

SPEECH BY ENG. GEOFFREY MULI, MANAGING DIRECTOR AND CEO (Ag.), KENYA POWER AND LIGHTING PLC DURING THE MANUFACTURERS', TECHNOLOGY AND INNOVATION EXPO HELD AT THE KICC, ON 6TH JULY 2022

SALUTATIONS

- Amb. Dr. Monica Juma, EGH, the Honourable Cabinet Secretary in the Ministry of Energy and Ag. Cabinet Secretary for Petroleum and Mining
- The Chief Administrative Secretary in the Ministry of Energy, Zachary Ayieko
- The Principal Secretary in the Ministry of Energy, Major Gen (Rtd) Dr. Gordon Kihalangwa
- Members of the Board of Kenya Power present
- The Director General of the Energy, Petroleum and regulatory Authority (EPRA)
- CEOs of energy sector agencies and their delegates
- Representatives of international financial partners
- Members of the Kenya Power management team
- Participants from the banking sector, academia, and other interest groups
- Members of the media
- All protocols observed

Good morning, jambo and welcome to Kenya Power's first-ever **Manufacturers, Technology and Innovation Expo**. The Expo brings together power systems and energy solutions providers, policymakers and shapers, energy sector stakeholders, financiers, and other interest groups from different parts of the world, to benchmark, exchange ideas, and explore potential partnerships.

It comes at a time when Kenya's energy sector is undergoing a transformation to enhance its internal efficiencies, and increase customer satisfaction.

For Kenya Power, this event is taking place when we are marking 100 years of service to the people of Kenya. It is thus offering us a platform to reflect on our journey and lay the foundation for our next century of operation.

To achieve this, we need to deploy a new business approach, and we are therefore looking forward to having impactful and thought-provoking engagements, and learning from local, regional and global best practices.

Ladies and gentlemen

For us to understand why we are here, we must appreciate where we are coming from. So, allow me to take a few minutes to share a high-level history of Kenya Power, and therefore, that of Kenya's energy sector.

- The history of Kenya's energy sector, and indeed that of the region, can be traced back to 1885, when Seyyid Barghash, the Sultan of Zanzibar, acquired a generator to light up his palace and nearby streets. Two years later, the Sultan installed Africa's first steam-driven electric generating plant on the Zanzibar waterfront.
- In 1922, the East African Power and Lighting Company (EAP&L) was established to handle electricity generation, transmission, distribution and retail in the region.

- 61 years later, the Company limited its operations to Kenya and later changed its name to the Kenya Power & Lighting Company.
- In 1997, the Government kicked off a process to unbundle the sector, paving way for the establishment of separate entities to manage generation, transmission and distribution.
- Today, Kenya Power operates at the tail end of the energy value chain, serving as the country's only electricity retailer. We have a grid comprising of 86,986kms of high and medium voltage lines, serving more than 8.8 million customers in cities, towns, and villages across the country. We are listed in the Nairobi Securities Exchange, and our asset base is valued at Kshs.332 billion.
- Our customer base has grown by more than 260% in the last 10 years, increasing the electricity access rate to 75% from a low of 29%; making Kenya a regional electricity powerhouse. This growth is a result of deliberate steps that the Company has taken, supported by the Government, to achieve universal access in line with the Sustainable Development Goal No. 7.
- One of the ways we have achieved this is through the Last Mile Connectivity Project, which subsidises electricity connectivity to customers in rural and peri-urban areas.
- To further drive access, we are implementing the Kenya Off-Grid Solar Access Project (K-OSAP), on behalf of the Government, in 14 under-served counties.
- The Company also boasts over 7,000 kilometres of fiber network which offers dark fibre services to the country's and the region's leading Internet Service Providers (ISPs) and we our plan is to launch our Lit Fibre business in the course of this financial year.

Ladies and gentlemen

As with any system, rapid growth and expansion comes with its fair set of learnings and our case has not been different. These learnings have informed our immediate business focus to improve operational efficiency and customer satisfaction.

To achieve this, we are rolling out a digitilisation project to enable the effective and efficient use of ICT and related technology, to spur end-to-end enterprise transformation. To this end, we are embedding smart grid technology, which is anchored on:

- **Grid automation** to enable us detect and diagnose network issues, and undertake remedial action remotely in order to reduce customer interruptions. We have so far automated 100% of the network in Nairobi's industrial areas, and the next phase is targeting industries in Thika, Kisumu, Nyeri and Eldoret.
- The implementation of the **smart meter roadmap** to safeguard revenue, improve business efficiency and enhance customer satisfaction. We have so far installed smart meters for 7000 Large Power customers, and 67,000 SMEs. We have also established seven smart meter data control centres across the country. The results of this move are already evident and as such, we have so far registered an 8% growth in sales from the 67,000 SME accounts, while debt age has reduced from 34.58 days to 27.87 days. We are therefore planning to install an additional 75,000 smart meters for SME accounts in this Financial Year.
- To fully benefit from the advantages offered by the Information Age, businesses are embracing the **Internet of Things (IOT)** to provide customers with personalized services, create visibility of their entire network, and gain customer insights to inform new solutions and consumer trends. Today, successful businesses all over

the world are deploying the use of data when designing strategies. For Kenya Power, with a customer base of over 8.8 million, and a network traversing the entire country, we have one of the largest databases of any organization in the country. One of the ways we plan to achieve this is by geo-mapping our entire grid infrastructure, which we are doing in partnership with the National Youth Service (NYS).

Ladies and gentlemen

We are operating in a world that is environmentally conscious as the clean energy agenda gains momentum. We are therefore alive to clean energy opportunities and as such, we are aggressively pursuing opportunities in clean cooking and e-mobility as part of our efforts to reduce carbon emissions, and increase revenue. We have set up a liaison office to promote clean cooking, and are working with other stakeholders, including researchers in this space, to create customer awareness of affordable and energy-efficient appliances like the electric pressure cookers (EPCs), and induction cookers.

In addition, Kenya Power conducts environmental and social impact assessments for all new projects. We also carry out audits, and monitor existing projects, to ensure that they comply to set environmental standards.

Conclusion

As I close, let me once again welcome you to this forum and wish you fruitful engagements.

I would now like to welcome the Chairman of the Board of Directors of Kenya Power, Vivienne Yeda, to make her remarks.

Thanks and God bless you all.