capital Grant 2016		17,855,251	17,855,251
Capital Grant 2017		19,806,619	19,806,619
Less:			
- Deferred Revenue Previous Years		(1,427,024,954)	(1,388,606,544)
- Deferred Revenue for The Year		(35,321,954)	(38,418,410)
Total		**303,534,570**	**338,856,524**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 19 - OTHER PAYABLE			
Payable to Fund of The Authority from Energy Fund			
Switch Asia Control Account		4,548,176	4,548,176
Ministry of Power and Energy		500	500
Accrued Expenses		8,914,183	3,893,540
Unpresented Cheques		1,260,442	1,260,442
Renewable Energy Solar Registration Fees		295,860	295,860
Ministry of Mahaweli Development and Environment		470,000	470,000
EPF Payable			1,259,912
ETF Payable			188,987
Audit Fees		1,053,600	1,416,166
PAYEE tax Payable		602	220
Jeewa Shakthi Associates - Survey Fee		252,875	252,875
Bid document		60,000	335,500
Others		370	370
Other Deduction Payable		43,839	47,323
Payable- DAR E-com Pvt Ltd		1,040,428	
Online Deposit account		23,871,822	730,933
CREDITORS			
Renewable Energy-E Net Solutions (Private) Ltd.		1,667,500	1,667,500
Acquisition of Energy Instruments		326,025	326,025
Retention		3,987,888	2,066,659
Narahenpita Jathika Pola		99,405	99,405
SUNDRY CREDITORS			
Sri Lanka Custom		310,748	310,748
Welfare Society SEA		442	442
REFUNDABLE DEPOSIT			
E-Net solutions (Pvt) Ltd		10,000	10,000
ENL Consultant		150,000	150,000
Zigma Technologies		10,000	10,000
Rainco Renewable Energy Co. (Pvt.) Ltd		30,000	30,000
Vidulka Exhibition		9,256	9,256
Ceylon Petroleum Corp		54,000	54,000
Refundable Deposit - Vehicle		14,000	14,000
ATA International		50,000	50,000
Vidulka symposium - Entertainment Ltd		25,000	25,000
Total		**48,556,961**	**19,523,839**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 20 - SRI LANKA ENERGY FUND			
Statement of Financial Position as at 31.12.2020 **Non currentt Assets**			
Current Assets			
SEA Current Account (FOA) - Energy plus Building		1,678,878	48,678,878
Cash & Cash Equivalent			
NSB Savings Account		193,716,488	187,046,758
BOC Savings Account		280,943,280	198,149,579
		476,338,646	**433,875,215**
Accumulated Fund		385,061,573	370,902,975
Surplus / Deficit for the year		(17,503,928)	14,158,598
Total Accumulated Fund		**367,557,645**	**385,061,573**
Current Liabilities			
SEA Current Account (FOA)		108,851,241	48,783,882
Online Deposit Control Account		29,760	29,760
Total		**476,338,646**	**433,875,215**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 20 - SRI LANKA ENERGY FUND			
Income Statement for the Year Ended 31st December 2021 **Income**			
Income - Energy Fund	9	43,855,379	19,817,444
Expenses			
Pooneryn Wind-Solar Hybrid Energy Park		2,592,154	
Siyambalanduwa 100 MW solar park		19,616,154	
Mannar Phase II		5,979,462	
Renewable Energy Service Programme		9,790,421	
Indurana SRM Training Centre		2,934,768	5,657,927
Solar Trainig Centre (Hambanthota)		9,456,874	
Establishment of Energy Consumption Benchmarks for retail & financial institutions		252,150	
Energy Manager Scheme		1,610,838	
Instrument bank		2,060,000	
Energy audits		24,260	
Energy Labelling Programme		2,765,417	
Residential Sector		56,000	
Energy Education Programme		601,325	
Promotion Programme		3,619,359	
Bank Charges		125	919
		61,359,307	**5,658,846**
Surplus/Deficit		**(17,503,928)**	**14,158,598**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 21 - SRI LANKA SUSTAINABLE GUARANTEE FUND			
Income Statement for the Year Ended 31st December 2021 **Income**			
Interest Income - Fixed Deposit		2,441,439	3,558,399
Interest Income - Treasury Bills		657,307	4,917,660
		3,098,746	**8,476,059**
Less:			
Expenses			
Total Expenses			
Net Surplus/Defocit		**3,098,746**	**8,476,059**

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 21 - SRI LANKA SUSTAINABLE GUARANTEE FUND			
Statement of Financial Position as at 31.12.2021 **Assets** **Non Current Assets**			
Investments	**13**	68,033,523	111,803,520
Current Assets			
Interest Receivable on Fixed Deposits		919,613	1,163,653
Interest Receivable on Treasury Bills		1,084,366	2,928,372
Cash & Cash Equivalent			
Peoples Current Account - 078100188503576		50,732,494	
Total Assets		120,769,996	115,895,545
Accumulated Fund		115,895,545	107,419,486
Surplus / Deficit for the year		4,874,451	8,476,059
Total Accumulated Fund		120,769,996	115,895,545
Current Liabilities			
Total Equity & Liabilities		**120,769,996**	**115,895,545**

