

Legal Notice No.....

THE ENERGY ACT (No. 1 of 2019)

IN EXERCISE of the powers conferred by sections 117, 167 and 208 of the Energy Act, 2019, the Cabinet Secretary for Energy makes the following Regulations: —

THE ENERGY (ELECTRIC POWER UNDERTAKING LICENSING) REGULATIONS, 2024 PART I-PRELIMINARY

Citation.

1. These Regulations may be cited as the Energy (Electric Power Undertaking Licensing) Regulations, 2024.

Interpretation.

2. In these Regulations, unless the context otherwise requires

“**Act**” means the Energy Act No. 1 of 2019;

“**Ancillary services**” has the same meaning as defined in the Act;

“**Authority**” means the Energy and Petroleum Regulatory Authority established under section 9 of the Energy Act, 2019;

“**Back-up generator**” means a standby electrical power generation unit installed to provide electricity in the event of a primary power source failure or outage.

“**Engineer**” means a professional engineer or consulting engineer registered under the Engineers Act, 2011;

“**Grid code**” means the Kenya National Transmission and Distribution Code;

“**Isolated Mini-grid**” means any electricity supply system with an installed capacity of up to 1 MW, supplying electricity to more than one consumer and is not connected to the grid;

“**Tribunal**” means the Energy and Petroleum Tribunal established under the Act; and

“**Undertaking**” shall have the same meaning as in the Act;

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|---------------------|---|
| Purpose | 3. To promote prudent operational practices in exportation, importation, generation, transmission, distribution and retail supply of electrical energy. |
| Application. | <p>4. These Regulations shall apply to;</p> <p>(1) any person who engages or intends to engage in the exportation, importation, generation, transmission, distribution and/or retail supply of electrical energy except where—</p> <ul style="list-style-type: none"> i. The person is generating electrical energy for their own use provided that the capacity does not exceed 1 MW. ii. The generation is to supply isolated mini-grids, provided that the capacity does not exceed 1 MW. iii. The generation is used as a back-up <p>(2) Subject to sub-regulation (1) above, any undertaking for commercial purposes regardless of the installed capacity</p> |

PART II- LICENSING OF POWER UNDERTAKING

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| Requirements for Licensing | <p>5. (1) A person shall not engage in exportation, importation, generation, transmission, distribution and/or retail supply of electrical energy unless licensed by the Authority.</p> <p>(2) A person shall before making any application for a licence, issue a notice of fifteen days' by public advertisement pursuant to section 119 (4) of the Act.</p> <p>(3) The public advertisement shall be in the form set out in the First Schedule.</p> <p>(4) 'The application for a licence in sub regulation (1) shall be submitted online together with two paper/hard copies, delivered or sent by prepaid post to the Authority in the form set out in in the Second Schedule, accompanied by the documentation set out in the Third Schedule, and proof of payment of the application fees set out in the Fourth Schedule.</p> |
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License Categories

6. (1) The Authority may, on receipt of an application, grant the applicant any of the following categories of licence:-
- (a) Electricity generation licence, which shall entitle the holder to plan, build, operate and maintain infrastructure to generate electrical energy.
 - (b) Electricity transmission licence, which shall entitle the holder to operate and maintain infrastructure for moving electrical energy from generation stations at high voltage to load centres, or connect with another transmission or distribution network within or outside the country, as stated in the licence.
 - (c) Electricity distribution licence, which shall entitle the holder to operate and maintain the distribution system necessary for the conveyance of electrical energy from generating stations, either directly or through the transmission system for purposes of enabling supply to consumers, as stated in the licence.
 - (d) Electricity retail supply licence, which shall entitle the holder to supply electricity to consumers through a series of commercial activities including procuring the energy from other licensees, inspection of premises, metering, selling, billing and collecting revenue.
 - (e) Electricity export/import licence, which shall entitle the holder to export or import electrical energy to or from another country.

Objection to grant of licence

7. (1) A person may submit an objections to a licence application following the public advertisement in Regulation 5 (4). Such objection shall be submitted to the Authority not later than forty-five days after the date of the public notice.
- (2) Where the Authority receives an objection to the grant of a licence), the Authority shall request the applicant to address, in writing, the issues raised in the objection within fifteen days.

Objection hearing

8.
 - (1) Where the applicant fails to satisfactorily address the issues raised in the objection, the Authority shall initiate a hearing, after giving the applicant and the objector a notice of the place and time of the hearing.
 - (2) The Authority may hear any objections in public, at the time and place specified in a notice issued to the applicant and to every objector, within fifteen days of the notice.
 - (3) The hearing shall be conducted in the manner to be determined by the Authority and agreed to by all the parties.

Decision of the Authority on Licence Objection

9.
 - (1) The Authority may, after holding a hearing, reject an objection, accept an objection or direct the applicant to amend the application or provide additional information regarding the application.
 - (2) The Authority shall communicate its decision to the parties within thirty days after the hearing.
 - (3) The duration of the hearing shall not be considered as part of the licence processing period specified in section 121 (2) of the Act.

Processing of licence application

10.
 - (1) The Authority shall, within fifteen days of receipt of an application for a licence, inform the applicant if the application is complete.
 - (2) The Authority shall process all applications for a licence within sixty days and communicate the outcome to the applicant. This period precludes the fifteen days in sub regulation (1).
 - (3) The Authority shall, in granting or rejecting an application for a licence, consider the factors outlined in section 121(1) of the Act.
 - (4) Where the Authority declines to grant a licence, it shall within seven days, inform the applicant in writing the reasons for the decline.
 - (5) Where a licence application is approved, the applicant shall be required to pay the grant of the licence fees set out in the FOURTH SCHEDULE within thirty days of the approval.

Form and Validity of licence

11. (1) The Authority shall issue a licence, within fifteen days of payment of grant of licence fees, in the form set out in the **FOURTH SCHEDULE** and it shall be valid for the specified period.

- (2) The licensee shall be required to pay the applicable annual licence fees as set out in the **FOURTH SCHEDULE** within thirty days of each annual anniversary of the licence commencement date until its expiry date.

If the licensee wishes to renew the licence, he/she shall submit to the Authority an application, in the form set out in the **SECOND SCHEDULE**, not later than thirty-six months prior to its expiry. The licence shall conform to the format prescribed in the **FIFTH SCHEDULE**.

Change of Control and/or transfer of licence

12. (1) A licensee who wishes to transfer a licence or change the controlling interest in the undertaking shall apply for approval from the Authority in the form set out in the **SIXTH SCHEDULE**.

- (2) For purposes of sub regulation (1) transfer of licence shall be for reasons provided in section 124 of the Act while change in controlling interests shall include:-

- a) any action that may lead to a decrease of the licensee's share capital existing on the date the licence was granted.
- b) any acquisition by a third party of more than 50% of the licensee's share capital;
- c) the intention of the licensee to increase or decrease its authorized capital or its paid up capital.

Suspension or revocation of the licence

13. (1) The Authority may suspend or revoke a licence issued under these Regulations in accordance with section 126 of the Act

- (2) Upon revocation of a licence, a licensee shall be required to surrender the original licence to the Authority within fourteen days.

Replacement of a licence

14. Where a licensee demonstrates to the Authority that a licence issued under these Regulations has been defaced, destroyed or lost, the Authority may, on payment of the fees in the **FOURTH SCHEDULE**, issue a duplicate licence.

PART III- OPERATIONS

**Performance
Standards and
Reporting**

15. (1) A licensee shall be responsible for planning, construction, operation and maintenance of the licensed undertaking in compliance with the Act, Grid Code, applicable standards, guidelines and regulations.
- (2) A licensee shall conduct his undertaking in the manner which achieves performance standards and quality of supply and service levels to which he is subject, as may be established or approved by the Authority, or any other applicable standard established in Codes or Regulations issued under the Act.
- (3) A licensee shall provide reports to the Authority on technical and financial performance of the licensed undertaking in the form and manner prescribed by the Authority.

**Compliance
Inspection**

16. (1) The Authority or its agent may carry out enforcement, or routine inspections during the construction or operation of a power undertaking to ensure compliance with these Regulations pursuant to Section 11 of the Act. The compliance inspection may involve evaluation of compliance with the technical, environmental, health, and safety requirements of the power undertaking.
- (2) Where the compliance inspection in sub-regulation (1) is a routine inspection, the Authority shall issue the licensee with at-least seven days' notice.
- (1) Where it is suspected that any person is in violation of these Regulations, licence conditions or the Act, the Authority may undertake enforcement audit without prior notice.

