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| Legal Notice No………………  |
| **THE ENERGY ACT (No. 1 of 2019)** |
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| **IN EXERCISE** of the powers conferred by sections 162 and 208 of the Energy Act, 2019, the Cabinet Secretary for Energy makes the following Regulations. |
| **THE ENERGY (NET-METERING) REGULATIONS, 2024** |
|  |  | **PART I – PRELIMINARY** |
| Short title. |  | These Regulations may be cited as the Energy (Net-metering) Regulations, 2024.  |
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| Interpretation |  | In these Regulations, unless the context otherwise requires – |
| No 1 of 2019 |  | “Act” means the Energy Act; |
|  |  | “Authority” means the Energy and Petroleum Regulatory Authority established under Section 9 of the Act; |
|  |  | “Area of Supply” means the area within which a distribution licensee is, for the time being, authorized to supply electrical energy; |
|  |  | “Connection Point” means point of common coupling between the Licensee and Prosumer’s systems; |
|  |  | “Distribution Licensee” means a holder of a distribution licence or a retail supply licence under the Act authorized to operate and maintain a distribution system for supplying electrical energy to its customers in its area of supply; |
| **No 43 of 2011** |  | “Engineer” means a person registered under the Engineers Act as a Professional or Consulting Engineer and holds a valid license |
|  |  | "Export" means, with regard to meter readings, the number of units of electricity-measured in kWh- that a Prosumer has supplied to the grid within a billing period; |
|  |  | “Grid” has the same meaning as defined in the Act; |
|  |  | "Import" means, with regard to meter readings, the number of units of electricity-measured in kWh- that a Prosumer has received from the grid within a billing period; |
|  |  | “Installed Capacity” means the nameplate rating of the generating plant in kW;  |
| Cap 496 |  | “Kenya Standard” means a specification or code of practice declared by the Council under Standards Act; |
|  |  | “Licensed Person” means a person authorised by the Authority to perform such works as prescribed in their licence; |
|  |  | “Licensee” means a Distribution and/or Retail Licensee; |
|  |  | “Net- meter” means an appropriate energy meter capable of recording both import and export of electricity;  |
|  |  | “Net- metering” means a mechanism that allows Prosumers to supply electricity to the grid in times of over-production and to make use of the credited energy during other times; |
|  |  | “Net- metering System” means a system that operates in parallel with the electrical distribution facilities of a Licensee and that measures, by means of a net meter, the amount of electrical energy supplied to and received by a Prosumer; |
|  |  | “Net- metering System Agreement” means an agreement entered into, pursuant to section 162 of the Act, by a Licensee and Prosumer in accordance with these Regulations; |
|  |  | “Person” means any natural or juridical person; |
|  |  | “Parallel operation” or “Operates in parallel” means the operation of on-site generation by a Prosumer while still connected to the distribution system of the Licensee; |
|  |  | “Prosumer” means a customer supplied by a Licensee and generates electricity for self-consumption and net metering-on the customer’s side of the meter- using a Renewable Energy source whose capacity does not exceed 1MW; |
|  |  | “Renewable Energy” has the same meaning as defined in the Act; |
|  |  | “Retail Licensee” means a holder of a retail supply licence, defined in the Act; |
|  |  | “Tribunal” means the Energy and Petroleum Tribunal established under section 25 of the Act. |
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| Purpose of the Regulations. |  | The purpose of the Regulations is to promote the use of renewable energy technologies by providing prosumers with energy storage to the grid. |
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| Application. |  | These Regulations shall apply to prosumers, distribution licensees and retail licensees.  |
| **PART II- GENERAL PROVISIONS** |
| Eligible technologies and Customers. |  | * 1. These Regulations are applicable to renewable energy technologies with an installed capacity of less than 1 MW.
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|  |  | * 1. A Licensee shall enter into a net-metering arrangement with Prosumers on a first come first served and non-discriminatory basis, subject to provisions of these Regulations.
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| Net Metering capacity limits. |  | * 1. The installed capacity for —

