

FEASIBILITY STUDY ON COGENERATION FROM DIESEL ENGINE POWER PLANTS IN SRI LANKA

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University of Moratuwa, Sri Lanka
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Degree of Master of Science

Department of Electrical Engineering

University of Moratuwa

Sri Lanka

March 2014

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Dissertation submitted in partial fulfillment of the requirements for the degree Master
of Science

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Declaration

“I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Abstract

Sri Lankan power system heavily depends on thermal oil plants and 58% of the annual energy demand is generated by such power plants as at year 2012. The installed capacity of diesel plants in Sri Lanka is 540 MW. By 2012, all of them operated in open cycle. Exhaust gas temperatures ranging from 300-400 °C emit to the environment without contributing to much of useful work. With the increase of fossil fuel prices, generation costs have increased significantly. Government is subsidizing the electricity to make electricity affordable to the general public. This results in substantial financial losses to Ceylon Electricity Board.

Exhaust gas can be directed through a heat recovery steam generator, which is able to produce super-heated steam. This superheated steam can be utilized to run a steam turbine in accordance as an application of Rankine Cycle. In this study, cogeneration potential of 100 MW "Heladhanavi" diesel engine power plant is considered. Furthermore, technical, environmental and economic feasibility is evaluated. There is a potential of 4MW power generation through cogeneration. The heat recovery reduces exhaust gas temperature to 230 °C. Dispersion of flue gas is analyzed with the aid of USEPA Dispersion model and Pasquilly Stability Criteria. The existing stack height is sufficient according to dispersion model results. The power generated from recovered heat is able to save six million fuel liters per year and reduce CO₂ emission amounting to 21,000 metric tons per year.

Extending the same methodology for all remaining diesel engine power plants operating in the country, it has been estimated that an overall capacity addition of around 19MW can be achieved through cogeneration.

Project Internal Rate of return has estimated and to be 21.6% at current tariff published by PUCSL, but there are several risks associated with the investment. Main issues to the investors are, remaining periods of power purchase agreements, which are not long enough and the reducing plant factors due to coal plant additions. Therefore, regulatory bodies should identify the potential cogeneration and they should encourage investments.

Acknowledgement

Thanks are due first to my supervisor, Professor H.Y.R. Perera, for his great insights, perspectives, guidance and sense of humor. Then, I would like to thank academic staff of electrical Engineering Department for valuable advices and guidance at critical times. My sincere thanks also go to officers in Post Graduate Office, Faculty of Engineering, University of Moratuwa, Sri Lanka, for helping in various ways to clarify the things related to my academic work in time with excellent cooperation and guidance. Sincere gratitude is also extended to those serve in the Department of Electrical Engineering office.

I extend sincere gratitude to the officers in Ceylon Electricity Board, LTL Holdings Limited, Ace Power Limited and other diesel engine power producers for the support given as information, data and guidance.

This dissertation would not have been possible unless for the understanding and encouragement provided by my family. Therefore, I owe my deepest gratitude to my family.



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Lastly, I am indebted to many individuals – friends and colleagues- who have not been mentioned here personally in making this education process a success; maybe I could not have made it without your support.

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LIST OF ABBREVIATIONS

CEB – Ceylon Electricity Board

IPP – Independent Power producer

CHP – Combined Heat and Power

LTL – Lanka Transformers Limited

LV – Low Voltage

MV – Medium Voltage

HV – High Voltage

US – United States of America

EPA – Environmental Protection Agency

CEA – Central Environmental Authority

USCPI – United States Consumer Price Index

PPA – Power Purchase Agreement

SPPA – Standard Power Purchase Agreement

IRR – Internal Rate of Return

Pvt – Private

Ltd – Limited

PUCSL – Public Utilities Commission

PUPRA -Public Utility Regulatory Policies Act

HFO – Heavy Furnace Oil