Compliance Orders

17. (1) Where the Authority finds that any provision of these Regulations has been contravened by a licensee or system owner or that a condition has arisen which may lead to the contravention of these Regulations, the Authority may issue a compliance order compelling the person to comply with the Regulations.
- (2) An order issued under this regulation shall be in the form set out in the Eighth Schedule.
- (3) A person who does not comply with a notice issued under sub regulation (2) within the specified period commits an offence.

**Health,
Environmental and
Safety Obligations**

18. A licensee shall comply with the provisions of all the applicable environmental, health and safety laws.

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| Insurance | 19. A licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance of risks associated with the undertaking. |
| Accounts and Records Handling of Complaints | 20. A licensee shall maintain books of accounts in accordance with section 129 of the Act. |
| Accidents and Incidents Reporting | 21. All complaints and disputes between a licensee and any party shall be resolved as per the Act and the relevant regulations. |
| | 22. (1) A licensee shall notify the Authority of accident(s) or incident (s), as provided in Section 214 of the Act and applicable regulations
(2) The Authority may carry out independent investigations of power undertaking related accidents. |
| Decommissioning and Abandonment | 23. The decommissioning of power undertakings licensed under these Regulations shall be in accordance with section 186 of the Act and any subsidiary legislations or guidelines. |

PART IV- MISCELLANEOUS PROVISIONS

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| Offences and Penalties | 24. (1) Offences and their related penalties are as set out in the SEVENTH SCHEDULE .
(2) The penalties in these regulations are without prejudice to the Authority's right to suspend or revoke a licence. |
| Local Content | 25. A licensee shall comply with the local content requirements in accordance with section 206 of the Act |
| Appeals | 26. Any person aggrieved by a decision or order of the Authority may appeal to the Tribunal in accordance to section 24 of the Act |

PART V- TRANSITIONAL AND REPEAL PROVISIONS

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| Transitional Provisions | 27. The transitional provisions set out under NINTH SCHEDULE shall apply |
| Repeal Xx notice 2012 | 28. The Energy (Electricity Licensing) Regulations 2012 are repealed. |

FIRST SCHEDULE (r. 7(b))

PUBLIC NOTICE

THE ENERGY ACT, 2019

(Insert name of the Applicant)

APPLICATION FOR ELECTRIC POWER (STATE TYPE OF LICENCE)

NOTICE is hereby given that **(Name of Applicant)**, having its registered office at **(registered office and postal address)** in the Republic of Kenya, (“the Applicant”), pursuant to the provisions of Section 119(3) of the Energy Act, 2019, will on **(proposed date of application)**, make an application to the Energy & Petroleum Regulatory Authority for the Electric Power **(type of Licence)**.

(Describe the purpose, location, type and capacity of the undertaking). The grant of the licence will not have adverse effect on any Public or Local Authorities, Companies, persons or bodies of persons within the areas of the undertaking.

A copy of the application (subject to confidentiality considerations) will be available (once lodged) for inspection by the public at the registered office of the applicant.

Any public or local authority, company, person or body of persons desirous of making any representation on or objection to the application must do so by a letter addressed to the Energy & Petroleum Regulatory Authority and marked on the outside of the cover enclosing it "Electric Power Licence Objection", on or before the expiration of Thirty (30) days from the date of application as stated in the notice and a copy of such representation or objection shall be forwarded to the applicant.

Dated _____

Name

Title of applicant’s representative

**SECOND SCHEDULEELECTRIC POWER UNDERTAKING LICENCE
APPLICATION FORM**

**APPLICATION IN RESPECT OF A LICENCE FOR THE GENERATION*,
TRANSMISSION*, DISTRIBUTION, * RETAIL SUPPLY*AND
EXPORT/IMPORT OF ELECTRICAL ENERGY**

The Director General
Energy and Petroleum Regulatory Authority
P.O. Box 42681, 00100 GPO

NAIROBI

I/We

.....h
ereby apply for a licence to undertake;

(Tick as appropriate)

Generation of electricity for own use	<input type="checkbox"/>
Generation of electricity for sale	<input checked="" type="checkbox"/>
Transmission of electricity	<input type="checkbox"/>
Distribution of electricity	<input type="checkbox"/>
Retail Supply of electricity	<input type="checkbox"/>
Import/Export of electricity	<input type="checkbox"/>

in accordance with the Energy (Electric Power Undertaking Licensing) Regulations, 2022.
I/ We commit to comply with provisions of the Energy (Electric Power Undertaking
Licensing) Regulations, 2022, and any standards, codes, rules and by-laws relating to
prudent development and operation of power undertakings.

1. NATURE OF APPLICATION

(Tick as appropriate)

- ☐ New
- ☐ Modification
- ☐ Renewal
- ☐ Transfer/change of control

2. PARTICULARS

A. Applicant's Details	
Name of Applicant:	..... ..... ..... .....
Personal Identification Number(KRA PIN):	..... .....
Main Office Physical Address:	Building Name..... LR/ No..... Plot Street/: Town/County:
Postal Address:	..... .....
Website (<i>where available</i>):	..... .....
Telephone/Mobile Number:	.....
Email Address:	..... ..... .....
B. Details of the Contact Person <i>(Details of person to whom correspondence or enquiries concerning the application should be directed)</i>	
Name:	..... .....

Position Held:	..... .....
Mobile Number:	..... .....
Email:	..... .....

3. REGISTRATION DETAILS OF THE APPLICANT

(Tick as appropriate)

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Public Limited Company
- ☐ Private Limited Company
- ☐ Cooperative Society
- ☐ Other (Specify).....

4. OWNERSHIP DETAILS

(Give full details of proprietors or partners owning business or directors/shareholders of the company, as applicable)

Name	Nationality
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.....

(Insert additional lines as appropriate)

State if you are or any of your partners/directors is an un-discharged bankrupt. *(If so, indicate the names)*

- (a)
- (b).....
- (c).....

(Insert additional lines as appropriate)

5. POWER UNDERTAKING DETAILS

5.1.Site of Power undertaking/Area of Supply (*Village, Sub-County, County and Landmark*)

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5.2. Global Positioning System (GPS) Co-ordinates of the Power undertaking where applicable (decimal format)

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5.3. Brief description of the undertaking/Modification of the existing licence

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5.4.Expected date of commencement of operation.....

6. ACCOMPANYING DOCUMENTATION

The application for electric power undertaking licence shall be accompanied by supporting documents in the THIRD schedule. The documents shall be submitted online with two (1) paper/hard copies.

DECLARATION BY THE APPLICANT

I/we hereby declare that the information provided in this application is true to the best of my/our knowledge.

Dated thisday of20.....

Name

.....

Title.....

Signature.....

THIRD SCHEDULE LICENSE APPLICATION REQUIREMENTS

1. GENERATION, TRANSMISSION, DISTRIBUTION, RETAIL, EXPORT OR IMPORT LICENSE

- (1) A person, before making an application for a licence, shall issue a notice of at least fifteen days, by a public advertisement in at least two newspapers of nationwide circulation, pursuant to section 119 of the Act.
- (2) The public advertisement shall be in the form set out in the SECOND SCHEDULE
- (3) An application for a license shall be made in the form set out in the THIRD SCHEDULE. The application should be accompanied by the following documents;

A. COMPANY AND DIRECTOR'S DOCUMENTS

- i. Certified copy of Business Name Registration Certificate or Certificate of Incorporation and Memorandum and Articles of Association in case of a company (whichever is applicable);
- ii. Certified Form by the Registrar of Companies in Kenya confirming details of directors/shareholders (such as CR 12) not more than six (6) months from the date of issue;
- iii. Valid tax compliance certificate from the Kenya Revenue Authority;
- iv. If Kenyan, a copy of National Identity Card, or if non-Kenyan, copies of pages first two and last two pages of your passport;
- v. Certified copy of valid Work Permit for foreign directors working in Kenya or notarized declaration of non-residence for foreign directors not residing in Kenya;
- vi. Proof of occupancy of Main Company Office;
- vii. PIN certificate.

(The documents above shall be valid during the application).