domestic customers shall not exceed 4 kW for single phase supply and 10 kW for three phase supply.  |
|  |  | commercial and industrial customers shall—1. not exceed one megawatt; and,
2. be capped at the maximum load demand in kW achieved in the 12 months preceding application for net metering. Where the maximum demand is not provided as part of the electricity bill, the capacity shall not exceed the contracted load demand.
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|  |  | * 1. For purposes of these Regulations, where a commercial or industrial customer has multiple meters for the same facility, the maximum demand shall be the sum of all the values recorded by the meters, provided the total installed capacity does not exceed 1 MW.
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|  |  | * 1. The aggregate generation capacity from net-metering systems shall be 100 MW in the initial five (5) years of these Regulations. The Authority shall review the capacity when the threshold is attained but not later than five (5) years after these Regulations are gazetted. Subsequent reviews shall be done every five (5) years.
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|  |  | * 1. In the case of more than one licensee, the share of the aggregate capacity shall be proportionate to the specific load in a licensee’s area of supply against the national load.
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|  |  | * 1. The aggregate generation capacity of net metered facilities in a particular Licensee’s licence area shall be determined by the Licensee in accordance with:
 |
|  |  | The Licensee’s electrical infrastructure equipment ratings upstream of net metered facilities;Limits imposed by the Licensee’s network’s stability requirement as determined by technical studies performed by, and practical experiences of, the Licensee. * 1. The limits in 4(5) shall be submitted to the Authority, and published on the Licensee's website; and shall only serve the purpose of ensuring the distribution network stability, reliability and power quality in accordance with prevailing operational conditions.
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| **PART III- APPLICATION FOR NET-METERING ARRANGEMENT** |
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| Application to enter into a Net-metering System Agreement. |  | * 1. A person shall not operate a net-metering system unless he has a Net-metering System Agreement with a Licensee.
	2. A person who intends to enter into a Net Metering System Agreement shall make an application to the Licensee in the form set out in the First Schedule.
	3. A customer, who at the commencement of these regulations has a renewable energy system of less than 1 MW in operation, may apply to enter into a Net-metering System Agreement provided they meet the requirements of the Regulations.
	4. The application shall be accompanied by a feasibility study report prepared by an Engineer where the proposed renewable energy system is more than 10 kW. The feasibility study report shall have the minimum requirements prescribed in the Second Schedule.
	5. The Net-metering Agreement entered into under these Regulations shall be valid for a renewable term of five (5) years.
	6. A licensee shall avail at its offices and on its website the application procedure. The procedure shall include the application form and any other conditions to be included in the Net-metering Agreement.
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| Determination of Application |  | * 1. The Licensee shall examine all applications in Regulation 5 in a non-discriminatory basis, taking into account;

the submitted feasibility study; and system power flow studies in the distribution area.* 1. The Licensee’s decision on the Prosumer’s application shall be communicated in form of a written notice within sixty (60) days from the date of application.
	2. The written notice by the Licensee under sub regulation (2) shall specify —

in the case where the application is approved, the fact of such approval and any conditions attached thereto, andin the case where the application is rejected, the fact of such rejection and the reason for the rejection.* 1. Where the application is approved, the prosumer shall enter into a Net-metering System Agreement, with minimum requirements prescribed in the Third Schedule. The Prosumer shall pay to the Licensee a non-refundable fee defined by the Authority for the tariff control period.
	2. The Prosumer shall install and commission within six (6) months from the date of entering into the agreement in sub regulation (4), failure to which the application shall be deemed withdrawn and cancelled.
	3. A Licensee shall apply for approval of the fees payable in (4) as part of the tariff review by the Authority.
	4. A Licensee shall apply to the Authority for approval of the non-refundable application fee within sixty (60) days of coming into force of these Regulations
	5. A copy of each signed Net-metering System Agreement shall be filed by the Prosumer to the Authority within thirty (30) days.
 |
| **PART IV- INSTALLATION, OPERATION AND MAINTENANCE OF NET-METERING SYSTEMS** |
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| **Installation, grid interconnection, maintenance and operations** |  | * 1. The installation, interconnection, maintenance, and operation of Net-metering Systems shall be performed by a Licensed Person and using such equipment and system configuration in order to meet requirements of the Kenya Electricity Distribution Grid Code, any relevant Kenya Standards, applicable statutory requirements and guidelines issued by the Authority as applicable.
	2. A Net-metering System shall be capable of operating in parallel to the distribution network and safely deliver power at a single point of interconnection.
	3. Meters for Net-metering Systems shall be smart with the following minimum specifications–

