

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

Energy Sector Policy

- 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