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2021 *(All amounts in Sri Lanka Rupees)*	Note	2021 Rs.	2020 Restated Rs.
NOTE 22			
Advance-The Notional Hospital Sri Lanka			
Advance-Co-Energy (pvt) Ltd		2,128,894	2128894
Receivable/Advance - (Other)			855264
Advance - District Secretary - Hambantota		23,993	23993
Advance - Department of Animal Husbandary		26,777	26777
Advance-Co-Energy (pvt) Ltd		521,735	521735
Advance - District Secretary - Kegalle			10712
Advance-The University of Colombo		2,790,700	2790700
Advance-ISB North Western Province		390,150	390150
Advance -Indi Creation		222,500	222500
Advance-Sri Lanka Standard Institute		68,990	
Advance-Alpha Industrial Pvt Ltd			330264
Advance-D.R. Industries Pvt Ltd			478040
ADB - Exterm WEB		39,000	39000
		6,212,739	**7,818,029**

NOTE 23 - PRIOR YEAR ADJUSTMENTS

23.1 - Rent paid to Demand Side Management Unit

Rent paid to Operation Demand Side Management of Rs. 1,260,000/- erroneously entered in the financial statements of 2020. The Financial Statements of 2020 have been restated to correct this error. The effect of the restatement on those financial statements is summarized below. There is no effect in 2021.

	Effect on 2020
Decrease Expenses - Demand Side Management	1,260,000
Increase in Surplus	1,260,000
Increase in Cash & Equipments	1,260,000
Increase in Assets/Equity	1,260,000

23.2 - Advances Given to Education Programmese

Expenses of Energy education programme of Rs. 3,246,469/- was not recognized as expenses and recorded as advances in the financial statements of 2016 and onward. This was due to the relevent proof of documents confirming the expenditure had not been received by the SLSEA. The financial statement of 2016 have been restated to correct this error. The effect of the restatement on those financial statement is summarized below. There is no effect in 2021

	Effect on 2020	Effect on 2019	Effect on 2018	Effect on 2017	Effect on 2016
Increase Expenses - Energy Education Programme					3,246,469
Decrease in Surplus					3,246,469
Decrease in Other Current Assets	3,246,469	3,246,469	3,246,469	3,246,469	3,246,469
Decrease in Net Assets/Equity	3,246,469	3,246,469	3,246,469	3,246,469	3,246,469

23.3 - Advances Given to NAMA Project

Expenses of NAMA Project of Rs. 2,762,250/- was not recognized as expenses and recorded as advance in the financial statement of 2019 and onwards. The financial statement of 2019 have been restated to correct this error. The effect of the restatements on those financial statements is summarized below. There is no effect in 2021.

	Effect on 2020	Effect on 2019
Increase in Expenses - NAMA Project		2.778,765
Decrease in Surplus		2.778,765
Decrease in Other Current Assets	2.778,765	2.778,765
Decrease in Net Assets/ Equity	2.778,765	2.778,765

23.4 - Indurana Training Centre Construction Cost

Payment made to the constructor for tiling the Indurana Sarachchandra Rajakaruna memorial training centre of Rs. 1,671,087/- was incorrectly recorded as an expense in the financial statements of 2020. The Financial Statements of 2020 have been restated to correct this error. The effect of the restatement on those financial statements is summarized below. There is no effect in 2021.

	Effect on 2020
Decrease Expenses - Indurana Mini Hydro	1,671,087
Increase in Surplus	1,671,087
Increase in Work in Progress	1,671,087
Increase in Net Assets/ Equity	1,671,087

23.5 - WHT Adjustment

WHT Payment of Rs.379,601/- was incorrectly recorded as WHT expenses and WHT Payable in the financial statements of 2019. The Financial Statements of 2019 have been restated to correct this error. The effect of the restatement on those financial statements is summarized below. There is no effect in 2021

	Effect on 2020	Effect on 2019
Decrease Expenses - WHT Expenses		379,601
Increase in Surplus		379,601
Decrease in Other Payables	379,601	379,601
Increase in Net/Assets/Equity	379,601	379,601

Audit Report from National Audit Office

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

My No. ENR/B/SLSE/1/21/33
Date: - 29th March 2023
Chairman
Sri Lanka Sustainable Energy Authority

Summary Report of the Auditor General in terms of Section 12 of the National Audit Act No.19 of 2018 on the Financial Statements of the Sri Lanka Sustainable Energy Authority for the year ended 31 December 2021
The above report and audited financial statements have been sent herewith.

