

REPUBLIC OF KENYA



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----- PARLIAMENT OF KENYA -----

THE SENATE



REPORT OF THE STANDING COMMITTEE ON ENERGY,
ROADS AND TRANSPORTATION ON THE FAMILIARIZATION
TOUR OF THE GEOTHERMAL POWER PLANTS IN BARINGO
AND NAKURU COUNTIES HELD BETWEEN

11TH - 13TH JULY 2013

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NOVEMBER 2013.

Table of Contents

Table of Contents	12
Abbreviations and Acronyms	3
Preface	4
Background/Executive Summary.....	6
Acknowledgment	9
CHAPTER ONE: INTRODUCTION.....	10
CHAPTER TWO: PRESENTATIONS.....	11
2.1 Role and Mandate of GDC.....	11
2.2 Geothermal Sites in Kenya.....	12
2.3 Why Cost of Electricity is High.....	12
2.4 Strategies for Reducing Cost of Electricity.....	13
2.5 GDC Development Strategies: 5000:MW.....	13
2.6 Budget for GDC F/Y 2013/14.....	14
CHAPTPTER THREE: INTERVENTIONS BY COMMITTEE MEMBERS.....	16
CHAPTPTER FOUR: TOUR OF GDC PROJECTS.....	17
4.1 Baringo-Silale,	17
4.2 Menengai.....	18
4.3 Suswa.....	19
CHAPTPTER FIVE: COMMITTEE FINDINGS AND OBSERVATIONS.....	20
CHAPTPTER SIX: RECOMMENDATIONS & CONCLUSION.....	21
APPENDIX	23

ABBREVIATIONS AND ACRONYMS

CDM	-	Clean Development Mechanism
CSR	-	Corporate Social Responsibility
EISA	-	Environmental and Social Impact Assessment
EPP	-	Emergency Power Plants
GOK	-	Government of Kenya
GDC	-	Geothermal Development Company
IPP	-	Independent Power Producers
KENGEN	-	Kenya Electricity Generating Company
KPLC	-	Kenya Power & Lighting Company
KPLC	-	Kenya Power and Lighting Company
MW	-	Mega Watts
PPA	-	Power Purchase Agreement
RFP	-	Request For Proposal

PREFACE

1. The Standing Committee on Energy, Roads and Transportation was constituted on Thursday 25th April 2013 during the First Session of Eleventh (11th) Parliament pursuant to the provisions of Senate Standing Order No.177.
2. The Committee is mandated, under the second schedule of the Senate Standing Orders, *to consider all matters related to transport, roads, public works, construction and maintenance of roads, rails and buildings, air, seaports and housing, Fossil fuels exploration, Development, production, maintenance and regulation of energy and communication.*
3. In executing its mandate, the Committee oversees the following Ministries:-
 - (i) Ministry of Transport and Infrastructure;-and
 - (ii) Ministry of Energy and Petroleum
4. The Standing Committee on Energy, Roads and Transportation comprises of the following members: -
 - a) Sen. Gideon Moi, M.P. - Chairman
 - b) Sen. Danson Mwazo, M.P. - Vice Chairman
 - c) Sen. David Musila, M.P. - Member
 - d) Sen. Kiraitu Murungi, M.P. - Member
 - e) Sen. Chris Obure, M.P. - Member
 - f) Sen. Chiaba, Abu, M.P. - Member
 - g) Sen. Otieno Kajwang' M.P. - Member
 - h) Sen. Charles Keter, M.P. - Member
 - i) Sen. Martha Wangari, M.P. - Member
5. The following Members of the Committee attended the familiarization tour;-
 - a) Sen. Gideon Moi, M.P. - Chairman of Committee
 - b) Sen. Danson Mwazo, M.P. - Vice Chairman
 - c) Sen. Christopher Obure, M.P. - Member
 - d) Sen. Otieno Kajwang', M.P. - Member
 - e) Sen. Charles Keter, M.P. - Member
 - f) Sen. Martha Wangari, M.P. - Member

6. The following Senators from the Geothermal potential areas were in-attendance during the familiarization tour;-

- a) Sen. Sammy P. Leshore, M.P. - Samburu County
- b) Sen. James Kiarie Mungai, M.P.- Nakuru County
- c) Sen. Peter Mositet, M.P. - Kajiado County

7. The following members of the Senate secretariat accompanied the Committee;-

- a) Mr. Boniface Lenairoshi - Principal Clerk Assistant
- b) Mr. Kefa Omoti - Senior Researcher
- c) Mr. Polycarp Matara - Junior Legislative fellow

8. The list of GDC Management team that hosted the Committee is herein appended.

EXECUTIVE SUMMARY

The Geothermal Development Company (GDC) is a 100% state-owned company, formed by the Government of Kenya as a Special Purpose Vehicle to fast track the development of geothermal resources in the country.

The government has identified the country's untapped geothermal potential as the most suitable indigenous source of electricity. GDC will drill 1400 steam wells to provide steam for the generation of 5,000MW of geothermal power by 2030.

For a long time, Kenya has relied on hydroelectricity which is characterized by perennial power outages during dry spells, forcing the government to invite emergency power producers who use diesel to generate electricity. This stop-gap measure is a two edged sword. First, it increases the cost of electricity and second, it causes massive pollution.

As a result of the foregoing the Committee during its meeting held on 28th July 2013, considered its work plan and resolved that the Committee undertakes a familiarization tour of Menengai, Silale, and Bogoria GDC Projects.

The familiarization tour was sponsored by the Senate in collaboration with the Geothermal Development Company (GDC) and was aimed at sensitizing and engaging members of the Standing Committee on Energy, Roads and Transportation on the potential for geothermal development.

Objectives

- a) To enable members of the committee to familiarize themselves with the operations, challenges and workings of the state corporations under their jurisdiction,
- b) To encourage use, development and utilization of Geothermal Energy,
- c) To assist in facilitating the enactment and adoption of appropriate legislations for the development and utilization of Geothermal Energy,
- d) To provide a platform of information sharing on the nature of Geothermal Energy, its development and utilization;- and
- e) To promote alternative uses of geothermal resources other than electricity generation.

The Committee under the stewardship of the Managing Director, GDC had an aerial survey of the geothermal sites in Silali, Arus, Paka, Lake Bogoria and Menengai areas. The Committee also toured the drilling wells and rigs in Menengai, Nakuru County.

Observations

- a) GDC has set the ball rolling towards attracting Carbon Money, under the Clean Development Mechanism (CDM) initiative from the geothermal projects proposed and ongoing,
- b) There is adequate, sufficient and timely inflow of finances from the financiers/donors but GDC experiences delays and unpredicted disbursement from GOK,
- c) GDC has continued to remove upfront risks that for many years deterred investors from venturing into geothermal development and with a promising investment environment (Constant Supply of Steam), more financiers and investors have expressed their interest in geothermal development;- and
- e) The National off-taker (KPLC) guarantees the investors of a ready market by signing Power Purchase Agreement's (PPA) thus undertaking to purchase all the electricity generated.

Recommendations of the Committee;-

- a) Investors to install wellheads on wells which are ready for early power generation so as to provide power shortly after drilling, thus have early revenue and improve on the profitability of the project;- and
- b) The Government should adequately fund and support the Geothermal exploration to ensure that Kenyans enjoy a low power tariff hence lower costs of production and increase competitiveness in the manufacturing industries,

The Members of the Committee were enriched by the visit to the Geothermal Power Plants in Baringo and Nakuru Counties. The Committee now has a better understanding of the enormous resources both human and capital that are required for the development of the geothermal energy.

The Committee anticipates that this will translate into the allocation of more funding by the National and County Governments to support the development of geothermal energy in Kenya and ensure that Kenyans enjoy affordable power tariffs.

ACKNOWLEDGMENT

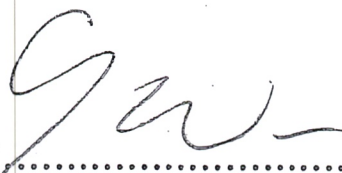
Much gratitude goes thanks to all Senators for their time and input in the informative visit for the Standing Committee on Energy, Roads and Transportation.

In particular, the Chairman, Managing Director, Staff of GDC, my Committee and Senators from Geothermal potential areas who accompanied the Committee during these visit for their active participation and contributions throughout the visits.

Special gratitude also goes to the office of the Speaker and Clerk of the Senate, without whose support and facilitation this visit would not have taken place.

Finally we appreciate the Senate secretariat for the concerted efforts that they offered in planning and coordinating the visits.

I thank you all.



SIGNED.....

SEN. GIDEON K. MOI, M.P.

CHAIRMAN, STANDING COMMITTEE ON
ENERGY, ROADS & TRANSPORTATION

DATE... 31st/10/2013.....

CHAPTER ONE:- INTRODUCTION

In his introductory remarks, the GDC chairperson Dr. Silas Simiyu informed the meeting that GDC was registered in December 2008, but actual exploration work started in 2010 when the Managing Director and technical staff were recruited. The chairman invited the Managing Director to introduce members of staff of GDC after which the Committee chairman. Sen. Gideon Moi, M.P was invited to make his remarks.