B. LICENSE APPLICATION DOCUMENTS

- i. Physical Planning Approval issued by the Host County Government;
- ii. Public Notice in two (2) local newspapers of wide circulation;
- iii. Evidence of a physical office accessible to the consumers and other stakeholders or of dedicated on-site staff and a customer service;
- iv. Project approval by the National Environmental Management Authority;
- v. Proof of land ownership (Title Deed or Lease Agreement) for the proposed Power undertaking location where appropriate;
- vi. Approved Power Purchase Agreement (PPA) or tariff where applicable.
- vii. Grid interconnection study report where applicable
- viii. Audited three years financial accounts or management accounts where applicable
- ix. Environmental and social Impact Assessment approval;
- x. Licence application fees as set out in FOURTH SCHEDULE
- xi. Evidence of project alignment to the Integrated National Energy Plan
- xii. Feasibility study report containing at a minimum details in sub-section C below

- xiii. Detailed Engineer's report containing at a minimum details in sub-section D below.

C. FEASIBILITY STUDY MINIMUM REQUIREMENTS

- i. Executive Summary
- ii. Project Description
- iii. Market Analysis including current and projected demand growth rates,
- iv. Technical Feasibility of the project including resource availability (fuel, water, land for generation projects), technology selection, grid connectivity
- v. Financial Feasibility of the project including capital costs, operational costs, revenue projections, financing options, financial indicators
- vi. Economic Analysis/ viability of the project, including cost-benefit analysis, socio-economic impacts, contribution to GDP, and employment generation
- vii. Examination of legal and regulatory requirements applicable to the project, including permits, licenses, environmental regulations, land acquisition, etc.
- viii. A detailed implementation plan outlining the steps required to implement the project, including project timeline, milestones, procurement strategy, resource allocation

D. ENGINEERS REPORT FORMAT

	<i>ENGINEERS REPORT FORMAT</i>
	<i>General Requirements:</i>
1.	Site Map showing generation sites, bulk supply points, network Areas of supply; etc
2.	A principal single-line diagram of the project site
3.	Plant Design
4.	Details of evacuation setup (transformers, lines, voltage levels etc)
5.	Power Station Information:
a.	Total capacity (MW)
b.	Number of Generating Units
c.	Size of Generating Units (MW)
d.	Expected Annual Generation (MWh)
e.	Proposed Running Regime
f.	Station Load/Load Factor
6.	Generator Unit Information (this information must be reported for each facility intended to be covered by the licence)

a.	Generator Type
b.	Rating (MVA, MW)
c.	Terminal Voltage (KV)
d.	Rated Frequency
e.	Rated speed (RPM)
f.	Automatic Frequency Control Facility
g.	Rated Power Factor
h.	Unit Efficiency
i.	Short Circuit Ratio
j.	Direct Axis Transient Reactance
k.	Direct Axis Sub-transient Reactance
l.	Quadrature Axis transient reactance
m.	Generator Cooling (Air-cooled, Hydrogen, etc
n.	Auxiliary Power Requirements
o.	Type of Exciter (Static or Rotating, Self or Separately Excited)
p.	AVR type
q.	Generation Protection (Relays)
r.	Type and Characteristics of Governor Control System
s.	Generator Unit Transformer Data
t.	Manufacturer's name / Year of Manufacture / Warranty
7.	For new facilities, EPC Contract
8.	Details of Phasing of Project, if applicable
9.	Auxiliary Systems
10.	Ancillary Services:
a.	Black Start facilities
b.	Reactive Power Generation capabilities

c.	Frequency Response Capability
d.	Maximum Generation capability
e.	Fast Start capability
11.	For Grid Connected Systems Report of evacuation studies:
a.	Load Flow Studies
b.	Stability Studies
c.	Short Circuit Studies
12.	Station Safety Arrangements:
a.	Emergency Response Plan
b.	Fire Fighting Facilities
c.	Health & Safety Policy
13.	Expected date of Commissioning
Technology Specific Requirements	
1.	For Hydro Plants:
a.	Approval from the relevant state water agencies
b.	Map showing proposed Dam Reservoir Area, Water conductor system, fore bay, power house, etc.
c.	Information on area of village, forestland, agricultural land, etc., submerged.
d.	Turbine Unit Information (Hydro Turbines):
a	Turbine Type
b	Nominal Head (Meters
c	Nominal Water Flow (m ³ /s
d	Turbine Capacity (MW
e	Turbine Efficiency
f.	Hydro Governor Type
g	Block diagram for the speed governor

	h	Noise Level
	i.	Manufacturer's name / Year of Manufacture / Warranty
2.	For Thermal Plants:	
	I. For Gas-steam plants	
	a	Steam Turbine Type
	b	Boiler Pressure and Temperature
	c	Minimum and Maximum Rated Capacity
	d	Steam Pressure and Temperature (Super Heat and Reheat
	e	Heat Rates
	f.	Efficiency at rated capacity
	g	Fuel quality specifications requirements
	h	Noise Level
	i.	Run-up and Run-down Rates
	j.	Minimum Synchronizing Generation
	k	Manufacturer's name / Year of Manufacture / Warranty
	II. For Coal-Steam Plants	
	a	Steam Turbine Type
	b	Boiler Pressure and Temperature
	c	Turbine Efficiency
	d	Heat Rate
	e	Noise Level
	f.	Run-up and Run-down Rates
	g	Coal Type and source
	h	Burner Type
	i.	Description of Coal Handling System
	j.	Coal Ash Management and Disposal Arrangement

k	Emissions Levels (NO _x , SO _x , etc
l	Flue Gas De-sulfurization System (if available
n	Manufacturer / Year of Manufacture / Warranty
	III. For Geothermal Plants
a	Technology
b	Steam Turbine Type
c	Boiler Pressure and Temperature
d	Turbine Efficiency
e	Heat Rate
f	Noise Level
g	Run-up and Run-down Rates
h	Waste steam management
i	Emissions Levels (NO _x , SO _x , etc
j	Flue Gas De-sulfurization System (if available
k	Manufacturer / Year of Manufacture / Warranty
	IV. For Gas Plants (OCGT)
a	Gas Turbine Type
b	Minimum & Maximum Turbine Capacity
c	Efficiency
d	Fuel Quality Specifications
e	Gas turbine pressure ratio
f	Noise Level
g	Heat Rate
h	Run-up and Run-down Rates
i	Ignition system
j	Major Gas Turbine Accessories

k	Type of Air Intake System
l	Emission Levels
n	Manufacturer / Year of Manufacture / Warranty
	V. For Diesel Plants
a	Turbine Type
b	Turbine Efficiency
c	Heat Rate
d	Noise Level
e	Run-up and Run-down Rates
f	Oil Type and source
g	Burner and Ignition System Type
h	Description of Oil Handling System (Storage and Heating facilities
i	Emission Levels
j	Manufacturer / Year of Manufacture / Warranty
3.	For Solar Plants:
	(a). Solar Thermal Power Generation:
a	Type of Solar Thermal Power Generation technology employed
b	Terminal Voltage
c	Station Load and Station Load Factor
d	Ancillary Services provided
e	Annual Generation
f	Rated Power Factor
g	Heat Rate
h	Phases of project
i	Total capacity of Plant
j	Detailed Diagram of plant arrangements on site

k	Turbine type and its accessories
l	Boiler type and its accessories
n	Collectors type and its accessories
n	Cooling system for the steam condensers
o	Collector isolation
p	Solar resource assessment
	(b). Solar Photovoltaic Cells Technology:
a	Maximum Cell Voltage
b	Type of Solar Cell employed
c	Maximum generation from photovoltaic (PV cell)
d	Type of Solar Panels and Inverters
e	Capacity of Solar Panels and Inverters
f	Building Penetrations / Water Damages
g	Batteries Capacity
h	Solar resource assessment
4.	For Wind Farm:
a	Wind Speed (high-speed wind site or low-speed wind site)
b	Wind farm information:
	i. Total capacity (MW)
	ii. Number of Blades
	iii. Rated Capacity (MW)
	iv. Rotor Diameter (m)
	v. Rotor Speed (RPM)
	vi. Power Factor
	vii. Rated Wind (m/s)
	viii. Station Load

	ix. Frequency
	x. Cut-in Wind Speed (m/s)
	xi. Swept Area (m2
	xii. Wind resource assessment
c	Design Data (Wind Turbine):
	i. Generator Type
	ii. Gearbox Type
	iii. Converter Type
	iv. Braking System Type
	v. Yaw System Type
	vi. Control System
	vii. Offshore Container Type
	viii. Onshore version (optional
	ix. Light Protection System
	x. Integrated Hoisting System
	xi. Hoisting System
d	Noise Reduction
	i. Sound reduced gearbox
	ii. Noise Emissions (in decibels
	iii. Noised reduced nacelle
	iv. Noise insulation of generator
	v. Impact noise insulation of the gearbox
	vi. Rotor Blade with minimal noise
	vii. Noise reduced operation
e	Tower Design Data:
	i. Tower Type

	ii. Hub height of the Tower (site dependent)
	iii. Power Control
	iv. Number of Towers
5. For Embedded Generation / Off-Grid Generation:	
	i. Total Capacity per site
	ii. Number of Generating Units per site
	iii. Fuel Type
	iv. Size of Generating Units (MW & MVA)
	v. Terminal Voltage
	vi. Rated Power Factor
	vii. Reactive Power Capacity (if any)
	viii. Noise Level
	ix. System Protection
	x. Agreement or Arrangement with Distribution Company for Network use