W.P.C. Wickramaratne
Auditor General

Copies:-

(1) Secretary, Ministry of Power and Energy - for your kind information
(2) Secretary, Ministry of Finance, Economic Stability and National Policy - for your kind information

My No. ENR/B/SLSEA/1/21/33
Date: - 29th March 2023
Chairman
Sri Lanka Sustainable Energy Authority

Summary Report of the Auditor General in terms of Section 12 of the National Audit Act No.19 of 2018 on the Financial Statements of the Sri Lanka Sustainable Energy Authority for the year ended 31st December 2021

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Sustainable Energy Authority for the year ended 31st December 2021 comprising the statement of financial position as at 31st December 2021 and the statement of financial performance and the cash flow statement for the year then ended was carried out under my direction in pursuance of the provisions made in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act No.19 of 2018 and Financial Act No.38 of 1971. The Auditor General's Report to be submitted in pursuance of the provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be tabled in Parliament in due course.

I am of the opinion, except the effects from the items that have been described in the part which was basis for the qualified opinion in my report, that the financial position of the Sri Lanka Sustainable Energy Authority as at 31st December 2021, its financial performance and cash flows for the then ended year reflect its true and fair position from the financial statements according to the Sri Lanka Public Sector Accounting Policies.

1.2 Basis for Qualified Opinion

(a) LKR 51.3 million income generated from license process which was received to the Authority for the power generation projects of renewable energy sources had not been identified to the income timely throughout the license period in terms of Sri Lanka Public Sector Accounting Standard No.10. However, such amount had been accounted as the income from energy license in the year under review.

(b) According to the Sri Lanka Public Sector Accounting Standard No.7 of the Para 25, valuation for the land received under a donation in 2017 for Indurana Sarathchandra Rajakaruna Memorial International Center had not been made on the fair value existed as at the date on which such land was acquired.

© The Fixed assets of worth of 355 million rupees which reflected zero cost value in the books as at 31st December 2021 still were being utilised and no action had been taken to adjust such assets according to the Sri Lanka Public Sector Accounting Standard No.3, by reviewing their useful effective period of utilization in terms of the Sri Lanka Public Sector Accounting Standard No.7 of the Para 65.

(d) 23 million rupees of non-refundable deposit which was received to the Authority in the year under review at the time of calling the proposals for power generation from renewable energy sources and supply on the Built-Owned-Operated (BOO) basis had not been accounted as an income.

(e) 2 electronic equipment worth of 2.5 million rupees which were not received by the Authority as at 31st December 2021 had been accounted as fixed assets.

(f) An amount of tax advance of 195,000 rupees which is re-fundable had not been accounted as a liability.

(g) In terms of the Sri Lanka Public Sector Accounting Standard No.7, no disclosure had been made in respect of 263 equipment items existed as at 31st December 2021.

I carried out my audit in accordance with the Sri Lanka Auditing Standards (SLAuSs). My responsibilities falling under those standards are further described in the section of Auditor's Responsibilities for the audit of the financial statement in my report.

1.3 Other information included in the Annual Report 2021 of the Authority

Other information means the information that has been included in the Annual Report of 2021 of the Authority which is expected to be provided to me after the date of this audit report but not included in the financial statements and in my audit report on such financial statements. The management should be accountable to the other information.

My opinion on the financial statements does not cover other information and I do not provide any opinion or confirmation in any manner in that regard.

My responsibility with regard to my audit on the financial statements is to consider whether the above identified other information substantially appears in contradiction to the financial statements or my knowledge gained in audit or in any other manner, when such information is read and done so where such things could be able to obtain.

When the Annual Report of 2021 of the Authority is read, if I observe that sufficient errors are found in that report, such items should be communicated to the parties who take control over, for rectification. If such errors are found further without correcting, such things will be included in my report to be tabled in Parliament in due course by me according to the provision in the Article 154 (6) of the Constitution.

1.4 <u>Responsibilities of the Parties having control over Financial Statement</u>

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the generally accepted Accounting Principles and for such internal control as the Management determines it is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparation of financial statements, it is the responsibility of the Authority to decide its ability on maintaining its continuity. Except if the Management intends to liquidate its Authority and stop its operation where there are no other alternatives, it is the responsibility of it to disclose the facts relevant to its continuity and accounting, based on sustainability of the Authority.

The parties having control over have to take the responsibilities on the financial reporting process of the Authority.

Proper maintenance of books and records on all income, expenditure, assets and liabilities where that enable to prepare annual report and financial statements of the Authority, in terms of sub-section 16 (1) of the National Audit Act No.19 of 2019.

1.5 Auditor's Responsibility on Audit of Financial Statement

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from the material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance; however is not a guarantee that an audit conducted in accordance with the Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to make influence on the economic decisions of users taken based on these financial statements.