Be bi-directional capable of two-way communication used solely to measure and register electricity flow in both directions at the same rate;Be able to measure and record peak supply in different periods;Provide for time-of-use metering;* 1. The type approval, and security and protection of meters shall be in accordance with section 154 and 155 of the Act respectively. Where the prosumer provides a meter or check meter, the provisions of section 156 and 157 of the Act shall apply.
	2. The Prosumer shall bear costs related to the meter and setting up the interconnection with the Licensee’s network.
	3. The Prosumer shall give the Licensee a written notice of fourteen (14) days to witness the testing and commissioning of the Net-metering System. The Licensee shall be entitled to attend and witness the testing and commissioning.
	4. To prevent a Net-metering Prosumer from back-feeding a de-energized line, a Net-metering facility shall have a visibly open, lockable, manual-disconnect switch, which is accessible by the Licensee and clearly labelled. This requirement for a manual-disconnect switch shall be waived if the following three (3) conditions are met:
1. The generation system must be designed to shut down or disconnect automatically and cannot be manually overridden upon loss of utility power;
2. The generation system must be warranted by the manufacturer to shut down or disconnect upon loss of utility power; and
3. The generation system must be properly installed and operated, and inspected and/or tested by a Licensed Person.
	1. A Prosumer shall seek approval from a Licensee prior to the execution of any replacement or modifications to the Net-metering System or the Connection Point.
	2. A Licensee may disconnect a Net-metering System whose output violates the Grid Code. The Licensee shall issue a disconnection notice giving reasons for disconnection to the Prosumer twenty-four (24) hours prior to the disconnection. The disconnection shall prevail until the issues are resolved.
	3. The Licensee shall have the right to disconnect any Net-metering System and/or the supply of electricity to the prosumer’s premises without giving prior notice if continuation of delivery or supply of electricity will
4. jeopardize the safety, reliability or security of the Licensee’s distribution system; or,
5. presents an imminent physical threat that endangers the safety, life or health of any person or property.
	1. Where the Prosumer is no longer in control or possession of the premises in which a Net-metering System is installed, the Prosumer may upon agreement with the Licensee and the new owner or occupier of the premises, assign the Net-metering Agreement to the new owner or occupier. The new owner or occupier shall provide to the Licensee details specified in the First Schedule.
	2. where the new owner or occupier provides the requirements in sub regulation 7 (11) the Licensee shall grant the approval and communicate the outcome to the applicant in writing no later than sixty days from the date of receipt of the application or transfer of net metering agreement.
	3. The new owner or occupier shall undertake to comply with the terms and conditions of the Net-metering Agreement and any requirements for the grant of consent by the Licensee. The Agreement shall be valid for the remainder of the five (5) year period and maybe renewed as provided in sub regulation 6(3).
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| **PART V- COSTS, TARIFFS AND BILLING** |
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| **Costs, tariffs and billing** |  | * 1. A Licensee shall charge prosumers electricity tariffs, as approved by the Authority for the applicable tariff control period.
	2. Prosumers shall receive a credit for each unit of electrical energy exported to the Licensee in a billing period. The credit shall be fifty percent (50%) of the exported unit.
	3. The billing shall be on a monthly basis, where a Prosumer shall be billed applicable non-variable charges under the retail tariff schedule approved by the Authority.
	4. While billing the Prosumer, the Licensee shall credit units (kWh) exported by the Prosumer and charge for the net energy supplied in accordance with the applicable retail tariff.
	5. Where the credits units exceed the energy supplied by the Licensee, the surplus shall be carried forward to the next billing period. Any unused credits shall be forfeited at the end of the Licensee’s financial year.
	6. Prosumers shall not be entitled to any compensation for capacity, reactive power, voltage and frequency support or any other benefits the Net- Metering System may provide.
	7. Subject to the provisions of the Act, the Licensee shall avail the distribution systems at all times. The Prosumer shall not be compensated for any deemed generation during system downtime.
	8. For billing purposes, a Licensee shall not estimate the electricity consumed and generated by net-metered customers during any billing period.
	9. A Prosumers shall grant a Licensee access to their premises for the purpose of maintaining and/or reading the meter.
	10. Where a Prosumer terminates a Net-metering System Agreement, he shall forfeit any remaining credits. However, the credits may be transferred to a new owner or occupier who is assigned the Net-metering Agreement by the Prosumer, in accordance with Regulation 7(11).
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| **PART VI - COMPLIANCE, MONITORING, AND ENFORCEMENT ACTIONS** |
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| Monitoring and control. |  | * 1. A Licensee shall maintain an up to date register of Prosumers. The register shall be available on their website and be in the format specified in the Fourth Schedule.
	2. A Licensee shall submit to the Authority an annual report on the implementation of Net-Metering Systems within their areas of supply.
	3. The report in sub regulation (2) shall be submitted within sixty (60) days after the end of the Licensee’s financial year and shall include the following information—
1. Number of prosumers served by the licensee
2. Type and capacity of each net metering facility by the prosumers; and,
3. Total energy imported to and exported from the prosumers.
	1. A Licensee who fails to comply with sub regulation (1), (2) and (3) commits an offence and is liable to a penalty of ten million shillings
 |
| Carbon credits |  | The Carbon Credits accruing from the net metering system shall be vested with the Prosumer, unless otherwise specified by any other laws of Kenya. |
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| Health, environmental and safety obligations. |  | A Prosumer shall comply with all the applicable health, safety, and environmental laws. |
| **PART VII – OFFENCES AND PENALTIES** |
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| **Penalties** |  | 1. A Person who: -
2. connects a Net-Metering System without a Net-metering Agreement
3. contravenes any of the conditions of a Net-metering Agreement
4. makes or permits to be made any alteration to net metering systems without the prior approval of the Licensee

