

GOK RESPONSES TO THE ENERGY CRISIS

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Overview of electricity supply

- Only 18% of Kenya's population are supplied with electricity.
- Government intends to connect more than one million additional customers by 2012.
- Customer expansion expected to increase current peak power demand from 1 188 MW to 1,838 MW by 2012.
- The reserve margin will be increased to 30% by 2012.

The total installed capacity is 1,357MW of which 1,006MW is generated by KenGen, 205MW by IPP's and 146 is Emergency power.

Generation mix is provided as follows:

	Hydro	Geothermal	Thermal	Co-generation	Wind
KenGen	737	115	154		0.4
IPP					
Iberafrica			56		
Tsavo Power			74		
OrPOwer 4		49			
Mumias				26	
Emergency Power			146		
Total	737	164	430	26	0.4

Current situation

- 54% of generation is from hydropower, during average hydrology. Erratic rainfall causing shortfall in power available from hydro resources.
- The current drought has seen a decline in water levels in our rivers feeding hydropower stations
- Masinga, with a capacity of 40MW was shut down
- All the others operating below their optimum capacity.
- The imbalance is largely addressed through importation of 146MW of very expensive Emergency Power.

Responses to Energy Crisis

- Emergency Power
- Load Management
- Accelerated Development of Renewable Energy
- Energy Efficient Lighting Project

Emergency Power

- As a temporary measure, shortfall in generation capacity is normally met by emergency power.
- Currently, we have 146MW
- Due to the current crisis, it has been decided to upgrade this.
- Aggrekko has been contracted to install generators at Embakassi(80MW) and Naivasha(60MW)
- 10 MW will be available by end of Sept, while the rest will be installed by end of Oct 2009.

Load Management

- Due to shortage of energy, and to safeguard the little hydro available, KPLC instituted Load Management beginning of August, 2009.
- It entails power interruption for three alternate days in a week, from 6am – 6.30 pm
- The situation to be reviewed once more generation plants are commissioned, or once the hydrology improves.

Accelerated Development of Green Energy

- Task Force on Accelerated Development of Green Energy launched on 1st July, 2009, under the chair of Prime Minister .
- The TOR of the Task Force are to identify /investigate and recommend a package of measures that will:
 - Promote development of green energy power generation projects (aims at additional 2000MW by June 2012)
 - Assist with mobilization of technical and financial resources for implementation of green energy programmes and projects
 - Expedite the construction and commissioning of the Accelerated Green Energy programme by June, 2012
 - Earn generated carbon credits for Kenya

Planned Activities

- Development of green energy envelope
- Establishment of Green Energy (Loan) Facility
- Donors Conference
- Mobilize Project Financing
- Monitor Implementation.

Planned Activities.....cont'

- GoK intends to fast-track development of Generation Plants to increase the reserve margin by at least 30%
- The focus is mainly on renewable energy sources, including Geothermal, Wind, Cogeneration
- Private sector to play key role in providing required capital either on its own or through Public Private Partnerships.

Efficient Lighting Project

- This Demand Side Project aims at reducing peak demand by 49MW
- GoK procuring thru KPLC 1, 250,000 energy saving lamps.
- To be exchanged with live incandescent bulbs.
- Campaign for switching to energy saving measures to be stepped up

Feed-in Tariffs Policy

- FIT regime for wind, small hydro, biomass generated electricity established
- Guaranteed power purchase agreement with power utility, KPLC
- Proposals received and processed expeditiously for all the categories
- So far, 10 proposals, with a combined generation capacity of 268.7MW, approved for development.
- Bigger projects being promoted through a tariff structure favorable to both developer and KPLC

Resource Assessment

- MoE to assist with resource assessment
- 12 feasibility studies for shp for Tea factories being finalized.
- Tender for installation of 33 fifty-metre wind masts for pre-investment profiling, funded by World Bank, about to commence
- Successfully lobbied for reduction of EIA license fees

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CONCLUSION

- The effects of drought has huge negative impact on the hydro reliant energy supply, and the cost of the stop gap measures
- GoK intends to promote accelerated development of green energy, and to shortly phase out the expensive Emergency Power.
- MoE has put necessary policy and regulatory frameworks to encourage and facilitate private investment
- MoE welcomes Korean Companies to invest in Kenya's Energy Sector

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- *Thanks*

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