

PETITION
IN THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST REPUBLIC
OF SRI LANKA

*In the Matter of an Application under Article
126, read with Article 17 of the Constitution of
the Democratic Socialist Republic of Sri
Lanka*

Jayalath Abayawardena Mudiyansele
Sanka Chandima Abayawardena,
No.295/A, Wewagedara, Divulapitiya

SC FR No.....2025

Petitioner

Vs.

1. **Ceylon Electricity Board,**
50, Sir Chittampalam A. Gardiner
Mawatha, Colombo 02.
2. **General Manager,**
Ceylon Electricity Board
50, Sir Chittampalam A. Gardiner
Mawatha, Colombo 02.
3. **Public Utilities Commission of Sri
Lanka,**
4. **Director General,**
**Public Utilities Commission of Sri
Lanka,**

Both of
6th Floor, BOC Merchant Tower,
St. Michael's Road, Colombo 3.

5. **Sri Lanka Sustainable Energy
Authority (SLSEA),**
72 Ananda Coomaraswamy Mawatha,
Colombo 07.
6. Hon. (Eng.) Kumara Jayakody,
Minister of Energy,

No.80, Sir Ernest De Silva Mawatha,
Colombo 07.

7. Hon. (Dr.) Harini Amarasuriya,
Prime Minister and Minister of
Education, Higher Education and
Vocational Education,
Ministry of Education,
Isurupaya, Battaramulla.
8. Hon (Prof.) Anil Jayantha Fernando,
Minister of Labour,
6th Floor, Mahawera Piyasa,
Narahenpita, Colombo 05.
9. Hon. Wasantha Samarasinghe,
Minister of Trade, Commerce, Food
Security and Cooperative Development,
Ministry of Trade, Commerce, Food
Security and Cooperative Development,
No 492, R. A. De Mel Mawatha,
Colombo 03.
10. Hon. (Dr.) Dammika Patabendi,
Minister of Environment,
"Sobadam Piyasa", 416/C/1,
Robert Gunawardana Mawatha,
Battaramulla.
11. Hon. Ramalingam Chandrasekar,
Minister of Fisheries, Aquatic and Ocean
Resources,
Ministry of Fisheries, Aquatic and Ocean
Resources,
New Secretariat,
Maligawatta, Colombo 10.
12. Hon. Bimal Rathnayaka,
Minister of Transport, Highways, Ports
and Civil Aviation,
Ministry of Transport, Highways, Ports
and Civil Aviation,
7th Floor, Sethsiripaya Stage II,
Battaramulla.
13. Hon. Vijitha Herath,

Minister of Foreign Affairs, Foreign
Employment and Tourism,
Ministry of Foreign Affairs
Republic Building,
Sir Baron Jayathilake Mawatha,
Colombo 01.

14. Hon. Samantha Viddyaratna,
Minister of Plantation and Community
Infrastructure,
11th Floor,
Sethsiripaya 2nd Stage,
Battaramulla.
15. Hon. Sunil Handunneththi,
Minister of Industry and Entrepreneurship
Development,
Ministry of Industry and Entrepreneurship
Development,
No.73/1, Galle Road, Colombo 03.
16. Hon. (Prof.) A.H.M.H. Abayarathna,
Minister of Public Administration,
Provincial Councils and Local
Government,
Independence Square,
Colombo 07.
17. Hon. (Mrs.) Saroja Savithri Paulraj,
Minister of Women and Child Affairs,
Ministry of Women and Child Affairs,
5th Floor, Sethsiripaya Stage II,
Battaramulla.
18. Hon. (Dr). Nalinda Jayatissa,
Minister of Health and Mass Media,
Ministry of Health,
Suwasiripaya, No. 385,
Rev. Baddegama Wimalawansa Thero
Mawatha,
Colombo 10.
19. Hon. K.D. Lal Kantha,
Minister of Agriculture, Livestock, Land
and Irrigation,
Ministry of Agriculture,

80/5, “Govijana mandiraya”,
Rajamalwatta Lane, Battaramulla.

20. Hon. Harshana Nanayakkara,
Attorney-at-law,
Minister of Justice and National
Integration,
Ministry of Justice, No 19, Sri Sangaraja
Mawatha, Colombo 10.
21. Hon. Anura Karunathilaka,
Minister of Urban Development and
Housing,
Ministry of Urban Development and
Housing,
12th Floor "Sethsiripaya", Stage-II,
Battaramulla.
22. Hon. (Dr.) Hiniduma Sunil Senevi
Minister of Buddhasasana, Religious and
Cultural Affairs,
Ministry of Buddhasasana, Religious and
Cultural Affairs,
8th Floor, Sethsiripaya, Battaramulla.
23. Hon. K.M. Ananda Wijepala,
Minister of Public Security and
Parliamentary Affairs,
Ministry of Public Security, 18th Floor,
‘Suhurupaya’, Battaramulla.
24. Hon. (Dr.) Upali Pannilage,
Minister of Rural Development, Social
Security and Community Empowerment,
Ministry of Rural Development, Social
Security and Community Empowerment,
1st Floor, Sethsiripaya (Stage II),
Battaramulla.
25. Hon. (Prof.) Crishantha Abeysena,
Minister of Science and Technology,
Ministry of Technology
Level 11, Unit No: 1101,
One Galle Face Tower,
No 1 A, Centre Road, Galle Face,
Colombo 02.

26. Hon. Sunil Kumara Gamage,
Minister of Youth Affairs and Sports,
Ministry of Youth Affairs and Sports,
No. 09, Phillip Gunawardana Mawatha,
Colombo 07.

27. Hon. Anura Kumara Dissanayake,
Minister of Defence,
Minister of Finance, Planning and
Economic Development,
In his capacity as the said Ministers
Represented by the
Hon. Attorney General,
Attorney General's Department,
Colombo 12.

