



*Approved
SNA
28/5/26*

**REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY**

THIRTEENTH PARLIAMENT – FIFTH SESSION (2026)

PUBLIC PETITIONS COMMITTEE



REPORT ON-

**CONSIDERATION OF PUBLIC PETITION NO. 18 OF 2024 REGARDING
FARMERS HYDRO-POWER GENERATION BY KENYA TEA DEVELOPMENT
AUTHORITY (KTDA)**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 MAY 2026	DAY: Thursday
TABLED BY:	Hon. Maison Marwa, MP Member Public Petitions Committee
CLERK-AT-THE-TABLE:	Irene Nduku

**Directorate of Audit Appropriations &
General-Purpose Committees**
Clerk's Chambers
Main Parliament Buildings
NAIROBI

MAY, 2026

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ACRONYMS

DAB	Dispute Adjudication Board
DCI	Directorate of Criminal Investigations
EPRA	Energy and Petroleum Regulatory Authority
ESIA	Environmental and Social Impact Assessment
IFC	International Finance Corporation
KPLC	Kenya Power and Lighting Company
KTDA	Kenya Tea Development Agency
MW	Megawatt (unit of power)
PPA	Power Purchase Agreement
RPC	Regional Power Company
SHP	Small Hydropower

CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honour to present to this House the Report of the Committee on the Public Petition No. 18 of 2024 regarding Farmers Hydro-power Generation by Kenya Tea Development Authority by the Smallholder tea farmers. The petition was presented to the House pursuant to Standing Order No. 225 (2) (a) by the Hon. Brighton Yegon, M.P Konoin, Constituency on behalf of smallholder tea farmers.

The Committee considered the Petition and observed that Chemosit power station was up to 60% complete while Kipsonoi faced land acquisition challenges.

The Committee recommends that the KTDA convenes a multi-sectoral forum to address issues outstanding in the Kipsonoi project; and that KTDA completes Chemosit power station by September 2026. The Committee further recommends that the Ministry of Energy leads negotiations with KTDA on favourable power tariffs.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members for their devotion and commitment to duty during the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House.

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1. PREFACE

1.1 Establishment and Mandate of the Committee

The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:

- a) considering all public petitions tabled in the House;
- b) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
- c) recommending whether the findings arising from consideration of a petition should be debated; and
- d) advising the House and reporting on all public petitions committed to it.

1.2 Committee Membership

The Public Petitions Committee was first constituted in October 2022 and reconstituted in March 2025 and comprises the following Members:

Chairperson

Hon. Muchangi Karemba, CBS, M.P.
Runyenjes Constituency
United Democratic Alliance (UDA)

Vice Chairperson

Hon. Janet Jepkemboi Sitienei, M.P.
Turbo Constituency
United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.
Mavoko Constituency
Wiper Democratic Movement-Kenya
(WDM-K)

Hon. Edith Vethi Nyenze, M.P.
Kitui West Constituency
Wiper Democratic Movement-Kenya
(WDM-K)

Hon. Joshua Chepyegon Kandie, M.P.
Baringo Central Constituency
United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
Dagoretti North Constituency
Orange Democratic Movement (ODM)

Hon. Maisori Marwa Kitayama, M.P.
Kuria East Constituency
United Democratic Alliance (UDA)

Hon. Paul Biego Kibichiy. M.P.
Chesumei Constituency
United Democratic Alliance (UDA)

Hon. Bernard Muriuki Nebart, M.P.
Mbeere South Constituency
Independent

Hon. Patrick Munene, CBS, M.P.
Chuka Igambang'ombe Constituency
United Democratic Alliance (UDA)

Hon. John Bwire Okano, M.P.
Taveta Constituency
Wiper Democratic Movement-Kenya
(WDM-K)

Hon. Peter Mbogho Shake, M.P.
Mwatate Constituency
Jubilee Party (JP)

Hon. Suzanne Ndunge Kiamba, M.P.
Makueni Constituency
Wiper Democratic Movement-Kenya
(WDM-K)

Hon. Peter Irungu Kihungi, M.P.
Kangema Constituency
United Democratic Alliance (UDA)

Hon. Sloya Clement Logova, M.P.
Sabatia Constituency
United Democratic Alliance (UDA)

1.3 Committee Secretariat

The Public Petitions Committee was facilitated members of the secretariat:

Mr. Victor Weke
Principal Clerk Assistant

Ms. Miriam Modo
First Clerk Assistant

Bernard Kipchumba
Clerk Assistant III

Ms. Kafuyai Wamae
Clerk Assistant III

Mr. Clinton Sindiga
Legal Counsel II

Mr. Arkan Mumin
Research Officer III

Ms. Nancy Akinyi
Research Officer III

Ms. Roselyn Njuki
Senior Sergeant at Arms

Mr. Collins Mahamba
Audio Officer

Ms. Frida Ngari
Media Relations Officer

Mr. Pascal Valerian
Hansard Officer III

PART TWO

2. BACKGROUND OF THE PETITION

2.1 Introduction

1. Public Petition No. 18 of 2024 regarding Farmers Hydro-power Generation by Kenya Tea Development Authority was presented to the House on 03rd December, 2024 by the Hon. Brighton Yegon, M.P, member for Konoin Constituency on behalf of smallholder tea farmers.
2. Kenya Tea Development Agency (KTDA), as the managing agent for smallholder tea farmers, undertook to initiate projects on behalf of small holder tea farmers in generating power through hydro-power.
3. More than Kshs 3 billion have been collected from smallholder tea farmers since 2014; and, in particular those from Bomet County and other surrounding counties in the west of Rift;
4. The proposed hydro-power projects were projected to provide substantial returns, which would have directly benefited the farmers by lowering energy expenses in tea factories thus lowering cost of production and potentially increasing profits;
5. Since inception of the project in 2014, more than ten years after the initial contributions, not a single hydro-power project has been completed; and, farmers have been left in uncertainty and frustration due to the lack of progress in the said projects;
6. The expected benefits such as reduced energy costs and increased income have not materialized, leaving farmers in financial distress;
7. Lack of detailed reporting and progress updates on the projects suggests possible financial mismanagement.

2.2 Petitioner's Prayers

8. The Petitioners prayed that the National Assembly through the Public Petitions Committee;
 - a) Engages the Ministry of Agriculture and Livestock, Ministry of Energy and Petroleum; and, other relevant authorities with a view investigating the alleged financial management in regard to generating power by KTDA on behalf of small holder tea farmers in Bomet County and other surrounding counties in the West of Rift;
 - b) Make recommendation compelling KTDA to provide a detailed report within 30 days on the status of the hydro- power projects, including how the funds were invested and the reasons for the inordinate delay of the project;
 - c) Recommends the due compensation of all small holder tea farmers in the affected region where more than Kshs 3 billion have been deducted since 2014; and
 - d) Make any other necessary recommendation the Committee deems fit to address the issues raised in this Petition.

