



Republic of Kenya



Business Models and Enabling Environment for Mini Grids in Kenya

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Current Status

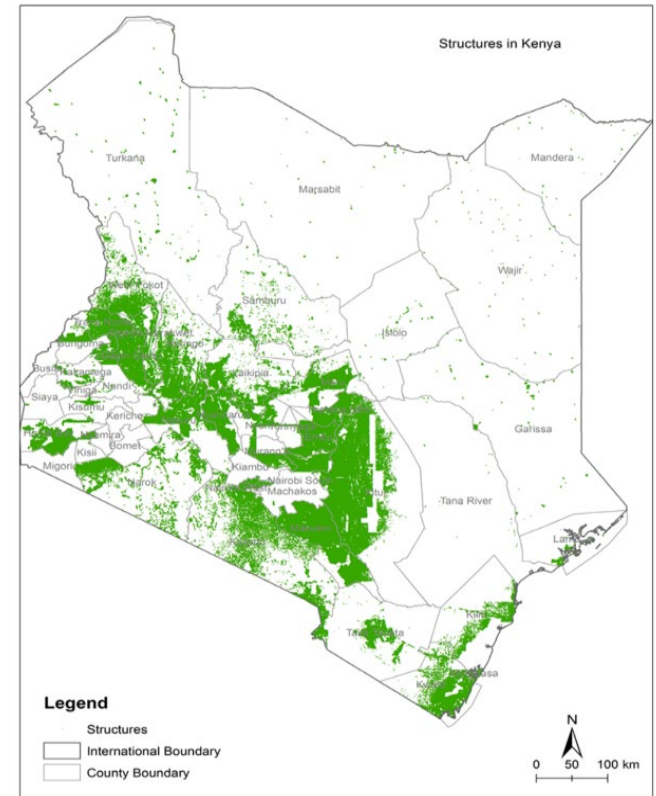
Population distribution:

88% of the population resides in less than 18% of the land area. Remaining population is very dispersed over a vast area in the north and eastern regions of Kenya

Kenya National Electrification Strategy

Depending on the housing clusters and locations of public facilities, the **cost-effective solution for universal access to electricity** involves:

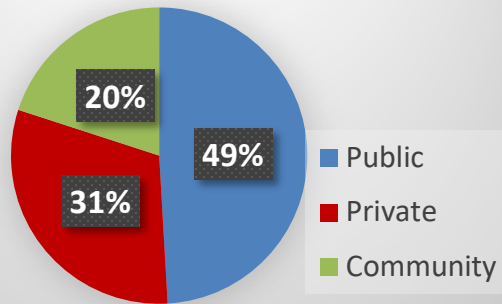
- Grid Extension
- Grid Intensification and Densification
- Mini-grids
- Stand-alone solar systems