28. W.M.D.J. Fernando, Secretary,
Office of the Cabinet of Ministers
Lloyd's Building, Sir Baron Jayathilaka
Mawatha, Colombo 01.

29. Hon. Attorney General,
Attorney General's Department,
Colombo 12.

RESPONDENTS

**TO: HIS LORDSHIP THE HONOURABLE CHIEF JUSTICE AND THEIR
LORDSHIPS THE OTHER HONORABLE JUDGES OF THE SUPREME COURT.**

On this day of September 2025

The Petition of the Petitioner above named appearing by **Mrs. Tharindi Malmi Dissanayake**, Attorney-at-Law states as follows;

Petitioner

1. The Petitioner is a citizen of Sri Lanka. Further;

- a) He is the Chairman of the Sri Lankan Green Alliance, a Green political organization actively engaged in the protection of the environment, sustainable development and energy. He is a cleaner production consultant by profession and has more than 15 years of global experience as an international relations advisor and expert and as a green politician. **He is the co-convenor of the "Renewable Energy Protection front,"**

a large collective of the stakeholders of the Sri Lankan renewable energy sector. The Renewable Energy Protection Front played a critical role in advancing public interest in defending energy security and sovereignty. He played a crucial role in developing the public declaration to the President of Sri Lanka on 1st of July 2025 on Energy security.

- b) Further he has filed several cases both in the Supreme Court and Court of Appeal as a Public Benefactor, in the interest of the Public, inviting the Court to prevent abuse of power by the executive arm of the country and at the same time to defend the constitutional rights of the general public at large.
- c) Consequent giving leadership, organizing and actively participating in several campaigns aimed at and intended in upholding the constitutional rights and the sovereignty of the people, he has encountered with and continue to receive several death threats and harassments from unknown persons with the apparent motive to discourage and restrain the Petitioner from engaging in such activities. The Petitioner has made complaints of such death threats to the National Authority for The Protection of Victims of Crimes and the Inspector General of Police of Sri Lanka via e-mail. He also lodged complaints to the Commission to Investigate Allegations of Bribery or Corruption. The Petitioner also complained contesting the price recommended by the Cabinet of Ministers earlier to the Public Utilities Commission of Sri Lanka (True copies of such complaints made to the Bribery Commission, Inspector General of Police, which includes a copies of multiple threats he received and several photographs depicting unknown persons and a vehicle following him and his son, a complaint made to the Public Utilities Commission of Sri Lanka and the Bribery Commission are annexed marked as **P1A, P1B-a,b,c,d, P1C** and **P1D** respectively part and parcel of the Petition.)
- d) The Petitioner also contested the constitutionality of the Bill titled “Economic Transformation” in the Special Determination matter bearing No. SC/SD 76/2024.

An application in the interest of the citizenry of Sri Lanka

- e) In the circumstances the Petitioner has sufficient public interest as a public benefactor with regard to the grievances stated in this application and to seek reliefs as prayed for herein for the benefit of and to safeguard the substantive constitutional rights of himself and the People of Sri Lanka. The matters complained herein have a serious and direct impact on the Public and the national economy and therefore the Petitioner invokes Jurisdiction of the Supreme Court to vindicate both his personal rights and the rights of the other citizens of Sri Lanka, which are being violated and denied by the Respondents in the manner stated hereafter.

Abbreviations

2. In this Petition, unless otherwise stated, the following abbreviations shall bear the meanings assigned hereunder:

- (a) “PUCSL” shall mean and refer to the *Public Utilities Commission of Sri Lanka*, the regulator established under the Public Utilities Commission of Sri Lanka Act No. 35 of 2002, and vested with statutory powers under the Sri Lanka Electricity Act No. 36 of 2024.
- (b) “CEB” shall mean and refer to the *Ceylon Electricity Board*, the State-owned utility established under the Ceylon Electricity Board Act No. 17 of 1969, responsible for generation, transmission, and distribution of electricity in Sri Lanka.
- (c) “LECO” shall mean and refer to *Lanka Electricity Company (Private) Limited*, a licensed electricity distribution company operating within designated regions of Sri Lanka.
- (d) “SLSEA” shall mean and refer to the *Sri Lanka Sustainable Energy Authority*, established under the Sri Lanka Sustainable Energy Authority Act No. 35 of 2007, mandated to promote renewable energy development and energy efficiency.
- (e) “SBS” shall mean and refer to the “*Surya Bala Sangramaya*” Program, the national initiative to promote rooftop solar PV systems across households, commercial establishments, and industries.
- (f) “PPA” shall mean and refer to a *Power Purchase Agreement*, being the standard form of agreement, generally for twenty (20) years, entered into between the CEB and a developer or consumer for the purchase of electricity generated from renewable energy projects.

Respondents

3. The Petitioners state that:

- a) the **1st Respondent** above named is Ceylon Electricity Board (hereinafter sometimes referred to as “CEB”) is a body corporate which has been statutorily constituted under Sri Lanka Electricity Act No. 36 of 2024 and may sue or be sued in its corporate name;

- b) the **2nd Respondent** above named is the General Manger, of the Ceylon Electricity Board who actions and inactions are hereinafter challenged;
- c) the **3rd Respondent** above named is the Public Utilities Commission of Sri Lanka (hereinafter sometimes referred to as “PUCSL”) is a body corporate which has been statutorily constituted under Public Utilities Commission of Sri Lanka Act No. 35 of 2002 and may sue or be sued in its corporate name. Section 2 of the Sri Lanka Electricity Act No.20 of 2009 (as amended) (hereinafter sometimes referred to as “SLEA”) confers power on the PUCSL to exercise, perform and discharge all the powers, functions and duties as are conferred on or assigned to it under the SLEA.
- d) The **4th Respondent** is the Director General of PUCSL;
- e) the **5th Respondent** above named is the Sri Lanka Sustainable Energy Authority (SLSEA), the governing body responsible for pioneering the sustainable energy revolution in Sri Lanka, aimed to facilitate the development of our nation’s rich energy resources, including solar, wind, water and bioenergy;
- f) the **6th to the 27th Respondents** above named are all members of the Cabinet of Ministers, and the 5th Respondent is the line minister, i.e. Minister of Energy;
- g) the **28th Respondent** is the Secretary, Office of the Cabinet of Ministers; and
- h) the **29th Respondent** above named is the Hon. Attorney-General who has been made a party respondent, to this Application, both in terms of the Rules of Your Lordships’ Court as well as the provisions of the Constitution, as well as in terms of Article 35 of the Constitution, as amended, in his representative capacity, in as much as, His Excellency the President is the Head of the Cabinet of Ministers.