In his remarks, the chairman acknowledged that geothermal energy was clean indigenous, abundant, reliable and environmentally-friendly source of electricity and had the potential of a game changer in the country's development once fully developed.

The Managing Director, Dr. Simiyu was thereafter invited to make a formal presentation.

CHAPTER TWO:- PRESENTATIONS BY MANAGING DIRECTOR GDC.

2.1 Role and Mandate of GDC

The Managing Director Dr. Silas Simiyu informed the meeting that GDC was a Special purpose company that is 100% owned by the government, and was established in 2009 to:

- a) Promote and fast track rapid development of geothermal resources,
- b) Undertake all upstream developments and sell steam to power producers for generation of electricity,
- c) To manage the geothermal reservoirs to ensure constant supply of steam for power generation,
- d) To promote alternative uses of geothermal resources other than electricity generation. These include green house heating, drying of grains, pasteurizing milk, cooling and heating of rooms among others,
- e) Build Kenya's Geothermal Capacity (Human and Infrastructure),
- f) Reduce cost of power,

To perform the above functions, GDC undertakes to execute the following programmes;-

- 1) **Remove Resource Risks and Reduction of Costs** by helping government to develop strategies and infrastructure for surface exploration and drilling.
- 2) **Promote Direct Uses of Geothermal** through Industrial process heat, floriculture, aquaculture and others,
- 3) **Develop Human Capacity** by training a core team to manage public resources and provide capacity base to support a dynamic industry,
- 4) **Develop Governments Capacity and Fund Mobilization** through technical input -policies, strategies and regulations, Develop projects to a bankable stage, engage Investors and assess investment appetites.
- 5) **Support Private Sector entry by Handling land and community issues, facilitate local licensing, Evaluate and recommend technologies to Independent power producers (IPP's).**

2.2 Geothermal Sites in Kenya

More than 14 high temperature potential sites occur along the Kenyan Rift Valley with an estimated potential of more than 15,000 MW. Other locations include: Homa Hills in Nyanza, Mwananyamala at the Coast and Nyambene Ridges. These prospects are at different stages of development.

The following are identified Geothermal Sites in Kenya

- | | |
|--------------------|--------------------|
| a. Suswa, | n. Namarunu |
| b. Longonot, | o. Barrier |
| c. Olkaria, | p. Mwananyamala |
| d. Eburru, | q. Homa Hills |
| e. Menengai, | r. Nyambene Ridges |
| f. Arus-Bogoria, | s. Chyulu Hills |
| g. Lake Baringo, | |
| h. Korosi, | |
| i. Paka, | |
| j. Lake Magadi, | |
| k. Badlands, | |
| l. Silali, | |
| m. Emuruangogolak, | |

2.3 Why Electricity is Expensive in Kenya

Electricity is expensive in Kenya because of the following factors:-

- a) **Demand is higher than supply.** This has forced deployment of emergency power which is four times more expensive (ksh 35/kwh, than the average bulk power price of (Ksh 10/kwh),
- b) **Thermal power** was incorporated in the power system to cater for peak load. It operates longer than 30% of the time instead of the normal 13% at an average price of Ksh 20/kwh.
- c) **Significant investment in oil based generation.** Combined Thermal and emergency power is very expensive,
- d) **Increased cost of fuel per barrel.** For example 2003-2013 the cost of crude oil has increased from USD 55 to USD 100,

- e) **Transmission and distribution losses.** Aged system that leads to heavy losses.

The Managing Director explained that the average weighted bulk tariff is about Ksh 10 per kwh , while Geothermal is priced at Ksh 8.34 per kwh. Emergency power costs Ksh 35.19 per kwh, which is three times more expensive than the average bulk power price and four times more expensive than the average Geothermal power price.

2.4 Strategies for Reducing Cost of Power

i) Investment in Geothermal Development;-

The price of geothermal is 4 times less at only US cents 8.85/Kwh and the expected consumer tariff is Ksh 9.32.

ii) Use of Modular Power Plants Development

Modular units which are small generation plants can be implemented in a period of less than 18 months. Hence the modular units should be used to meet the additional capacity utilizing the existing steam. Modular development has the following advantages

- a) Earlier cash flow to offset development costs
- b) Offset diesel engine fuel costs for drilling rigs
- c) Reduced risk on development size
- d) Reduced risk on resource assessment – longer term flow testing
- e) Hedge against unexpected drilling problems driving schedule delays

iii) Economic Empowerment.

By utilizing the other benefits that arise from geothermal development, GDC believes that about 5 million jobs can be created over the next 20 years.

2.5 GDC Development Strategy of generating 5000 MW

For growth, the company has adopted the following strategy:

- a) To develop 5000 MW of geothermal, it will require US\$ 20b (Ksh 17 trillion) i.e US\$ 5b for steam development and US\$ 15b for power plants. There's strong interest from donors in supporting green energy - geothermal development in Africa,

- b) Need to diversify financing and optimize complementarities between investors/donors to leverage existing resources,
- c) Concessional loans for public investment,
- d) Private sector involvement to speed-up development,
- e) Resource and commercial risk mitigation/insurance instruments for early stages of development,
- f) Sovereign guarantees at the production, drilling and Power plant development stage,
- g) Use of modern technologies that increase viability of projects,
- h) Encourage industrial consumers power sites away from Nairobi,
- i) Carry out through Internal training, on- the job training, assistance by international geothermal institutions, consultancies and collaboration with well established geothermal companies.

2.6 Budget for GDC F/Y 2013/14

The Exchequer funding for Geothermal Development Company in the year 2013-2014 is Kshs 877 million for recurrent and Kshs 4.1 billion for development. This has created a huge funding gap and adversely affected geothermal development programmes as illustrated below;-

I. Recurrent Budget

- a) GDC is currently operating four rigs. Three rigs financed by AfDB are expected by December 2013. In view of this, the organization has a deficit in staffing. Subsequently, the three donor funded rigs will be grounded due to lack of staff as the desired recruitment of 300 personnel cannot be achieved.
- b) Staff especially for resource exploration and drilling are usually recruited in advance and trained before rigs are received. This will require an additional 300 drilling staff as each rig is availed 100 staff to cater for shifts, leave and duty allocation.

- c) The Recurrent Budget allocation for FY 2013/14 is **Ksh 877.5 Million**. GDC requires an **additional Ksh 1.5 billion** as recurrent allocation and also support the additional staff.

II. Development Budget

Menengai

- a) The allocation of **4.1 billion** will result in reduction of the planned drilling of **35 wells to 5 wells**.
- b) The three donor funded rigs will be grounded due to lack of materials and civil works; The critical activities in Menengai that were budgeted for are;
- Civil Works and Water System
 - Top Holing contract
 - Rig Fuel, Cement and other materials
 - Rig Maintenance, Parts, Camp Services and Rig move
- c) Failure to avail counterpart funding will lead to loss of donor commitments worth **Kshs 22 billion**.
- d) Top holing contractual obligation will be breached (amount payable in the year is **Kshs 3 billion**)

Suswa

Infrastructural work to open the Suswa Field will not be undertaken. The Funds needed here is **Ksh 1.5 billion** which will unlock donor commitments worth **Ksh 17 billion**.

Bogoria/Silali

Planned operations (Water system and infrastructural work in Bogoria/Silali block) budgeted at **Ksh 1.5 billion** will not begin and this is against donor commitments worth **Ksh 8.5 billion**

There is need for additional Exchequer financing to facilitate absorption of the tremendous support that the Development Partners have given GDC.

The table below shows the current financial support and the requirements.

AREA	PARTNERS FUNDING	GoK FUNDING	REQUIRED Ksh
SUSWA	Ksh 17 Billion (India Exim)	NIL	1,500,000,000
BOGORIA/SILALI	Ksh 8.5 Billion (KfW)	NIL	1,500,000,000
MENENGAI	Ksh 22 Billion	4.1billion	3,891,500,000
Recurrent allocation		Ksh 877.5 million	622,500,000
Total			7,514,000,000

The Funding shortfall in the financial year 2013/14 amounts to Kh 7.5 Billion.

CHAPTER THREE;- INTERVENTIONS BY COMMITTEE MEMBERS

After the detailed presentation by the Managing Director, Senators sought clarifications on a wide range of issues including the cost of energy in Kenya, financial guarantees by the Ministry of Energy and Petroleum and the role of county governments in the development and utilization of geothermal energy.

In response, the MD explained as follows:

- a) The cost of energy is high because of overreliance on thermal power supply, especially during peak hours. This would be reduced by investment in geothermal,
- b) The Company would soon shift its operational base from Nairobi to Nakuru county, at a recently acquired site near Kabarak University,

which would also be a centre of training in collaboration with other training institutions,

- c) The company needed budget support to recruit 100 technical staff, in preparation of the anticipated acquisition of rigs,
- d) Carbon Credit benefits that accrue due to investment in Geothermal energy are meant for the community and not the Independent Power Producers,
- e) There is a lot of investor confidence because GDC had already removed investment risks;-and
- f) Once power generation starts, GDC would put in place a revenue sharing formula, so that the counties benefit.