PART THREE

3. STAKEHOLDERS' SUBMISSIONS ON THE PETITION

3.1 The Petitioner

The Member for Konoin Constituency, Hon. Brighton Yegon, MP, appeared before the Committee on Wednesday, June 04, 2025 and submitted as follows—

9. The Kenya Tea Development Agency (KTDA) as the managing agent for smallholder tea farmers, undertook to initiate projects on behalf of smallholder tea farmers in generating power through hydro-power generation.
10. More than Kshs. 3 billion has been deducted countrywide from smallholder tea farmers since 2014 and in particular, those from Bomet and Kericho counties have contributed Kshs. 1.1 billion.
11. The proposed hydro-power projects were projected to provide substantial returns, which would have directly benefited farmers by lowering energy expenses in the tea factories, therefore, lowering the costs of production and potentially increasing profits.
12. Since inception of the project in 2014, more than 10 years after the initial contribution, not a single hydro-power project has been completed and farmers have been left in uncertainty and frustration due to lack of progress in the said projects.
13. The expected benefits such as reduced energy costs and increased income have not materialized leaving farmers in financial distress.
14. Lack of detailed reporting and progress updates on the projects allegedly suggest possible financial mismanagement.

3.2 Ministry of Energy and Petroleum

The Principal Secretary, State Department for Energy, Mr. Alex Kamau Wachira, CBS, appeared before the Committee on Tuesday, 31st March, 2026 and submitted as follows –

Background and Policy Context of Small Hydropower Projects

15. The development of small hydropower projects by the Kenya Tea Development Agency is rooted in government-led resource assessment initiatives. The Ministry of Energy undertook feasibility studies across 26 small hydropower (SHP) sites, primarily within tea-growing regions.
16. The positive outcomes of these studies demonstrated viable hydropower potential along river basins in the highlands, thereby catalyzing KTDA and its affiliated power companies to invest in project development.

Development Framework

17. The Energy and Petroleum Regulatory Authority (EPRA) has the regulatory oversight mandate to oversee the development of Small Hydropower Plants in the country. EPRA issues generation licenses in accordance with the Energy Act Cap 314.
18. KTDA hydropower projects were implemented under the Feed-in Tariff (FiT) framework, which provided:

- a) Pre-determined tariffs for renewable energy
 - b) Reduced market risk for investors
 - c) Standardized project development procedures
19. The Kenya Tea Development Agency Small Hydropower (SHP) portfolio comprises a network of run-of-river hydroelectric plants distributed across Kenya's tea-growing highlands. With a total capacity of approximately 52.4 MW, these projects are implemented through Special Purpose Vehicles (SPVs) that are typically aligned to specific tea factory clusters and river basins.
20. The plants are designed to serve a dual purpose: supplying reliable and cost-effective electricity for tea processing while exporting surplus power to the national grid through Kenya Power. Their run-of-river configuration ensures minimal environmental impact while leveraging perennial river systems in high rainfall areas. The breakdown of these is as follows:
- i) In Embu County, the Rupingazi (Thuchi SPV) project, with a capacity of 1.8 MW, is currently under construction.
 - ii) The largest concentration of projects is found in the Kericho/Bomet cluster, with a combined capacity of 14.3 MW under the Settet SPV. This cluster includes multiple schemes such as Kipsonoi, Kiptiget, Itare, Yurith, Chemosit, and Rogonget, which are at different stages ranging from feasibility studies to construction and land acquisition. These projects demonstrate a cascade development approach, where several plants are developed along the same river system to maximize hydropower potential.
 - iii) In Kiambu County, the Chania hydropower plant (1.0 MW) is already completed and operational, while the Gatamaiyu project (1.2 MW) remains at the feasibility stage.
 - iv) In Kirinyaga County, the Lower Nyamindi plant (1.8 MW) is operational, while the Kiringa and Ragati projects are undergoing land acquisition. These projects are strategically located along tributaries of the Tana River basin, allowing for optimized utilization of water resources.
 - v) In the Kisii/Nyamira cluster, the Nyakwana plant (2.0 MW) is completed, while the larger Nyamasege (Kuja Gucha) project, with a capacity of 7.3 MW, is under development and represents one of the largest individual KTDA hydropower schemes.
 - vi) The Meru cluster consists of smaller but significant projects, including the operational Imenti SHP (0.9 MW) and the Iraru (1.5 MW) and South Maara (2.0 MW) plants, both of which are under construction.
 - vii) In Murang'a County, the North Mathioya (Metumi SPV) plant, with a capacity of 5.6 MW, is fully developed and stands out as one of the flagship KTDA projects. Likewise, in Nyeri County, the Gura SHP (5.8 MW) is completed and operational, benefiting from strong river flows originating from the Aberdare ranges.

21. Further developments include the Taunet project in Nandi County (2.8 MW), which is currently under construction, and the Kapolet project in Trans Nzoia (1.3 MW), which is still at the feasibility stage.
22. Overall, the KTDA hydropower program represents a successful integration of agricultural and energy sector investments. By utilizing locally available water resources and aligning generation with tea factory demand, the projects enhance energy security, reduce operational costs for tea producers, and contribute clean electricity to the national grid.

Project Development Process

23. The KTDA SHP projects typically follow a structured lifecycle:

- a) Expression of Interest (EOI)
 - Developers submit EOI to the Ministry of Energy
 - Approval grants rights to proceed with project development
- b) Feasibility and Pre-Development Studies
 - Detailed technical, environmental, and financial studies conducted
 - Studies must receive regulatory and government approvals
 - Includes hydrology, design, ESIA, and grid connection studies
- c) Alignment with National Planning
 - Projects are incorporated into the Least Cost Power Development Plan (LCPDP)
 - Allocation of Commercial Operation Date (COD) ensures system planning alignment
- d) Licensing
 - Application for generation licence submitted to EPRA
 - Compliance with technical, financial, and environmental requirements
- e) Power Purchase Agreement (PPA)
 - Negotiation with the off-taker (Kenya Power)
 - PPA defines:
 - Tariff structure (under FiT)
 - Dispatch and offtake terms
 - Payment security mechanisms
- f) Financial Close and Construction
 - Signed PPA enables:
 - Debt financing and investor commitment
 - Engineering, procurement, and construction (EPC)
 - Projects typically developed as run-of-river small hydro schemes
- g) Commissioning and Operation
 - Upon completion, plants are commissioned and synchronized to the grid
 - Excess power (beyond captive tea factory demand) is exported
 - Some projects delayed partly because of the Covid 19 Pandemic and the Moratorium placed on processing of new PPAs (This was lifted in 2025)

Current Portfolio Overview

24. The total KTDA SHP capacity is about 50 MW. The projects are distributed across key tea-growing counties including: Kericho, Bomet, Embu, Kiambu, Nyeri, Kirinyaga, Murang'a, Nandi, and Meru. These projects are typically clustered along river basins, maximizing hydrological resources and supporting localized energy needs. The individual plant sizes range from 0.3 MW to 7.3 MW, reflecting small hydro characteristics

Operational Model

25. KTDA hydropower plants operate under a hybrid model:

- **Captive use:** Powering tea factories, reducing production costs
- **Grid export:** Surplus energy supplied to the national grid

The off-taker compensates the developer in accordance with the PPA.