Complain on revision and reduction of Tariff for Rooftop Solar PV systems.

- 4. The Petitioner complains to Your Lordships Court that the cabinet of ministers has taken several decisions from time to time to revise and reduce the tariff payable for the electricity supplied to the national grid by the ‘prosumers’ who generate electricity from Rooftop Solar PV systems.

Rooftop Solar PV systems

- 5. The Petitioner states that;
 - a. A **Rooftop Solar PV System** is a small-scale electricity generation setup that uses **solar photovoltaic (PV) panels** installed on rooftops of homes, businesses,

or other buildings. These panels capture sunlight and convert it directly into electricity through the **photovoltaic effect**:

- b. Rooftop Solar PV systems installed by the owners of the individual households and business premises are connected to the national electricity grid, allowing the owners, who are known as “**prosumers**” (to mean both produces and consumers of electricity) to use the electricity they generate and to sell excess to the grid:
- c. Electricity from these rooftop systems is fed into the grid through the **CEB and LECO** under four main schemes by the “**prosumers**”, both producing and consuming electricity. They are based on the manner in which electricity is produced by solar panels is managed and compensated when connected to the national grid; - i.e.;

- i. Net Metering**

- Under this scheme, solar consumers (prosumers) receive credit for the electricity they supply to the grid. Excess electricity is not paid for but is “banked” and can be used within a maximum period of ten years. If monthly consumption exceeds generation, the consumer pays only for the net amount of electricity used, billed at the prevailing tariff.

- ii. Net Accounting**

- Similar in setup to Net Metering, but here prosumers are paid for the surplus electricity they export to the grid. The payment is made at a Cabinet-approved feed-in tariff, agreed upon by both parties at the time of signing the agreement.

- iii. Net Plus**

- In this scheme, prosumers are paid for the total electricity generated by their solar systems, regardless of how much they consume. Separate meters record import and export. Consumers settle their bills at the normal tariff, while the utility pays them for the full generation at the approved feed-in tariff.

- iv. Net Plus Plus**

- Designed to attract investors, this scheme allows entrepreneurs to rent rooftop space from building owners to install solar systems. All electricity generated is exported to the grid through a dedicated meter. The investor receives the income, pays rent to the roof owner, while the premises’ regular electricity consumption continues under normal billing.

As a national need

6. The public directly derive several benefits from generation of electricity from solar power such as reduction of electricity bills, provision of clean, renewable energy, assurance of energy independence and sovereignty, reduction of carbon emission and expediting to achieve renewable energy targets such production of 70% of the net electricity need from renewable energy by 2030: Accordingly; -
 - a. Sri Lanka, located near the equator, receives abundant year-round sunlight, making solar power the most practical and efficient pathway for achieving low-carbon electricity generation. With rapid advancements in technology, solar energy offers the potential to provide low-cost, sustainable electricity to meet the nation's rising energy demand.
 - b. To harness this potential, the government launched the “**Surya Bala Sangramaya**” (SBS) program in collaboration with the SLSEA, CEB, and LECO, encouraging the installation of rooftop solar plants on homes, religious institutions, hotels, businesses, and industries.
 - c. **By mid-2025**, the country had integrated **1,700 MW of rooftop solar power** into the national grid, with the capacity to add 3,000 MW more by 2030. The program allows consumers to generate and use electricity for their own needs and either sell excess power to the grid or bank it for later use.
 - d. Most existing rooftop solar schemes are limited by a consumer's contract demand, restricting the use of available roof space. To overcome this, the **Net Plus Plus** Scheme allows prosumers to install systems beyond their contract demand, classifying such installations as power plants. Consumers may use only the auxiliary power needed for operation, while surplus electricity is exported to the grid. The scheme also supports roof rental and aggregator models, enabling third-party investors to maximize solar generation, meet rising energy demand, and conserve foreign exchange.
 - e. Furthermore, Sri Lanka's electricity tariffs are required to be cost-reflective, meaning they must reflect actual, efficient, and prudently incurred costs of generation, transmission, and supply. This principle, embedded in the **Sri Lanka Electricity Act, No. 20 of 2009**, obliges the PUCSL to safeguard both the financial viability of licensees and the interests of consumers. A cost-reflective tariff ensures fairness, discourages inefficiencies, and supports the long-term sustainability and investment stability of the energy sector.

Revision of Tariff for Rooftop Solar PV Systems

7. The Petitioner became aware of a circular titled “Revision of Tariff for Rooftop Solar PV (RTSPV) Systems” addressed to All Provincial Director General Managers, All Area Chief Engineers, All Area Electrical Engineers and All Provincial Commercial Engineers and signed by the 2nd Respondent and by the Additional General Manager - DD4 (Chairman Distribution Coordination Committee), notifying the revised tariffs applicable for the RTSPV systems which would be effective from 16th June 2025.
8. The circular further imposes a condition that the revised tariff shall be applicable to all RTSPV applicants who pay the RTSPV system clearance processing fee on or after 16-06-2025 (A true copy of the said circular discovered by the Petitioner marked as **P2** and pleaded as part and parcel of the Petition).
9. The Petitioner on several previous occasions lobbied and campaigned against several previous cabinet decisions, cabinet memoranda and circulars (which are referred to hereinafter) which all have contributed for the gradual reduction of tariff payable to prosumers for their electricity contribution to the national grid.