commits an offence and shall, on conviction, be liable to a fine not less than one million shillings. |
| **PART VIII - COMPLAINS, DISPUTES, AND APPEALS** |
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| **Disputes and Appeals** |  | * 1. Any complaint or dispute under these Regulations shall be referred to the Authority for resolution in accordance with the Energy (Complaints and Disputes Resolution) Regulations, 2012 or any other subsequent or replacement regulations.
	2. Any person aggrieved by a decision or order of the Authority may appeal to the Tribunal in accordance with section 24 of the Act.
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**FIRST SCHEDULE (r. 5(2), 7 (11),)**

**NET-METERING APPLICATION FORMS**

Form 001

**NEW APPLICATION**

The Chief Executive Officer

Licensee

P.O. Box XXXX

xyz

I/We……………………………………………………………...................................hereby apply for Net-metering System Agreement in accordance with **The Energy (Net-Metering) Regulations, 2024**

1. Name of applicant ………………………………………………………………………………………………………………….…………………………………………………………………………………
2. Details of applicant :
	1. KRA PIN: ………………………………………………………………
	2. Postal Address: ………………………………………………………
	3. Email Address: ....................................................................................
	4. Telephone number(s): .........................................................................
	5. Existing customer electricity account number ……………………….
	6. Customer category:……………………………………………………
	7. LR/ Plot No: …………………………………………………….……
	8. Building Name: ………………………………………………………
	9. Street/ Road: ………………………………………………………………
	10. Town/ County: ………………………………………………………
3. Give full details of proprietors or partners owning business or directors/ shareholders of the company, as applicable.