FOURTH SCHEDULE (r. 11(d),12(b))**LICENCE FEES**

Licence Category	Application/Modification/Replacement Fee (Ksh)	Grant Fee (Ksh)	Annual Fee (Ksh)
Electricity Generation	10,000	10,000 per MW of installed capacity	5,000 per MW of installed capacity
Electricity Transmission	10,000	2,000 per MW of transfer capacity	1,000 per MW of transfer capacity
Electricity Distribution	10,000	10,000 per MW of the transformation/contracted capacity	10,000 per MW of the transformation/contracted capacity
Electricity Retail Supply	10,000	10,000 per MW of the transformation/contracted capacity	10,000 per MW of the transformation/contracted capacity
Electricity Import/Export	10,000	10,000 per MW of contracted capacity	5,000 per MW of contracted capacity

**FIFTH SCHEDULE (r. 13 (1))
FORM OF LICENCE**



LICENCE CATEGORY

Issued to

«LICENSEE»

In respect of

**A «Capacity_Rounded» «Capacity_Units» MINI-GRID IN «COUNTY»
COUNTY.**

By

ENERGY AND PETROLEUM REGULATORY AUTHORITY

Dated: «Date_Granted»«Date_Granted»

LICENCE REF NO. «REF_NO»

LICENCE CATEGORY **(Energy Act No. 1 of 2019)**

Definitions and Interpretation

- (1) Any word or expression defined in the Act or the Interpretation and General Provisions Act, Chapter 2 of the Laws of Kenya shall, unless the context otherwise requires, have the same meaning ascribed thereto when used in this Licence.
- (2) Any reference to a statute shall include any statutory amendments, modification or re-enactment thereof and subsidiary legislation made thereunder after the date when this Licence comes into force and effect.
- (3) In this Licence, unless the context requires otherwise-
 - “Act” means the Energy Act No. 1 of 2019 and includes any subsidiary legislation made thereunder;
 - “Authority” means the Energy and Petroleum Regulatory Authority established under Section 9 of the Act;
 - “Board” means the Board of Directors of Energy and Petroleum Regulatory Authority;
 - “Grid Code” means both the Kenya National Transmission Code and the Kenya National Distribution Code;
 - “Lenders” means any financial institutions, which have provided loans or hedging facilities to the Licensee for purposes of developing the power plant and associated infrastructure and includes their agents, trustees, transferees and assigns;
 - “Licensee” means the holder of this Licence, being «**Licensee**», a company incorporated in «**Country_of_incorporation**» under Certificate of Incorporation No. «**Certificate_of_Registration_No**» and includes its successors and permitted transferees;
 - “Tariff” means the prices, rates, costs and all other charges approved by the Authority to be paid by electricity Consumers.

Grant of Electric Power Distribution and Supply Licence

IN EXERCISE of the powers conferred by the provisions of sections 11 (a), 117 and 122 of the Energy Act No. 1 of 2019, the Authority, **HEREBY GRANTS this ELECTRIC POWER DISTRIBUTION & SUPPLY LICENCE to «Licensee»**, a limited liability company incorporated in the «Country_of_incorporation» having its registered office at «Office_Address»(the Licensee) to distribute and supply electrical energy at «Location_of_Power_Plants» in «County» County as more particularly described in this Electric Power Distribution and Supply Licence(Licence).

Undertaking to which this Licence Relates

This Licence is specific and limited to installation of «Licence_Description» and more specifically as described in this Licence. The electric network located in «County» County is owned, maintained and operated by the Licensee.

For the avoidance of doubt, it is hereby stated that the Licence does not authorize nor entitle the Licensee to carry out any other undertaking except the undertaking herein specified and licensed.

Duration of Licence

This Licence shall come into force and effect on «Date_Granted»«Date_Granted» (Commencement Date) and shall continue in operation from the Commencement Date for a duration of «Duration_words» («Duration_Years») years subject to the provisions of the Act and to the terms and conditions specified herein.

Amendment, Transfer or Renewal of the Licence

- (4) This Licence may be amended, transferred or renewed in accordance with Section 119(1) and Section 122 (3) of the Act.
- (5) If the Licensee wishes to renew this Licence after its expiration date of «Expiration_Date»«Expiration_Date» the Licensee shall submit to the Authority an application for renewal not later than thirty-six (36) months prior to the expiration of this Licence.
- (6) The Authority shall have the right to accept or reject the application for renewal in light of the Licensee's performance during the period preceding the application for renewal.

Suspension or Revocation of the Licence

The conditions of this Licence are subject to suspension or revocation in accordance with the terms herein specified and Section 126 of the Act.

Exceptions and Limitations on the Licensee's Obligations

If the Licensee is prevented from performing any of its obligations under this Licence because of Force Majeure:

- (1) The Licensee shall notify the Authority of the obligations it is prevented from performing as soon as reasonably practicable; and
- (2) The Authority may suspend those obligations and the Licensee will not be liable to perform those obligations, for so long as the Force Majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this Licence, or other reasonable precautions and the inability cannot reasonably be circumvented by the Licensee at its expense through the use of alternative sources, work-around plans or other means.

Liability under Tort and Contract Laws of Kenya

Notwithstanding any provisions of this Licence, the Licensee is subject to liability under tort and contract laws of Kenya.

Establishment of an Office in Kenya

- (1) The Licensee shall at the commencement of this Licence provide to the Authority an electronic, postal and physical address of an office in Kenya at which communication from the Authority may be sent or delivered.
- (2) The Licensee shall maintain such offices until this Licence expires or is revoked under the Act.

Acquisition of Any Property for Purposes of this Licence

The Licensee shall ensure that any compulsory acquisition or taking of property by the Licensee for purposes related to the electric power undertaking by virtue of this Licence shall be made in compliance with the law and in particular Article 40 of the Constitution of Kenya.

Disposal of Assets, Change in Capital and Change in Control

- (1) The Licensee shall be required, for the duration of the Licence, to notify the Authority of any of the following:
 - (a) Any action that may lead to a decrease of the Licensee's share capital existing on the date this Licence was issued;
 - (b) Any acquisition by a third party of more than 25% of the Licensee's share capital;
 - (c) A Change in Control of the Licensee;
 - (d) The intention of the Licensee to increase or decrease its authorized capital or its paid up capital.
- (2) The Licensee shall be required, for the duration of the Licence, to obtain the prior written approval of the Authority for any of the following:

- (a) Subject to paragraph (4), disposal of any part of the Licensee's electric power undertaking (including any of the assets forming part of the undertaking) by means of sale, transfer, merger, lease or any other means; and
 - (b) Any action that may lead to a decrease of the Licensee's share capital existing at the time this Licence was issued that may affect the financial, technical or operational qualifications on which the granting of this Licence was based.
- (3) For the purposes of Paragraph (1) (c) above and notwithstanding anything to the contrary contained in this Licence, a person shall be considered to have control of the Licensee if the person exercises, or is able to exercise or is entitled to acquire, direct or indirect control over the Licensee's affairs, and in particular, but without prejudice to the generality of the foregoing, if the person possesses or is entitled to acquire a majority of the issued share capital of the Licensee or to exercise a majority of the voting rights in the Licensee.
- (4) For the purpose of paragraph (2) (a), the Licensee shall have the right to dispose of an asset or part of its undertaking without the prior approval of the Authority if the Authority has issued a directive granting a general consent for the disposal of the assets of a specified description or below a specified value, and the Licensee has provided, prior to the disposal, the Authority with evidence that the asset or part of undertaking to be disposed off falls within the provisions of such directive or if the disposal is for operational purposes in the ordinary course of business.
- (5) Without prejudice to paragraph (4) above, the Licensee may apply by notice to Authority for permission of disposal of assets, specifying assets to be disposed and the reasons, or for the approval of any of the actions set out in paragraph (2) (b) above.
- (6) The Licensee may dispose of the relevant assets, or may undertake any of the actions set out in paragraph (2) (b) above, as specified in the notice referred to in paragraph (5), if:
 - (a) The Authority confirms in writing that it consents to such disposal or action; or
 - (b) The Authority does not inform in writing of any objection to such disposal or action within thirty (30) days of the notice;
 - (c) Paragraph (4) above applies, or
 - (d) The Licensee is obliged by law or final order of a competent court to dispose of the relevant asset or part of its undertaking, but without prejudice to the Authority's power to revoke this Licence as a result of such disposal.

