

My Ref: LCC/CH/01/21/56

To: The Secretary
Ministry of Foreign Affairs
Republic Building
Sir Baron Jayathilake Mawatha
Colombo 01.

October 21, 2021

Through: Secretary - Ministry of Power
Colombo 03.

Attn: To all respective Applicants/Suppliers

Dear Sir/Madam,

Sub: Exploring the possibility of long term coal supply to the Lanka Coal Company (LCC) through diplomatic involvement.

It is our great pleasure and appreciation to the parties who send us letters/documents through the respective diplomatic agencies to consider supplying coal to LCC, in Sri Lanka in response to the letter that you received from the Ministry of Foreign Affairs on 5 August 2021.

Introduction

As mentioned in our previous letter, our main objective is to establish a long-term coal supply mechanism through diplomatic intervention to ensure a smooth supply of coal, instead of calling for Spot and long-term tenders from time to time. Accordingly, the long-term agreement will be signed between two respective governments representing the supplier, thus, all parties should apply through respective departments or government agencies. So that, it would be easy for us to conduct final negotiations with the involvement of government agency.

Further reference to the aforesaid letter, the LCC will provide you with the following details which might be helpful for coal suppliers in submitting Expression of Interests (EOI) to LCC.

1. Coal Quantity Required by the Plant

Lakvijaya Coal Power Plant (The Plant) of CEB requires 2.36 ±10 % Million MT of coal per year. LCC has been established by the Cabinet decision to supply entire requirement of coal for The Plant.

2. Period of Coal Supply

The delivery of above total quantity of coal to the plant could be only mid-September to Mid-April of the following year due to the south west monsoon pattern in Sri Lanka.

3. DELIVERY SCHEDULE

The amount of coal supply varies from one season to another depending on the quantity requested by the Lakvijaya Power Plant based on their operational obligations. The possible coal shipments deliver schedule for an operational month during the coal

season is appended below.

Month	Number of Shipments could be unloaded with the parcel size of Ultramax vessels
September	3
October	6
November	6
December	6
January (following year)	6
February	5
March	6
April	2

4. Quality (Specifications) of COAL

The quality of the coal should conform to the following standards and rejects values. Power Plant will be operated as a base load unit, fueled by low Sulphur coal having standard properties (the LCC Standard Values) given below.

LCC STANDARD VALUES FOR COAL

PROXIMATE (%)	UNIT	As Received Basis
GCV (kcal/kg)	kcal/kg	6,150
Total Moisture	% wt	12.0 or below
Volatile Matter	% wt	31
Fixed Carbon	% wt	49.5
Sulphur	% wt	0.5 or below
Ash	% wt	11.0 or below
HGI	° H	50
Grain Size above 50 mm	% wt	3.0% or below by weight
Grain Size below 2 mm	% wt	22.5% or below by weight
ASH FUSION (°C) (AFT)		Reducing
IDT	°C	1,250
Fluid	°C	1,325

5. Reject Values for Coal

(Proximate analysis - as received basis)

Parameter	LCC REJECT VALUES
Gross Calorific Value	Less than 5,900 kcal / kg
Total Moisture	More than 16.0 % by weight
Ash Content	More than 16 % by weight
Volatile Matter	Less than 22 %, More than 39.9 % by weight
Sulphur Content	More than 1.0 % by weight
HGI	Less than 40, More than 59
Size Consist: a) Above 50 mm b) Below 2 mm	More than 5 % by weight More than 30 % by weight
Ash Fusion Temperature <i>R</i> <i>IDT (Deformation)</i> F.T (Fluid)	Less than 1,150°C, More than 1300 °C Less than 1,250°C, More than 1500 °C

Note: R equals Reducing Atmosphere

6. Ports of Loading

Please specify the possible ports (anchorage/terminals) of loading.

7. Coal Transportation and Unloading Procedure

Coal is transported from the Loading ports to the Anchorage Port of Puttalam (4 km from the Jetty of the Power Plant) by **Geared Vessels** and from the Puttalam Anchorage to the Jetty of the Lakvijaya Power Plant by **Self Geared Barges**. At the jetty, Barges are unloaded using Jetty cranes.

You may consider the FOB at Load Port or CFR basis to the Puttalam Anchorage. The barge operation is handled separately by the LCC.

8. Proposed methodology for payment based on G-to-G relationship

Request for Proposal (RFP) will be issued if required after shortlisting all Expressions of Interest (EOI) received by LCC. If there is a possibility of providing a credit facility, please let us know.

The above information is for your further understanding of LCC Coal Requirement. If you have any further clarifications, you may contact the following officials.

1. Chairman/ Managing Director – +94 777 877204, Email - Chairman@lankacoal.lk
2. General Manager - +94 71 111 3 111, Email - namal.gm@lankacoal.lk

Accordingly, we would be very grateful if you could facilitate LCC to obtain EOIs or proposals containing the above information through respective diplomatic missions abroad on or before November 1, 2021.

Thanking you,

Yours Faithfully,

For and on behalf of LANKA COAL COMPANY (PVT.) LTD.


B. K. Jagath Perera
Chairman/Managing Director

Cc: All Committee Members – for your information