



## Press Release

December 9<sup>th</sup> 2014

### **Kenya Power to sell electricity to Rwanda**

Kenya Power has entered into an agreement to sell 30MW of power to Rwanda. Kenya Power, Uganda Electricity Transmission Company Ltd (UETCL) and Rwanda Energy Group Limited (REG) have completed negotiations to facilitate the trade.

The sale, expected to commence by July 2015, will be effected through the three entities' already interconnected transmission grid, following the signing of a wheeling agreement between Kenya Power, UETCL, and REG on the one hand, and a Power Purchase Agreement between Kenya Power and REG.

A wheeling agreement provides for the conveying of power through another entity's transmission line network to a customer.

Speaking during the signing ceremony for the two agreements, Kenya Power's Managing Director and Chief Executive Officer, Dr. Ben Chumo, said that the agreements were a culmination of a Memorandum of Understanding that Kenya, Uganda, and Rwanda entered into on October 27<sup>th</sup> 2013 for, amongst other things, the promotion and sustainable development of power generation and interconnection of transmission and distribution systems and power projects within the three states.

Under the MoU, the three East African countries agreed to share cheaper generation capacity as it becomes available. It was also agreed that Kenya and Uganda would reinforce their respective transmission grids to facilitate the initial power sale of 30MW by Kenya to Rwanda to be wheeled through Uganda transmission infrastructure by July 2015.

Dr. Chumo said that the sale of power to Rwanda will boost its current supply which is characterized by generation capacity shortage as its power generation is predominantly from the expensive thermal sources.

Dr. Chumo added that the agreements will be beneficial to all the participating partner states since their upshot will be the higher utilisation of generation and grid capacity that will result in significant cost savings. Additionally, enhanced grid connectivity will open up the region to electricity trade in future ultimately promoting sustainable economic development.

Speaking during the signing ceremony, the Managing Director of the Energy Development Co. Ltd., Mr. Robert Nyavimba said that the agreements will greatly improve Rwanda's power capacity which currently stands at 160 MW against a demand of 160 MW. He added that he looked forward to further cooperation between the three countries and with Kenya Power in particular.

His remarks were echoed by the Managing Director of the Uganda Electricity Transmission Co. Ltd., Mr. Eriasi Kiyemba, who lauded the collaboration between the power firms of Kenya and Uganda which have seen the two countries help each other meet shortfalls in power supply in the past.

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