As a part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout my audit. I also:

- Identified and assessed the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures to responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as the fraud may involve collusion, fake, deliberate omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal control.

- Assessed the suitability of the accounting polices applied, justification of accounting and estimates and the relevant disclosure made by the Authority.

- Decided the suitability of the application based on the continuation of the Authority for accounting based on the audit evidence obtained on whether a material uncertainty appears on the continuation of the Authority due to events and conditions. If I observe any material uncertainty, I have to pay my attention in my audit report with regard to such disclosures in the financial statements and if such disclosures are inadequate then I have to change my opinion. I made my observations based on the evidence obtained up to the date of this audit report. However, continuation of the Authority may come into cease on the future events and conditions.

- Evaluated the over-all presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

I brought the important audit findings, major weakness of internal control and other matters being identified during my audit into the notice of the parties having control over.

2. Report on other legal and regulatory requirements

2.1 The National Audit Act No. 19 of 2018 includes special provisions regarding the following matters.

2.1.1 I obtained the information and explanations required for the audits as per the requirements mentioned in section 12 (a) of the National Audit Act No. 19 of 2018, and the Authority had maintained the proper financial report as shown by my examinations.

2.1.2 The Authority's financial statements are consistent with the previous year as per the requirements mentioned in section 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018.

2.1.3 In accordance with the requirements mentioned in section 6 (1) (d) (iv) of the National Audit Act No19 of 2018, the recommendations other than such recommendations mentioned in 1.2 (b) and (c) of this report have been included in the financial statements.

2.2 In keeping the proceedings adopted and the evidence obtained to the material facts, nothing has come to my notice so as to make the following remarks.

2.2.1 According to the requirements mentioned in section 12 (d) of the National Audit Act No. 19 of 2018, a member of the governing body of the authority has a conflict of interest, directly or indirectly, outside the ordinary course of business in relation to any agreement involving the Authority.

2.2.2 According to the requirements mentioned in Section 12 (e) of the National Audit Act No. 19 of 2018, except for the following observations, there are practices that do not comply with any relevant written law or other general or special directives issued by the governing body of the Authority.

Reference to Rules/Directives	Details
(a) Establishment Code of the Democratic Socialist Republic of Sri Lanka	
(I) Financial Regulation 137 and 392 (c)	The Authority had approved the expenses before the supply was completed and had written and held checks worth of 79 million rupees in December 2021. Of these, 5 checks worth of 61.8 million rupees were later canceled, but had not been processed according to financial regulations.
(ii) Financial Regulation 502 (2)	For fixed assets, worth of Rs.1008 million, the fixed asset register had not been updated as per annexure II.
(iii) Financial Regulation 457, 715 (2), 715 (3), 752 and 753	Maintaining inventory where the safeguard of the Authority's equipment being confirmed, appointing responsible officers in respect of the custody of such equipment, keeping of formal record for receipt and supply of goods had not been carried out.
(b) Section 15:1 (ix) of Chapter II of the Establishment Code of the Democratic Socialist Republic of Sri Lanka	Since the establishment of the Authority in 2007, the officers of the Authority had been granted salary increments without conducting the Efficiency-Bar Examinations.
(C) Asset Management Circular No. 05/2020 dated 02 October 2020	Although all the revenues from disposal of vehicles should be credited to the Fund as scheduled, the Authority did not credit 3.8 million rupees generated from such disposal of vehicle in the years 2019 and 2021.
(d) Public Finance Circular No. 08/2019 dated 17 December 2019	Although it was supposed to be registered with the e-Government Procurement System before 31 January 2020, the Authority had not been registered with the said system even by 31st December 2022.
(e) Para 5.1.3 of Public Enterprises Circular No. PED/12 dated June 02,2003	A copy of the updated cooperate plan approved by the Board of Directors for the last 3 years had not been submitted to the Auditor General, 15 days before the commencement of the financial year.

02.2.3. Except the following observations made under the requirements mentioned in section 12 (g) of the National Audit Act No.19 of 2018, it has been acted against the powers, duties and functions of the Authority.

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

(I) A renewable resource development plan should be prepared according to the potential of energy resources in respective regions in terms of section 8 of the Act and published in a gazette upon the approval of the Cabinet of Ministers, such plan had not been gazetted by January 2023 even though the establishment of the Authority had passed 15 years. Due to that reason, renewable energy resource development tasks in the energy development areas had become highly slow. The Authority declared 269,562 hectares by gazette as wind

energy development areas in several districts. Nevertheless, basic development tasks of the renewable energy projects had been started only in 206 hectares out of it, as at 31st December 2021.