CHAPTER FOUR;- TOUR OF GDC PROJECTS

The Committee under the stewardship of the Managing Director, GDC had an aerial survey of the geothermal sites in Silali, Arus, Paka, Lake Bogoria, Menengai and Suswa areas. The Committee also toured the drilling wells and rigs in Menengai, Nakuru County.

The following information was given pertaining to the visit of the GDC Projects;-

I. Baringo-Silali Phase I - (900MW)

- a) The estimated potential is 3000 MW to be developed in phases as follows;-
 - Phase I – 900 MW
 - Phase II – 1000 MW
 - Phase III – 1,100 MW
- b) The detailed surface studies and well sitting is complete,
- c) Environmental and Social Impact Assessment (EISA) is done,
- d) The drilling of 240 wells for Phase I to start in 2014,

- e) The steam field development by GDC requires US\$ 1.5 Billion (Kshs. 130 Billion) through grants and concessional loans.
- f) The projected project timelines;-
 - 50 MW Modular GP I – 2016
 - 150 MW Modular GP II – 2017
 - 200 MW Baringo – Silali I – 2018
 - 200 MW Baringo – Silali II – 2019
 - 300 MW Baringo – Silali III – 2020
- g) Planned operations (Water system and infrastructural work in Bogoria, Silali block) budgeted at ~~Kshs 1.5 billion~~ will not begin and this is against donor commitments worth **Kshs 8.5 billion**;-and
- h) The County is likely to benefit from the sale of Carbon under the Clean Development Mechanism (CDM) to a tune of Kshs 12 billion annually from the geothermal projects proposed and ongoing.

II. Menengai Phase I (600MW)

a) The project entails;-

The 600 MW (400 conventional & 200 Modular)

- Acquired 7 rigs
- Drilling 120 wells -15 wells completed with a capacity of 60 MW
- Development of associated infrastructure ;- Field has water systems, elaborate road network and a base camp,
- Construction of steam system
- Environmental Management ongoing through planting of trees.

b) Equipment and Staff

- Seven 2000HP deep geothermal drilling rigs,

- 300 Wells (1,200 Mw equivalent)
- Drilling and Steam field Capacity –Engineers and other technical staff (480 dedicated staff)

c) Power Plants

i) Modular Power Plants

The objective is to provide power shortly after drilling. Negotiations for the first modular power plant is ongoing.

ii) Conventional Power Plants

- Nineteen (19) prospective firms have been shortlisted,
- Request for Proposal (RFP) document under development,
- Bidders conference scheduled for the 3rd quarter of 2013 after finalization of the feasibility study.

III) Suswa Phase I – (400 MW)

- a) The estimated potential is 600 MW to be developed in 2 phases as follows;-
 - Phase I – 400 MW
 - Phase II – 200 MW
- b) The detailed surface studies and well sitting is complete,
- c) Environmental and Social Impact Assessment (EISA) and stakeholders consultation is ongoing,
- d) The projected project timelines;-
 - Infrastructure Development – 2014
 - 50 MW modular Grp I – 2015
 - 150 MW modular Grp II – 2016
 - 200 MW Suswa I – 2017
 - 150 MW Suswa II – 2018

- e) Infrastructural work to open the Suswa Field will not be undertaken due to lack of funds. The Funds needed here is **Ksh 1.5 billion** which will unlock donor commitments worth **Ksh 17 billion;-** and
- f) The County is likely to benefit from the sale of Carbon under the Clean Development Mechanism (CDM) at a tune of Kshs 2.4 billion annually from the geothermal projects proposed and ongoing.

CHAPTER FIVE: COMMITTEE FINDINGS AND OBSERVATIONS

- a) GDC has set the ball rolling towards attracting Carbon Money, under the Clean Development Mechanism (CDM) initiative from the geothermal projects proposed and ongoing,
- b) The Menengai and Silale Geothermal Projects are due to be registered for the CDM and the motive was endorsed by the stakeholders from the respective Counties as well as the National Environment Management Authority (NEMA),
- c) Once these projects are registered, it is anticipated that under the Kyoto Protocol of 1997, heavy polluting developed countries will buy carbon credits from green projects mainly in developing countries,
- d) The development of the Geothermal Power Projects will reduce reliance on imported fossil fuel (Diesel) thereby reducing the carbon footprint,
- e) The work and activities of the Geothermal Development Company is not known by members of the public,
- f) Some rigs that are ready for the production of electricity are lying idle, long after they have been completed,
- g) There is adequate, sufficient and timely inflow of finances from the financiers/donors but GDC experiences delays and unpredicted disbursement of funds from GOK,
- h) The world's geothermal installed capacity is 10,800 MW and Kenya is ranked 9th with a capacity of 243MW,
- i) Planned operations (Water system and infrastructural work in Bogoria/Silali block) budgeted at **Ksh 1.5 billion** will not begin. The availability of these funds would unlock donor commitments of **Ksh 8.5 billion**,

- j) Infrastructural work to open Suswa field will not be undertaken since **Kshs. 1.5 billion** funds required from the Government is still pending. The availability of these funds would unlock donor commitments of **Ksh 17 billion**,
- k) GDC has continued to remove upfront risks that for many years deterred investors from venturing into geothermal development and with a promising investment environment (Constant Supply of Steam), more financiers and investors have expressed their interest in geothermal development,
- l) The National off-taker (KPLC) guarantees the investors of a ready market by signing Power Purchase Agreement (PPA) and undertaking to purchase all the electricity generated,

CHAPTER SIX: CONCLUSION & RECOMMENDATIONS

CONCLUSION

It is important to note that Kenya aspires to become a mid-income economy by the year 2030. To attain this (Vision 2030), the government's forecast is to generate 15,000 MW, of which 5000MW + is expected to come from geothermal.

Kenya depends on hydro power for about 60 per cent of its energy output but this has proven frustrating, especially whenever there are poor rains. Lack of sufficient energy has in turn frustrated industrial expansion for decades. This is despite the availability of huge energy reserve such as wind, coal and geothermal.

It is worth noting that a focus on reliable energy supplies that is clean, indigenous, abundant, reliable and environmentally-friendly like Geothermal would be the ultimate game changer that will help turn around Kenya's economy into a regional economic power house.

Kenya needs a long term, organized, constant and reliable source of energy in order to power its economic activities. High hopes exist that geothermal energy will be a game changer that will propel this Country into a high industrial status.

RECOMMENDATIONS

- a) The Government to give GDC the seed money of Kshs. 1.5 billion to unlock donor commitments of Ksh 17 billion in Suswa,
- b) The Government to give GDC the seed money of Kshs. 1.5 billion to unlock donor commitments of Ksh 8.5 billion in Bogoria/ Silali blocks,
- c) The registration of Menengai, Silale and other geothermal projects under the Clean Development Mechanism (CDM) should be hastened and a clear policy be developed on sharing/utilization of the proceeds from the sale of carbon credits,
- d) Investors be advised to install wellheads on wells which are ready for early power generation so as to provide power shortly after drilling, have early revenue and improve on the profitability of the project,
- e) The Government should adequately fund and support the Geothermal exploration to ensure that Kenyans enjoy a low power tariff hence lower cost of production and increase competitiveness in the manufacturing industries,
- f) The County governments should set aside land for setting up of industrial parks near the Geothermal Resource sites. GDC should facilitate the development of power plants by IPP's and provision of by-products for direct use,
- g) The Geothermal Development Company should ensure that members of the public are regularly and adequately sensitized/informed on their activities through the social media, press or any other form of communication,
- h) The current transmission losses should be curbed by installing modern transmission lines that will eventually lower/reduce the tariffs on cost of power;- and
- i) There is need for a stable and environmental friendly power supply in running the GDC Projects instead of the current diesel generators that are expensive and environmentally unfriendly.

