



ECONOMIC BENEFITS BY HARNESSING WIND ENERGY IN THE NORTH-WESTERN REGION OF SRI LANKA

By

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Abstract

The case study is a part of the dissertation made to complete the Master of Business Administration in Project Management. Degree program in January 2009. The experimental study was performed in the north-western region of Sri Lanka, where it was identified sufficient wind potential resource is available for harnessing wind energy. Studies had been conducted in Ceylon Electricity Board (CEB) and National Renewable Energy Laboratory, USA (NREL) in 2000 and 2002 respectively to identify the feasibility of utility scale wind farms in the region. As a result of that NREL Wind Resource Assessment for Sri Lanka and Maldives completed in 2002. The Rural Electrification Unit of CEB also had conducted a site specific wind measurement study in 2000 and revealed the potential wind resource for a utility scale wind farms in the region in 2001. Also, Constraints for the Development of Wind Farms in Sri Lanka is a study conducted to simulate the grid behavior if the wind plants were connected in the north-western region. Another case study had been performed to select the suitable turbine type for the region. All these studies revealed that the utility scale wind farms are feasible in the region.

The related literature review reveals the feasibility of utility scale wind farms in the region. The NREL, CEB and other studies; direct the potential developers to the identified regions for setting up the site specific wind measurement facilities, revealed the potential feasibility of grid connected wind farms and the acceptability of wind power to the grid. Also they discuss the limitation of the wind power input to the grid

The experimental study conducted at Nirmalapura (Np) and Mullipuarum (Mp) area revealed that the wind speed in the Np is $7m/s$ and the Wind Power Density (WPD) as $327 W/m^2$. In Mp the two factors are $6.8 m/s$ and the WPD $315 W/m^2$. These results verify the technical feasibility of using IEC Class III wind turbines with large rotor diameters. for larger swipec area for capturing more energy passes through the



rotor. These results have? .Jlreater chance of varying from one location to another in the same region. Hence, a site specific Wind Resource Assessment is a must to a potential wind site.

It was also observed that the wind site classifications done by NREL study do not comply as it is. The Np region classified as Good - Class 4 site with 7-7.5m/s wind speed and 400-500 W/m² Wind Power Density. The experimental results show that the site is in 7-7.5 m/s wind speed region and WPD of 300-400 W/m². The actual measured WPD seems lower compare to the NREL Classification. However, the Mp area is compatible with 6.4-7 m/s and WPD of 300-400 W/m² wind class.

Technical, social and commercial feasibilities for implementing utility scale wind farms also exist. There are capacity addition restrictions to the grid for technical reasons and it is a limitation for harnessing the potential wind resource in the region. the turbine technology must be optimized and select suitably for the wind regime. Dispite the issues due to coal power plant implementation in the region, people would welcome wind projects in to the region. This does not mean that there would not be any social resistance. Project mangers with good personal soft skills would require operating in the area. If not expert advice must be sorted. The present high cost of finance is causing projects to be more commercially riskier. However, intuitive funding methods would minimize the risks in expected returns. The project profitability is very sensitive to the currency risk in the country. Intensity of the risk is more in this industry due almost 60% of the implementation cost goes with the equipment purchase. If the capital is drawn from foreign currencies, which is obviously required for equipment purchase, the exposure to the currency devaluation is high during repayment. One another sensitive factor, transportability of equipment, is much more feasible compared to any other wind resource areas due to geographic and infrastructure conditions


Wind power is very sensitive to small variation of wind speed due to its cubic relationship to the out put power of the turbine. Hence site specific data analysis can not be ruled out to an acceptable feasibility of a project. Small variation in the wind



speed will greatly affect the energy estimations hence the revenue calculations. Use of non site specific wind data for wind project evaluation is not acceptable for any prospective developer. Technical feasibility of wind projects are undoubted in the region if a comprehensive project financing plan is available.

DECLARATION

"I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any University to the best of my knowledge and belief it does not contain any material previously published, written or orally communicated by another person or myself except where due reference is made in the text. I also hereby give consent for my dissertation, if accepted, to be made available for photocopying and for interlibrary loans, and for the title and summary to be made available to outside organizations"



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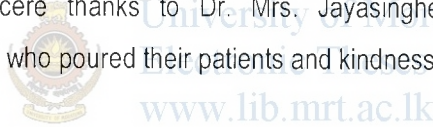


Table of Content

Chapter 01	1
1. Introduction	1
1.1. General	1
1.2. Objectives of the Case Study	3
1.3. Methodology Adopted to Perform the Wind Resource Assessment in the Area Selected	4
1.4. The Main Findings	5
1.5. The Arrangement of the Report	5
Chapter 2	8
2. Literature Review	8
2.1. General	8
2.2. National Grid Energy Mix: Current and Future Potential	8
2.3. Behavior of Fossil Fuel Prices in the World Market	11
2.4. Evolution of Hydropower as a Mature Industry in Sri Lanka	13
2.5. Evolution of Wind Power as an Industry in the World	15
2.6. The Global Wind Industry	17
2.7. Wind Resource Assessment of a Potential Wind Farm	19
2.8. History of Monsoons in the South Asia	21
2.9. NREL Study Conducted in Sri Lanka	22
2.10. Past Conducted Wind Measurements in the North-Western Region	23
2.11. The Economic Benefits by harnessing wind energy	25
2.12. The Present Scenario of Wind Power Development	27
2.13. Hambantota 3MW Pilot Wind Power Project	29
2.14. Summary of Nirmalapura Wind Power Project	30
2.15. Summary	31
Chapter 3	33
3. Experimental Study Performed in the North – Western Region	33
3.1. General	33
3.2. Experiment at Nirmalapura Site - Kalpitiya Region	33
3.3. Other Available Data Used for the Analysis	38
3.4. Estimation of Electrical Energy Available in the Site	42
3.5. The Technical Feasibility	43
3.6. Summary	43
Chapter 4	44