(ii) Though the Chairman of the Authority was given order through the Circular No.PE/TECH/D/06/01 dated 4 March 2016 by the subject minister in terms of section 58 of the said Act to accelerate the renewable energy project development, such order had not been appropriately implemented by the Authority. A special work-plan also had not been prepared by the Board of Management for the development projects not recommended by the Project Committee according to section 16 of the circular. Further, action should be taken jointly with Ceylon Electricity Board to develop by selecting suitable investors through calling open tenders, by way of transferring the locations of mini hydro power projects according to the powers vested by section 30 (1) of the said Act for which special permit period lapsed in terms of section 17. But, necessary action with regard to such 30 mini hydro power projects had not been taken.

(iii) The Authority should encourage and promote renewable energy projects apart from main network (off grid) in terms of section 5 (c) of the Act as a solution for the issue due to in sufficient capacity (available grid capacity) in the main network of the Ceylon Electricity Board. But, the Authority had not taken necessary action to do so. Due to this reason, it had not been able to issue energy permits for any renewable energy projects apart from main network even by January 2023 in terms of section 25 (a) of the said Act.

(iv) According to section 46 (2) (d) of the Act, fees were to be collected from the developers for the management of coal assets in Sri Lanka, however no necessary action had been made to collect the relevant fees by amending the Act.

(v) Under section 19 (1) of the Act, royal fee could be charged annually for renewable energy projects within the main grid, however no necessary regulations had been prepared and the relevant charges had not been recovered.

(vi) According to section 45 of the Act, a Cess Tax should be imposed on the import of fossil fuel products with the concurrence of the Minister in charge of Finance, but even though 15 years have lapsed since the establishment of the Authority, relevant regulations had not been prepared.

(vii) According to Section 47 (1) of the Act, Sustainable Guarantee Fund was established for the purpose of providing guarantees for investors who apply for loans in order to run a project related to energy efficiency, however, the necessary tasks to fulfill those objectives have not been performed until now.

(viii) Under Section 30 of the Act, 45 plots of land in 2.45 hectares had been acquired by the Authority under the Land Acquisition Act, however 29 plots of land so acquired had not been formally leased as per Section 32 of the Act. Furthermore, as of December 2020, the tax amount of Rs. 780,000 in respect of a land that had had not been collected.

02.2.4. Except the following observations made under the requirements mentioned in section 12 (h) of the National Audit Act No.19 of 2018, the resources of the Authority had not been economically efficiently and productively procured and utilised within the relevant period according to the applicable laws.

(a) LKR 23.3 million was spent up to 2020 in respect of the building design without preparing an estimate with total cost and obtaining the approval from a Procurement Committee with authoritative power for it, in terms of 4.3 of the Government Procurement Guideline, in construction of a building with energy efficiency for Head Office by the Authority. Further, the approval of the Cabinet of Ministers was not obtained for construction of this building and as a result of that, it had not been able to start construction work. Thus, the said cost had become an un-economical expenditure.

(b) A performance guarantee should be obtained for the construction contract as valid beyond 28 days of period expected to complete the work in terms of 5.4.8 of the Government Procurement Guideline. However, such performance guarantee equal to 6 contracts worth of 21.6 million rupees had not been obtained by the Authority.

© Annual report of 2019 was printed with the cost of 1.6 million rupees. However, such task had been completed after 111 days to the date on which it should be completed according to the agreement. Therefore, it had not been able to recover the delayed charge since the conditions with regard to the delayed charges were not included in the contract.

02.3. Other Matters

(a) Targets and milestones and institutional responsibilities mentioned under the time period prescribed under item 4 of the Minutes on Sri Lanka National Energy Policy and Strategies published by the Extra Ordinary Gazette No.2135/61 dated 9th August 2019 should be reviewed biennially by the institution for which such responsibilities had been assigned. However, no such review had been done on the progress by the Authority with regard to 10 accountable tasks which were assigned to it.

(b) The Chairman of the Authority was informed of by the letter No PE/ IA/ 22/ VOL.II dated 3rd December 2012 of the Secretary to the Ministry of Power and Energy stating that professional allowance of 3 million rupees paid in contradiction to the Public Finance Circular No PF/PE/5 dated 11th January 2000 and the Public Enterprises Circular No 95 dated 4th June 1994, to the employees of the Authority during the years of 2010 and 2011, from the funds which had been received to the Authority under a foreign project, should be recovered. However, the amount had not been recovered even by January 2023.

(c) During the year 2007-2009, the Authority had paid 7.8 million rupees to a private company to manufacture 3 electrical vehicles. The Authority submitted the false information in this regard, to the Committee on Public Enterprises. In the meeting held on 4th January 2013, under the chair of the Auditor General, according to the order of the committee, it had been decided to take disciplinary action against the officers who have involvement in this matter and inform the actual situation in this regard, to the Committee on Public Enterprises, through Chief Accounting Officer. However, any disciplinary action was not taken against such officers who have involvement in this matter and such action had not been taken even by January 2023.