Initial Tariff structure

10. The Petitioner states that the Ceylon Electricity Board publicly made a Tariff Announcement on the revision of Tariff for Rooftop Solar PV (RTSPV) Systems according to the Cabinet Approval dated 2022.10.26. Accordingly, the tariff was set at Rs. 37.00 for systems up to 500 kW and Rs. 34.50 for systems above 500 kW effective from 16th November 2022. The revised tariff was applicable only for new customers coming under the “Net Accounting”, Net Plus” and Net Plus Plus” schemes. The Petitioner states that the said revision which replacing the previous two-tier tariff structure (Rs. 22.00 / Rs. 15.50), which was commercially unviable under such escalated costs, with a flat rate of Rs. 37.00, the industry witnessed a slow growth. This adjustment enabled the addition of over 1,000 MW of rooftop solar systems by more than 50,000 consumers. (True copy of the public announcement on the initial tariff structure is annexed marked as **P3** and pleaded as part and parcel of the Petition).

Significance of maintaining the said tariff structure

11. The Petitioner states that continuation of the tariff structure declared on or about 16th November 2022 was vital for the growth of the rooftop solar industry. It reflected market realities and enabled the addition of about 428 MW of rooftop solar within the first ten (10) months of 2024, raising total installed capacity to nearly 1,235 MW from 86,600 consumers. As of date, rooftop solar prosumers exceed 100,000.
12. The significance of this contribution must be assessed from a broader perspective, extending beyond the expenditure incurred by the utility providers (CEB and LECO) through the Feed-

in Tariff payments. It is essential to consider the greater impact on average electricity costs, the Sri Lankan economy, and the balance of payments, as outlined below.

13. The savings from equivalent oil-based electricity generation (1,600 GWh per year) amount to Rs. 30,400 million annually, based on the cost of oil generation of Rs 56 per kWh, cited by the CEB and applying a tariff of Rs. 37.00 per kWh for the entire 1,235 MW capacity. However, a significant portion of this capacity of 807 MW is being compensated at much lower rates of Rs. 22.00 and Rs. 15.50 per kWh.
14. The foreign exchange savings resulting from a reduced need to import oil for power generation amount to approximately USD 366 million, based on a cost of furnace oil at USD 0.21 per kWh and a consumption rate of 0.28 liters per kWh.

Growth without no state support or subsidies

15. The Petitioners state that while many countries offer capital subsidies and other incentives to developers of solar PV systems, recognizing the multiple benefits such as ensuring national energy security and protecting against the volatility of fossil fuel prices, no such subsidies or incentives are available to solar energy developers in Sri Lanka. As a result, the only incentive offered is a reasonable Feed-in Tariff. However, this tariff is not permitted to be escalated to accommodate changes in cost elements throughout the entire 20-year contract period, which creates a challenge in attracting investments to the sector. This situation is particularly significant considering that all new developments in electricity generation have been funded by private sector investors.

Subsequent Tariff Revisions

16. The Petitioner states that the Cabinet decisions and CEB circulars revised rooftop solar tariffs **downwards**, introduced unstable variable tariff models, and bypassed PUCSL's regulatory authority. The said revisions were done in the following manner; -

- a. **Cabinet Memorandum No. 22/2023/PE and Cabinet Decision of 02.05.2023**

A method called *Variable Tariff methodology* was introduced by the aforesaid Cabinet Memoranda, which was approved by the said Decision applicable for rooftop solar PV systems, which was implemented through **Circular No. 2023/GM/36/DCC dated 26.06.2023**. The Petitioner complains that such methodology is wholly unscientific, irrational, and economically unviable, and has thereby discouraged prospective investment in renewable energy, in contravention of the objectives of the Sri Lanka Electricity Act and the declared national policy on renewable energy (True copies of the said Cabinet memorandum and the decision are annexed marked as **P4 and P5** and pleaded as part and parcel of the Petition).

b. Cabinet Memorandum No. 53/2024/P dated 11.06.2024 and Cabinet Decision No. 24/1159/621 dated 02.07.2024,

A drastic reduction of the tariff payable for rooftop solar electricity was effected by the said Cabinet Decision which approved the said Cabinet memoranda whereby the tariff was reduced to **Rs. 27.06 per kWh for systems up to 500 kW and Rs. 23.18 per kWh for systems above 500 kW**, subject to prior approval of the Public Utilities Commission of Sri Lanka (PUCSL). **PUCSL expressly withheld approval as the CEB failed to submit necessary details. Despite this, by letters dated 04.07.2024 and 15.07.2024 issued by the Acting General Manager of the CEB reduced tariff was enforced unlawfully without PUCSL approval. This amounts to a direct breach of the aforesaid condition imposed by Cabinet itself, and renders the said circulars and letters void for blatant violation of statutory requirements.** (True copies of the said Cabinet memorandum and the decision are annexed marked as **P6 and P7** and pleaded as part and parcel of the Petition).