Name……………………………………………………

Nationality ………………………………………………

*(Insert additional lines as appropriate)*

1. Peak demand (in kW): ………………………………………………………………………………….
2. Generation plant capacity (in kW) installed/to be installed ………………………………………………
3. Description (**this should include the technology**)

*(Insert additional lines as appropriate)*

1. Applications are to be accompanied by certified copies of the following documents;
2. For a juridical person;
3. Feasibility study report including but not limited to demand forecasts and historical load profiles.
4. Certificate of incorporation or registration, memorandum and articles of association where applicable.
5. Form CR 12 from the Registrar of Companies or Form CR 13 from the Registrar of Companies issued within the last twelve months from the date of issue.
6. Details of current directors or owners including a copy of their identification documents.
7. Lease Agreement or title deed for ownership of land where the installation is located.
8. PIN and VAT certificates, valid tax compliance certificate
9. For a natural person:
10. Feasibility study report including but not limited to demand forecasts and historical load profiles.
11. Details of owners including a copy of their identification documents.
12. Lease Agreement or title deed for ownership of land where the installation is located.
13. PIN certificate.
14. Have you successfully applied for net metering in the past? Yes ❑ No❑ If yes,

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| S No. | Capacity | Location | Approved On |
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1. Has any previous net-metering application been rejected under these regulations? Yes ❑ No❑ (If Yes, give details)

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1. Has any previous net-metering agreement been cancelled under these regulations? Yes ❑ No❑ (If Yes, give details)

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1. Has any previous net-metering agreement been terminated under these regulations? Yes  No (If Yes, give details)

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**DECLARATION**

I/We ………………………………………….. hereby, declare that the information provided in this application is true and accurate.

I/We commit to abide by the Energy (Net-Metering) Regulations, 2024 and any rules and by-laws for the time being in force there under.

Signature of Applicant …………………… Date …………………

Form 002

**TRANSFER OF NET METERING AGREEMENT**

The Chief Executive Officer

Licensee

P.O. Box XXXX

xyz

I/We……………………………………………………………...................................hereby apply for transfer of the Net-metering System Agreement in accordance with **The Energy (Net-Metering) Regulations, 2024**

1. Name of applicant ………………………………………………………………………………………………………………….…………………………………………………………………………………
2. Details of applicant :
	1. KRA PIN: ………………………………………………………………
	2. Postal Address: ………………………………………………………
	3. Email Address: ....................................................................................
	4. Telephone number(s): .........................................................................
	5. Existing customer electricity account number ……………………….
	6. Customer category:……………………………………………………
	7. LR/ Plot No: …………………………………………………….……
	8. Building Name: ………………………………………………………
	9. Street/ Road: ………………………………………………………………
	10. Town/ County: ………………………………………………………
3. Details of previous occupier:
	1. Name: ………………………………………………………………
	2. Postal Address: ………………………………………………………
	3. Email Address: ....................................................................................
	4. Telephone number(s): .........................................................................
	5. Electricity account number ……………………….
	6. Customer category:……………………………………………………
	7. LR/ Plot No: …………………………………………………….……
	8. Building Name: ………………………………………………………
	9. Street/ Road: ………………………………………………………………
	10. Town/ County: ………………………………………………………
4. Give full details of proprietors or partners owning business or directors/ shareholders of the company, as applicable.

Name……………………………………………………

Nationality ………………………………………………

*(Insert additional lines as appropriate)*

1. Estimated Peak demand (in kW): ………………………………………………………………………………….
2. Existing generation plant capacity (in kW) installed ………………………………………………
3. Applications are to be accompanied by certified copies of the following documents;
4. For a juridical person;
5. Certificate of incorporation or registration, memorandum and articles of association where applicable.
6. Form CR 12 from the Registrar of Companies or Form CR 13 from the Registrar of Companies issued within the last twelve months from the date of issue.
7. Details of current directors or owners including a copy of their identification documents.
8. Lease Agreement or title deed for ownership of land where the installation is located.
9. PIN and VAT certificates, valid tax compliance certificate
10. For a natural person:
11. Details of owners including a copy of their identification documents.
12. Lease Agreement or title deed for ownership of land where the installation is located.
13. PIN certificate.
14. Have you successfully applied for net metering in the past? Yes ❑ No❑ If yes,

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| --- | --- | --- | --- |
| S No. | Capacity | Location | Approved On |
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1. Has any previous net-metering application been rejected under these regulations? Yes ❑ No❑ (If Yes, give details)

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1. Has any previous net-metering agreement been cancelled under these regulations? Yes ❑ No❑ (If Yes, give details)

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1. Has any previous net-metering agreement been terminated under these regulations? Yes  No (If Yes, give details)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

**DECLARATION**

I/We ………………………………………….. hereby, declare that the information provided in this application is true and accurate.