Transferability of this Licence, and other Licenses

- (1) Subject to paragraph (2) herein below, the Licensee shall not transfer or otherwise divest himself of any rights, powers or obligations conferred or imposed upon him by this Licence without the written consent of the Authority.
- (2) The Authority hereby consents to the transfer of the undertaking and the Licence to the secured Lenders or to parties duly nominated by them under the terms and conditions of the financing agreements relating to the undertaking.

- (3) Subject to the provisions of Section 117 of the Act and to this Licence, the Licensee may apply for other Licences for electric power undertakings in any area within the Republic of Kenya.
- (4) The Licensee shall not purchase or acquire any undertaking or associate himself with any public or local authority, company, person or body of persons supplying electrical energy under any Licence, except with the authority of the Authority.
- (5) If the Licensee contravenes the provision of paragraph (1) above it shall be liable to the revocation of its Licence, in addition to such other action as the Authority may deem fit.

Provision of Information to the Authority and other Licensees

- (1) The Licensee shall on request by the Authority provide it with any information relating to its activities conducted under or in connection with this Licence, as the Authority may consider necessary for the purpose of performing the functions assigned to it by or under the Act.
- (2) After the end of each financial year, the Licensee shall submit to the Authority an annual performance report indicating the quality of service and performance of the Licensee during the previous year against the Performance Standards established in Paragraph 24 below.
- (3) The Licensee shall also furnish to other licensees such information as may be reasonably required by those licensees in order to ensure the secure and efficient operation, co-ordinated development and inter-operability of the electricity network.
- (4) The information requested in paragraphs (1) and (2) shall be provided by the Licensee:
 - (a) As soon as possible and not later than the date specified in the request, and
 - (b) In such form and manner as the Authority or other licensee may require.
- (5) The Licensee shall submit annual reports to the Authority on his undertakings that encompass the financial and technical aspects, performance within one hundred and eighty (180) days of the end of the Licensee's financial year, or such other period approved by the Authority, and such other reports as required by the Authority.
- (6) For purposes of this Condition, "information" shall include any plans, drawings, specifications, designs, documents, reports, accounts, statistics, registers (including registers relating to the Licensee's Members or Directors from time to time) or planned annual maintenance schedules (whether or not prepared specifically at the request of the Authority or other licensee) of any description specified in the request.
- (7) The Authority or any person authorized by the Authority in writing may:
 - (a) At all reasonable times, enter upon the premises of the Licensee and inspect or investigate any plant, machinery, books, accounts and other documents found thereat and take copies thereof, and/or
 - (b) Require the Licensee to furnish to the Authority, books, accounts, records and other documents in such form as the Authority may demand.

- (8) The Authority may require that the accuracy of any documents or particulars be verified by a person who, in the Authority's opinion, is competent to verify such documents or particulars or render a professional opinion thereon.
- (9) A person authorized by the Authority, shall produce proof of such authorization at the request of any person affected by its activities.
- (10) The Licensee shall submit the following financial data to the Authority when requested by the Authority:
 - (a) the Licensee's financial statements for each Financial Year, together with the report of an external auditor and his or her remarks on such financial statements;
 - (b) any other financial data the Authority may specify with a reasonable prior notice.
- (11) The Authority may ask for other reports as needed to fulfil its responsibilities.

Monitoring of Compliance

- (1) The Licensee shall give officers of the Authority or any person or persons duly authorized by the Authority access to the licensee's plant, premises or installations for the purposes of any inspection under the Act or for ascertaining if the provisions of the Act or this Licence are being complied with.
- (2) The Licensee shall also comply with the provisions of the Grid Code in respect of inspection and testing of its plant, premises or installations by other licensees.
- (3) Entry into the Licensee's plant, premises or installations pursuant to sub-paragraphs (1) and (2) of this Paragraph shall be upon reasonable notice to the Licensee.

Events of which Licensee must promptly notify the Authority in Writing

The Licensee shall promptly notify the Authority in writing of the occurrence of any of the following events:

- (a) Any accident by electric shock, and also of any other accident of such kind as to have caused, or to have been likely to have caused loss of life or personal injury, and of any explosion or fire, which has arisen from and in the course of the generation, transformation, conversion, transmission, distribution or supply of electrical energy by the Licensee, or which has arisen in or about any generating station, substation, switch station, factory, works or electric supply lines of the Licensee and also notice of any loss of life or personal injury occasioned by any such accident, explosion or fire;

Provided that such notice shall be sent by the earliest practicable post and/or electronic means, after the accident, explosion or fire occurs, or, as the case may be, after the loss of life or personal injury becomes known to the licensee.
- (b) Any event which threatens the Licensee's financial ability to discharge its obligations under this Licence or any Power Purchase Agreement;

- (c) Any forced outage affecting a significant portion of the undertaking which is likely to subsist for a continuous predetermined duration specified in the notice of outage;
- (d) Changes relating to the physical, electronic and postal address of the Licensee in Kenya;
- (e) Any change in the composition or structure of the shareholding of the Licensee affecting the original or subsequent subscribers to the Licensee's registered memorandum of association; or in the event that the securities of the Licensee become listed in a securities exchange, any transaction with the effect of making a single person control five percent (5%) or more of the voting power at any general meeting of the Licensee; or
- (f) Any transfer of the undertaking and Licence under Paragraph 12.

Confidentiality and Use of Information

- (1) The Licensee shall maintain the confidentiality of the information and data it possesses on other licensee, in accordance with the agreements with such licensee, where applicable, and may not disclose such information to third parties (other than the Authority) except when requested by laws or relevant authorities, or to the extent authorised by the concerned licensee or the Authority, or required in relevant Codes or Regulations.
- (2) The Licensee shall ensure (and shall procure that its affiliates shall also ensure) that all information received by it relating to other licensees is not used by the Licensee or its affiliates for any:-
 - (a) Purpose other than that for which it was provided or for a purpose permitted by this Licence or the Grid Code;
 - (b) Commercial advantage in the provision of any service other than a service comprised in the undertaking.
- (3) The Licensee may request the Authority not to disclose commercially sensitive information provided by the Licensee to the Authority pursuant to this Licence. Upon satisfaction of the Authority that the information is commercially sensitive, the Authority shall not disclose any part of or all of such information, as applicable, without the prior approval of the Licensee. These restrictions shall not apply to information:
 - (a) Which is in the public domain; or
 - (b) Which is, or becomes, publicly known or available otherwise than through the action of the Authority; or
 - (c) Relating to performance and the level of compliance of the Licensee with the Performance Standards; or
 - (d) Required pursuant to an order of a competent court or pursuant to a statute or regulation in force within the Republic of Kenya.

Environmental, Health and Safety Obligations

- (1) The Licensee shall comply with the provisions of all environmental, health and safety laws in force in Kenya.
- (2) The Authority may, after consultations with the appropriate authorities, issue orders relieving the Licensee of its obligations under paragraph (1) hereof relating to environmental laws to the extent that such exemption is permitted under the applicable environmental laws.
- (3) The Licensee shall carry out its undertaking in a manner that is designed to protect the health and safety of persons employed by the Licensee at the undertaking and the users of the service and other members of the public who would be affected by its operations.

Insurance

The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance of risks associated with the undertaking.