(d) In payment of transport allowance, without having verified whether the vehicles have been registered under either the name of the relevant officers or their spouses, the Authority had paid 5 million rupees and 4.8 million rupees respectively in 2021 and 2022 to its 8 employees. Further, the fuel allowance had been paid to all the officers for petrol without having a verification on the fuel type of their vehicles.

W. P. C. Wickramaratne
Auditor General

Observations of SLSEA for Auditor General's Report 2021

18.04.2023
Auditor General
National Audit Office
306/72, Polduwa Road
Battaramulla.

Auditor General's Report in terms of Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other legal and regulatory requirements of the Sri Lanka Sustainable Energy Authority for the year ended 31st December 2021

It is submitted herewith the answers to the Auditor General's report sent by you on 29.03.2023 in relation to the said matter.

1.2. Basis for audit opinion

(a) The license fee charged by the Sri Lanka Sustainable Energy Authority is a one-time fee. We believe that this license fee is not a barter transaction. Honorable Auditor General, I request you to draw your attention to Section 06 of Sri Lanka Public Accounting Standard No. 10. It has been mentioned that the revenue collected by using the sovereign powers of the Government of Sri Lanka is not a transaction. Therefore, we are of the opinion that Section 06 of the Sri Lanka Public Accounting Standard No. 10 applies to license fees and registration fees charged by our authority.

Further, according to clause 20 of the accounting standard, the income should be recognized according to the progress of completion of work. But in this case, our Authority is not bound to provide mandatory service annually to the licensee. It may vary from project to project as well as contribution per year for the same project. This is often an oversight, not a service. Also Sustainable Energy Authority has no obligation to refund the license fee even if no service is provided to a licensee. Further, even if the license fee is given for 20 years, the Authority has the power to cancel the license after 10 years under certain legal conditions. Then the Authority is not bound to give this license fee again to the licensee for the remaining 10 years. Therefore, the Authority used here is to provide the opportunity to utilize a resource belonging to the Sri Lankan government. Hence, it is our sense that this cannot be identified as a stage of service performance according to Section 20 of Sri Lanka Public Accounting Standard No. 10 and cannot be accounted for in accordance with the said section. Since it cannot be accounted for in accordance with Sri Lanka Public Sector Accounting Standard 10, it should be accounted for in accordance with Sri Lanka Public Sector Accounting Standard 11, so the amount was accounted as income in the year in which it is charged. Further, since the registration fee (application fee) charged on application for energy projects is not an exchange transaction as explained earlier, the registration fee charged on application was also accounted as income in the financial year.

(b) Idurana Sarathchandra Rajakaruna Memorial International Center has been working with the Government Valuation Department since 2018 to evaluate the Idurana land donated in 2017, and the Valuation Department submitted the valuation report in the year 2022. Hence this will be reflected in the accounts in the year 2022.

(C) The Energy Conservation Fund was established around 1984, and in 2007 it became the Sustainable Energy Authority. Therefore, even though Sustainable Energy Authority's fixed asset ledger includes balances going forward since 1984, it has become difficult to identify the cost of each item due to the fact that a fixed asset register has not been properly updated. Several attempts have been made to update this fixed asset register. Also, due to the Covid-19 disaster that affected Sri Lanka in the years 2020 and 2021, it was not possible to identify the physical fixed assets of the institution.

This work was completed in the year 2022, and the year 2022 was over when this work was completed as remote control units like Hambantota and Indurana were also located. Therefore, in the year 2023, arrangements have been made to update the fixed asset register and assess all assets. Then from the year 2023, our Authority will be able to present information related to Sri Lanka Accounting Standard No. 03.

(d) The deposits related to 23 million rupees could not be identified due to the depositors not providing proper information. Therefore, they are expected to be recognized as income in the year 2022.

(e) This is an error occurred in the bookkeeping of the year 2021 and has been corrected in the year 2022.

(f) Action will be taken to correct the 2022 financial statements as per the instructions of the Audit Department.

(g) This is also a situation that has arisen due to the fact that it is difficult to clearly identify the capacity value of each asset as described above. Necessary steps were taken to correct this in the financial statements from the year 2023.

2. Report on other legal and regulatory requirements

2.2

(a) (I) The year 2021 was a year when Sri Lanka was affected by the threat of Covid 19. Therefore, in this year, the staff could not report to work properly and it was a year that had a severe impact on the economy of Sri Lanka. It also had a strong impact on the activities of the institutions that provide goods and services in Sri Lanka. The initial phase of Sri Lanka's economic crisis is now becoming to a healthy condition, however, Sri Lanka's foreign exchange crisis (USD - crisis) was also having a strong impact on the import process. The suppliers were not able to import the goods as planned due to reasons such as non-operation from commercial banks to open letters of credit (LC) especially for the import of goods.