4.	Social and Financial Feasibility Aspects	44
4.1.	General	44
4.2.	Social Aspects in the Project Area	44
4.3.	Management of Social Aspects	45
4.4.	Financial Aspects	46
4.5.	Financial Analysis	48
4.6.	Feasibility of Potential 10MW Wind Power Project	50
4.7.	Summary of Case Study Results	50
4.7.1.	Wind Resource and Technology Suitability	50
4.7.2.	Economic and Financial Benefits	51
4.8.	Summary	52
Chapter 5	54
5.	Conclusion and Recommendations	54
Reference:	55
Appendixes	57

List of Tables



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Table No: 01	Summary of Wind Resource Assessment of Np and Mp Areas
Table No: 02	Expected Capacity Addition to the National Grid from 2009 to 2013
Table No: 03	Summary of Energy Mix Table in Each Year for Specific Generation Method
Table No: 04	Sri Lanka Wind Resources Data
Table No: 05	NP and Mp monthly Average Wind Speeds
Table No 08	Summary Results of Financial Analysis
Table No: 09	Summary of WPD and AAWS Measured and Past Data
Table No: 10	Summary of Economic Benefits by 10MW Wind Plant

List of Figures

- Figure No: 01, Energy Mix Illustration, Sri Lanka National Grid
- Figure No: 02, The Trend in Crude Oil prices since 1861 to 2007.
- Figure No: 03, Short Term Energy Outlook
- Figure No: 04, Coal and LNG Prices in the Global Market from 1985 to 2007
- Figure No: 05, US Wind Turbine Technology Development
- Figure No: 06, the World Wind Installed Capacity by July 2008
- Figure No: 06, the World Wind Installed Capacity by July 2008
- Figure No: 07, Top 10 Wind Installed Countries in the World- 2007
- Figure No: 08, Wind Resource Atlas of Sri Lanka NREL Study
- Figure No: 09, Comparisons of Nk and Ka Monthly Average Wind Speeds in 2000
- Figure No: 10, Nk and Ka Monthly Average Wind Data (2000) Correlation Analysis
- Figure No: 11, Nirmalapura 60m Wind Mast
- Figure No: 12, Diurnal Wind Pattern at Np 60m Height from Oct 07 – Oct 08
- Figure No: 13, 10 Min. Average Wind Speeds in the SW Monsoon- May 2008
- Figure No: 14, Wind Direction- south west monsoons – July 08
- Figure No: 15, 10 Min. Average Wind Speeds in the NE Monsoon in the Month of Jan
- Figure No: 16, Wind Direction – NE Monsoon period – Jan 08
- Figure No: 17, Frequency Distribution of Wind Speed at Np 60m Jan – Dec 2008
- Figure No: 18, Wind Mast Locations in the North- Western Region
- Figure No: 19, Monthly Average Wind Speed of Np Station – 2008
- Figure No: 20, Monthly Average Wind Speed of Mp Station – 2007/8
- Figure No: 21, Correlation of Np and Mp Stations Wind Speed - Jan 2008
- Figure No 22: Wind Power Curve of Vestas V 82 –Model
- Figure No: 23, Sensitivity Analysis for PLF and IRR for 32% CF

Abbreviations and Acronyms

AAWS	Annual Average Wind Speed
AWDR	Average weighted deposit rate
AWFDR	Average Weighted Fixed Deposit rate
Amb.	Ambewella Site
CEB	Ceylon Electricity Board
COE	Cost of Energy in \$/kW or Rs/kW units
GDP	Gross Domestic Products
CF	Capacity Factor of the wind plant operation
GW	Gega Watts
IEC	International Electromechanical
Ka	Karathive Site
kW	Kilo Watts
LIBOR	London Inter-Bank Offer Rate
LKR	Lankan Rupee
LNG	Liquefied Natural Gas a liquid petroleum used in generating power
LOI	Letter of Intent issued by CEB for private power purchase
Na	Narakkaliya Site
NE	North East
Np	Nirmalapura Site
NREL	National Renewable Energy Laboratory
MI	Mahailuppallama Site
Mp	Mullipurama Site
MT	Metric Tons
MW	Mega Watts
PWD	Predominant Wind Direction
RERED	Rural Electrification and Renewable Energy Development project World Bank assisted finance scheme to develop renewable energy in Sri Lanka.
SEA	Sustainable Energy Authority of Sri Lanka
SPPA	Standard Power Purchase Agreement issued by CEB to the developers to purchase power from renewable energy sources.
SW	South West
UK	United Kingdom
USA	United State of America

US \$ United State Dollar currency

WAsP WAsP is the state of the art wind flow model which is the industry standard tool for the purpose. However, it should be noted that WAsP calculations have high uncertainties when calculations: extend over large spatial distances; are initiated from heights above ground significantly lower than the turbine hub height; are initiated from positions with different wind climates or markedly different exposure.

WPD Wind Power Density (W/m^2)

WRA Wind Resource Assessment technology process



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