Energy Sector Policy in Kenya

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ERC Objects and Functions

- Energy Regulatory Commission (ERC) established under the Energy Act, 2006 to:
  - Regulate Economic and technical aspects of electric power, renewable energy, and downstream petroleum sub-sectors.
  - Protect interest of consumer, investor and other stakeholders
  - Monitor, ensure implementation of, and the observance of the principles of fair competition in the energy sector, in coordination with other statutory authorities
  - Prepare indicative national energy plan
  - Maintain energy database
The Sessional Paper No. 4 on Energy provides the policy framework in Kenya.

Policy objective is to ensure adequate, quality, cost effective and affordable supply of energy through indigenous resources while protecting the environment.

Encourages wider adoption and use of renewable energy technologies to enhance their role in the country’s energy supply matrix.

The Energy Act, 2006 provides the regulatory framework.
Making policy happen - alignment and tools

- Energy Policy aligned to long term development strategy - Vision 2030 and other policies
- Energy Act 2006 - Energy sector restructured
- Least Cost Power Development Plan - Integrated power planning
- Rural Electrification Master Plan - Roadmap for rural electricity expansion
- Kenya National Climate Change Response Strategy (2010) - Carbon neutral energy development plan
What is the government doing?

- RE resource assessment - wind, solar, Geothermal, hydro
- Development of RE regulations
- Rapid expansion of electricity generation capacity;
- Developing renewable energy programmes targeting the low income population;
- Increasing the market penetration of renewable energy systems;
- Enhancing energy security through diversification of energy sources; and
- Promotion of energy efficiency and conservation.
- Setting up of the Green Energy Facility to finance development of clean energy projects
Sector Challenges – Informing policy

- Insufficient data on RE resource availability, potential and utilization.
- Lack of coordination among RE stakeholders and regulatory authorities.
- Lack of specific RE Policy, regulations and technical standards
- Limited trained and qualified personnel to implement and support RE initiatives and technologies.
- Lack of appropriate and affordable financing option or knowledge thereof
- Maintaining competitive, efficient and equitable tariffs especially for green energy projects;
- Attractive incentives to mobilize investments in energy infrastructure projects;
- Delivering committed projects on time and within budgets
What is needed

- Political will
- Leadership
- Stakeholder engagement - bottom up approach and feedback
- Resource evaluation and allocation - financial, environmental, human and institutional resources to achieve
- Private sector participation – investments & feedback
- Alignment with other sector policies and development plans
Thank You