Key Outcomes and Impact

a) Energy Sector Benefits

- Contribution to renewable energy capacity
- Support to distributed generation
- Reduction in transmission losses in rural areas

b) Agricultural Value Chain Support

- Lower electricity costs for tea processing
- Enhanced competitiveness of Kenya's tea sector

7. Conclusion

26. In conclusion, the Government-led feasibility studies, combined with a supportive FiT regime and clear regulatory processes, enable KTDA to develop viable projects aligned with the national planning frameworks, more so that the moratorium placed on new power purchase agreements has been lifted.
27. The structured pathway—from EOI approval to PPA execution—has been instrumental in advancing the development of the projects.
28. As a result, KTDA hydropower plants not only meet captive industrial demand but also contribute surplus clean energy to the national grid, with payments secured through long-term PPAs.

Table: KDTA Small Hydropower Plants

Power Plant	Special Purpose Vehicle	Capacity (MW)	Status
Embu County		1.8	
KTDA Rupingazi	Thuchi	1.8	Under Construction
Kericho/Bomet Counties		14.3	
KTDA (Settet Power Company Ltd) Kipsonoi	Settet	2.6	Land/Construction
KTDA Kiptiget	Settet	1.6	Land acquisition
KTDA Ltd ITARE	Settet	2.5	Optimization, 2.5MW
KTDA Ltd, Yurith	Settet	3.6	Feasibility Study
KTDA Ltd, YURITH Chemosit	Settet	2.6	Under Construction, 2.5MW
KTDA Power (Yurith Rogonget)	Settet	1.4	Land acquisition
Kiambu County		2.2	
KTDA Power, Chania	Chania	1	Completed
KTDA Power Company, Gatamaiyu	Highlands	1.2	Feasibility Study at 1.2MW
Kirinyaga County		4.9	
KTDA Ltd, (Kirinyaga Power Company) Lower Nyamindi	Kirinyaga	1.8	Completed
KTDA Power (Kiringa Kirinyaga)	Kirinyaga	2	Land acquisition
KTDA Power (Ragati Kirinyaga)	Kirinyaga	1.1	Land acquisition, 1.1MW
Kisii/Nyamira		9.3	
KTDA Nyabunde/ Nyakwana	Nyakwana	2.0	Completed
KTDA Power Nyamasege (Kuja Gucha)	Nyakwana	7.3	Land acquisition
Meru County		4.4	
KTDA (Imenti Tea Factory), Shp	Imenti	0.9	Operational, 0.9MW
KTDA Ltd, (Greater Meru Power Company) Iraru	Greater Meru	1.5	Under Construction
KTDA Ltd, (Greater Meru Power Company) South Maara	Greater Meru	2	Under Construction
Muranga County		5.6	
KTDA, North Mathioya, Metumi	Metumi	5.6	Completed
Nandi County		2.8	
KTDA, Taunet	Chemuka	2.8	Under Construction at 2.8MW
Nyeri County		5.8	
KTDA, Gura SHP	Gura	5.8	Completed
Trans Nzoia County		1.3	
KTDA (Kapolet)	Chemuka	1.3	Feasibility study
Grand Total (MW)		52.4	

3.3 Tea Board of Kenya

The Chief Executive Officer, Tea Board of Kenya, Mr. Willy K. Mutai, appeared before the Committee on Tuesday, 31st March, 2026 and submitted as follows -

That, the Kenya Tea Development Agency (KTDA), as a managing agent for smallholder tea farmers, undertook to initiate projects on behalf of tea farmers in generating power through hydro power.

29. Kenya Tea Development Agency (MS) Ltd is licensed by the Tea Board of Kenya as management agent. The agency currently manages 71 smallholder tea factories located in 17 counties which collectively contributes approximately 52 % of the tea production in Kenya. KTDA Management Services Ltd is one of the subsidiaries owned by KTDA (Holdings) Ltd. KTDA (Holdings) Ltd has other eight subsidiaries i.e. Chai Trading Company Limited, KTDA Power Company Limited, Majani Insurance Brokers, Kenya Tea Packers Limited, Greenland Fedha Limited, KTDA Foundation, Tea Machinery and Engineering Company Ltd, KTDA (MS) and Chai Logistics Centre
30. KTDA Power Company is therefore a fully owned subsidiary of KTDA Holdings Ltd responsible for managing small hydro-power projects owned by factory companies through the Regional Power Companies (RPCs). Currently, there are 12 Regional Power Companies (RPCs) owned by tea farmers through tea factory herein below; -

	RPC	COUNTY	SHAREHOLDER FACTORIES
1	METUMI	Muranga	Githambo, Kanyenyaini, Gatunguru and Kiru
2	GURA	Nyeri	Chinga, Iria-Ini, Gitugi and Gathuthi
3	KIRINYAGA	Kirinyaga and Nyeri	Ragati, Ndima, Mununga, Kangaita, Kimunye and Thumaita
4	THUCHI	Embu	Kathangariri, Mungania and Rukuriri
5	GREATER MERU	Meru and Tharaka-Nithi	Weru, Kinoro, Kionyo, Imenti, Githongo, Michimikuru and Kiegoi
6	SETTET	Kericho, Bomet and Nakuru	Kapkatet, Litein, Tegat, Momul, Kapkoros, Mogogosiek and Kapset
7	ABERDARE	Muranga	Ngere, Njunu, Nduti, Makomboki, Gacharage and Ikumbi
8	NYAKWANA	Kisii and Nyamira	Nyansiongo, Nyankoba, Tombe, Gianchore, Kebirigo, Sanganyi, Kiamokama, Ogembo and Nyamache
9	CHANIA	Kiambu and Muranga	Mataara and Ngere
10	CHEMUKA	Nandi, Vihiga and Trans-Nzoia	Chebut, Mudete and Kapsara
11	HIGHLANDS	Kiambu	Kambaa, Kagwe, Theta, Gachege and Mataara
12	IMENTI	Meru	Imenti

The purpose of Regional Power Companies (RPCs) is to facilitate financing and development of power projects within their locality.

That more than Kshs 3 billion has been deducted from smallholder tea farmers since 2014; and, in particular those from Bomet County and other surrounding counties in the West of Rift.