Licence Fees

- (1) The Licensee shall, at the times stated hereunder, pay to the Authority fees of the amount specified in, or determined under, sub-paragraphs (2) and (3) of this Paragraph.
- (2) Within 30 days after the commencement of this Licence, the Licensee shall pay to the Authority's account a Licence fee of **Kes.«Grant_Fee_KesFigures»(Kenya Shillings «Grant_Fee_Kes_Words»)**.
- (3) In respect of the year beginning on the expiration of twelve calendar months from the Commencement Date of this Licence, and in every subsequent year, the Licensee shall pay to the Authority's account an annual fee of **Kes.«Annual_Fee_KesFigures»(Kenya Shillings «Annual_Fee_Kes_Words» Only)**.
- (4) The fee shall be paid by the Licensee to the Authority within thirty (30) days of the annual anniversary of the Commencement Date of this Licence until expiry.

Payments to the Licensee

- (1) The payments to be made to the Licensee in respect of electrical energy sold or ancillary or network services provided by virtue of this Licence shall be in accordance with the applicable Power Purchase Agreement (if any).
- (2) Except as stated in the Power Purchase Agreement or tariffs approved by the Authority, no rebate or reduction in the maximum prices will apply in consideration of any stated improvement in the conditions of the demand by reason of load factor, time of the demand or other circumstances of the demand.

Accounts and Audit

- (1) In the event that the Licensee holds one or more Licences in addition to this Licence, unless specifically exempted by the Authority or treated as a single undertaking by the Authority, the Licensee shall ensure that the accounts of each undertaking under each licence shall be kept separate and distinct and in the manner and form prescribed by the Authority.
- (2) The Licensee shall maintain its books of accounts (relating to its undertaking by virtue of this Licence) in the form and particulars prescribed by the Authority under the Act.
- (3) The Licensee shall ensure that the accounts pertaining to the Licensee's undertaking are examined and audited by such competent and impartial persons appointed by the Licensee.
- (4) The Authority may at any time, and at the Licensee's expense, require auditors appointed by the Licensee and approved by the Authority, to investigate and report to it upon any such particular matter or things relating to or arising out of the accounts of the Licensee in respect of the undertaking to which this Licence relates.
- (5) The Licensee shall give to the auditor and his or her personnel access to such of the books and documents relating to the undertaking as are necessary for the purposes of the audit, and shall when required furnish to him/her and them all vouchers and information requisite for that purpose, and shall afford to them all facilities for the proper execution of their duty.
- (6) The Licensee shall ensure that any report made by the auditor, or such portion thereof as the Authority may direct, shall be appended to the annual statement of accounts of the Licensee.

Fair Competition and Restriction to Horizontal or Vertical Integration

- (1) The Licensee shall:
 - (a) Not show undue preference to, or exercise unfair discrimination against, any person or other licensee, in respect of its undertaking;
 - (b) Not engage in any practice or enter into any arrangement that has the object or the likely effect of preventing, restricting or distorting competition in the generation, transmission, distribution or supply of electrical energy; and
 - (c) Comply with every direction issued by the Authority for the purpose of preventing any practice or arrangement that has the object or effect of preventing, restricting or distorting such competition.
- (2) The Licensee shall not directly or indirectly acquire shares or interest in another electric power undertaking within the Republic of Kenya without the prior written consent of the Authority, which consent shall not be unreasonably withheld.

Compliance with the Grid Code

- (1) In planning, operating and maintaining the undertaking, the Licensee shall fully comply with the Grid Code.

- (2) In case the Licensee finds that it is, or will be, unable to comply with any provision of the Grid Code at any time, then it shall make such reasonable efforts as are required to remedy such non-compliance as soon as reasonably practicable and immediately notify the Authority.
- (3) The Authority may, following consultation with the Licensee and other licensees or users that may be affected, and for good cause shown, issue directives relieving the Licensee of its obligations to comply with specific provisions of the Grid Code in respect of such parts of the Licensee's undertaking and/or to such extent or duration as may be established in such directives.

Performance Standards and Quality of Supply and Service

- (1) The Licensee shall conduct its undertaking in the manner which achieves Performance Standards and quality of supply and service levels to which he is subject, as may be established or approved by the Authority, or any other applicable standard established in Codes or Regulations issued under the Act.
- (2) The Licensee shall prepare a report, within ninety (90) days after this Licence becomes effective, indicating the minimum Performance Standards and quality of supply and service levels as well as its plans to meet them as stipulated in sub-condition (1) hereof.
- (3) The Licensee shall submit from time to time, as provided for in the Performance Standards or in Authority monitoring procedures, the information required to enable the Authority monitor its compliance with the Performance Standards and quality of supply and service levels.
- (4) The Licensee shall not be in breach of its obligations under this Licence if he has failed to meet the Performance Standards or any other standard established in Codes directly due to Force Majeure, provided that the Licensee has used reasonable efforts, to the extent reasonably possible, to comply with the Performance Standards or any other applicable operating standard established in Regulations and Codes, as the case may be.

Demand Forecast

- (1) The Licensee shall submit to the Authority results of studies of demand forecasts for his area of supply in the prescribed format.
- (2) The Licensee shall inform the Authority of any demand forecast submitted to the System Operator or other Licensee for the purposes of assisting the latter with their long term planning.

Connection and use of the distribution system

- (1) The Licensee shall provide non-discriminatory open access to its distribution system for use by any licensee, retailer or eligible consumer as provided for in the Energy Act, 2019.
- (2) The Licensee shall not unduly discriminate between consumers or undertakings of the same category in offering terms and conditions for connecting or upgrading connection to or use of the distribution system.

- (3) Subject to other Conditions in this Licence, on the application of the owner or occupier of any premises within the Licensee's area of supply or an undertaking desiring to connect or upgrade an existing connection to the distribution system of the Licensee, and who is not in arrears of any amount due to the Licensee in relation to Licensee's distribution and supply business, the Licensee shall;
- (a). offer to provide connection or to provide modifications to an existing connection of the premises or undertaking to his distribution system; and
 - (b). where the terms offered by the Licensee are accepted by the applicant and on payment to the Licensee of the relevant Connection Charges and compliance with the requirements specified by the Licensee in that regard pursuant to the Grid Code, the Licensee shall provide the connection or the modification of the connection to the Licensee's distribution system to those premises or undertaking, including the laying of any required distribution mains, in accordance with the terms offered
- (4) The application form, terms and procedures shall be in accordance with the timeframes, connection conditions and procedures established in the Grid Code.
- (5) The cost payable for a connection to the distribution system of the Licensee shall be determined in accordance with the applicable Connection Charges.
- (6) The agreement to connect an undertaking shall also include, when applicable, conditions for the use of the distribution system of the Licensee.
- (7) The Licensee shall not be obliged to provide a connection in circumstances where:
- (a). to do so would involve a breach of a technical, reliability or safety standard issued by the Authority, the Grid Code or the Distribution Code or the Act or this Licence; or
 - (b). connecting the undertaking or consumer who has made the application endangers the security and reliability of the distribution service.
- (8) Where the Licensee refuses to connect an applicant, the Licensee shall inform without delay the applicant and the Authority providing the reasons for such refusal.

Planning, operation and maintenance of the distribution system

- (1) The Licensee shall plan, expand or upgrade, maintain and operate the Licensee's distribution system so as to ensure that, subject to the availability of adequate generating and transmission capacity, the distribution system is capable of providing consumers with a safe, reliable and efficient supply of electrical energy. In particular, the Licensee shall plan, develop and operate the Licensee's distribution system in accordance with the standards established in the Grid Code and the Distribution Code, and the Performance Standards established from time to time by Authority.
- (2) The Licensee shall keep a register of assets that constitute his distribution system, which must include the physical description of the distribution system and the location of equipment.

System losses

The Licensee shall achieve an efficient level of system losses (due to technical or any other reason) on his own system. In complying with this Condition, the Licensee may have standard levels of system losses established by the Authority as one aspect of the minimum Performance Standards.

Interruption of supply

- (1) In case the Licensee is undertaking any operation, maintenance, replacement, restoration or any other activity that may lead to interruption of supply to a specific area or areas, he shall, no later than two days prior to the date of the interruption of supply, advise through appropriate means, all consumers of the areas to be affected, the date and time when the supply is planned to be interrupted and the period within which it will be restored.
- (2) The Licensee shall not unduly discriminate against or unduly prefer any one individual or any category of consumers in favour of or as against any other individual or any other category of consumers in preparing and implementing curtailment and restoration plans when scheduling maintenance or other Demand Control measures, and shall endeavour that, as far as practicable and reasonable, the consumers are treated equitably in such Demand Control measures and plans, provided that exemptions may apply to vital and priority consumers.
- (3) Where applicable, the Licensee shall inform and send to the Authority copies of any Demand Control guiding principle, demand reduction plan or demand restoration plan to be agreed by the Licensee with the System Operator, in accordance to the Grid Code.

