



PUBLIC PARTICIPATION IN NAIROBI ON PRIVATELY INITIATED PROPOSALS (PIPs) REPORT

DATE: 19TH MARCH 2025

VENUE: CHARTER HALL, CITY HALL, NAIROBI

CHIEF GUEST: MANAGING DIRECTOR & CEO, KETRACO

Introduction

On 19th March 2025, KETRACO held a public participation forum in Nairobi regarding the Privately Initiated Proposals (PIPs) for the upcoming 400kV Lessos-Lusook and 220kV Kisumu-Kakamega-Musaga Transmission Lines. The engagement aimed to provide stakeholders with an overview of the projects, address concerns, and collect feedback.

Objectives

- To inform stakeholders about the proposed transmission line projects.
- To explain the rationale and benefits of implementing the projects through PIPs.
- To address questions and concerns from stakeholders.
- To ensure transparency in the planning and implementation process.

Stakeholders

The following stakeholders were present in the meeting;

- KETRACO Staff
- Nairobi City County Government
- Scrap Metal Council
- CFAO
- Seriti Green and Finegreen
- Kenya Institute of Special Education
- Office of the Attorney General
- HEBITS
- COBRA
- China Railway
- Davie Tech
- Electricity Consumers Society of Kenya
- PPP Directorate
- Media

The structure of the meeting was as follows:

1. Opening prayer
2. Welcome remarks

3. Presentations by the Managing Director, General Manager, Project Development Services and Manager, Legal Services - KETRACO
4. Question and Answer Session
5. AoB

Question & Answer Session

Item	Question & Answer Session
	<p>Q1: Why are these projects being implemented as Privately Initiated Proposals (PIPs)?</p> <p>PIPs allow private investors to bring expertise, financing, and efficiency into energy infrastructure development. This reduces financial pressure on the government while accelerating project completion.</p> <p>Q2: How will local communities benefit from these projects?</p> <p>The projects will create employment opportunities during construction and operation phases. Additionally, improved power supply will support local businesses and attract new investments to the regions.</p> <p>Q3: Why are we prioritizing these transmission lines?</p> <p>The Lessos-Lusook and Kisumu-Kakamega-Musaga Transmission Lines are critical for enhancing grid stability, meeting growing energy demand, and improving power reliability in Western Kenya. They also align with Kenya's Vision 2030.</p> <p>Q4: What measures are in place to mitigate environmental impacts?</p> <p>Comprehensive Environmental and Social Impact Assessments (ESIAs) have been conducted. Mitigation plans will be implemented to minimize ecological disturbance, with continuous monitoring throughout the project lifecycle.</p> <p>Q5: Is Kenya Power ready to distribute the power that will be transmitted through these new proposed transmission lines or is KETRACO putting up unnecessary transmission lines?</p> <p>The proposed projects have been in the Transmission Master Plan and from this plan, different lines come into the grid to meet different objectives therefore, the lines are not unnecessary and have been planned for.</p> <p>Q6: Can KETRACO avoid taking up expensive power and connecting these lines to the national grid?</p> <p>All projects coming into the grid must be approved by the regulator and KETRACO does not have a legal backing to deny anyone connectivity to the national grid.</p> <p>Q7: What are the cost implications of implementing the projects under PIP? Do we have historical costs of implementing projects under PIP vs PPP? And how can we minimize costs under PIPs?</p>

Traditionally, government borrows money from development financing institutions to construct such infrastructure, but these loans are repaid through taxes. In the PPP model, the private party is made good through tariffs paid by consumers.

PIPs are a form of PPPs and therefore, PPPs procured under competitive bidding might not always provide a cheaper alternative since the Contracting Authority would need to raise funds up front for project development, tendering and hiring a transaction advisor.

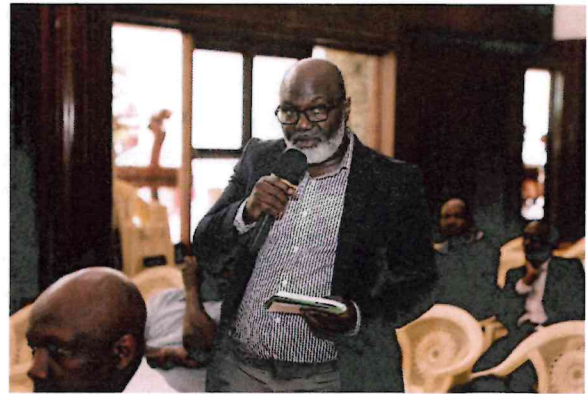
The Contracting Authority has historical data on EPC and wayleave costs and has used a robust financial model to determine affordability and Value for Money.

Q8. How viable is it for the country to implement the projects as PIPs?


PIPs are viable and many projects worldwide have been implemented in this way. The PPP Act gives clear guidelines on how these should be procured. KETRACO is diligent in ensuring the evaluation, negotiation and due diligence stages are carried out robustly in accordance with the Act.

Images





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Dated: 24.4.25