

 Early Warning System

ADB-58280-001

Rooftop Solar Aggregation and Virtual Net Metering Project



Quick Facts

Countries	Sri Lanka
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	B
Borrower	Government of Sri Lanka
Sectors	Energy
Investment Type(s)	Grant, Loan
Investment Amount (USD)	\$ 35.00 million
Loan Amount (USD)	\$ 35.00 million



Project Description

As stated by the ADB, the project's overall objective is twofold: to increase Sri Lanka's resilience to climate change by supporting the achievement of its Nationally Determined Contributions targets related to reducing greenhouse gas emissions in electricity production through renewable energy interventions, and to alleviate the economic pressure caused by high tariff rates for vulnerable low-usage consumers under the 'General Purpose' category. The project aims to enable these consumers, who lack financing and/or rooftop space, to reduce their energy bills through a virtual net-metering mechanism using rooftop solar PV technology installed and owned by the two Sri Lankan utilities.

Sri Lanka, an island nation with a population of 22 million in the middle-income category, achieved 100% household electrification in 2016 and currently has a peak demand of about 3,000 megawatts (MW). Despite having around 1,800 MW of hydropower capacity (large and micro), two-thirds of its electricity is generated from thermal power plants. Hydropower generation is significantly impacted by high seasonal variation and climate change. As of May 2024, rooftop photovoltaic (PV) generation contributes about 7% to the total electricity supply. The country's heavy reliance on imported fuel, high inflation rates, and the depreciation of the Sri Lankan rupee have severely impacted its fiscal position and economic stability, leading to its first economic default in May 2022, causing severe power shortages due to insufficient fuel imports.



Early Warning System Project Analysis

The ADB categorized the project risks as follows:

Environment - B

Involuntary Resettlement - C

Indigenous Peoples - C



Investment Description

- Asian Development Bank (ADB)



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Ceylon Electricity Board	Contractor	Energy



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Environmental and Social Assessment and Review Framework](#)
- [Initial Environmental Examination](#)
- [Ridiyagama and Wattala Subprojects Initial Environmental Examination](#)
- [Social Due Diligence Report](#)