Compliance with Regulations, Decisions and Orders of the Authority

- (1) The Licensee shall fully comply with the regulations, rules, codes, standards, guidelines, directions, decisions or orders issued by the Authority in the discharge of its functions under the Act.
- (2) At the written request of the Authority, the Licensee shall participate to the extent specified by the Authority in the development and/or review of any regulations, rules, codes, standards and guidelines to be prescribed or prescribed by the Authority under the Act.

Review of Authority Decisions

- (1) The Licensee shall have the right to apply to the Authority for review of its decisions in relation to revocation or amendment of this Licence or any other decision that affects the Licensee's undertaking or its rights under this Licence.
- (2) If requested by the Licensee in the prescribed manner, the Authority may review its decisions that affect the Licensee's undertaking or its rights under this Licence, including its decision in relation to revocation or amendment of this Licence.

Adherence to the Terms of the Licence and Penalties

- (1) Where the Authority is satisfied that the Licensee has contravened any of the conditions of this Licence, the Authority may issue an order requiring the Licensee to take specific actions or to refrain from taking specific actions in order to rectify the contravention.
- (2) Prior to issuing such order, the Authority shall inform the Licensee of its intention to issue the order and the grounds upon which the order will be issued and provide the Licensee an opportunity to make a representation in accordance with the procedure, including time period, specified by the Authority in a directive.
- (3) Without limiting any other right or remedy available to the Authority under the Act, the Authority may specify in the order a penalty for each day the Licensee is in default of compliance. The penalty specified by the Authority shall not exceed the limits (if any) for such penalties set by the Act or other applicable legislation. If the Licensee fails to make payment on any amount of penalty to the Authority, interest shall accrue at the rate established by the Laws of Kenya.

Revocation of Licence

- (1) Subject to Section 126 of the Act, the Authority may at any time revoke this Licence if:
 - (a) The undertaking or the execution of the works related thereto has not commenced at the expiry of twenty four months from the date on which this Licence was granted, except where the Authority is satisfied that this occurred as a result of events beyond the reasonable control of the Licensee in which case the Authority shall substitute such period as it in its sole discretion considers reasonable in all the circumstances) or at the expiry of any extended period which the Authority may allow;
 - (b) The Authority is satisfied that the Licensee is either willfully or negligently not operating in accordance with the terms and conditions of this Licence or the provisions of the Act or any regulations thereunder;
 - (c) The Licensee at any time after the commencement of this Licence makes representation to the Authority that the undertaking cannot be carried on with profit, and ought to be abandoned, and, upon inquiry the Authority is satisfied that the representation is true;
 - (d) The Licensee agrees in writing with the Authority that this Licence should be revoked;
 - (e) Any amount (unless this is being contested in good faith by the Licensee with recourse to the appropriate administrative and judicial procedures) payable by the Licensee under any of the conditions of this Licence or Regulations prescribed under the Act is unpaid for thirty (30) days after it has become due and remains unpaid for a period of thirty (30) days after the Authority has given the Licensee notice that the payment is overdue;

- (f) The Licensee is unable to pay its debts (unless this is being contested in good faith by the Licensee with recourse to all appropriate judicial procedures and measures) or has any voluntary arrangement proposed in relation to it or enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Authority);
- (g) The Licensee fails to comply with a final order of the Authority issued under the Act and such failure is not rectified to the satisfaction of the Authority within sixty (60) days after the Authority has given notice of such failure to the Licensee,
 Provided that no such notice shall be given by the Authority before the expiration of the period within which an appeal under Section 24(1) of the Act may be made to the Tribunal;
- (h) The Licensee ceases to carry on the undertaking authorized by this Licence;
- (i) The Licensee goes into liquidation or makes arrangement with its creditors' or an administrator or a receiver/manager is appointed over the whole or any material part of the Licensee's assets or undertaking (other than by the Lenders);
- (j) The Licensee passes any resolution for winding up other than a resolution previously approved in writing by the Authority;
- (k) The Licensee becomes subject to an order for winding up by a court of competent jurisdiction;
- (l) It is established that the Licensee submitted information the Licensee knew or had reason to know to be false when making its application for this Licence, and
- (m) The Licensee purchases or acquires the undertaking of, or associates itself with, any public or local authority, company, person or body of persons generating or transmitting or distributing electrical energy under any Licence without the authorization of the Authority.

Replacement of a Licence

This Licence may be replaced in accordance with Section 127 of the Act.

Handling of complaints

- (1) The Licensee shall comply with applicable provisions of the Energy (Complaints and Disputes Resolution) Regulations, 2010, and in particular: -
 - (a) implement procedures, approved by the Authority, to receive, process and respond to complaints relating to the quality of supply and service;
 - (b) maintain a record of information about the identity of the complaint, type of malfunction or complaint, in case of interruptions the outage time and the time taken to connect or reconnect the complainant, and all such matters established in the Grid Code or in the Performance Standards; and

- (c) submit to the Authority reports about malfunctions, interruptions, problems in the quality of supply and service and consumers' complaints in the form and manner approved by the Authority.
- (2) The Licensee shall, whenever requested to do so by the Authority, review the complaint resolution procedures, with a view to effect improvements.
- (3) The Licensee shall make available free to his consumers a current copy of the applicable complaints resolution procedures, as from time to time revised, at all his office premises during normal working hours.

This Licence was granted at Nairobi on «Date_Granted»«Date_Granted».

IN WITNESS WHEREOF the Common Seal of the Energy and Petroleum Regulatory Authority was hereto affixed pursuant to the powers of the Authority given on «Date_Granted»«Date_Granted».

)
)
In the presence of)
)
)
)
xxxxxxx)
Director General)
)
)
and)
)
)
)
xxxxxxx)
Corporation Secretary)

SIXTH SCHEDULE (r. 13 (1))

**ELECTRIC POWER LICENCE TRANSFER/ CHANGE OF CONTROL
APPLICATION FORM**

The Director General
Energy and Petroleum Regulatory Authority
P.O. Box 42681, 00100 GPO

NAIROBI

I/We

.....h
ereby apply for (transfer of licence/change of control in our power undertaking) in
accordance with the Energy (Electric Power undertaking Licensing) Regulations, 2022

(Underline as appropriate)

7. PARTICULARS OF THE LICENCE

NAME OF LICENSEE	
NAME OF UNDERTAKING	
LICENCE No. & DATE OF ISSUE	
LICENCE EXPIRY DATE	

8. DETAILS OF TRANSFEREE

C. Transferee Details	
Name:	..... ..... ..... .....
Personal Identification Number(KRA PIN):	..... .....
Main Office Physical Address:	Building Name..... LR/ No..... Plot

	Street/: Town/County:
Postal Address:	..... .....
Website (<i>where available</i>):	..... .....
Telephone/Mobile Number:	.....
Email Address:	..... ..... .....
D. Details of the Contact Person <i>(Details of person to whom correspondence or enquiries concerning the application should be directed)</i>	
Name:	..... .....
Position Held:	..... .....
Mobile Number:	..... .....
Email:	..... .....

2.1 REGISTRATION DETAILS OF THE TRANSFEREE

(Tick as appropriate)

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Public Limited Company
- ☐ Private Limited Company

- Cooperative Society
- Other (Specify).....

2.2 TRANSFEREE OWNERSHIP DETAILS

(Give full details of proprietors or partners owning business or directors/shareholders of the company, as applicable)

Name	Nationality
.....
.....
.....

(Insert additional lines as appropriate)

State if you are or any of your partners/directors is an un-discharged bankrupt. *(If so, indicate the names)*

- (a)
- (b).....
- (c).....

(Insert additional lines as appropriate)

2.3 ACCOMPANYING DOCUMENTATION FOR TRANSFER OF LICENCE

The application for transfer of electric power licence shall be accompanied by the following supporting documents. The documents shall be submitted online with two (2) paper/hard copies.