The subsequent reductions in tariff introduced after July 2024, including those approved by Cabinet Memorandum No. 36/2025/P and Cabinet Paper No. 25/0996/825/048-I, were never referred to the PUCSL for its approval as required by law. These decisions were made and implemented without the regulator's involvement, in clear violation of Section 5 and Section 29 of the Sri Lanka Electricity Act No. 36 of 2024. Accordingly, all such tariff revisions are ultra vires, unlawful, and liable to be quashed by Your Lordships Court.

c. Cabinet Note No. 73/2024/PIN dated 18.07.2024

The Cabinet not submitted by the Minister very wrongly informs the Cabinet of Ministers that the PUCSL had no mandate to approve electricity tariffs during the transition period of the Sri Lanka Electricity Act No. 36 of 2024. The Petitioner complains that this assertion is patently erroneous in law, has no statutory foundation, and was made with the ulterior object of sidelining the regulator and enabling arbitrary decisions by the Executive and the CEB. **This misrepresentation is directly contrary to Clause 5 and Clause 29 of the Sri Lanka Electricity Act No. 36 of 2024, which confer tariff-regulating powers solely on the PUCSL, subject only to consultation with the Ministry of Finance. At no stage has the law conferred tariff-setting power on the Cabinet or the CEB.** (A True copy of the said Cabinet Note is annexed marked as **P8** and pleaded as part and parcel of the Petition).

d. Circular No. 2024/GM/46/DCC dated 09.08.2024, issued by the Acting General Manager of the CEB,

The said circular directed implementation of the revised tariffs despite express objections from the PUCSL. The Petitioner states that such action was ultra vires, in excess of lawful authority, and in violation of the principle that tariffs must be duly

approved by the regulator before implementation. (A True copy of the said circular is annexed marked as **P9** and pleaded as part and parcel of the Petition).

e. Cabinet Memorandum No. 36/2025/P dated 18.03.2025

By the aforesaid Memorandum it was proposed to the Cabinet to revise tariffs for renewable energy, rooftop solar, and battery-integrated solar PV up to 10 MW, without requiring concurrence of the PUCSL. The Petitioner states that this omission constitutes a grave violation of the Electricity Act and the PUCSL Act, undermining the integrity of the regulatory framework. (A True copy of the said Cabinet Memorandum is annexed marked as **P10** and pleaded as part and parcel of the Petition).

f. Cabinet Paper No. 25/0996/825/048-I dated 08.05.2025 and Cabinet Decision of 16.06.2025

The said Cabinet decision approved the proposal of the cabinet paper to revise tariff based on the recommendations of an “Expert Committee” and announced such revisions in June 2025. The Petitioner complains that this procedure was adopted without **PUCSL oversight or stakeholder consultation**, thereby violating the principles of legality, transparency, and natural justice. (True copies of the said Cabinet paper and the decision are annexed marked as **P11 and P12** and pleaded as part and parcel of the Petition).

g. Circular No. 2025/GM/18/DCC dated 25.07.2025,

A time-based tariff scheme for rooftop solar integrated with battery storage was introduced by the said Circular and to be implemented directly under authority of the Cabinet direction. The Petitioner states that such circular is unlawful, issued without statutory authority, and is yet another example of arbitrary executive action that discourages the development of rooftop solar, to the prejudice of consumers and to the detriment of the national interest. (A True copy of the said circular is annexed marked as **P13** and pleaded as part and parcel of the Petition).

Detrimental impact on the People and the Country

17. The Petitioner states that the aforementioned downward tariff revisions would cause a severely detrimental impact on the People and the country, which include discouraging investments, hurting consumers financially, destabilizing the renewable industry, and undermining Sri Lanka’s commitments to affordable, clean energy. Several causes for such impact are summarily itemized as follows; -

a. Higher Consumer Tariffs in the Long Run

By discouraging rooftop solar (a cheaper alternative to fossil fuels), the grid relies more on **expensive fossil generation** causing the rise of the **Average electricity cost** leading to **higher consumer electricity bills**.

b. Investor and Consumer Loss of Confidence

Constant, arbitrary changes in tariffs create **regulatory instability**, deterring new investments in solar. This is aggravated with the facing uncertainty about returns by the households and the Small and Medium Enterprises who invested in rooftop solar systems.

c. Job Losses and Industry Damage

Solar energy generation industry provides an estimated amount of about **40,000** employment opportunities and lower tariffs and unpredictability threaten the sector, leading to job insecurity and loss of livelihoods.

d. Banking and Financial Sector Risks

Banks have significant exposure (which is estimated at about LKR 1 billion) to rooftop solar loans which would be placed at the risk of recovery with the Policy instability and financial strain.

e. Violation of Power Purchase Agreements (PPAs)

Consumers who signed 20-year PPAs after July 2024 are **locked into lower tariffs**, suffering **20 years of reduced earnings** on their investments.

f. Curtailment of National Energy Goals

Tariff revisions would undermine Sri Lanka's **70% renewable energy target by 2030** and **carbon neutrality target by 2050**. Further this change would Increase the reliance on imported fuels, worsening **foreign exchange strain**.

g. Environmental & Social Costs

Less solar inevitably leads to more fossil fuels which would result in higher greenhouse gas emissions and environmental degradation. Such conditions would cause the small and medium enterprises (SMEs) to face unrecoverable losses during blackouts and from unstable power supply.

Passing of the final burden to the Consumers

18. The Petitioner states that Reducing the tariff for rooftop solar might appear to cut CEB's immediate outflow, but in reality, it discourages cheap renewable supply, increases reliance on expensive fossil fuels, and drives up the average cost of electricity in the national energy mix. That higher cost is ultimately recovered through consumer electricity bills, which is accumulated for the following reasons; -

a. Cost Structure of Solar against Fossil Fuels

- i. Rooftop solar electricity costs the utility Rs. 37 or less per unit, while diesel/oil-based generation costs over Rs. 70 per unit (sometimes higher during global oil price spikes).
- ii. Each solar unit displaces a much more expensive fossil fuel unit.
- iii. When solar is discouraged by low tariffs, less cheap solar enters the grid, forcing the CEB to buy or generate more costly fossil power.
- iv. Result: the average cost of generation rises, which is then passed onto consumers as higher tariffs.

b. Impact of Investor Confidence

- i. A reduced feed-in tariff makes rooftop solar investments financially unattractive for households, SMEs, and investors.
- ii. This slows down new solar projects, meaning the grid loses out on low-cost, consumer-funded generation.
- iii. The CEB then becomes more reliant on large-scale fossil imports, which increases both cost and price volatility.

c. Energy Mix Effect

- i. If solar contributes more, the mix shifts toward low-cost, fixed-price electricity.
- ii. If solar is suppressed, the mix leans toward fuel imports with fluctuating global prices.
- iii. A fossil-heavy mix = higher weighted average cost of electricity, which regulators then use to set tariffs.

d. Hidden Costs Passed to Consumers

- i. Blackouts, curtailment, and delayed renewable integration create system inefficiencies.
- ii. When solar is undervalued, the CEB has fewer savings to reinvest in grid upgrades or storage.