Therefore, due to the impact of the Covid 19 disaster and the impact of the economic crisis in Sri Lanka, the capital activities related to the year 2021 could not be carried out as planned by the Authority.

Also, for the year 2021, a provision of 130 million rupees was allocated to the Authority for capital expenditure. Moreover, after the procurement process of many projects was completed and the suppliers were selected, the tender letters and orders were given to the suppliers. But due to the Covid 19 disaster and the crisis in Sri Lanka, the related services could not be completed properly.

The other major problem faced by our organization was that only 50 million had been approved as capital expenditure for the year 2022. Although the allocation of 78.9 million from the capital allocation made for the

year 2021 was negotiated with the National Budget Department to be given in the year 2022, it was verbally informed that it is not possible to make other allocations for the year 2022 due to the severe economic crisis in the country. Further, the Department of Treasury Operations stated that it is absolutely impossible to provide money from the Treasury in addition to the provisions related to the year 2022.

Therefore, checques were written to the suppliers from the provision of 2021 as it was the only option left, and after the relevant works and supplies were duly completed, the cheques were given to the suppliers.

In this case, some cheques had to be canceled due to changes in the tax law in making payments in the year 2022, and payments related to supplies were made after proper evaluation of work.

Since this situation is a unique phenomenon in the wake of the Covid 19 disaster and the foreign exchange crisis that occurred in the year 2021, I hereby declare with responsibility that such things will not happen in the future by our Authority.

(ii) Necessary work has been done to update the Fixed Asset Register and it is being updated. This is expected to be completed by the end of May 2023.

(iii) In terms of Finance Regulation 715 (12), officers have been appointed to hold goods in their own private custody and take responsibility and from the year 2022, these processes will take place in accordance with the relevant Finance Regulations.

(b) Necessary arrangements have been made to conduct the efficiency bar exams. Sri Lanka Institute of Administration Development (SLIDA) has received the approval of the Board of Directors to conduct it.

(c) The Authority reported the information about the misused vehicles to the Comptroller General Officer of the Ministry of Finance, and we hope to inform them about the audit observations and act according to their instructions.

(d) The necessary steps to register with the e-procurement system have now been initiated.

(e) The necessary preparations will be made to submit the corporative plan for the period 2022 - 2025 to the Auditor General.

2.2.3 Regarding the statement that the Authority has acted inconsistently with its powers, duties and functions

(a) (i) Although the Sri Lanka Sustainable Energy Authority was established on October 1, 2007, it was difficult to achieve all the goals as there were not enough human resources to achieve the objectives set out in the Sri Lanka Sustainable Energy Authority Act No. 35 of 2007.

However, during the year 2020, the Renewable Energy Plan was prepared in accordance with Section 8 of the Act, and was published for public comment on July 21, 2021. The Renewable Development Plan, which was completed according to public opinion, was submitted to the Ministry of State for Development of Solar, Wind and Hydro-Power Projects in three languages on November 26, 2021 to obtain Cabinet approval for publication in the Gazette.

Follow-up is being done to obtain the approval of the Cabinet of Ministers, and it will be published in the Gazette as soon as the approval is received.

Areas with wind potential are given primary consideration while gazetting renewable energy areas. After the environmental assessments and other agencies, the areas set aside and adequate buffer zones are removed from the areas suitable for the construction of wind farms and project development works are being carried out.

Also, the extent of land technically required to build wind towers in a wind power plant is limited, and since its environmental and social impact extends over a very large area, it is technically essential for a wind power plant to gazette the same area when gazetting land for wind power plants.

Further, the extent gazetted as renewable energy development areas is about 120,000 hectares and while carrying out the construction in those areas, permission should be obtained from the Sri Lanka Sustainable Energy Authority to carry out the construction without harming the wind potential.

(ii) It is a known fact that due to the problematic situation that arose between the revised Ceylon Electricity Act of 2013 and the Sri Lanka Sustainable Energy Authority Act and the interpretation given by the Attorney General in 2017, it was not possible to develop renewable electricity projects without calling for tenders. By revising the Ceylon Electricity Act in 2022, the problematic situation was resolved and the authorization of renewable projects under 'First Comes First Served Basis' was implemented again. Therefore, the development of renewable electricity projects was very slow during the above period.

Acceleration of renewable energy projects has already been started and energy license extensions have been given for those projects through advisory committee recommendations.

(iii) Permit requests for off-grid renewable energy projects have not been received. Permits can be issued if such requests are made and the necessary conditions are met.

(iv) No such provision is made for under this section.

(v) On several occasions, various ministers have prepared and submitted cabinet papers to the Ministry seeking the approval of the Cabinet of Ministers, but those efforts have become failure. This was because the Ministry and the said Ministers were of the opinion that the electricity bill would increase further by charging such Royalty. Arrangements have been made to present this again.