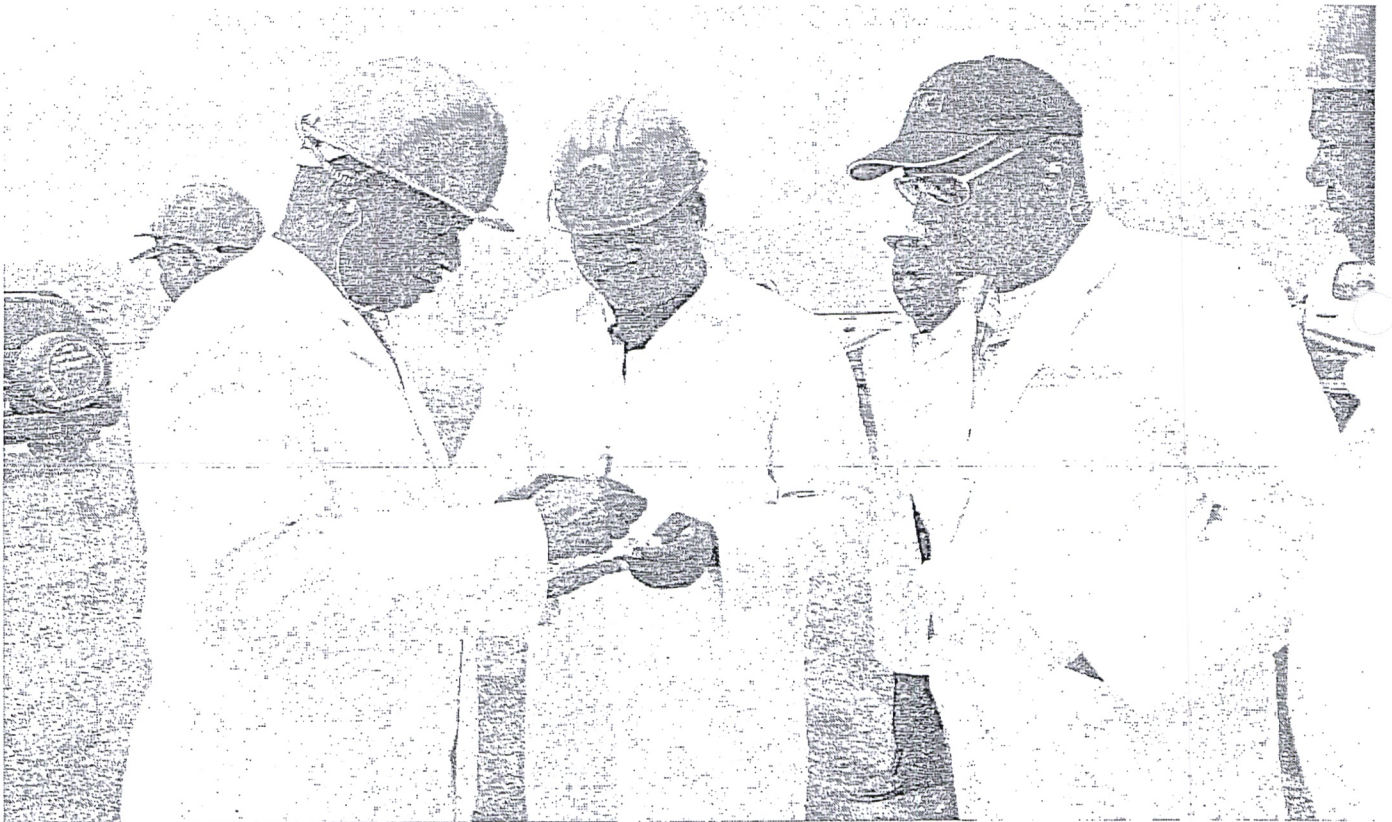
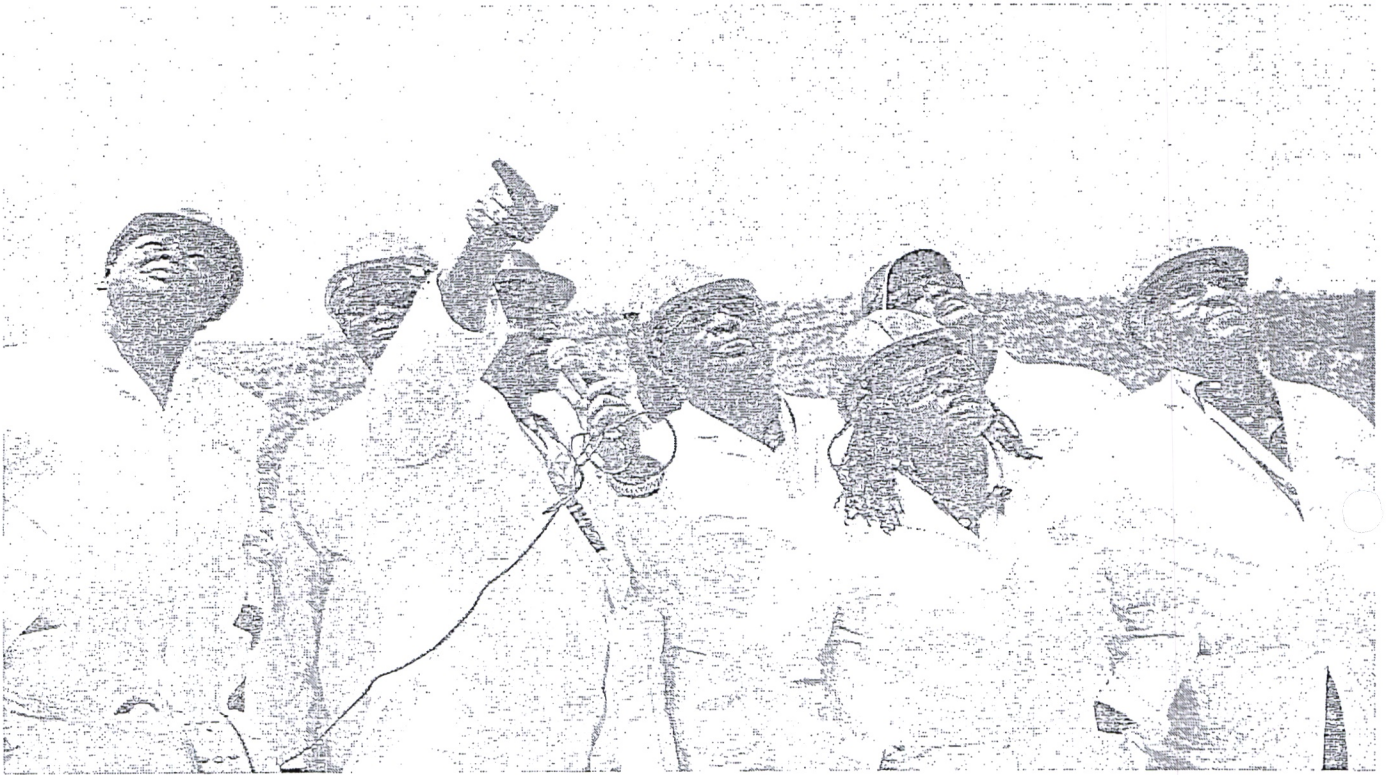
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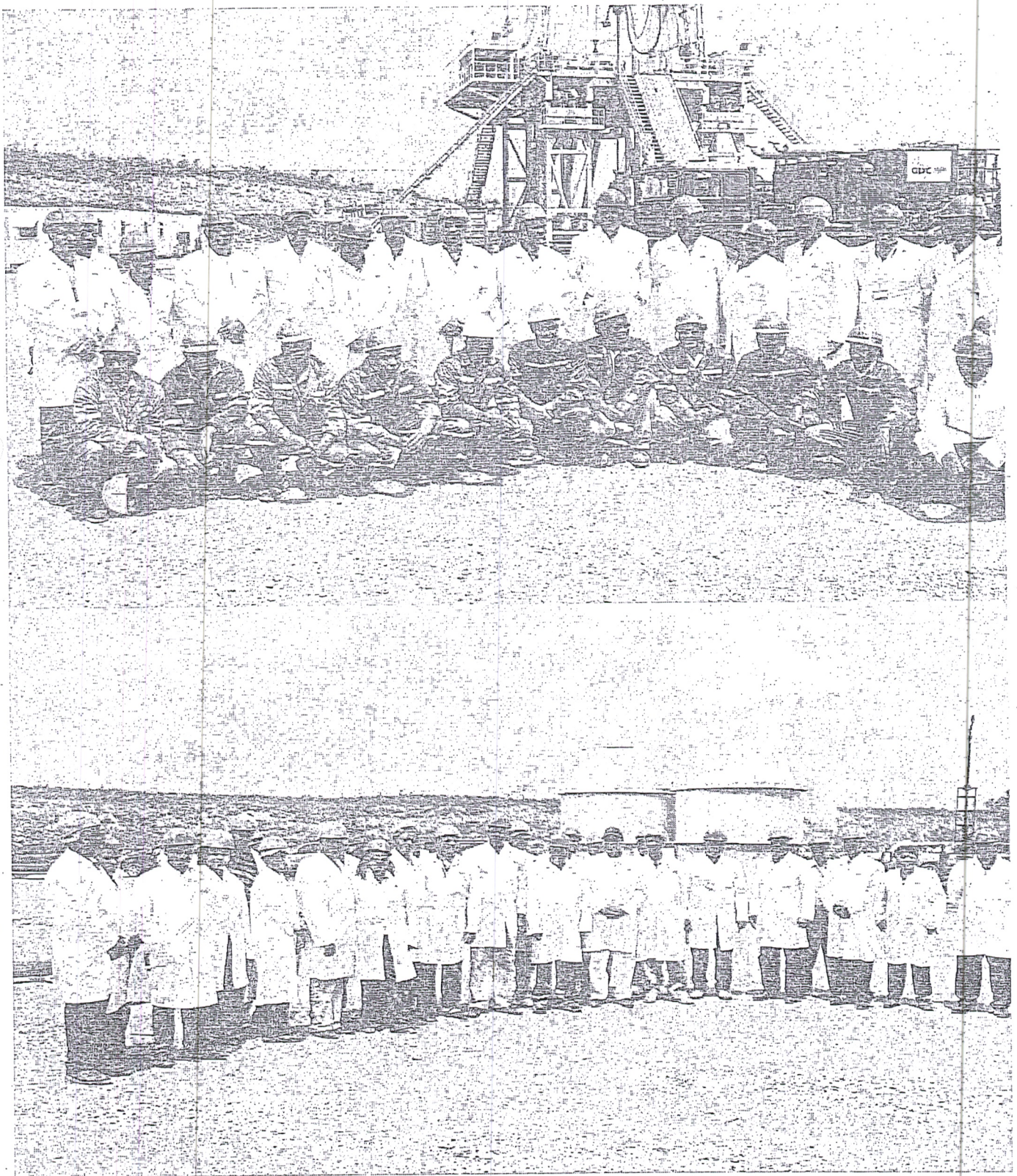


