

PRESS RELEASE

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KETRACO SIGNS LANDMARK PUBLIC-PRIVATE PARTNERSHIP WITH AFRICA50 AND POWERGRID CORPORATION OF INDIA TO DELIVER USD 311 MILLION POWER TRANSMISSION PROJECT

NAIROBI, KENYA— The Kenya Electricity Transmission Company Limited (KETRACO) has today signed a transformative Public-Private Partnership (PPP) agreement with a consortium comprising Africa50 and Power Grid Corporation of India, marking a significant milestone in the expansion and modernization of Kenya's power transmission network.

The project, valued at USD 311 million (KES 40.4 billion), will be fully financed and implemented by the private sector with no public funds committed. It involves the design, construction, financing, operation, and maintenance of two key high-voltage transmission lines and associated substations, aimed at enhancing grid reliability, integrating renewable energy sources, and strengthening power supply across Western and Northern Kenya.

The project proponent is a consortium of Africa50, a pan-African infrastructure investment platform backed by 33 African governments, two African Central banks, the African Development Bank Group, and the Public Investment Corporation of South Africa, and the Power Grid Corporation of India, one of the world's top three power transmission utilities, responsible for transmitting 50 per cent of India's electricity.

This project was initiated as a Privately Initiated Proposal (PIP) in 2018 and approved for procurement through PIP, under Section 61 of the PPP Act 430 in July 2021. After a thorough technical, financial and legal review, the project and its agreement received the necessary approvals from the PPP Committee on 24th July 2025; KETRACO's Board of Directors on 7th August 2025; legal opinion and clearance from the Office of the Attorney General on 10th September 2025 and regulatory clearance from The Energy and Petroleum Regulatory Authority (EPRA) on 16th October 2025 to culminate in the signing of the Project Agreements on December 15, 2025.

The PPP project comprises two major transmission lines:

- The approximately 180km 400kV Lessos-Loosuk double circuit transmission line, with new 400/220kV substation at Lessos and 400kV switch station at Loosuk. The line which will traverse Nandi, Elgeyo Marakwet, Baringo, and Samburu counties and will become a key alternative route for evacuating up to 300 MW of wind from Lake Turkana Wind Power Plant and provide a reliable evacuation path for the proposed geothermal power from the North Rift geo-complex in Baringo County.
- The approximately 72km 220kV Kibos-Kakamega-Musaga double circuit transmission line including 2x45MVA 220/33kV substation at Kakamega, 2x90MVA

220/132kV substation at Musaga. The project will extend and terminate 220kV high-voltage grid into Western Kenya for the first time and support the medium voltage network in Kisumu, Vihiga, and Kakamega counties. This line is expected to significantly reduce voltage instability, support industrial expansion, and reduce technical power losses by reinforcing the medium voltage network thorough the 220/33kV substation at Kakamega and shortening the medium-voltage distribution routes. The line is also expected to reinforce the 132kV network at Musaga through the 220/132kV substation at Musaga for improved system reliability and adequacy in the Western region.

Together, the two lines will unlock cleaner, affordable, and more reliable power for millions of Kenyans, while directly supporting the economic growth of key counties.

Speaking at the signing ceremony, Cabinet Secretary Ministry of Energy Opiyo Wandayi EGH hailed the signing of the agreements as a landmark achievement for Kenya's energy sector.

"This partnership between KETRACO and Africa50-PowerGrid consortium demonstrates the strength of Kenya's investment environment and the confidence of global partners in our energy agenda. We are not only accelerating access to reliable and affordable electricity, but also laying the foundation for industrialization, job creation, and inclusive economic growth. This is how we turn policy into progress." Said Hon Wandayi.

By leveraging Africa50's expertise and innovative financing models, we are unlocking new pathways for sustainable growth, regional integration, and energy security for all Kenyans."

Cabinet Secretary for the National Treasury, Hon. John Mbadi, highlighted the project's strong fiscal discipline: "The project's financing structure reflects prudent fiscal management. The USD 311 million (KES 40.4 billion) cost will be fully financed by the private partner, safeguarding public resources and allowing Government to continue investing in priority sectors such as health, education, and agriculture. Cost recovery will be through an availability-based tariff, payable only after independent certification of completed works, with the concession - covering design, construction, financing, operation, and maintenance – strictly capped at 30 years."

Under the terms of the agreement, a project company will be established by Africa50 and PowerGrid to undertake the entire lifecycle of the transmission infrastructure, from construction to operation—over a 30-year concession period. KETRACO will make availability payments tied to performance, while both parties will jointly appoint an Independent Expert to oversee delivery and ensure accountability.

Upon expiry of the concession, all project assets will be handed back to KETRACO in good condition and free of encumbrances.