I/We commit to abide by the Energy (Net-Metering) Regulations, 2024 and any rules and by-laws for the time being in force there under.

Signature of Applicant …………………… Date …………………

**SECOND SCHEDULE (r. 5(3))**

**GUIDELINES FOR NET METERING FEASIBILITY STUDY REPORT**

The study shall determine the technical impact of the renewable energy system installation to the Licensee’s distribution system and establish technical and safety requirements that may be necessary for the installation. The study is a pre-requisite for approval of the Net Metering Agreement application for on-site installation more than 10 kW. Hence, the study shall be performed and the report shall be submitted together with the net metering application.

The Prosumer shall engage an Engineer to conduct a net metering feasibility study. Upon request by the Prosumer, the Licensee shall provide the distribution system data subject to signing off a Non-Disclosure Agreement (NDA) between the party that shall perform the study and the Licensee.

The study conducted shall be based on the Prosumer’s load profile and the report shall *inter alia,* include;

1. a general description of the electrical supply system and connection of RE system
2. a system study from the Prosumer’s side to the Connection Point
3. a power flow analysis of the impact to the Licensee’s distribution system voltage, current, fault level, and power factor
4. the protection scheme requirements for the safe operation of the RE system
5. environmental impact of the renewable energy system
6. any other analysis required by the Licensee for the purpose of safety and security of the distribution system and other electricity customers.

**THIRD SCHEDULE (r. 6(4))**

**NET-METERING SYSTEM AGREEMENT**

This Agreement is made and entered into at (location) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on this (date) \_\_\_\_\_\_\_\_ day of (month) \_\_\_\_\_\_\_\_\_\_ (year) \_\_\_\_\_\_\_\_

Between;

* 1. The Prosumer (Name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_ having premises at (address) \_\_\_\_\_\_\_\_\_\_\_\_ and Meter No.\_\_\_\_\_\_\_\_\_ and Account Number ­­­­­­­\_\_\_\_\_\_\_\_ as the first Party; and
	2. The Licensee (Name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and having its Registered Office at (address) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_as second Party of this Agreement;

Whereas, the Prosumer has applied to the Licensee for approval of a Net-Metering Arrangement under the provisions of the Energy (Net-metering) Regulations, 2024 herein after referred to as “Regulations” and subsequent amendments and sought its connectivity to the Licensee's Distribution Network;

And whereas, the Licensee has agreed to provide Network connectivity to the Prosumer for injection of electricity generated from its Renewable Energy Generating System herein after referred to as “System” of \_\_\_\_\_\_\_\_\_\_\_\_ kilowatt; Both Parties hereby agree as follows: -

1. **Eligibility:**

The System meets the applicable norms for being integrated into the Distribution Network, and that the Prosumer shall maintain the System accordingly for the duration of this Agreement.