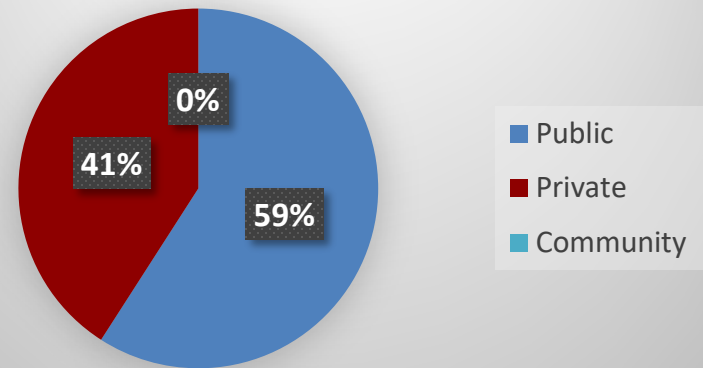


CURRENT STATUS

Operational Mini Grids



Mini Grids Under Development

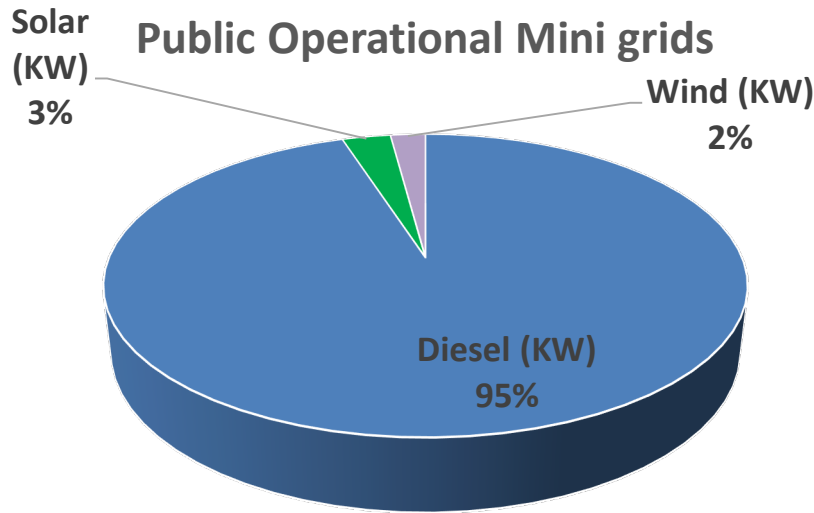


**Kenya Off Grid Solar Project (KOSAP) has 121 Mini Grids under Development.
PPP Framework**

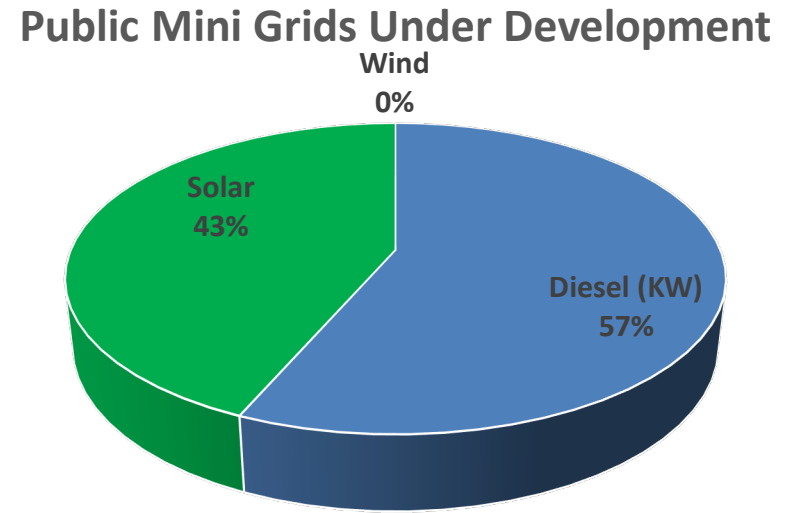




PROMOTING RENEWABLE ENERGY USING MINI GRIDS



■ Diesel (KW) ■ Solar (KW) ■ Wind (KW)



■ Diesel (KW) ■ Solar ■ Wind

- ✓ All private sector both operational and under development run on Renewable Energy
- ✓ Government working on retrofitting the operational public mini grids with solar and wind





BUSINESS MODELS

Public Mini Grids:

Ownership: Government through the Rural Electrification Authority (Now REREC)

Operation : Kenya Power operates the Mini Grids under Management Contract

Tariffs: National Universal Tariff Apply

Private Mini Grids:

Ownership: Private sector or Community owns the Mini Grids.

Operation: Private Sector or the Community

Tariffs: Approved by the Regulator

KOSAP Project:

Ownership: Shared between the Private and the Public

Operation: Private Sector

Retailing: Kenya Power

Tariff: National Uniform Tariff





ENABLING ENVIRONMENT

- ✓ **The New Energy Act 2019**
 - ❑ Developed to align with Constitution 2010 and take in consideration the County Governments
- ✓ **Draft Mini Grid Regulations: Need to go for Stakeholders engagement**
 - ❑ What happens when Grid arrives
 - ❑ Performance Standards and Quality of Supply and Service
- ✓ **Template for the Tariffs**
 - ❑ The Regulator has developed a template for the approval of the tariffs
 - ❑ Private Developers allowed to charge a tariff outside the national uniform tariff
- ✓ **Regulator has an online licensing portal**
- ✓ **Tax exemption for the power generation equipment**
- ✓ **No VAT on tariff to a maximum of Ksh 5,000,000 (USD 50,000) of gross revenue per month.**





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