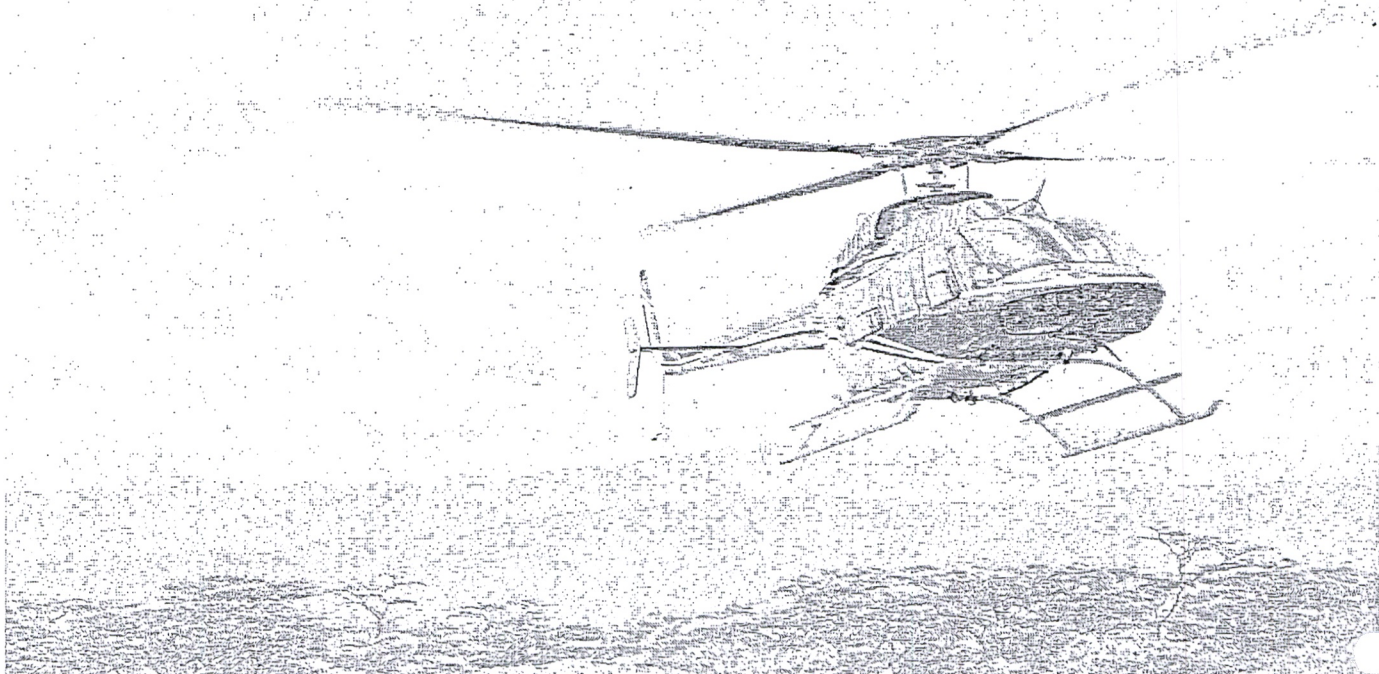
LIST OF ATTENDANCE FROM GDC.

Mr. Paul Gondi	-	Chairman of the Board of Directors
Dr. Silas Simiyu	-	CEO and MD
Dr. Peter Omenda	-	General Manager
Ms. Rosemary Olonde	-	Manager, Audit, Risk and Compliance
Mr. Praxidis Saisi	-	GDC Company Secretary
Mr. John Lagat	-	Manager, Geothermal Resource Assessment
Cornel Ofwona	-	Manager, Geothermal Resource Mgt
Mr. Christopher Leparan	-	Manager, Corporate Performance and PA
Ms. Ruth Musembi	-	Manager, Corporate Communications
Mr. Paul Ngugi	-	Chief Manager, Business Development
Godwin Mwawongo	-	Chief Manager, Technical Services
Eric Wamanji	-	Deputy Manager, Corporate Comm

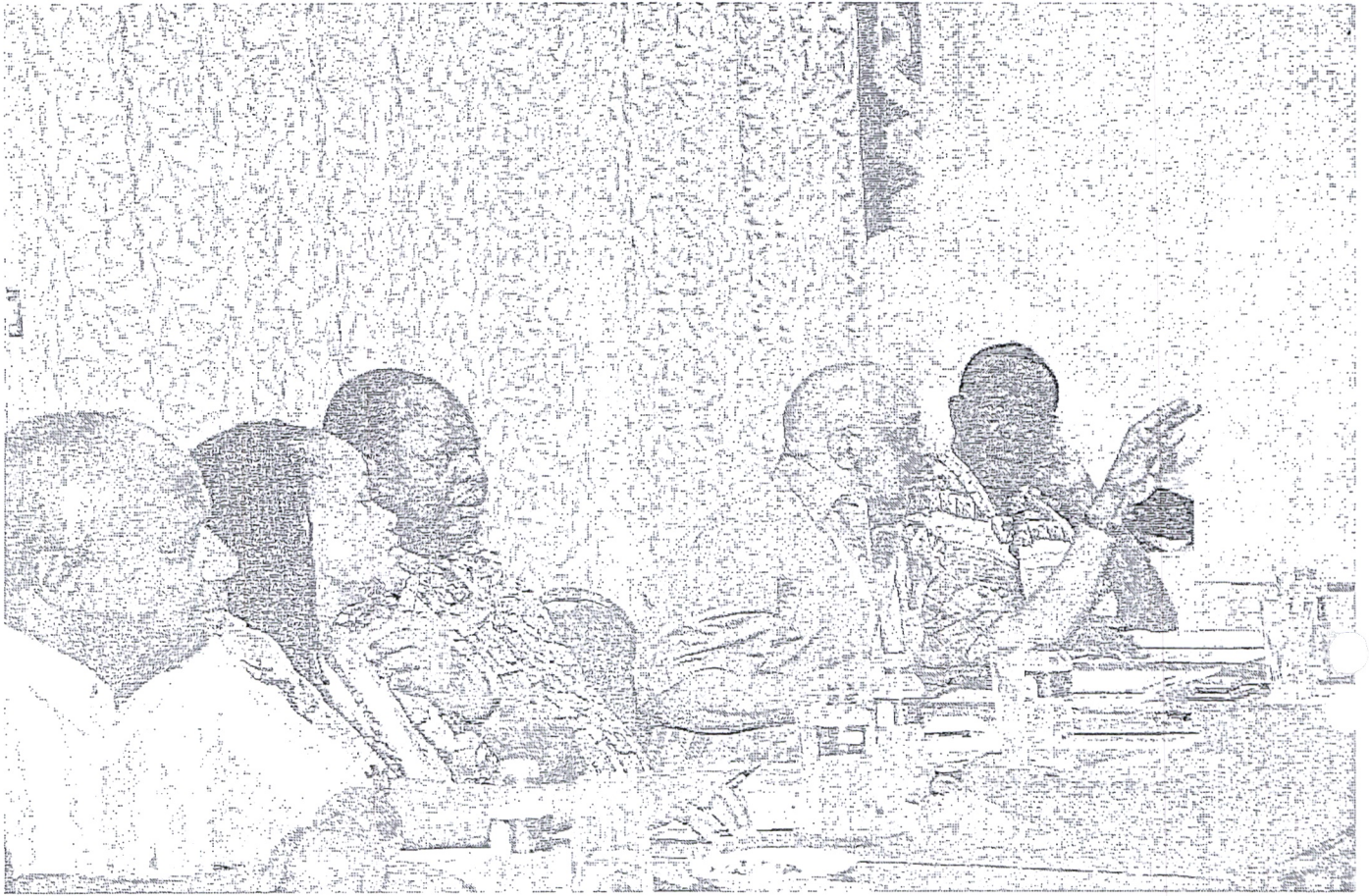
PHOTO GALLERY











MINUTES

1. Introduction

The purpose of this study is to investigate the effects of

the independent variable on the dependent variable. The study is

conducted in a laboratory setting with a sample of 30 participants.