- iii. These inefficiencies translate into “cost-reflective” tariff hikes, again borne by the end-consumer.

Procedural violations

19. The Petitioner states that the Cabinet of Ministers and the relevant officials have acted in violating the mandatory provisions of law and procedural requirements (inter-alia) in the following manner; -

- a. Violating the provisions of the Sri Lanka Electricity Act No. 36 of 2024 and the Public Utilities Commission of Sri Lanka Act No. 35 of 2002, which mandate that electricity tariffs must be duly approved by the PUCSL, and must be cost-reflective, transparent, and consistent with law. The tariff revisions impugned herein were implemented without such statutory approval, and are therefore ultra vires, unlawful, and null and void ab initio;
- b. The Cabinet Decision No. 24/1159/621 dated 02.07.2024 approved the revised tariff subject to approval of the PUCSL. The said condition was deliberately disregarded, and that by letters dated 04.07.2024 and 15.07.2024, and subsequent circulars, the Acting General Manager of the CEB unlawfully imposed the revised tariffs without PUCSL concurrence, thereby contradicting the Cabinet’s own decision and acting in excess of authority;
- c. The Respondents and their predecessors have purported to exercise tariff revision powers during the transition period under the Sri Lanka Electricity Act No. 36 of 2024, by asserting that the PUCSL had no mandate during such period. However, if PUCSL’s mandate was suspended by law, no other authority was lawfully empowered to exercise tariff-setting powers, and accordingly such revisions were procedurally ultra vires and made without lawful competence;
- d. The tariff revisions challenged herein were effected without stakeholder consultation, and without affording affected parties such as consumers, solar developers, and industry associations an opportunity to be heard. The said failure to hold due consultations violates principles of natural justice, good governance, and transparency, and has resulted in arbitrary and unfair decision-making to the prejudice of the Petitioners and the public at large.
- e. The impugned tariff revisions are contrary to the declared national policy of achieving 70% renewable energy by 2030 and carbon neutrality by 2050, and further contradict the advice of the President, acting as Minister of Finance, against the premature reduction of solar tariffs. Accordingly, such revisions undermine Sri Lanka’s international commitments under the Paris Agreement and Sustainable

Development Goal 7, and amounts to policy inconsistency and breach of trust owed to the people.

- f. The new Power Purchase Agreements (PPAs) signed after 02.07.2024 have been concluded at the arbitrarily reduced tariffs, thereby binding investors and consumers to uneconomic rates for a period of twenty (20) years. This has caused serious and continuing prejudice to the citizens who invested in good faith, and has resulted in the unjust enrichment of the CEB at the expense of the people.
- g. The Respondents and their predecessors, in repeatedly issuing contradictory circulars and adopting unrealistic projections in the Long-Term Electricity Generation Plan, have demonstrated mismanagement, irrationality, and abuse of discretion. Such conduct is arbitrary, unreasonable, and in violation of administrative law principles, and has further undermined investor confidence and the stability of the renewable energy sector.
- h. In the circumstances the Respondents (except 3rd and 4th) had acted ultra vires by arrogating to themselves a power reserved by statute to PUCSL. Section 29 of Act No. 36 of 2024 requires PUCSL to determine tariffs on a cost-reflective basis, while Section 5 establishes PUCSL as the sole regulator. These provisions make clear that neither the Minister nor the Cabinet can lawfully fix tariffs

Energy Independence and Sovereignty

- 20. The Petitioner states that the **inalienable sovereignty of the people enshrined by Article 3 (read with Article 4) of the Constitution** encompasses energy sovereignty which is recognized internationally to include the right of the people to generate electricity from renewable energy, including Solar. In today’s context, **energy sovereignty means the legally protected and practically achievable capacity of a State—acting for its people—to determine its energy sources, infrastructure, and markets consistent with self-determination, permanent sovereignty over resources, environmental human rights, and the SDG7 mandate. It is not an absolute license; it is exercised within international obligations (e.g., climate treaties) and human rights norms that steer choices toward clean, renewable pathways. Thus, modern energy sovereignty is best understood as sovereign discretion bounded by sustainability:** States choose their energy future, but the global framework (SDG7, Paris, right to a healthy environment) channels those choices toward renewables like solar for universal, affordable access.
- 21. The Petitioner understands that the energy sovereignty of the people could be recognized under following rights; -

a. Right of the people to energy independence and sovereignty

International human rights law recognizes peoples’ self-determination, including the freedom to “freely dispose of their natural wealth and resources.” Read with the UN General Assembly’s doctrine of Permanent Sovereignty over Natural Resources, this underpins a people’s and State’s authority to shape their energy mix and policies free from external domination—i.e., energy independence and sovereignty as an expression of self-determination and control over resources. In contemporary practice, this sits alongside the emerging human right to a clean, healthy and sustainable environment, which requires States to organize energy systems that do not undermine environmental health and thus supports a sovereign pathway toward low-carbon energy.

b. Right of peoples and countries to use, enjoy, and produce electricity from renewables—focusing on solar

The 2030 Agenda (SDG 7) commits all States to ensure universal access to affordable, reliable, sustainable and modern energy, to substantially increase the share of renewables, and to double energy-efficiency improvements—normative targets that operationalize peoples’ access to, and States’ development of, renewable electricity such as solar PV. UN SDG7 policy briefs further frame clean energy access as integral to delivering the Sustainable Development Goals and climate action. Contemporary market evidence from leading global fora (IRENA/REN21) shows solar PV’s falling costs and rapid deployment, reinforcing States’ ability to realize SDG7 through solar generation and grid integration.

c. Solar energy generation and energy sovereignty

Scaling solar PV strengthens energy sovereignty by reducing import dependence on volatile fossil fuels, stabilizing costs, and aligning national policy with Paris-aligned decarbonization. IRENA’s transition outlook and finance assessments highlight electrification powered by renewables (notably solar) as a core lever of resilience, security, and affordability—benefits that directly enlarge States’ strategic autonomy in energy planning. Put simply: more domestic solar means less exposure to external fuel shocks and more sovereign control over pricing and supply.

