

Regulations. |

Epra says Kenya Power monopoly to end

John Mutua

Kenya Power should brace for competition in coming months after the energy regulator revealed that it is working on regulations to allow electricity producers sell power directly to all consumer groups.

The Energy and Petroleum Regulatory Authority (Epra) says the regulations will set the stage for producers such as KenGen to sell power directly to large consumers like factories. The regulations, if adopted, will operationalise provisions of the Energy Act, 2019 that allows for opening up of the electricity distribution market.

The opening up of the sector is expected to hit revenues of the State-owned electricity distributor but is aimed at boosting reliability of electricity amid a growing number of large consumers shifting to alternative power sources due to cost and unreliability of the national grid.

"The wheeling regulations are

non-discriminatory access to its transmission system for use by any licensed distributor upon payment of transmission or wheeling charges.

Under the Energy Act, "wheeling" means the transmission system, distribution system and associated facilities of a transmission licensee or distribution licensee can be used by another person on agreed charges.

This means that Kenya Power will charge electricity generators for using its transmission line to directly sell electricity.

KenGen, which accounts for at least 60 percent of the electricity supplied to Kenya Power every year, had in 2020 announced plans to start direct sales upon enactment of the Energy Act.

The State-owned power producer had said its first targets would be the large customers that account for over half of Kenya Power's electricity sales revenues.

KenGen and the independent power producers will need a distri-

bution licence from Epra if the wheeling regulations are adopted.

Kenya is seeking to emulate nations such as South Africa and developed economies such as the US and Germany that allow wheeling.

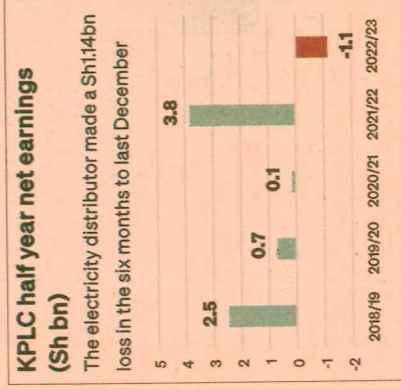
Electricity wheeling is seen as key to ensuring affordable and reliable power supplies but the supply line must be robust.

Kenya Power is grappling with an ageing transmission line which needs billions to upgrade. The utility has announced plans for a Sh10 billion revamp of its network in the year starting July.

Independent power producers early this month petitioned Parliament to operationalise the section in the Energy Act to allow for competition in power distribution.

Kenya Power has nine million customers and has been eyeing to grow the numbers in the coming years, ultimately increasing revenues.

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coming. They are going to be out and opened for public participation in the next three months," Epra director-general Daniel Kiptoo told *Business Daily* yesterday.

"There is, however, a need to strike a balance and ensure that we do not leave the government holding the baby (Kenya Power)."

Section 136 of the Energy Act, 2019 compels Kenya Power to allow a

Conference turns attention to arid lands development

Deputy President Rigathi Gachagua (centre), East African Community and Regional Development Cabinet Secretary Rebecca Miano (left) and other national and county government officials attend the Kippra's sixth Annual Regional Conference on 'Accelerating Economic Growth and Development for ASALs in Kenya' at Pwani University. It ends today.

DPCS



Aviation. |

Skyward flies to Kitale after exit of Safarilink

Bonface Otieno

Skyward Express will launch direct flights to Kitale next week two weeks after Safarilink stopped operating on the route citing bad business and infrastructure.

The airline, which operates flights to Kakamega, Eldoret, Mombasa, Diani, Lamu, Malindi, Lodwar, says the new flight will originate from Wilson Airport in Nairobi daily.

Passengers will pay Sh6,900 one-way, which is relatively the same amount Safarilink was charging on the route.

"Our decision has been informed by the gap that exists on that route at the moment. Currently, we do not have any scheduled flight that goes to Kitale from Nairobi," the airline's digital marketing executive Brian Wango told the *Business Daily* yesterday.

The carrier, he said, will deploy a Dash8-Q100 type of aircraft on the route. The flight types can carry up to 37 passengers.

Safarilink chief executive Alex Avedi said operations on the route had been hampered by high fuel costs and inadequate airport facilities.

Safarilink predominantly plies tourist destinations.

Skywards' route expansion comes as the aviation sector is recovering from the impact of the Covid-19 pandemic.

Airlines both on the domestic market and across the world had to contend with measures such as closures of borders that restricted movement.

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Licensing. |

Airtel Africa ready to list Kenya unit on NSE as licensing condition

Edna Mwenda

Airtel Africa is ready to list its Kenyan operations on the Nairobi Securities Exchange (NSE) if the government retains the condition as part of its licensing requirement, the company's top executive has disclosed.

The disclosures comes amid fresh discussions with the regulators and the telco's expansion plans to roll out a super-fast fifth-generation (5G) mobile

Airtel is in the last mile of listing on the Uganda Securities Exchange (USE) as part of the country's National Telecom Operator license.

Last year June, the Uganda Communications Commission issued Airtel Uganda an extension of the listing obligation from December 15, 2022 to December 16, 2023 on the condition that the prospectus is submitted to the capital markets authority for approval before June 30, 2023.

its website.

"We are working on ways to comply with any lawful requirement of our licence. So, if we are obliged to list, we will list. But once again, there's been some indication from Kenyan authorities that this may not be a requirement. But whatever requirement there is, we will meet it."

The listing will see Kenyans trade shares in the second-largest telco in the country dominated by Safaricom.

broadband network next month as it takes on its dominant rival Safaricom.

"As part of our license obligation, there's a requirement to list in Kenya. For the last couple of months, there's been discussion around whether that condition is going to be changed or is going to stay. We still have been waiting for clarity from Kenya whether there's still an obligation to list," said Segun Ogunsanya, the Group CEO of Airtel Africa in a media transcript on