



REPUBLIC OF KENYA

PARLIAMENT



SENATE BILLS

(Bill No. 42 of 2023)

THE ENERGY (AMENDMENT) BILL, 2023

(A Bill published in the Kenya *Gazette* Supplement No. 162 of 1st September, 2023 and passed by the Senate on 15th April, 2025.)

THE ENERGY (AMENDMENT) BILL, 2023

A Bill for

AN ACT of Parliament to amend the Energy Act to make provision for energy purchase agreements; and for connected purposes.

ENACTED by the Parliament of Kenya, as follows —

Short title.

1. This Act may be cited as the Energy (Amendment) Act, 2023.

Insertion of
section 134A in
Act No. 1 of
2019

2. The Energy Act is hereby amended by inserting the following new section immediately after section 134—

Energy Purchase
Agreements.

134A. (1) A generating entity may enter into an energy purchase agreement to sell electrical energy to a licensed entity specified in the Third Schedule.

(2) An Energy purchase agreement shall comply with the principles of public finance enshrined in Article 201 of the Constitution which include—

- (a) openness and accountability;
- (b) public participation in financial matters;
- (c) good governance to ensure that public funds are used in a prudent and responsible way; and
- (d) sustainability.

(3) The purchasing entity shall—

- (a) prior to procurement of electrical power, conduct a feasibility study to identify whether there is enough demand for electricity purchase which cannot be met by the existing production;
- (b) ensure the process of procurement of electrical energy complies with the procedures set out in

Act No. 33 of 2015.

the Public Procurement and Asset Disposal Act;

- (c) ensure that priority is given to dispatchable generation with a sustainable base load at point of dispatch;
- (d) give priority to a generating entity generating electrical energy through renewable technology.

(4) An energy purchase agreement referred to in subsection (1) shall only be entered into with a generating entity which has disclosed and registered full beneficial ownership in accordance with the Companies Act.

Act No. 17 of 2015.

(5) A purchasing entity shall prepare and maintain a register of generating entities it has entered into energy purchase agreements with and the entity's beneficial ownership and publish the names of the same—

- (a) on its website; and
- (b) in the annual audit report.

(6) The register in subsection (5) shall be—

- (a) prepared within ninety days from the date of operation of this section; and
- (b) open for inspection by members of the public in accordance with section 5(1)(e) of the Access to Information Act.

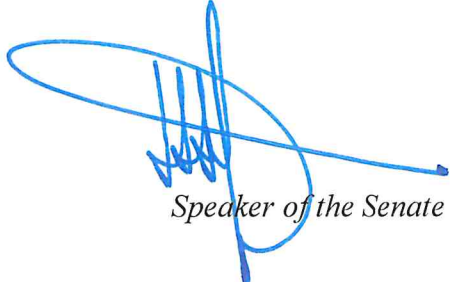
Act No. 31 of 2016.

(7) The Authority shall not approve an energy purchase agreement which fail to comply with this section.

I certify that this printed impression is a true copy of the Bill as passed by the Senate on 15th April, 2025.


Clerk of the Senate

Endorsed for presentation to the National Assembly in accordance with the provisions of standing order 161 of the Senate Standing Orders.


Speaker of the Senate