Energy sovereignty in the context of the right to solar electricity under the Constitution of Sri Lanka

22. Under the Constitution of Sri Lanka, energy sovereignty can be understood as flowing from the people’s sovereignty (Article 3), which is inalienable and exercised through given effect under Article 4, through the organs of government acting in trust for the people. The Directive Principles of State Policy (Articles 27 and 28), proclaims the duty of the State to protect the environment and promote the equitable distribution of material resources, which has a direct nexus with the people’s right to generate, use, and benefit from solar electricity

as an expression of their sovereign entitlement to sustainable energy. Thus, the State has both a constitutional duty and a fiduciary obligation to regulate and facilitate renewable energy—especially rooftop solar—in a manner that secures energy independence, environmental protection, and economic justice, ensuring that the sovereign people enjoy the benefits of their natural and renewable resources.

23. The Petitioners state that the People have a fundamental right to access renewable energy such as solar power, which, like water, is a freely available natural resource. Solar is a clean and sustainable source essential to the enjoyment of life, equality, and a healthy environment. Any attempt by the State to suppress or render unviable its use—through arbitrary tariff reductions, regulatory bypass, or administrative obstruction—constitutes a violation of the People’s fundamental rights, including their sovereignty under Articles 3 and 4 and equal protection under Article 12(1).

24. The Petitioners further state that continued reliance on fossil fuels, which plunder the environment and exhaust national resources, infringes the People’s right to live in an unpolluted and sustainable environment. Discouraging solar while fostering fossil fuel dependence denies these environmental rights and undermines Sri Lanka’s constitutional and international obligations to safeguard present and future generations.

Violation of fundamental and constitutional rights of the People

25. The Petitioner states that the aforementioned revisions leading to reduction of tariff payable to prosumers violate the fundamental and constitutional rights of the Petitioner and the citizenry of Sri Lanka at large (inter alia) in the following ways; -

a. Violation of Sovereignty (Article 3 read with Article 4)

- i. Sovereignty is in the people, including the **right to resources and economic justice**.
- ii. When Cabinet and CEB bypass PUCSL’s lawful mandate and impose tariffs arbitrarily, they act **ultra vires** and without proper legal authority.
- iii. This undermines the principle that public power is exercised **as a trust for the people**, infringing on the people’s sovereign right to just and lawful governance;
- iv. By usurping the tariff-setting function vested by Parliament in an independent regulator (PUCSL), the Executive has acted in breach of the separation of powers, violating Article 3 and Article 4 of the Constitution, and undermining the people’s sovereignty

b. Right to Equality and Equal Protection of the Law (Article 12(1))

- i. By enforcing unfairly low tariffs on rooftop solar producers, a specific group of citizens (solar investors and consumers) is **treated unequally** compared to fossil fuel producers who are compensated at higher rates.
 - ii. Arbitrary decisions without a transparent, consultative, and cost-reflective process deny **equal protection of the law**.

- c. **Right to Freedom from Arbitrary Executive Action (Article 12(1) & Rule of Law principle)**
 - i. The **rule of law** requires administrative and executive acts to follow statutory procedure (Electricity Act, PUCSL Act).
 - ii. Imposing tariffs without PUCSL approval, and against Cabinet’s own conditions, is **arbitrary executive action**.
 - iii. Arbitrary decisions that materially affect people’s economic interests are unconstitutional.

- d. **Right to Engage in a Lawful Occupation or Business (Article 14(1)(g))**
 - i. Thousands of Sri Lankans (households, SMEs, and the solar industry) rely on rooftop solar as an **economic activity**.
 - ii. By reducing tariffs to uneconomic levels, the State **discourages investment and prevents citizens from meaningfully engaging** in renewable energy business.
 - iii. This constitutes an infringement on their fundamental freedom to engage in a lawful occupation.

- e. **Right to a Healthy Environment (deriving from Articles 27(14), 28(f), and interpreted under Article 12)**
 - i. The **Directive Principles of State Policy** oblige the State to protect the environment and natural resources.
 - ii. Denying fair tariffs for solar power discourages renewable adoption, increases reliance on polluting fossil fuels, and contributes to climate harm.
 - iii. Environmental protection flows from the people’s sovereignty and equality.
 - iv. Hence, discouraging solar can be argued to **violate the people’s right to a clean and sustainable environment**.

- f. **Economic Sovereignty / Rights of the People (Articles 12(1), 14(1) (g))**

The aforementioned revision of solar tariffs weakens the economic sovereignty / rights of the people (inter alia) by: -

- i. Transferring the financial burden of poor energy governance onto citizens,
- ii. Discouraging citizen-led renewable investments,
- iii. Deepening dependence on imported fossil fuels, and
- iv. Locking consumers into unfair long-term contracts that limit economic choice and prosperity.

Invoking Jurisdiction under Article 126 read with Article 17 of the Constitution

26. In the aforementioned circumstances the petitioner very respectfully invoke Jurisdiction under Article 126 read with Article 17 of the Constitution complaining that the Respondents, while executing executive and administrative functions, have acted violating fundamental rights of the Petitioner and the Citizenry of the Country, enshrined by Articles 12(1), 14(1)(g) of the Constitution.