31. Tea factories within Bomet County are shareholders of Settet Power Generation Company which was incorporated on 13th October 2010 to manage tea factories in Bomet and Kericho counties. The company is owned by 8 (eight) Corporate Shareholders equally with each factory owning 12.5% of the company. The eight shareholders are the KTDA managed Tea Factory Companies in Kericho and Bomet Counties (Kapkatet, Litein, Tegat, Momul, Kapkoros, Mogogosiek and Kapset) and KTDA Power Company Limited (Management Agency). The company intends to establish 4 small hydro projects within Kericho and bomet counties namely Chemosit, Kipsonoi, Kiptiget and Rogonget

Project	Capacity	Estimated Project Contract Costs USD
Chemosit	2.5MW	USD 11.23Million
Kipsonoi	2.6MW	USD 14.9Million
Kiptiget	2.0MW	USD 10.5 Million
Rongonget	2.5MW	USD 12.5 Million
TOTAL		USD 49.13 Million

32. The projects are being funded through Debt and Equity at a ratio of 65:35. Tea farmers through their respective tea factory companies contribute equity whilst debt is sourced from internal/ external lenders such International Finance Corporation (IFC), Co-operative Bank, AfD, among others and guaranteed by KTDA.
33. Analysis of the financial statements for Settet Power Generation Company and the individual tea factories indicates that an amount of **Kshs. 970,812,500.00** has been contributed by tea farmers in Kericho and Bomet for the purpose of development of 4 projects as shown herein below; -

FACTORY	SHAREHOLDING	TARGETED (AMOUNT IN KES)	CONTRIBUTED AMOUNT KES	BALANCE OUTSTANDING KES
Kapkatet	12.50%	138,687,500	138,687,500	-
Litein	12.50%	138,687,500	138,687,500	-
Tegat	12.50%	138,687,500	138,687,500	-
Momul	12.50%	138,687,500	138,687,500	-
Kapkoros	12.50%	138,687,500	138,687,500	-

Mogogosiek	12.50%	138,687,500	138,687,500	-
Kapset	12.50%	138,687,500	138,687,500	-
Sub-Total	88.50%	970,812,500	970,812,500	-
KTPC	12.50%	138,687,500	62,907,573	75,779,927
TOTAL	100%	1,109,500,000	1,033,720,073	75,779,927

That the proposed hydropower projects were projected to provide substantial returns, which would have directly benefited the farmers by lowering energy expenses in tea factories thus lowering cost of production and potentially increasing profits

34. The overall objective of establishment of KTDA Power Company and the Regional Power Companies (RPCs) is to reduce the overall cost of production in tea factories, improve quality and reliability of power supply to tea factories, reduce costs of energy, improve tea farmers' earnings and promote use of green energy in the country. The strategic ventures being undertaken include:

- i) Development, Management and Operation of Small Hydropower Plants
- ii) Development of Solar solutions to factories through IPPs.
- iii) Management of Regional Power Companies (RPCs)
- iv) Conducting energy audits and implementing recommendations
- v) Exploring other sources of renewable energy

35. The power generated from the power plant is supplied to the shareholder tea factories with the objective of reducing the cost of energy whilst the excess power is supplied to Kenya Power through signed Power Purchase Agreements (PPAs).

That since inception of the project in 2014, more than 10 years after the initial contributions, not a single hydro-power project has been completed; and farmers have been left in uncertainty and frustration due to lack of progress in the said projects.

36. Since 2014, six small hydro projects for smallholder tea factories have been completed by various Regional Power Companies as follows; -

NO	Reginal Power Company	Project Name	MW	Status	Completion Time
1	Imenti Power Company	Imenti	0.9	Operational	2008
2	Gura Power Company	Gura	5.8	Operational	2016
3	Chania Power Company	Chania	0.9	Operational	2016
4	Metumi Power Company	North Mathioya	5.6	Operational	2019
5	Nyakwana Power Company	Nyambunde	2.0	Operational	2023
6	Kirinyaga Power Company	Lower	1.8	Operational	2024

		Nyamindi			
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The status of the remaining small hydro projects for various Regional Power Companies is as follows; -

NO	Reginal Company	Power	Project Name	MW	Status	Completion Time
1	Settet Power Company	Power	Chemosit	2.5	Under construction	September 2026
			Kipsonoi	2.6	Resolving land issues	December 2027
			Kiptiget	2.0	Feasibility Study undertaken	
			Rogonget	2.5	Approval by the Ministry of Energy granted	
	Greater Meru Power Company	Power	South Mara	2.0	Under construction	December 2026
			Iraru	1.5	Under construction	December 2026
2	Thuchi Company	Power	Rupingazi	1.8	Under construction	December 2026
3	Chemuka Company	Power	Taunet	2.8	Under construction	June 2027

According to the annual and other reports from Settet Power Company, the following is the status 4 small hydro companies in Bomet and Kericho Counties; -

Chemosit Small Hydro Project

37. Chemosit small hydropower project has a design capacity of 2.5 MW. The Major civil works contract was awarded to VS Hydro PVT. The electrical, hydro mechanical and machineries supply & installation were contracted to Andritz Germany. KTDA Power Company is the lead consultant. The Contract was signed on 17th September 2018 and the project construction commenced on 15th October, 2018. The Contract Period was expected to run for 24 Months, with initial targeted date of completion of 14 October, 2020. However, due to various challenges, the project completion has not been completed.

38. Currently, the cumulative work done on civil works is currently approximately 50% and the electromechanically works progress is above 81%. However, the contractor has since re-mobilized and the works is ongoing. Site inspection revealed works at different stages as follows; -

	Project Component	Approximate Physical Progress %	Approximate Months to Completions	Remarks
1.	Land acquisition	100	n/a	-
2.	Preliminaries	94.12	n/a	-
3.	Design	96.65	n/a	-
4.	Headrace Canal	71	12	Likely delay due to DAB and negotiations with KENHA on road excavation
5.	Forebay & Settling Basin	15		Contentious and subject to DAB
6.	Weir, Intake Flood walls	56	5	Ok
7.	Intake canal & excess water spillway	100	n/a	-
8.	Power house	51	8	ok
9.	Staff Quarters	8		
10.	Spillway & sediment flushing	14	8	ok
11.	Foot bridges	82	12	
12.	Penstock & Anchor blocks	6.4	3	Procurement at LC stage
13.	Access Road	37		
14.	Electromechanical	85		Awaiting completion of the powerhouse

39. According to directors and discussions with various parties involved in the project, the following are the reasons for delays in completion of the project; -
- i) Court case that emanated from the award of the tender where some tenderers disputed the award. However, the matter was later resolved and works are progressing;
 - ii) Delays in disbursement of funding from IFC which was providing 65% of the project funding. It took several years before the funding was released in September 2024.
 - iii) Contractor financial challenges- Contractor faced financing challenges and was tied to the loan provided by the IFC;
 - iv) Negotiations on price escalation on various items of the contract in accordance with the applicable Consumer Price Index;
 - v) In addition, KTDA highlighted the following challenges;
 - Lengthy process of land & wayleave acquisition. Many documents not clear especially in Kipsonoi while in Chemosit, KPLC transmission lines took over the already surveyed route leading to re-designing the transmission line and new wayleave negotiations.

- Government moratorium on Power Purchase Agreements (PPAs) – Government policy changes
- Challenges in obtaining multiple permits, licenses and PPAs resulting in delayed release of debt funding and hence project cash flow challenges.
- Stringent conditions precedent to approval and disbursement of debt funds by IFC and Proparco syndicate, where Chemosit funds were received in September 2024.
- Lack of wayleave information sharing between RPCs and KPLC.