1. **Technical and Inter-Connection Requirements:**
	1. The metering arrangement and the inter-connection of the System with the Network of the Licensee shall be as per the provisions of the Regulations and the technical standards and norms specified therein.
	2. The Prosumer agrees that they shall install, prior to connection of the System to the Network of the Licensee, an isolation device -both automatic and in built within the inverter (where applicable) and external manual relays; and the Licensee shall have access to it if required for the repair and maintenance of the Distribution Network.
	3. The Licensee shall specify the interface/inter-connection point and metering point.
	4. The existing metering System, if not in accordance with the Regulations, shall be replaced as per the requirements in the Regulations.
	5. The bi-directional meter shall be fixed in a separate meter box from any other meter in the premises.
	6. The bi-directional meter shall be calibrated by an institution accredited by the Kenya National Accreditation Service
	7. The Prosumer shall furnish all relevant data, such as voltage, frequency, harmonics, circuit breaker, isolator position in his System, as and when required by the Licensee.
	8. The Prosumer shall ensure that the System complies with provisions of the Energy Act, 2019 and the Regulations, or any other applicable statutory requirements.
	9. Without prejudice to any other provision in this agreement, the Licensee shall not be obligated to accept the exported energy if any of the following circumstances occurs:
		* 1. for such periods and under such circumstances as the Licensee thinks fit having regard to public safety and private safety;
			2. any emergency condition occurs;
			3. the System delivers the exported energy which does not conform to the requirement of the Grid Code;
			4. maintenance of the System or the meters;
			5. failure of the Prosumer to pay any amount payable under the Regulations; or
			6. the Prosumer is in breach of the provisions of the Energy Act, 2019 or the Regulations or any other statutory requirement.
2. **Safety:**
	1. The equipment connected to the Licensee's Distribution System shall be compliant with relevant Kenyan Standards or applicable international standards, as the case may be, and the installation of electrical equipment shall comply with the safety and electricity supply requirements specified by the Authority and Licensee.
	2. The design, installation, commissioning, maintenance and operation of the System shall be undertaken in a manner conducive to the safety of the System as well as the Licensee's Network.
	3. If, at any time, the Licensee determines that the System is causing or may cause damage to and/or results in the Licensee's other customers or its assets, the Prosumer shall disconnect the System from the distribution Network upon direction from the Licensee where the Licensee is not able to undertake the disconnection. The Prosumer shall undertake corrective measures at his own expense prior to re-connection.
	4. It shall be the responsibility of the Prosumer to ensure that protective equipment is installed.
	5. The Licensee shall not be responsible for any accident resulting in injury to human beings or animals or damage to property that may occur due to back-feeding from the System when the grid supply is off. The Licensee may disconnect the installation at any time in the event of such exigencies to prevent such accidents.
	6. The Prosumer shall maintain at their own expense the System in good operating condition (subject to fair wear and tear only) including replacement of worn, damaged and lost parts, and shall make good any damage or destruction to the System;
	7. The Prosumer shall not make any alteration to the System and shall not remove any existing component (or components) from the System without the prior written consent of the Licensee unless they are required to comply with any mandatory modifications by law or any regulatory authority. The Prosumer shall notify the Licensee of such mandatory modifications before undertaking them. The application for approval shall be fourteen (14) days prior to any alteration.
3. **Other Clearances and Approvals:**
	1. The Prosumer shall obtain any statutory approvals and clearances that may be required, such as from the Authority and all other relevant statutory agencies, before connecting the System to the distribution Network.
	2. If the Prosumer is occupying the premises where the System is situated under the terms of a lease, sub-lease or a licence, then the Prosumer shall obtain the prior written consent of the registered proprietor of the premises or any other person as required by the terms of the lease, sub-lease or licence for the installation and commissioning of the System.
4. **Period of Agreement, and Termination:**

This Agreement shall be for a period for 5 years, but may be terminated prematurely:

1. By mutual consent; or
2. By the Prosumer by giving 60 days' notice to the Licensee;
3. By the Licensee, by giving 60 days' notice, if the Prosumer breaches any terms of this Agreement or the provisions of the Regulations and does not remedy such breach within 30 days, or such other reasonable period as may be provided, of receiving notice of such breach, or for any other valid reason communicated by the Licensee in writing.
4. Upon the occurrence of an event of default. For purposes of this agreement, an event of default shall occur upon the following:
5. the Prosumer is liquidated or wound up or passes a resolution for voluntary winding up (otherwise than for a bona fide reconstruction or amalgamation) or if similar or analogous proceedings are instituted against or taken by that party; or
6. the Prosumer shall have a receiver or an administrative receiver appointed in respect of all or any part of their assets or if similar or analogous proceedings are instituted against the assets of that party; or
7. the Prosumer enters into an arrangement for the benefit of their creditors; or
8. the Prosumer dies; or
9. any warranty, representation or covenant made by the Prosumer in this agreement is false or inaccurate in any material respect; or
10. the electricity supply contract by the Licensee is terminated; or
11. the Prosumer vacates the premises and is no longer in control or possession of the premises and does not assign the agreement to the new owner or occupant of the premises.
12. **Access and Disconnection:**
	1. The Prosumer shall provide access to the Licensee to the metering equipment and disconnecting devices of the System, both automatic and manual.
	2. If, in an emergent or outage situation, the Licensee cannot access the disconnecting devices of the System, both automatic and manual, it may disconnect power supply to the premises.
	3. Upon termination of this Agreement under Clause 5, the Prosumer shall disconnect the System forthwith from the Network of the Licensee.
13. **Warranties and representations**