The study is divided into two main parts:

1. Methodology

The study uses a quantitative research design to measure the

MINUTES OF THE FOURTEENTH MEETING OF THE STANDING COMMITTEE ON ENERGY, ROADS & TRANSPORTATION HELD ON THURSDAY, 18TH JULY 2013 AT THE KENYATTA INTERNATIONAL CONFERENCE CENTRE, 3RD FLOOR, DEPUTY SPEAKER'S BOARD ROOM AT 11:00 A.M.

PRESENT:

Sen. Gideon K. Moi, M.P.	-	Chairman
Sen. Christopher M. Obure, M.P.	-	Member
Sen. Charles Keter, M.P.	-	Member
Sen. Otieno Kajwang', M.P.	-	Member

ABSENT WITH APOLOGY:

Sen. Danson M. Mwazo, M.P.	-	Vice Chairman
Sen. Abu Chiaba, M.P.	-	Member

ABSENT:

Sen. David Musila, M.P.	-	Member
Sen. Kiraitu Murungi, M.P.	-	Member
Sen. Martha Wangari, M.P.	-	Member

IN ATTENDANCE:-

Mr. Boniface Lenairoshi	-	Principal Clerk Assistant
Mr. Polycarp Matara	-	Junior Legislative fellow

MINUTE NO. SEN/ERT/073/2013 - PRELIMINARIES.

The Chairman called the meeting to order at 11:05 am, and welcomed the members to the meeting. The opening prayers were said by the clerk.

MINUTE NO. SEN/ERT/074/2013 - ADOPTION OF THE AGENDA.

The agenda of the day was adopted after it was proposed by Sen. Otieno Kajwang' M.P. and seconded by Sen. Christopher Obure, M.P.

MINUTE NO. SEN/ERT/075/2013 - CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING.

The committee confirmed the minutes of its previous meeting as listed here below;-

- a) Minutes of 12th meeting held on 9th July 2013 at 9:30 a.m. were confirmed as a true record of the deliberations after they were proposed by Sen. Otieno Kajwang, M.P. and seconded by the Sen. Christopher Obure, M.P.
- b) Minutes of 12th meeting held on 9th July 2013 at 11:00 a.m. were confirmed as a true record of the deliberations after they were proposed by Sen. Charles Keter, M.P. and seconded by the Sen. Christopher Obure, M.P. subject to:-
- i) Correcting of the name "...Musonic..." and replacing it with "...Mosonik..." appearing on page 1 of the attendance list;- and
 - ii) Replacing the word "...Permanent ..." with "...Principal..." appearing on page 1 of the attendance list.

MINUTE NO. SEN/ERT/076/2013 - MATTERS ARISING FROM THE MINUTES.

The following issues were discussed under matters arising:-

1) Ex. Minute No. SEN/ERT/013/2013

a) Division of Revenue Bill 2013.

The Committee was informed that the ruling of the case filed by the Senate seeking a clear guide line on the role of the Senate vis a viz the National Assembly in processing of the Bill will be heard on 8th August, 2013.

b) County Allocation of Revenue Bill 2013.

The Committee noted that the Bill was introduced in the Senate and was committed to the Standing Committee on Finance, Commerce and Economic Affairs and that the Senate had commenced on the second reading of the Bill.

2) Ex. Minute NO. SEN/ERT/042/2013

Revised Budget of the Committee.

The Committee was informed that the Budget of the Committee was revised as resolved and that the current budget for the financial year 2013/2014 is Kshs. 43, 473,189.60. The Committee however noted that a meeting of the Liaison Committee had been convened to discuss *inter alia* the budget of the Committees.

The Committee resolved that the chair attends the meeting of the Liaison Committee and briefs the Committee on the status of the budget in its next meeting.

Action: Chairman

3) Ex. Minute NO. SEN/ERT/043/2013

4TH Eastern Africa Oil, Gas & Energy Conference

The Committee noted that the clerk had written to the organizers of the conference and requested them to; -

- a) Avail the presentations that were made during the conference in Nairobi; and
- b) Notify and invite the Committee in all future conferences.

The members resolved that the clerk pursues the matter and ensure that the presentations are availed.

Action: Clerk

4) Ex. Minute NO. SEN/ERT/050/2013

a) Nuclear Cooperation Visit to South Korea.

The clerk informed the Committee that the report of the visit is ready and will be presented in the next meeting.

Action: Clerk

b) Visiting Menengai, Silale and Bogoria GDC Projects

The Committee noted that;-

- i) The visits to the above sites were undertaken on 12th and 13th July 2013,
- ii) The experience was enriching and very useful to the members,
- iii) Majority of Kenyans are not aware on the operations of the Geothermal Development Company,
- iv) GDC has a lot of potential and should be supported to actualize its mandate,
- v) Planned operations(Water system and infrastructural work in Bogoria/ Silali block) budgeted at **Ksh 1.5 billion** will not begin and this is against donor commitments of **Ksh 8.5 billion**,

- vi) Infrastructural work to open Suswa field will not be undertaken since **Kshs. 1.5 billion** funds required from the Government is still pending. The availability of these funds would unlock donor commitments of **Ksh 17 billion**,
- vii) 25 Geothermal wells have been drilled at Olkaria and there is a contract to drill 8 more wells,
- viii) The drilled wells have a capacity/potential of generating 350 Mw of electricity but is lying idle,

The Committee resolved that the report of the visit to Bogoria, Silale and Menengai be compiled and presented to the Committee and that a visit to the KENGEN facilities in Olkaria be organized.

Action: Clerk

5) Ex.Minute No.Sen/ERT/056/2013

Petition by Mr. Joseph Kilinga

The Committee was informed that;-

- a) The petition was presented to the Senate and committed to the Committee on 27th June 2013,
- b) A letter was written to the Cabinet Secretary Ministry of Transport and Infrastructure requesting for a report addressing the issues that were raised by the petitioner,
- c) The Cabinet Secretary during the Committee meeting held on 9th July 2013 indicated that he is in receipt of the petition and a response for the same will be delivered to the Committee ASAP;- and
- d) Standing Order No. 224 (2) requires the Committee to prepare a report addressed to the petitioner and present it to the Senate within 60 calendar days.

The Committee resolved that the Chairman raises the matter with the Cabinet Secretary and gives feedback in the next meeting.

Action: Chairman.

6) Ex.Minute No.Sen/ERT/057/2013

Proposal on Kenya Roads Bill 2013.

The Committee noted that Sen. Godana Hargura, M.P. is willing to present his proposal on the proposed Kenya Roads Bill 2013 and it was resolved that;-

- a) The Senator be invited to present the same to the Committee during its next meeting;- and
- b) The Clerk invites a legal counsel to take the Committee through the Bill thereafter.

Action: Clerk

7) Ex.Minute No.Sen/ERT/070/2013

Meeting with the Cabinet Secretary Ministry of Transport & Infrastructure.

The Committee noted that the meeting was very successful and it was resolved that;-

- a) The clerk prepares a comprehensive report that captures the main issues and recommendations that emerged during its meetings with the Cabinet Secretaries for Energy and Petroleum and Transport and Infrastructure,
- b) The above report to include key activities of the Committee and all the visits undertaken since its constitution and also the proposed visits to Jomo Kenyatta International Airport, Kenya Ports Authority , Kenya Petroleum Refineries Ltd and Olkaria Geothermal Power projects;- and
- c) The report be presented to the Committee for consideration before it is presented to the Senate.

Action: Clerk

MINUTE NO. SEN/ERT/077/2013-

CONSIDERATION OF THE
INDUCTION WORKSHOP
REPORT (COMMITTEE
PAPER NO.004).

Upon invitation by the Chairman, the clerk presented a Report of the induction workshop that was undertaken by the Committee on 5th to 7th June 2013. In his presentation, the Clerk highlighted the key presentations that were made and the recommendations/way forward.

The Committee considered the report and resolved that;-

- a) The harmonization of the Acts dealing with reticulation be specified in the recommendations,

- b) A recommendation be made to bring KURRA & KERA under the supervision of the County Government,
- c) A recommendation be made on the development of the Kisumu and Turkana ports.

Action: Clerk

MINUTE NO. SEN/ERT/078/2013 - ANY OTHER BUSINESS

The Committee discussed the following issues under any other business;-

1) Familiarization tour of Jomo Kenyatta International Airport, Kenya Ports Authority, Kenya Petroleum Refineries Ltd, Olkaria and Orpower 4 Inc.