Seeking indulgence of Your Lordships Court

27. The Petitioner very respectfully seeks the indulgence of Your Lordships' Court to excuse the strict application of the one-month time limit prescribed under Article 126(2) of the Constitution, and may consider the following grounds in this regard:

- (a) The impugned decisions containing in the aforementioned cabinet decisions and circulars constitute violations of a continuing nature, in that the unlawful tariff revisions and their prejudicial consequences are operative from day to day and continue to cause violation of fundamental rights of the Petitioner and the public at large;
- (b) This application is filed in the nature of public interest litigation, to vindicate the rights of a large number of consumers, prosumers, and citizens whose fundamental rights are affected by the arbitrary and ultra vires actions of the Respondents. In such circumstances, Your Lordships' Court has, in several instances, recognized that rigid adherence to the one-month period should not defeat the cause of justice;
- (c) Your Lordships Court may be pleased to consider that in cases of continuing violations and public interest matters, where Your Lordships were pleased to relax the strict application of the one-month rule in order to prevent grave injustice.
- (d) **In the alternative** Your Lordships may consider that the Petitioner **has become aware of the last circular dated 25th July 2025 on or about 10th August 2025** and therefore Your Lordships Court may treat that date to commence counting time for prescription pertaining to this application as the date of the last act of violation of a series of previous continuous violations;

- (e) **In any event, the Petitioner** respectfully submits that this Application, though filed after the lapse of one month from certain impugned decisions, is nonetheless **maintainable in law**, and that Your Lordships' Court has the jurisdiction and discretion to entertain and determine this matter in the public interest.

For interim relief

28. Notwithstanding that the reduced tariffs were set in operation and applicable to the consumers and the prosumers for a considerable period of time, Your Lordships Court be pleased to consider the seriousness of continuation of the violations of the people's fundamental rights as aforesaid, may incline to stay the operation of the aforementioned circulars and cabinet decisions marked as P6, P7, P8, P9, P10, P11, P12, P13 until the final determination of this application.
29. However Your Lordships Court may also incline to grant relief to the prosumers upon whom the tariff revisions effected by the said circulars and the cabinet decisions (P6-P13) are applied, by ordering the 1st and the 2nd Respondents and the other Respondents to grant rebate equal to the respective amounts that each prosumer was deprived of due to the operation and application of the revised tariffs under said circulars marked as P6 to P13.

Seeking further indulgence from Your Lordships Court

32. The Petitioner respectfully reserve Right and beg the indulgence of Your Lordships' Court to reserve their right to;
- a. To tender additional documents and material that may be disclosed by the Petitioner after the date of filing of this application, and that may be relevant for the determination of this application;
 - b. Amend the Petitioner either by adding Respondents and/or further reliefs to the prayer and/or additional averments and/or by amending any of the existing averments as may be necessary for fuller and accurate disclosure of the relevant facts and material as may be necessary in the circumstances.

30. The Petitioner has not invoked jurisdiction of Your Lordships Court hereinbefore with regard to this matter.

WHEREFORE the Petitioner very respectfully pray that Your Lordships Court be pleased to;

- a) Grant Leave to Proceed;

- b) Declare that Fundamental Rights of the Petitioner enshrined by Articles 12(1) and 14(1)(g) have been violated by the Respondents;
- c) Declare that Fundamental Rights of the Citizenry of Sri Lanka enshrined by Articles 12(1) and 14(1) (g) have been violated by the Respondents;
- d) Declare that the several Cabinet Decisions and the circulars marked and pleaded in the Petition as P6, P7, P8, P9, P10, P11, P12, P13 are null and void and has no force or effect in law;
- e) Quash by order of Your Lordships Court the several Cabinet Decisions and the decisions communicated under circulars marked and pleaded in the Petition as P6, P7, P8, P9, P10, P11, P12, P13;
- f) Direct and order the Respondents, excluding the 3rd Respondent, to obtain the prior sanction and/or approval of the 3rd Respondent before making, implementing, formulating and/or effecting any tariff revision affecting prosumers and/or solar power electric generation;
- g) Direct the Respondents to apply the tariff structures that were in effect prior to 2nd July 2024 to all Power Purchasing Agreements signed from 2nd July 2024 until the final determination of this application;
- h) For an interim order suspending the operation of the Cabinet Decision No.24/1159/621 dated July 2, 2024, marked as “P7” to the Petition, until the final determination of this application;
- i) Grant interim relief staying any further steps, actions, decisions, or directions being taken by any of the Respondents, or any officers acting under their authority, pursuant to Cabinet Memorandum No. 36/2025/P, marked “P10”, including the implementation or enforcement of any tariffs, policies, or measures arising therefrom, pending the final determination of this Application;
- j) Grant order staying the operation of the aforementioned circulars and the cabinet decisions marked as P6, P7, P8, P9, P10, P11, P12, P13 until the final determination of this application;
- k) Grant order directing any one or more of the Respondents and/or the 3rd Respondent (PUCSL, according to the provisions in the Act) to formulate a proper formula for determining the tariffs applicable for Rooftop Solar PV (RTSPV), after consultation

with the stakeholders of the industry, consumers and prosumers in a transparent manner;

- l) Grant order restraining and prohibiting the Respondents, their servants, agents, and/or other acting under their authority, from taking any steps to revise or implement any revision to the tariffs applicable to rooftop solar power systems without the concurrence of the Public Utilities Commission of Sri Lanka (PUCSL);
- m) Grant a Direction on the 1st and the 2nd Respondents and/or the other Respondents to grant rebate equal to the respective amounts that each prosumer was deprived of due to the operation and application of the revised tariffs under said any or all the circulars and the cabinet decisions marked as P6 to P13;
- n) Grant Costs; and
- o) Grant such other and further relief as Your Lordships' Court shall seem meet.

ATTORNEY-AT-LAW FOR THE PETITIONER