Kipsonoi Small Hydro Power Project

40. Kipsonoi Small Hydro Plant is designed to produce 2.6.MW energy and the project was awarded within the financial year 2017-18 after an out of court settlement of a court case which had stalled the commencement of the project. The Major civil works contract was awarded to VS Hydro PVT. Other contractors include KTDA Power (Consultancy Unit) and Gilbert Gilkes and Gordon UK (Electrical & Hydro mechanical Machineries). The contract was expected to run for a Contract period of 28 months. 50% of the affected land parcels have been partially compensated to allow possession of the land as the owners finalize succession matters and document verification. Topographical survey and design had already commenced but the contractor has not mobilized the site due to land acquisition challenges. KTDA has given a detailed status on the land acquisition for the project.

Kiptiget

41. The projected capacity of the site is 2.0 MW. Detailed Feasibility Study reports have been received from Ministry of energy. KTDA Power company consultancy unit is reviewing the report. The Board and management of KTDA shall develop the roadmap on financing and implementation once the feasibility reports are firmed up.

Rogonget

42. The projected capacity of the project site is 2.5 MW. Approval of rights to develop the site has been granted by the Ministry of Energy.KTDA Power Company shall review the detailed feasibility study report from Ministry of Energy and give further action plans and roadmap based on prospects.

That the expected benefits such as reduced energy costs and increased income have not materialised, leaving farmers in financial distress.

43. Tea farmers from 37 parent tea factories who were part of the various regional power projects have not benefited from small hydropower plants as envisaged. This was mainly occasioned by the following;
- i Delays in completion of various small hydropower stations like Chemosit, Kipsonoi, Kiptiget, Rogonget, South Mara, Iraru, Rupingazi and Taunet;
 - ii Challenges in power evacuation from the power stations to the tea factories due to long distances and challenges in acquisition of the land for the wayleave;
 - iii Government policy changes in implementation where there was a moratorium on Power Purchase Agreements (PPAs);

- iv Unfair tariffs by Kenya Power where they procure excess power at almost a quarter (KES 8 per Kwhr) of the cost KTDA managed factories are paying for a KW of electricity (KES 30 per Kwhr);

44. It was however established that tea farmers from 17 tea factories are benefiting from the reduced power costs from six projects that have been commissioned.

That lack of detailed reporting and progress updates on projects allegedly suggests possible financial mismanagement.

Settet Power Company has the following directors; -

	DIRECTORS	FACTORY REPRESENTATION
1.	Bernard Kibet Kirui	Kapkatet TF
2.	Ngetich Patrick	Litein TF
3.	Evans Kiplangat Bii	Tegat TF
4.	Collins Kipkirui	Moinul TF
5.	Kipkorir J Chepkwony	Kapkoros TF
6.	Alfred Koskey	Mogogosiek TF
7.	Bernard Ng'eno	Kapset TF
8.	Philip Langat	KTDA Holdings – zone 8
9.	Mosonik Samson Menjo	KTDA Holdings – zone 9
10.	Walter Cheruiyot	Founder Director -Retired
11.	Johnathan Mutai	Founder Director -Retired

45. The reporting and governance framework is done as follows;
- i The directors hold quarterly meetings to discuss the progress in implementation of the 4 projects. In addition, the directors hold special meetings to discuss urgent matters that cannot wait for the quarterly meetings;
 - ii The directors representing each of the parent tea factory (shareholders) reports back to the factory during the quarterly tea factory Board meetings;
 - iii During the factories Annual General Meetings (AGMs), tea farmers (tea factory shareholders) are updated on the status of the projects;

That the matter presented in this petition is not pending before any tribunal, court of law, or any constitutional or legal body.

46. Currently, this matter is not pending before any tribunal, court of law, or any constitutional or legal body save for the ongoing Extension of Time (EOT) claim determination which is currently at the Dispute Adjudication Board (DAB) stage.

Recommendations

47. Given the importance of these small hydropower projects to the realization of government's Bottom-up Economic Transformation Agenda (BETA) of increasing earnings to tea farmers (by reducing the cost of production) and the importance of the tea industry in Kenya, TBK recommends the following;
- i) A multi-agency audit be undertaken by the Ministry of Agriculture and Livestock Development, Energy and Petroleum Regulatory Authority (EPRA) and Tea Board of Kenya on all small hydropower stations being undertaken by KTDA and smallholder tea factories in Kenya;
 - ii) The Government and local leadership support KTDA efforts in acquiring land necessary for construction of the small hydropower stations and wayleaves for power transmission;
 - iii) Consideration for be given on the request by KTDA on the wheeling tariff and net metering platform by government in order for KTDA to have the option of using Kenya Power infrastructure in transmitting power generated by the small hydro plants. However, the power companies to endeavor establishing independent powerlines in order to ensure reliable power supply in case of power outages by Kenya Power;
 - iv) Given the inordinate time taken by KTDA and RPCs in completing the small hydropower stations, KTDA should give an undertaking to complete the current projects within a timeline reasonable to the committee or where it is not possible to resolve the current land issues, KTDA to provide a proposal on the alternative site or project that can be undertaken to meet the objectives envisaged for the original project.

3.4 Kenya Tea Development Agency (KTDA)

The Acting Group Chief Executive Officer of the Kenya Tea Development Agency (KTDA) Holdings Limited, Eng. Francis Miano, appeared before the Committee on Tuesday, 31st March, 2026 and submitted as follows –

That, the Kenya Tea Development Agency (KTDA), as a managing agent for smallholder tea farmers, undertook to initiate projects on behalf of tea farmers in generating power through hydro power.

48. We concur with this statement, Kenya Tea Development Agency (KTDA) came up with strategies of reducing the overall cost of power, improve quality and reliability of power supply to tea factories, improve tea farmers' returns and promote use of green energy in the country. This objective is being implemented through Special Purpose Vehicle, (SPVs) in form of Regional Power Companies (RPCs) with the guidance of KTDA Power Company, which is fully owned subsidiary of KTDA Holdings.
49. The Regional Power Companies (RPCs) are owned by tea farmers through a cluster of neighbouring tea factory companies and their purpose is to facilitate financing & project development. The Strategic ventures being undertaken include:
- i) Development of Solar solutions to factories through IPPs

- ii) Management of Regional Power Companies (RPCs)
 - iii) Conducting energy audits and follow ups on recommendations
 - iv) Exploring other sources of renewable energy
 - v) Development, management and operations of Small Hydropower Plants
50. The idea was mooted around 2005, where several approaches were considered for adoption. Global Environmental Facility (GEF) & UNEP through East African Tea Trade Association (EATTA) funded eight (8) feasibility studies in Eastern and Southern Africa, under the GTIEA (Greening the Tea Industry in East Africa) program. Out of the 8 projects feasibility studies that were done in East Africa, KTDA benefited with two i.e. Gura & North Mathiyoa which were handed over to KTDA to implement on behalf of tea farmers. In 2009 and 2011, the Government of Kenya through the Ministry of Energy (MoE) funded full feasibility studies of a number of projects. The MoE later handed over 16 sites to KTDA to manage implementation on behalf of the tea factory companies.