The Committee resolved that;-

- a) The tour be undertaken in early August 2013 as listed hereunder;-
 - i) Jomo Kenyatta International Airport, 5th August 2013,
 - ii) Kenya Ports Authority, 6th August 2013,
 - iii) Kenya Petroleum Refineries Ltd, 7th August 2013;- and
 - iv) Olkaria & Orpower 4 Inc, 12th August 2013. (Departure Nairobi 11th)
- b) The Report of the proposed visit be compiled and presented to the Senate.

2) Ministerial Statement.

The Committee noted that;-

- a) On 11th July 2013, Sen. John Lonyangapuo, M.P. and Sen. Anyang Nyong'o, M.P. sought for a Ministerial Statement from the Chairman of the Standing Committee on Energy, Roads and Transportation on the status of the roads in their respective Counties,
- b) The requisite answers to the above statements were sought from the Cabinet Secretary Ministry of Transport and Infrastructure and the response for the same have been relayed to the Chairman;- and
- c) The Chairman is expected to present the response to the Senate later in the afternoon.

Action: Chairman

There being no other business for consideration, the meeting adjourned at 12:15 p.m. The date of the next meeting was scheduled for Thursday 25th July 25, 2013.

SIGNATURE.....



(CHAIRMAN; - SEN. GIDEON K. MOI)

DATE.....

25/07/2013

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MINUTES OF THE THIRTIETH MEETING OF THE STANDING COMMITTEE ON ENERGY, ROADS & TRANSPORTATION HELD ON THURSDAY 31ST OCTOBER 2013 AT THE KENYATTA INTERNATIONAL CONFERENCE CENTRE, 2ND FLOOR, SPEAKER'S BOARD ROOM, AT 10:30 A.M.

PRESENT

Sen. Gideon K. Moi, M.P.	-	Chairman
Sen. Danson M. Mwazo, M.P.	-	Vice Chairman
Sen. Kiraitu Murungi, M.P.	-	Member
Sen. Christopher M. Obure, M.P.	-	Member
Sen. Otieno Kajwang, M.P.	-	Member
Sen. Abu Chiaba, M.P.	-	Member
Sen. Charles Keter, M.P.	-	Member

APOLOGIES

Sen. David Musila, M.P.	-	Member
Sen. Martha Wangari, M.P.	-	Member

IN ATTENDANCE

Mr. Boniface Lenairoshi	-	Principal Clerk Assistant
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MINUTE NO. SEN/ERT/163/2013 - PRELIMINARIES.

The Chairman called the meeting to order at 10:45 a.m, and welcomed the Members to the meeting. The opening prayers were said by the Clerk.

MINUTE NO. SEN/ERT/164/2013 - ADOPTION OF THE AGENDA.

The agenda of the day was adopted after it was proposed by Sen. Abu Chiaba M.P., and seconded by Sen. Otieno Kajwang, M.P.

MINUTE NO. SEN/ERT/165/2013 - CONFIRMATION OF MINUTES

The Committee confirmed the minutes of its previous meetings as follows;-

- a) Minutes of the 26th meeting held on 17th October 2013 at 9:30 a.m were confirmed as a true record of the deliberations after they were proposed by Sen. Christopher Obure, M.P. and seconded by Sen. Otieno Kajwang, M.P.

b) Minutes of the 27th meeting held on 17th October 2013 at 10:30 a.m. were confirmed as a true record of the deliberations after they were proposed by Sen. Kiraitu Murungi, M.P. and seconded by Sen. Otieno Kajwang' M.P. subject to the inclusion of the following recommendations on page 7:-

- i) *The Ministry of Energy & Petroleum to negotiate with the oil marketers to absorb the employees of KPRL;- and*
- ii) *GoK to strategies on the discoveries of oil deposits in the Region and expedite the building of a modern refinery at the Lamu Port as envisaged in the LAPSSET project.*

c) Minutes of the 28th meeting held on 24th October 2013 were confirmed as a true record of the deliberations after they were proposed by Sen. Christopher Obure M.P. and seconded by Sen. Otieno Kajwang' M.P.

MINUTE NO. SEN/ERT/166/2013 - MATTERS ARISING FROM THE MINUTES.

The following issues were discussed under matters arising;-

1) Ex.Minute No.Sen/ERT/057/2013

Kenya Roads Bill 2013.

The Committee noted that;-

- a) The Ministry is in its final stages of developing a policy paper to guide in the formulation of the Roads Bill,
- b) The policy paper will be presented to the Cabinet for approval by end of November 2013;- and
- c) The Roads Bill is expected to be tabled in Parliament by January 2014 after the adoption of the Cabinet paper and passing of all the legal requirements.

The Committee resolved that the process be expedited and the Bill be presented to the Committee for consideration once it's ready.

Action: Clerk

2) Ex. Minute No.SEN/ERT/078/2013

Report on the familiarization tours undertaken by the Committee.

The Clerk informed the Committee that the reports are ready and will be presented as a substantive agenda.

The Committee resolved to consider the matter as a substantive agenda.

Action: Clerk

3) Ex. Minute NO. SEN/ERT/091/2013

Coal Mining in Kitui County.

The Committee noted that the Cabinet Secretary Ministry of Energy and Petroleum presented the report on Coal Mining to the Committee on Thursday 17th October 2013.

The Committee resolved that a field visit to the Coal mining sites in Mui Basin, Kitui County be organized and the report on the same be developed and presented to the Senate.

Action: Clerk

4) Ex. Minute No. SEN/ERT/117/2013

Report on the Proposed Foreign Visits by the Committee.

The Clerk informed the Committee that;-

- a) Letters requesting for appointments to the Parliament and Geothermal Power Plants in New Zealand and the Port of Dubai have been sent,
- b) The proposed visits to Australia is yet to be approved by the Clerk:-
and
- c) The proposed visit to New Zealand and the Port of Dubai is scheduled for 16th to 25th November 2013.

The Committee resolved that the Clerk pursues the visit to Australia and ensures that the letter requesting our Embassy in Canberra to facilitate the visit of Coal mining plants/factories is done and dispatched.

Action: Clerk

5) Ex. Minute No. SEN/ERT/128/2013

Allocation of Kshs. 10 Billion Development Funds to KURA & KeRRA.

The Committee noted that the matter has been resolved and that the Ministry of Transport and Infrastructure has been given authority to incur expenditure pending regularization in the supplementary estimates for the current financial year.

6) Ex. Minute NO. SEN/ERT/129/2013.

Classification and Allocation of Roads to the National and County Governments.

The Committee noted that:-

The final Report on the Classification and Allocation of Roads to the National and County Governments is due for presentation to the Committee.

The Committee resolved that the said report be sought from the Transition Authority and the Ministry of Transport and Infrastructure and be presented to the Committee.

Action; - Clerk

7) Ex. Minute No. SEN/ERT/137/2013

a) **Management of Inland Ports by Kenya Ports Authority.**

The Committee noted that:-

- i) The amendments regarding the mandate to manage Kenya Inland Ports were included in the Miscellaneous Amendment Bill 2013,
- ii) Amendments to the Kenya Ports Authority Act were included in the miscellaneous amendment Bill 2013 while the amendments to the Kenya Railways Act were omitted;- and
- iii) Necessary amendments to the Kenya Railways Act have been prepared.

The Committee resolved that the matter be pursued to ensure that it is included in the Miscellaneous Amendment Bill 2013.

Action:- Clerk

b) Invitation to Singapore and Rotterdam

The Committee noted that no invitation has been received for the visit and it was resolved that the matter be processed through the Clerk's office and brought to the attention of the Committee thereafter.

Action:- Clerk

c) Publicity for the Committee.

The Committee noted that Members of the press were not invited during the meeting with the Cabinet Secretary National Treasury. The Committee resolved that in future, the press be invited to cover all meetings where there are invited guests.

Action:- Clerk

8) Ex. Minute No.SEN/ERT/142/2013

a) Meeting with Cabinet Secretaries:-

Ministry of Information Communication & Technology

The Committee noted that the Cabinet Secretary Ministry of Information, Communication and Technology was scheduled to appear before the Committee on Tuesday 29th October 2013. The Cabinet Secretary conveyed his apologies as he was accompanying H.E. the President to Rwanda during the same time.

Ministry of Lands, Housing and Urban Settlement.

The Committee noted that the Cabinet Secretary is scheduled to appear before the Committee on Tuesday 5th November 2013.

The Committee resolved that Members attend the said meeting on the aforementioned dates.

Action:- Committee & Clerk

b) Pending Ministerial Statements

The Committee noted that the Ministerial Statement on the alleged allocation of 46 Oil wells to the Nigerians is still pending despite numerous reminders to the Ministry of Energy and Petroleum.

The Chairman resolved to raise the matter with the Cabinet Secretary Ministry of Energy and Petroleum.