2.3.1 Transferee Business and Director's Documents

- (a) Certified copy of Business Name Registration Certificate or Certificate of Incorporation and Memorandum and Articles of Association in case of a company (whichever is applicable);
- (b) Certified Form CR12 from the registrar of companies not more than six (6) months from the date of issue;
- (c) Valid tax compliance certificate from the Kenya Revenue Authority;
- (d) If Kenyan, a copy of National Identity Card, or if non-Kenyan, copies of pages first two and last two pages of your passport;

- (e) Certified copy of valid Work Permit for foreign directors working in Kenya or notarized declaration of non-residence for foreign directors not residing in Kenya;
- (f) Proof of occupancy of Main Company Office;
- (g) PIN certificate.
- (h) Commitment by the transferee to comply with terms and conditions of the licence
- (i) Written Authorization by the transferor consenting to the proposed transaction(for voluntary transfer).
- (j) Profile of the transferee.

(The documents above shall be valid during the application).

9. DETAILS OF CHANGE OF CONTROL

9.1.CURRENT OWNERSHIP STRUCTURE

(Give full details of proprietors or partners owning business or directors/shareholders of the company, as applicable)

Name	Nationality	Percentage Holding	Share

(Insert additional lines as appropriate)

State if you are or any of your partners/directors is an un-discharged bankrupt. *(If so, indicate the names)*

- (a)
- (b).....
- (c).....

(Insert additional lines as appropriate)

9.2. PROPOSED SHAREHOLDING STRUCTURE

(Give full details of proprietors or partners owning business or directors/shareholders of the company, as applicable)

Name	Nationality	Percentage Holding	Share

(Insert additional lines as appropriate)

State if you are or any of your partners/directors is an un-discharged bankrupt. *(If so, indicate the names)*

(a)

(b).....

(c).....

(Insert additional lines as appropriate)

9.3. ACCOMPANYING DOCUMENTATION FOR CHANGE OF CONTROL

The application for change of control of power undertaking shall be accompanied by the following supporting documents. The documents shall be submitted online with two (2) paper/hard copies.

- Written Authorization by the seller/transferor consenting to the proposed transaction (for voluntary transfer).
- Details of the proposed transaction.
- Profile of the acquirer.
- Certified copy Certificate of Incorporation of the proposed acquirer (the certification of original copy ought to be effected by an advocate of the High Court of Kenya or notary public-whichever applies).
- Certified copy of Certificate of Incorporation of the proposed transferor/seller (the certification of original copy ought to be effected by an advocate of the High Court of Kenya or notary public-whichever applies).
- CR12 form or the equivalent for the acquirer (not more than 6 months from date of issue).
- CR12 form or the equivalent for the transferor/seller (not more than 6 months from date of issue).
- Current ownership structure of the transferor/seller indicating the current shareholding (percentage of ownership of each entity).
- Ownership structure after transfer and proposed shareholding (percentage of ownership of each entity).

- j) Confirmation of whether or not the proposed acquirer shall maintain its corporate identity and continue to trade under the current brand name or under a new brand name.
- k) Certified copies of the proposed transferee's audited financial statements for the last three financial years.
- l) Certified copies of the transferor/seller and acquirer directors' identification documents. (Directors as indicated in the respective valid CR12 document or the equivalent).
- m) An undertaking that the proposed acquirer in the event the application for consent to transfer license is approved, shall continue to adhere to and comply with the terms and conditions of the licenses currently held by the transferor/seller.
- n) Approval by Competition Authority of Kenya.
- o) Status of the transferor/seller employees upon completion of the transaction.
- p) Any other document demonstrating the legal, technical and financial competency by the acquirer to carry out the undertaking.
- q) Valid Tax Compliance certificate for the transferor/seller.
- r) Valid Tax Compliance certificate for the acquirer

DECLARATION BY THE APPLICANT

I/we hereby declare that the information provided in this application is true to the best of my/our knowledge.

Dated thisday of20.....

Name

Title.....

Signature.....

....

SEVENTH SCHEDULE
OFFENCES AND PENALTIES

- 1) A person found to be guilty of any of the offences listed in these regulations shall be liable to the fine or penalty indicated below:

Section	Description of Offence/Violation	Penalty
5	Constructing or Operating a power undertaking Without a License from the Authority	A fine of one Ksh 100,000 for each day the undertaking operates without a license.
5	Upgrading/amending an undertaking without approval for modification from the Authority. Modification includes but not limited to change in the approved installed capacity or change in the area extent of the distribution network	A fine of Ksh 100,000 for each day the undertaking operates without a license.
5	Non-Compliance with any of the License Conditions:	A fine of 20,000 per day for each violation of a license condition.
13	Change of control/transfer without the approval of the Authority	A fine of ksh 500,000 for each approval not obtained.
17, 18	Preventing an officer or agent of the Authority from conducting a technical audit or inspection.	Kshs. 50,000.00 for every day that the incident persists.
16	Non-Compliance with Reporting Requirements:	A fine of Kshs.100,000.00 every time a report or dataset is not submitted by the specified deadline.
16	Providing false data to the Authority	A fine not exceeding ten million shillings or imprisonment for a term not exceeding five years, or both.
16	Providing inaccurate or incomplete data to the Authority	Kshs.100,000.00
12	Failure to pay Fees prescribed under the Fourth Schedule	A fine of ksh.10,000 for each day the fee remains unpaid. Additionally, the licensee may face suspension or revocation of the license if fees remain unpaid for more than 90 days.

Section	Description of Offence/Violation	Penalty
19	Failure to comply with a compliance order issued by the Authority	A fine of ksh. 100,000 for each day the compliance order is not complied with. Suspension or permanent revocation of the license
Various	General Penalty	Where any default or contravention of any of the provisions of these Regulations is made for which no fine or penalty is expressly stated, the person so defaulting or contravening shall, on conviction, be liable to a fine not less than one hundred thousand shillings.
Where applicable, penalties may be offset against revenue requirements during the computation of a tariff.		

EIGHT SCHEDULE: TEMPLATE OF COMPLIANCE ORDER

Order No.: [Order Number]

Date: [Date]

To:

[Name of Licensee]

[Address of Licensee]

[License Number]

Subject: Compliance Order for Violation of [Specify Regulation/License Condition/Act]

Pursuant to the powers conferred upon the Authority under the [Section of the Act and/or Regulations], this Compliance Order is issued to you based on the findings of [an audit/inspection/enforcement action] conducted on [Date of Audit/Inspection]. The findings indicate that your power undertaking is in violation of the following regulation(s)/license condition(s)/Act:

Violation(s) Identified:

1. [Detail of Violation 1]
2. [Detail of Violation 2]
3. [Detail of Violation 3]

Required Actions:

You are hereby directed to undertake the following corrective actions to rectify the identified violations:

1. **[Action 1]**: **Deadline**: [Specific Date]
2. **[Action 2]**: - **Deadline**: [Specific Date]
3. **[Action 3]**: - **Deadline**: [Specific Date]

Immediate Measures:

You are required to immediately cease [specific activities/operations]. This cessation will remain in effect until full compliance with the above actions is achieved and verified by the Authority.

Right to Appeal:

You have the right to appeal this Compliance Order within [Specify Number of Days, e.g., 30 days] from the date of this order. Appeals must be submitted in writing to the Authority at the following address:

[Authority's Address]

Contact Information:

For further information or clarification, please contact:

[Name of Contact Person]

[Title]

[Phone Number]

[Email Address]

Yours sincerely,

[Name of Authorizing Officer]

[Title]

[Authority's Name]

NINTH SCHEDULE (r. 15)

TRANSITIONAL CLAUSES

Preservation of Licences

1. Any person licensed under the Energy (Electricity Licensing) Regulations, 2012 (now repealed) shall carry on as though licensed under this Regulations, without having to apply for a new licence, and shall enjoy all rights and privileges as provided under this Regulation. Provided upon expiry of the existing licence the same shall be renewed under these Regulations.

Preservation of proceedings and rights of appeal

2. Any proceedings, instruments and any right of review or appeal subsisting immediately before the commencement of this Regulations by virtue of the repealed Regulations shall after the commencement of this Regulations be treated as subsisting by virtue of the corresponding enactment in this Regulations

Continuance of periods of time

3. Where a period of time specified in the repealed Regulations is current at the commencement of this Regulations, this Regulations shall have effect as if the corresponding provisions had been in force when the period began to run.
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