(vi) On several occasions, various Ministers have prepared and submitted cabinet papers to the Ministry seeking the approval of the Cabinet of Ministers, but those efforts have become failure. This happened because the Ministry and the said Ministers were of the opinion that charging such a cess tax would increase the electricity bill.

(vii) According to Section 47 (1) of the Sri Lanka Sustainable Energy Authority Act No. 35 of 2007, the Sustainable Guarantee Fund has been established and necessary regulations and guidelines are being prepared to fulfill the objectives of the fund, and it is expected that the guidelines will be implemented very soon.

(viii) Under Section 30 of the Sri Lanka Sustainable Energy Authority Act No. 35 of 2007, provision has been made for the acquisition of land required for renewable energy development projects and land for public purposes as per the provisions of the Land Acquisition Act No. 28 of 1964 (chapter 460/part Vi/30(1)). Acquisition should be done under acquisition method.

In acquiring public land for renewable energy projects, land acquisition is often taking place by the project developers making agreements with the respective landowners and purchasing it, but in cases where it is very difficult to do so, or in cases where it is difficult to identify the owners, for acquisition by the developers.

Requests are made to the Authority. In such cases, money is spent for the acquisition process and compensation payments by the respective project developer.

After obtaining the government valuation of the land to be acquired, money is deposited to the Authority in several stages and according to the need of the acquisition process, the Authority releases the money according to the request of the divisional secretaries. Also, at various times in the acquisition process, when the investors and the land owners come to an agreement and solve the land problems, the acquisition is abandoned and the remaining amount is released to the investor.

So far, 45 plots of land have been acquired for 06 projects under the Interim Directive 38 (a) of the Acquisition Act and only 02 projects have been connected to the National Grid.

Although 4 more projects have been approved, the construction has not started due to other reasons related to the project and the construction of one project has been suspended.

After completion of acquisition for tax collection and registration of documents under section 44, land title investigations have been conducted under section 9 of the Act and the original owners have not been identified by the Divisional Secretary of the respective division, so it has become difficult to register at the land Registrar's Office. However, at the time of issuing the 38 (a) interim directive, the Ministry of Lands has given instructions that the land can be registered if the original title is confirmed, and the original title of the land that has been enjoyed under the 38 (a) interim directive has not been verified by the Divisional Secretary.

The Sirioya small hydro project for which the land has been leased by the Authority has not yet started and the project proponents have been informed to pay the rent for the relevant period along with their arrears.

I would like to inform that out of the 45 plots of land taken over by the Authority, 16 plots of land have been leased correctly and the remaining 29 plots of land have been registered in the Registrar's Office after completion of the title investigations under Section 9 of the Act and due tax payments are being collected along with the arrears.

2.2.4 Statement that the resources have been procured and used sparingly, efficiently and effectively in accordance with applicable laws

(a) In order to prepare the total cost estimate, the building should be well planned and to get the necessary professional services for that, it was done according to the instructions of the National Institute of Sri Lanka Artifact Scientists. Only the building design fee, which is a fixed percentage of the estimated amount, has been paid to the respective architect. With the estimates prepared in this way, a permission letter for the construction of the building was submitted to the Cabinet of Ministers on 18.02.2022.

However, the Cabinet of Ministers has decided to postpone this work by two years due to the government's expenditure cuts and the Ministry of Finance not agreeing to make budget allocations in this regard and informed the Authority as so.

(b) An investigation is being carried out in this regard and necessary steps will be taken in the future.

(c) An investigation is being carried out in this regard and necessary steps will be taken in the future.

2.3 Other matters

(a) The responsibility for carrying out this review is assigned to the National Regulatory Committee to be established in this regard. Although several years have passed since the policy was announced, there has been no alignment of the institutional framework in the energy sector, but the Authority has directed its capacity for the responsibilities assigned to it and worked to achieve the goals mentioned in this policy as far as possible.

(b) Action will be taken as per the State Ministry Secretary's letter dated 2021/07/27 No: SMRC/FIN to recover the professional allowance of Rs. 3,135,202.00 paid to the employees of the Authority in the years 2010 and 2011 from the money received by the Authority under the Switch Asia project, as per the instructions of the said letter, and to pay such allowance to the officials who were specifically engaged on behalf of that program.

(C) A conflict with regard to this project was referred to the National Arbitration Council and based on the discussions there, the Board has decided on 21.11.2022 to resolve this conflict by getting one model from the Authority as a tool to promote electric vehicle technology.

(d) Public Enterprises Circular No: PED 01/2015 is relevant for providing transport allowances to the Authority's officials and according to its provisions, it is not mentioned that proof of ownership of the vehicle is required.

Chairman
Sri Lanka Sustainable Energy Authority