The Prosumer warrants and represents that:

* 1. the System shall conform to its specifications set out in the applicable Kenyan Standard and the Grid Code, be of satisfactory quality and fit for purpose and the System's installed capacity shall not exceed 1 MW; and
	2. they are in possession and control of the premises where the System is situated.
1. **Liabilities:**
	1. The Parties shall indemnify each other for damages or adverse effects of either Party's negligence or misconduct during the installation operation or maintenance of the System.
	2. The Parties shall not be liable to each other for any loss of profits or revenues, business interruption losses, loss of contract or goodwill, or for indirect, consequential, incidental or special damages including, but not limited to, punitive or exemplary damages, whether any of these liabilities, losses or damages arise in contract, or otherwise.
2. **Commercial Settlement:**
	1. The commercial settlements under this Agreement shall be in accordance with the relevant provisions in the Regulations.
	2. The Licensee shall not be liable to compensate the Prosumer if his System is unable to inject surplus power generated into the Licensee's Network on account of failure of power supply in the grid/Network.
	3. The Licensee shall issue monthly electricity bill for the net metered energy on the scheduled date of meter reading. If the exported energy exceeds the imported energy, the Licensee shall show the net energy exported as credited Units of electricity as specified in the Regulations. If the exported energy is less than the imported energy, the Prosumer shall pay the Licensee for the net energy imported at the prevailing tariff approved by Authority for the Prosumer category to which they belong.
3. **Connection Costs:**

The Prosumer shall bear all costs related to the setting up of the System and as guided by the Regulations.

1. Dispute Resolution:
	1. Any dispute arising under this Agreement shall be resolved promptly, in good faith and in an equitable manner by both Parties.
	2. The aggrieved party shall have recourse to the Authority as per the provisions of the Regulations.
2. Service of notices
	1. All notices to be given in terms of this agreement will be given in writing and will be delivered by hand, or email or registered post to their postal address in first page of this agreement.
	2. if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day will be presumed to have been received on the following business day.
	3. If sent by registered post, be presumed to have been received five (5) days after posting.
	4. A notice sent by e-mail will be deemed to have been received on the next day after being sent.
	5. Notwithstanding the above, any notice given in writing, and actually received by the party to whom the notice is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause.
3. **General Provisions**
	1. Waiver:

No failure or delay to exercise any power, right or remedy by either party shall operate as a waiver of that right, power or remedy and no single or partial exercise by that party of any right, power or remedy shall preclude its further exercise or the exercise of any other right, power or remedy.

* 1. Variations to be in Writing:

No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of the agreement will be of any force or effect unless in writing and signed by the parties.

* 1. Severability of provisions:

Each of the provisions of the agreement is severable and distinct from the others and, if at any time one or more of these provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

* 1. Taxes:

The Prosumer shall be responsible for all present and future taxes, duties, levies and other similar charges including any related interest and penalties, however designated, arising out or imposed by law in connection with the operation of the System.

**Sign. ………………………… Sign………………………….**

**for and on behalf of** Prosumer **for and on behalf of Licensee**

**Witness 1: ……………………. Witness 1: …………………..**

**Witness 2: ……………………. Witness 2:**

**FOURTH SCHEDULE (r. 9(1))**

**REGISTER OF PROSUMERS**

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| --- | --- | --- | --- | --- | --- | --- |
| S. No | Name of Prosumer | Technology of RE System | Installed Capacity | Region | Feeder/ Distribution line (Including Voltage Level) | Date of Approval of NEM Agreement |
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