To guarantee performance, the private party will provide robust performance securities and maintain comprehensive insurance throughout construction and operation. The project will also adhere strictly to local content requirements, ensuring significant participation of Kenyan professionals, contractors, and suppliers.

KETRACO Acting Managing Director Eng. Kipkemoi Kibias said the company plans to develop an additional 8,000 kilometers of transmission lines over the next 20 years, requiring

about USD 5 billion in investment (translating to USD 250 Million annually for the next 20 years), but constrained public funding has necessitated greater private sector participation through PPPs to bridge the financing gap and support delivery of critical transmission infrastructure.

“KETRACO is currently able to mobilize only a fraction of the USD 250 million annual requirement through traditional funding sources that include support from development partners, Government of Kenya support, and remittances from KPLC. To bridge this significant financing gap, KETRACO is deliberately leveraging private sector participation through PPPs to support the development, financing, and delivery of transmission line projects. The signing of this Public-Private Partnership agreement with Africa50 and Power Grid Corporation of India reflects our strong commitment to innovative financing solutions in infrastructure delivery.” Said KETRACO Ag. MD Eng. Kipkemoi Kibias.

This project is fully aligned with Kenya’s Least Cost Power Development Plan (LCPDP) and KETRACO’s Transmission Master Plan (TMP). It will play a central role in integrating geothermal and wind energy, particularly from the Baringo-Silali fields and the Lake Turkana Wind Power Project, reducing reliance on expensive thermal power, and lowering electricity costs for end users.

Signing on behalf of Africa50, CEO Alain Ebobissé said, "We are proud that Africa50 has led another Africa-first innovation with this Independent Power Transmission (IPT) project. We commend H.E. President William Ruto and the Government of Kenya (GoK), for the bold initiative that will be the blueprint to further increase private sector investment into the expansion and stabilization of Africa’s power transmission networks, which are critical to bridging the continent’s electricity access gap. This partnership shows how strategic collaboration can unlock transformative infrastructure solutions across the continent."

Dr. R.K. Tyagi, Chairman and Managing Director of POWERGRID, said the company is proud to partner with Africa50, KETRACO, and the Government of Kenya on the country’s first IPT-model transmission project.

“By combining our technical expertise and global excellence in the transmission sector with Africa50’s project development and structuring capabilities, POWERGRID is committed to supporting Kenya, sharing a scalable model with other African countries, and working with Africa50, KETRACO, and other trailblazers to realize Africa’s energy potential.” Said Dr. R.K. Tyagi.

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About KETRACO

KETRACO, owned by the Government of Kenya, was incorporated on 2nd December 2008 under the Companies Act, pursuant to the reforms in Sessional Paper No.4 to plan, design, construct, own, operate, and maintain high voltage national electricity transmission lines and regional power inter-connector which form the backbone of the National Electricity Grid.

In carrying out its mandate, the Company is developing a new robust grid system to:

1. Improve quality, reliability, and safety of electricity supply throughout the Country.
2. Transmit electricity to areas that are currently not supplied by the national grid.
3. Evacuate power from planned generation points.
4. Provide a link with the neighbouring countries to facilitate power exchange and trade in the East Africa Region
5. Reduce electricity transmission losses hence reducing the cost to the economy.
6. Protect electricity consumers from the high costs of power by absorbing the capital transmission infrastructure.

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About Africa50

Africa50 is an infrastructure investor and asset manager that contributes to Africa's growth by developing and investing in bankable projects, catalyzing public sector capital, and mobilizing private sector funding, with differentiated financial returns and impact. Africa50 currently has 37 shareholders, comprising 33 African countries, including Kenya, and the following institutions: the African Development Bank, the Central Bank of West African States (BCEAO), Bank Al-Maghrib, and the Public Investment Corporation (PIC) of South Africa. For more information, visit: www.africa50.com

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About POWERGRID

Power Grid Corporation of India Limited (POWERGRID) is among the world's leading power transmission utilities. As a Schedule 'A' Maharatna Public Sector Enterprise under the Ministry of Power, Government of India, POWERGRID is entrusted with ensuring the secure and reliable transfer of bulk electricity across vast distances, enabling power generated anywhere in India to reach demand centres efficiently. Over time, the company has built a robust and technologically advanced transmission network that includes EHVAC and HVDC systems, high-capacity substations, national and regional load dispatch centres, and modern supervisory control systems. With sustained network expansion and continual technological upgrades, POWERGRID has significantly strengthened India's national grid, now one of the

largest synchronized grids globally. In addition, it leverages its extensive OPGW fibre network to provide telecom services and delivers consultancy solutions within India and internationally. Through Renewable Energy Zone (REZ) initiatives, Green Energy Corridors, digital substations, and EV charging infrastructure, POWERGRID is driving India's energy security and accelerating the country's clean energy transition.