Action;- Chairman

Upon invitation by the Chairman, the Clerk presented the reports on the familiarization tours of GDC projects in Baringo and Nakuru Counties, Kengen Projects in Olkaria, (Naivasha County), Kenya Ports Authority, Kenya Petroleum Refineries Ltd and Kenya Pipeline Company in Mombasa County:-

The Committee deliberated on the reports and made the following recommendations as indicated here below:-

I) GDC Projects in Baringo & Nakuru Counties

- a) The registration of Menengai, Silale and other geothermal projects under the Clean Development Mechanism (CDM) be hastened and clear policy be developed on sharing/utilization of the proceeds from the sale of carbon credits,
- b) Investors be advised to install wellheads on wells which are ready for early power generation so as to provide power shortly after drilling, have early revenue and improve on the profitability of the project,
- c) The Government to adequately fund and support the Geothermal exploration to ensure that Kenyans enjoy a low power tariff hence lower cost of production and increase competitiveness in the manufacturing industries,
- d) The County governments to set aside land for setting up of industrial parks near the Geothermal Resource sites. GDC to facilitate the development of power plants by IPP's and provision of by-products for direct use,
- e) The Geothermal Development Company to ensure that members of the public are regularly and adequately sensitized/informed on their activities through the social media, press or any other form of communication,
- f) The current transmission losses be curbed by installing modern transmission lines that will eventually lower/reduce the tariffs on cost of power;- and

- g) There is need for a stable and environmental friendly power supply in running the GDC Projects instead of the current diesel generators that are expensive and environmentally unfriendly.

The report and recommendations of the familiarization tour of GDC projects in Baringo and Nakuru Counties were adopted after they were proposed by Sen. Danson Mwazo, M.P. and seconded by Sen. Christopher Obure, M.P.

II) Kengen Projects in Olkaria (Naivasha County).

That:-

- a) KenGen to find ways of curbing the steam from the wells and use it as a collateral to secure loans from financiers as it explores various fund raising options for projects under the Asset Backed Security (ABS) programme,
- b) The wells already identified to generate electricity be put to immediate use to generate and sale electricity to the National grid at a competitive price,
- c) Kengen to have a stakeholder's forum and inform the counties of their potentials in terms of electricity generation from various sources,
- d) The Government moves with speed in the exploration and mining of Coal and Liquefied Natural Gas (LNG) so as to boost the energy security and lower the cost of power that is associated with fossil fuel,
- e) Kengen to innovate alternative ways of raising funds and explore the options of Public Finance Initiatives or any other Private Public Partnership arrangement in order to generate more electricity,
- f) Legislation/clear policy be developed to guide the community and investors on the issue of land compensation, sharing/utilization of the proceeds and the revenues generated from the investments;- and
- g) The Government to compensate Kengen for Roads developed by the company in Naivasha.

The report and recommendations of the familiarization tour of Kengen projects in Olkaria (Nakuru County) was adopted after they were proposed by Sen. Charles Keter, M.P. and seconded by Sen. Christopher Obure, M.P.

III) Kenya Ports Authority.

That:-

- a) The Presidential directives that attributed to the improvement of service delivery and harmonious working relationship and coordination of all agencies working at the port be availed to the Committee and be factored as a performance management standard,
- b) The Presidential directives be considered by the Committee with a view of anchoring them into law to ensure strict compliance and improvement of port operations,
- c) Kenya Ports Authority should revamp its website to allow for more interaction with its customers, public and other key stakeholders,
- d) KPA's public relations office be proactive by engaging the members of the public in constant interactions on its operations and performance through the media—Radio, TV and other social media,
- e) The existing community charter between Kenya Ports Authority and the public sector implemented through the Presidential directives be extended to include members of the private sector,
- f) Kenya Ports Authority to strive to ensure that the performance and operations of the Port of Mombasa is competitive and in line with the set global standards,
- g) The Kenya Ports Authority to increase its regional market share by strengthening the liaison offices in Transit Markets,
- h) The operations of the clearing agents at the port be guided by legal framework, i.e legislations to ensure that their activities are properly streamlined and operate within a harmonious legal framework with the Kenya Ports Authority, Kenya Revenue Authority among other stakeholders,
- i) The Kenya Railways Corporation Act be amended to provide for the Kenya Ports Authority to manage and maintain the inland ports within the Country, e.g Kisumu Port;- and
- j) Kenya Ports Authority to operationalize the National Single Window System in order to enhance efficiency and transparency in the Ports operations.

The report and recommendations of the familiarization tour of KPA facilities in Mombasa County was adopted after they were proposed by Sen. Abu Chiaba, M.P. and seconded by Sen. Otieno Kajwang' M.P.

IV) Kenya Petroleum Refineries Ltd.

- a) The Ministry of Energy and Petroleum to request the Cabinet to allow the conversion of KPRL into an oil storage facility,
- b) Kenya Pipeline Company (KPC) to manage the storage facility and the use it as a national reserve for oil products,
- c) The Government to agree with Essar on the best exit clause in order to ensure that investor confidence is maintained and restored,
- d) All the pending loans with financial institutions be paid through the selling of products at the refineries,
- e) The Ministry of Energy & Petroleum to negotiate with the oil marketers to absorb the employees of KPRL;- and
- f) GoK to strategies on the discoveries of oil deposits in the Region and expedite the building of a modern refinery at the Lamu Port as envisaged in the LAPSSSET project.

The report and recommendations of the familiarization tour of KPRL facilities in Mombasa County was adopted after they were proposed by Sen. Otieno Kajwang' M.P. and seconded by Sen. Charles Keter M.P.

V) Kenya Pipeline Company Ltd.

- a) The Government to replace the aged Mombasa - Nairobi pipeline that is 35 years old with a new pipeline,
- b) GoK to support KPC's endeavors to source external funds (loan) for development of all major oil pipeline infrastructures,
- c) Enforce the ban of trucking of transit fuel products from Mombasa to save road infrastructure and increase utilization of KPC facilities,
- d) Assist KPC to implement the take of hydrant and loading operations at JKIA and MIA to enhance controls and reduce risks,

- e) GoK to support KPC's efforts to find a long term solution to power outages,
- f) To enhance assistance to KPC in delineation and securing of company Right Of Way (ROW) and facilities against terrorism threats, encroachment and vandalism. Probably, there is need to establish a Kenya Pipeline Police Unit just like KPA and KRA.
- g) GoK to defer the privatization process of KPC to allow the Company to concentrate on its infrastructural development to enhance its net worth and strategic position in the Oil industry,
- h) GoK to support KPC to effectively participate in the Regional and Local Pipeline infrastructural development e.g. LAPPSET, Sinendet-Kisumu, Nakuru Isiolo etc,
- i) GoK/Treasury to assist in efforts to engage KRA in de-bonding KI facilities to handle only duty paid materials and improving on the their IT systems,
- j) To consider transferring the ownership of KOSF to KPC and discontinue the rental payments which stands at Khs. 384,000,000.00 per annum,
- k) To assist in reducing the large number of OMCs in the long term (79 No. with 55 active) by raising the entry bar to enhance efficiency,
- l) Gok needs to strictly enforce regulations for Oil Marketing Companies to keep and maintain adequate fuel stocks that lasts at least for twenty one (21) days at any given time.
- m) Kenya Ports Authority (KPA) to relocate the jetty and enhance it to be able to receive four vessels at a time and KPC to invest in the construction of the offshore jetty,
- n) KPC to continuously engage OMCs to enhance utilization of their Terminals in Nairobi to enhance evacuation and evaluate investing in a common user facility within the environs of Nairobi to provide off-take and a level playing field to all OMCs,
- o) KPC to install the Integrated Security System in all its installation and enhance security surveillances including the Right Of Way (ROW).

The report and recommendations of the familiarization tour of KPC facilities in Mombasa County was adopted after they were proposed by Sen. Christopher Obure, M.P. and seconded by Sen. Abu Chiaba, M.P.

The Committee resolved that the reports be tabled for adoption by the Senate on Tuesday 5th November 2013

Action:- Clerk

MINUTE NO. SEN/ERT/168/2013 - ANY OTHER BUSINESS

The following issue was discussed under any other business;-

Stand -Off Between Tullow Oil Company & Residents of Turkana.

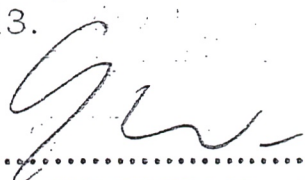
The Committee was informed that there was a stand-off between Tullow Oil Company and the residents of Turkana County which has forced the Oil drilling Company to stop their business and withdraw from the site.

The Committee noted that this is a serious matter and it was resolved that an urgent meeting be held in Turkana County on Monday 4th November 2013 between the Residence of Turkana, Local Leaders, Provincial Administration, Management of Tullow and the Senate Committee to address the aforementioned concerns.

Action:- Clerk

MINUTE NO. SEN/ERT/169/2013 - ADJOURNMENT & DATE OF THE NEXT MEETING.

Having concluded with the business set out in the agenda, the meeting adjourned at 12:50 p.m. The date of the next meeting was set for Tuesday 5th November 2013.

SIGNATURE.....
(CHAIRMAN; - SEN. GIDEON K. MOI)

DATE.....12th / 11 / 2013.....

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