Table: Regional Power Companies and shareholder factories

	RPC	COUNTY	SHAREHOLDERS FACTORIES
1.	METUMI	Muranga	Githambo, Kanyenyaini, Gatunguru and Kiru
2.	GURA	Nyeri	Chinga, Iria-Ini, Gitugi and Gathuthi
3.	KIRINYAGA	Kirinyaga and Nyeri	Ragati, Ndima, Mununga, Kangaita, Kimunye and Thumaiti
4.	THUCHI	Embu	Kathangariri, Mungania and Rukuriri
5.	GREATER MERU	Meru and Tharaka-Nithi	Weru, Kinoro, Kionyo, Imenti, Githongo, Michimikuru and Kiegoi
6.	SETTET	Kericho, Bomet and Nakuru	Kapkatet, Litein, Tegat, Momul, Kapkoros, Mogogosiek and Kapset
7.	ABERDARE	Muranga	Ngere, Njunu, Nduti, Makomboki, Gacharage and Ikumbi
8.	NYAKWAMA	Kisii and Nyamira	Nyansiongo, Nyankoba, Tombe, Gianchore, Kebirigo, Sanganyi, Kiamokama, Ogembo and Nyamache
9.	CHANIA	Kiambu and Muranga	Mataara and Ngere
10.	CHEMUKA	Nandi, Vihiga and Trans-Nzoia	Chebut, Mudete and Kapsara
11.	HIGHLANDS	Kiambu	Kambaa, Kagwe, Theta, Gachege and Mataara
12.	IMENTI	Meru	Imenti

51. The power generated from this power plant is supplied to the shareholder tea factories in with an objective of reducing the cost of energy whilst the excess power is supplied to Kenya Power through signed Power Purchase Agreements (PPAs).

That more than Kshs 3 billion have been deducted from smallholder tea farmers since 2014; and, in particular those from Bomet County and other surrounding counties in the West of Rift.

52. The projects are funded through Debt and Equity at a ratio of 65:35. Tea farmers through their respective tea factory companies contribute equity. Debt is sourced from external lenders like International Finance Corporation (IFC), Co-operative Bank, AfD, among others and guaranteed by KTDA.
53. In particular, small holder tea factories under KTDA in Bomet and Kericho who together constitute KTDA's Region 5 own Settet Power Generation Company which was incorporated on 13th October 2010 on equal shareholding basis by 7 parent factories of Kapkoros, Mogogosiek, Kapset, Momul, Litein, Tegat and Kapkatet. The Regional Power Company (Settet Power Generation Company) is implementing two projects in Kericho and Bomet Counties, that is, Chemosit and Kipsonoi Hydropower projects respectively.
54. The two projects are being financed on the conceptualized framework of debt: equity ratio of 65:35 percent. The 35 percent equity contribution was tagged at Kshs. 1,109,500,000. Currently, the total contribution by shareholders is Kshs. 1,033,720,073 (i.e. Kshs. 970,812,500 from tea factories and Kshs. 62,907,573 from KTDA Power) as detailed here below:

SETTET POWER COMPANY EQUITY CONTRIBUTIONS

SETTET	County	Contributed Amount in Ksh
Kapkoros/ Tirgaga/ Motigo/ Olenguruone	Bomet	138,687,500.00
Mogogosiek/ Kobel/ Boito	Bomet	138,687,500.00
Kapset/ Rorok	Bomet	138,687,500.00
Momul	Kericho	138,687,500.00
Litein/ Chelal	Kericho	138,687,500.00
Tegat/ Toror	Kericho	138,687,500.00
Kapkatet/ Tebesonik	Kericho	138,687,500.00
Sub Total Contributions by Factories		970,812,500.00
KTDA Power	Nairobi	62,907,573.00
GRAND TOTAL		1,033,720,073.00

55. Therefore, it is Kshs 970,812,500.00 that have been deducted from smallholder tea farmers since 2014 as equity contribution for the two projects (Appendix 1; Extracts of factories accounts showing 138.6 m as equity contribution)
56. The debt finance (Chemosit Project) of USD 8.6 Million from International Finance Corporation (IFC)/ Proparco/ FMO syndicated was realized in September 2024, three years after commencement of the drawdown process (appendix 2). Following the debt financing closure of Chemosit project, the contractor is being monitored with a view of accelerating

the implementation of the project, which is currently about 51% and is expected to be commissioned by September, 2026.

57. Settet Power Generation Company is in the course of seeking debt financing for Kipsonoi Project from suitable financiers.

58. Here below is a breakdown of how the above funds have been utilized: -

SETTET EQUITY FUNDS UTILIZATION

CHEMOSIT	
Equity Contributions by Shareholders (Schedule 1)	1,033,720,073
Payments to Civil Works Contractor	405,225,339
Payments to Project Consultants	159,523,457
Payments of Electro Mechanical Equipment's	350,821,688
Payment For Land at Chemosit	29,751,744
Total Payments	945,322,228
Balance	88,397,845
KIPSONOI	
Payment For Land at Kipsonoi	41,666,708
Project Consultancy –Kipsonoi	45,307,893
Advance to Civil contractor	175,620,837
Deficit Financed Through Internal Borrowings	(174,197,593)

That the proposed hydropower projects were projected to provide substantial returns, which would have directly benefited the farmers by lowering energy expenses in tea factories thus lowering cost of production and potentially increasing profits

59. We concur with this statement. KTDA has completed and commissioned 6 hydropower projects and is still on course to complete and commission more projects.

That since inception of the project in 2014, more than 10 years after the initial contributions, not a single hydro-power project has been completed; and farmers have been left in uncertainty and frustration due to lack of progress in the said projects.

60. Since 2014, six small hydro projects; Imenti, Gura, Chania, Metumi, Nyakwana and Kirinyaga for various Regional Power Companies have been completed and are now operational. In addition, six small hydro projects; South Mara, Iraru, Chemosit, Kipsonoi, Rupingazi and Taunet are at various stages of construction.

