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POLICY, LEGAL AND REGULATORY FRAMEWORK FOR ENERGY EFFICIENCY AND CONSERVATION IN KENYA

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Session Paper Number 4 of 2004 sections 5.6 and Sections 6.6.6.

In sections 5.6 states the aim, benefits and challenges of the energy efficiency and conservation in Kenya.

**AIM**

- The aim of energy efficiency is to reduce energy consumption without compromising productivity or increasing cost.
- From the consumer’s point of view, energy conservation and efficiency measures yield direct savings on the energy bill.
- From the national stand point, adoption of energy efficiency and conservation can significantly reduce the foreign exchange costs of oil imports and of deferred additional investment in power generation capacity.
Challenges

The main challenges facing energy efficiency and conservation are:

- high cost of introducing efficient and cost effective technologies
- lack of awareness
- inadequate fiscal incentives
- inappropriate and limited credit and financing mechanisms
- lack of standards and codes of practice including regulatory mechanisms for their enforcement and inadequate capacity to promote and monitor penetration.
Section 6.6.6 states the actions the Government intends to take in order to promote Energy Efficiency and Conservation in Kenya. These are;

- to remove barriers and constraints to adoption of energy efficiency and conservation technologies
- Put appropriate measures to;
  - encouraging private sector participation in providing technical and financial support for energy conservation and efficiency;
  - Enhance the provision of energy audits and advisory services by the Ministry of Energy to institutions and companies including sensitization of industries and financial institutions on benefits of energy efficiency;
  - the establishment of energy and equipment testing laboratories for efficiency and accelerated equipment ageing testing;
- promote cost effective industrial energy efficiency and conservation measures within economic sectors through exposure to competition

- dissemination of energy efficiency and conservation information to consumers;

- encouraging demand side management by industrial and commercial sectors, and where necessary provision of the necessary technical support by the Ministry of Energy and electric power utilities; and,

- development of standards and codes of practice on cost effective energy use.

**Section 104**

This section describes the Energy efficiency and conservation programme.

Powers of the Cabinet Secretary in charge of energy. These are:

- develop and manage a prudent national energy efficiency and conservation programme.
- making, in consultation with the Kenya Bureau of Standards, requirements for the particulars to be displayed on labels on equipment or on appliances;
create awareness and disseminate information for efficient use of energy and its conservation;

strengthening consultancy services in the field of energy conservation;

promoting research and development in the field of energy conservation;

formulate and facilitate implementation of pilot projects and demonstration projects for promotion of efficient use of energy and its conservation;

giving financial assistance to institutions for promoting efficient use of energy and its conservation;

support the preparation of educational curriculum on efficient use of energy and its conservation for educational institutions, and coordinate with them for inclusion of such curriculum in their syllabus;

Implement international co-operation programmes relating to efficient use of energy and its conservation;
give financial incentives for any investment made to replace or install additional capital investments to improve energy efficiency;

make it mandatory, in collaboration with Kenya Bureau of Standards, the importation of energy efficient but cost effective technologies.

Section 105
This section describes the duties and powers of the Energy Regulatory Commission

These are;

designate factories or buildings and electrical appliances by types, quantities of energy use, or methods of energy utilization for purposes of energy efficiency and conservation.

Inspect designated facilities to see whether they are adhering code and standards of energy efficiency and conservation

Section 105 also states the penalty for not adhering to the sections of this Act. Which is a fine of a maximum of one million shillings.
Section 106

Section 106 takes of the duties of the owners of the designated facility and penalty in case of default.

- The owner of a building designated under section 105, shall conserve energy, audit and analyze energy consumption in his building in accordance with the standards, criteria, and procedures as prescribed by regulations.

- A person who fails to comply with this provision commits an offence and shall, on conviction, be liable to a fine not exceeding one million shillings, or to a maximum term of imprisonment of one year, or to both.
The Energy (Energy Management) Regulations, 2012 gives details of how to implement the sections 104, 105 and 106 of the Energy Act 2012: These regulations state;

- ERC shall designate energy users

  ERC is required to designate energy users according to the amount of energy the consumed per year through a gazette notice. Designated facilities are required to conduct energy audits after every three years and implement the findings.

- the establishment and minimum requirements of the Energy Management Policy

- the way energy audits shall be conducted and after how long

- qualifications and licensing of energy auditors and energy audit firms

  for any person to be licensed as an energy s/he must have a minimum of Bachelors degree in Physical sciences, Engineering, Architecture or Higher National diploma, Certified as an Energy Manager and need to have conducted at least five energy audits.
The Energy (Energy Management) Regulations, 2012 gives details of how to implement the sections 104, 105 and 106 of the Energy Act 2012: These regulations state;

- Requirements of Licenced Energy Auditors
  Licenced energy auditors will be required to have professional indemnity in addition to the other qualifications.
- Requirements of Licenced Energy Audit Firms
  Energy Audit firms will be required to have met all statutory requirements and have at least one energy auditor in their employment.
- Regulatory timelines and returns as per EM Regulations
  All designated facilities shall be required to send their energy policies to ERC for approval, and forward the results of energy audits and implementations / progress reports six months after the end of every companies’ financial year.
The Energy (Energy Management) Regulations, 2012 gives details of how to implement the sections 104, 105 and 106 of the Energy Act 2012: These regulations state;

- Offences and Penalties under EM Regulations;
  - Carrying out energy audit without a valid licence
  - failure to submit an audit report
  - denying the Commission or its agent access to the facility for purposes of conducting an energy audit,

Penalty - conviction to a fine not exceeding one million shillings, or to a maximum term of imprisonment of one year, or to both

- Implementation of energy audit findings and recommendation
- the duties and responsibilities of ERC in implementation of these Regulations
- disputes resolution between facility owners, energy auditors and the Energy Regulatory Commission.
- contravention of the Regulations
Energy (Energy Management Regulations) 2012

Status of Licensing since gazettement and WIP

- Licenced thirteen energy auditors and one energy audit firm
- Designated facilities i.e. any facility consuming more 648004 MJ of energy per year shall be required to conduct energy audits after every three years
- We have carried out five site inspections.

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Challenges for EE and EE in Kenya

- Very few qualified energy auditors
- Lack of awareness
- High cost of introducing efficient and cost-effective technologies
- Inadequate fiscal incentives
- Inappropriate and limited credit and financing mechanisms
- Lack of standards and codes of practice including regulatory mechanisms for their enforcement and inadequate capacity to promote and monitor penetration.
Way Forward

- Increase the sensitization campaign
- Initiate the development energy efficiency standards for equipments and facilities
- Develop an energy auditors training curriculum
- Continue with site inspections
- We are interviewing and licencing energy auditors and audit firms
Energy (Energy Management Regulations) 2012
10 – 11 September 2013, Safari Park Hotel & Suites, Nairobi, Kenya
Pre-conference workshop: 9 September 2013 | Site visits: 12 September 2013

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