61. The table below shows the status of each small hydro projects for various Regional Power Companies;

NO	Reginal Power Company	Project Name	MW	Status	Completion Time
1	Imenti Power Company	Imenti	0.9	Operational	2008
2	Gura Power Company	Gura	5.8	Operational	2016
3	Chania Power Company	Chania	0.9	Operational	2016
4	Metumi Power Company	North Mathioya	5.6	Operational	2019
5	Nyakwana Power Company	Nyambunde	2.0	Operational	2023
6	Kirinyaga Power Company	Lower Nyamindi	1.8	Operational	2024
7	Greater Meru Power Company	South Mara	2.0	Under Construction	December 2026
8	Settet Power Company	Chemosit	2.5	Under Construction	September 2026
		Kipsonoi	2.6	Under Construction	December 2027
9	Thuchi Power Comoany	Rupingizi	1.8	Under Construction	December 2026
10	Chemuka Power Company	Taunet	2.8	Under Construction	June 2027

62. In particular, Settet Power Generation Company is currently implementing two projects in Kericho/ Bomet and the following is the history of Settet Small Hydro Power Company;

Year	Event
2010	Settet Power Generation Company is formed
2015	Chemosit feasibility study by KTDA power
2016	Contract awarded to Boom systems and VS Hydro
2016	Court case by HPI and TAE ltd
2018	Out of court settlement and negotiations on escalation
2019	New contract awarded to VS Hydro
2019	Covid 19 pandemic, site is closed and foreign contractor staff leaves
2022	Site resumption after covid19
2022	Contractor places escalation demands and launches an Extension of Time claim.
2023	IFC debt financing received
2024	Contractor unable to proceed due to his cash flow challenges. Settet resolved to facilitate project works through direct payments
2024 to date	Project resumed and currently ongoing

Chemosit Small Hydro Power Project

63. Chemosit small hydro design capacity is 2.5 MW and is intended to serve Litein, Kapkatet, Tegat and Momul Tea Factories. Feasibility study for this project was done by KTDA power in June 2015. In October 2016, after competitive bidding, KTDA awarded the construction

- contract to a joint venture between VS Hydro and Boom Systems PVT at counter offer price of USD 8,984,101 and the project was expected to be complete in 24 months.
64. However, this award was disputed by HPI and TAE. The court delivered a consent order where the Joint Venture of Boom Systems and VS Hydro were awarded Chemosit and Kipsonoi SHP projects, while HPI and TAE were awarded Rupingazi project by the court. The parties were instructed to negotiate price escalation in accordance with the applicable Consumer Price Index. After the out of court settlement, negotiations commenced in 2018.
 65. The contractor had requested a price escalation of 15% but after negotiations, 10% was mutually agreed on. Further, Ms VS- Hydro had quoted for a VS Turbo turbine in their offer but during the negotiations, it was agreed that the equipment will be sourced from re- known manufactures M/S Andritz and M/s VS Hydro will be paid 10% of the equipment value as attendance cost.
 66. After the price escalation review, Ms. VS Hydro PVT's new contract sum for civil, electrical transmission, and hydro mechanical works was USD. 8,733,736.77, while Ms. Andritz of Germany's electromechanical equipment contract sum was USD. 2,499,658.00 thus resulting in a total of USD. 11,233,394.77 as the contract sum for Chemosit SHP project. After all contentious issues were addressed, the parties signed a contract. KTDA Power Company was designated as the lead consultant.
 67. In January 2019, the contractor submitted preliminary designs which were reviewed and commenced geotechnical surveys in April 2019. In September 2019 Chemosit community and Kipsigis College submitted a letter opposing the canal from passing through their property. They further filed a case in court seeking injunctions on the construction. As a result, access to a critical canal path was denied.
 68. The issue was amicably resolved in 2024 and compensation to affected land done. In 2019, there was an outbreak of COVID and it was declared a pandemic. The government issued various intervention directives to deal with the pandemic that led to closure of site and critical contractor staff departed the country and could not resume work for more than 2 years. Below is a chronological summary of events:
 69. In December 2022, KTDA wrote to the contractor instructing them to resume works. The contractor was reluctant to resume work due to the following reasons:
 - i) That due to delays, project inputs had experienced price escalation and that they had incurred additional costs therefore the contract price should be reviewed.
 - ii) That they had cash flow challenge thus unable to procure site inputs. They requested Settet Power Company to approve and facilitate direct materials payment to be recovered from his future date, a request that was granted.
 - iii) Extension of contract time to enable him complete the works.
 70. The company considered this and it was noted that this arrangement was the only way to ensure completion of the project. Settet has continued to provide the support thus work continues to date. Further, the contractor raised an Extension of Time Claim (EOT), which he demanded that it gets determined before resuming works. KTDA and Settet Power Company Board persuaded the contractor to resume work and allow the determination process via Dispute Adjudication Board (DAB) to proceed in parallel.

Kipsonoi Small Hydro Power Project

71. Kipsonoi Small Hydro Plant designed to produce 2.6. MW power. In October 2016, KTDA awarded the construction contract to M/s Hydro Power International at USD. USD 18,811,877 and the project was expected to be complete within 30 months. A case was filed challenging the award. The dispute would later progress to court where the court delivered a ruling awarding the contract to VS Hydro and directing parties to negotiate escalations. This case created a long delay in project start time. An out of court settlement and negotiations commenced.
72. On this, VS Hydro syndicate offered to do the job at USD 17,336,313.88 while KTDA countered with an offer of USD 14,913,972. In September 2019, after negotiations M/s. VS Hydro PVT was awarded civil, electrical and hydro mechanical works, while Ms. Gilbert Gilkes and Gordon of UK was awarded electromechanical equipment. The contract duration period was 28 months.
73. However, the contractor could not mobilize due to unforeseen land acquisition challenges, e.g. regularization of land ownership documents. In the previous completed project, site hand over to the contractor was done as the employer continues with remaining land acquisition. This proved a challenge in Kipsonoi due to peculiar land ownership status. KTDA has since put in place policy restricting site hand over subject to complete land acquisition.
74. Land parcels that had regular documents was acquired. Most of the remaining land parcels had to be regularized a process that has taken years and currently, acquisition negotiations are ongoing. Powerhouse land, which is a critical requirement, has been acquired and title deed obtained in the name of Settet Power Company. The contractor has completed preliminary designs and topo surveys but detailed designs shall be completed upon completion of land acquisition and thereafter construction works will commence by September 2026.

Current land status

75. Land acquisition has been the greatest challenge in Kipsonoi project. The total parcels of land that the project traverses are 118 in number with over 300 in beneficiaries. The length of canal is 6.5km from intake to fore bay area. In total approximately 48 acres would be acquired for the project. The land acquisition has been a challenge since very few of the lands had proper documentation. This has forced Settet Power Company to support the farmers in regularization of the documents before acquisition.
76. Further, many farmers that had agreed to the initial price of Ksh. 2,500,000 per acre as compensation have declined the price citing land price appreciation due to lapse of time. This is after the company has facilitated regularization of the title deed process.
77. The land acquisition process has been broken down as follows.
 - i) Land Parcel with all the documentation necessary for transfer to the Settet.
 - ii) Land Parcels which are under different levels of process of the ownership documents.
 - iii) These have categorized as follows:
 - a) Certificate of Confirmation and Registration level.
 - b) Grant Letter of administration level.

- c) Commencement of succession level.
- iv) Irregular land documentation level.
- v) Land Parcel with Dispute(s).
- vi) Land owners not consented.

Table: Summary of the current land status in Kipsonoi project.

REMARKS	ACREAGE	FARMS	%ACREAGE
Paid	9.46	7	20%
50% paid	11.88	40	25%
No documentation	1.07	6	2%
Re-Survey	1.62	1	3%
Titles obtained	1.78	7	4%
Disputed land	2.28	9	5%
To regularize- including fake titles	4.52	14	9%
Pending documents submission	5.74	5	12%
Undergoing succession	10.11	29	21%
	48.46	118	100%

Challenges faced while implementing these projects

- i) Court cases e.g. Chemosit and Rupingazi case which took over a year to resolve, ending in an out of court settlement
- ii) Lengthy process of land & wayleave acquisition. Many documents were irregular especially in Kipsonoi while in Chemosit, KPLC transmission lines took over the already surveyed route leading to re-designing the transmission line and new wayleave negotiations.
- iii) Government moratorium on Power Purchase Agreements (PPAs) - Government policy changes
- iv) Challenges in obtaining multiple permits, licenses and PPAs resulting in delayed release of debt funding and hence project cash flow challenges.
- v) Stringent conditions precedent to approval and disbursement of debt funds by IFC and Proparco syndicate, where Chemosit funds were received in September 2023.
- vi) Lack of wayleave information sharing between RPCs and KPLC.
- vii) Covid 19 - led to site closure.

That the expected benefits such as reduced energy costs and increased income have not materialised, leaving farmers in financial distress.

- 78. KTDA has managed to commission at least six projects that have brought substantial savings to the tea farmers in 17 factories served by commissioned projects. However, implementation of some power projects has faced the aforementioned challenges thus delaying realisation of the intended benefits to the tea farmers. Completion of the projects underway is being fast tracked to ensure quick commissioning.
- 79. That lack of detailed reporting and progress updates on projects allegedly suggests possible financial mismanagement.

80. The projects have a detailed reporting structure where progress and updates are shared. They include:
- Monthly project progress meetings where the contractor's representative and employers' representatives meet and discuss progress
 - Directors board meetings and site visits, where Settlet directors are taken through the progress and resolutions on key matters made.
 - Directors Conference, where all the directors of the Region are invited for a brief on the progress of the projects
 - AGMs, where shareholders are updated on the project status.
81. The overall weighted progress for Chemosit project is 51.03% as at 28th February, 2026. Further, transmission materials have been purchased and power transmission works are in progress.
82. The works are divided in two parts as follows:
- Civil works being undertaken by Vs Hydro Ltd - the weighted progress is at 41.31% . These include the Transmission lines, canal, penstock, fore bay, powerhouse intake and weir, transformers spillways. Factory interconnections.
 - Electromechanical Works (EM) undertaken by Andritz Ltd - includes Turbines and Generator. The progress is at 85% .
 - All EM equipment is at the site, awaiting installation and commissioning.

Progress of Specific Components - Civil Works

No	Major Project Components	Actual Progress (%)	Remarks
1	Land Acquisition	100	All land available
2	Headrace Canal	71.20	Expected to be completed 5 th June 2026
3	Settling Basin	15.64	Expected to be completed 15 th July 2026. Being affected by DAB due to price escalation
4	Fore-Bay	5.2	Expected to be completed 15 th July 2026, being affected by DAB due to price escalation
5	Weir, Intake, Flood Walls	63.52	Expected to be completed on 14 th June, 2026
6	Power house	51.02	Expected to be completed on 17 th April, 2026
7	Staff quarters	8.0	Expected to be completed on 19th June, 2026.
8	Spill way & Sediment Flushing	13.16	Expected to be completed on 14th May, 2026.
9	Foot bridge	82.50	Expected to be completed on 30th April, 2026

10	Penstock & Anchor blocks	6.4	Expected to be completed on 30th Sept, 2026. Being affected by DAB due to price escalation
11	Transmission line	18	Expected to be completed on 9th June, 2026.
12	Electromechanical Equipment		Equipment on site, awaiting powerhouse completion

That the matter presented in this petition is not pending before any tribunal, court of law, or any constitutional or legal body.

83. Initially, there were court cases in Chemosit and Rupingazi which delayed implementation of the projects but were resolved in 2018.
84. Currently, this matter is not pending before any tribunal, court of law, or any constitutional or legal body save for the ongoing Extension of Time (EOT) claim determination which is currently at the Dispute Adjudication Board (DAB) stage.

Request For Government Intervention

85. Due to the highlighted challenges facing some of the Small Hydro Power Projects especially in regard to the Kipsonoi Project, we here below submit our request for Government's intervention in the following specific areas: -

- i) We request the government through the Ministry of Lands to dedicate a special desk at Bomet lands office for handling Kipsonoi affected lands issues.
- ii) The local leadership to support KTDA public participation drive on sensitizing the community on the need to support the projects. This will assist in persuading the resistant farmers in relinquishing the land necessary for the project. KTDA does not have privilege to compel surrender of land through forced acquisition as would be the case for government projects.
- iii) Persuade land owners to accept valuation of land and crops done by professionals including KFS for crops. Kipsonoi has experienced instances where land owners give a counter offer more than
- iv) Create a mechanism where national large power transmitters (KPLC, KETRACO and REREC) share proposed transmission lines designs with IPPs to avoid take- over as witnessed in Chemosit project which led to re- designing of the lines at an additional cost.
- v) The government to fast-track wheeling tariff and net metering platform to offer option of using Kenya Power infrastructure in transmitting power generated by the small hydro plants
- vi) The government to review the feed- in tariff to be competitive for small hydro- power projects who sell excess renewable power to national grid.
- vii) The judiciary to prioritize succession processes for the affected lands to enable swift acquisition.

3.5 Site Visit in Kericho and Bomet County

The Committee conducted a fact-finding visit to Kericho and Bomet counties and met with the officials from Kenya Tea Development Agency (KTDA), the Tea Board of Kenya and the petitioning small tea farmers, on 17th April, 2026.

3.5.1 Chemosit Project in Kericho County

The Committee noted as follows;

86. The construction on the Chemosit project was ongoing and the progress was at 60% completion. The Engineers were physically present on site.
87. The project was originally expected to be completed within 24 months from 2016; representing a delay of approximately 8 years. Despite these setbacks, the Committee was informed that Chemosit was now projected to be fully commissioned by September 2026.
88. The delays in the Chemosit project were attributable to a combination of COVID-19, contractor cash flow problems, and government policy changes, and not to financial mismanagement.
89. The IFC debt financing of USD 8.6 million was only realized in September 2024, nearly eight years after the project was first awarded and three years after the drawdown process commenced.

3.5.2 Kipsonoi Project in Bomet County

The Small tea farmers from Konoin Constituency submitted as follows;

90. Farmers decried the compensation framework was developed without any consultation with them. They further complained of inadequate progress reporting from KTDA regarding the Kipsonoi project and requested for an investigation into KTDA directors for clarity on agreements and handling of farmer funds.
91. Farmers rejected the blanket land pricing applied uniformly by KTDA, demanding individualized valuation based on location, productivity, and improvements. They disagreed with surveyors and valuers appointed by KTDA/Settet and insisted on their right to use their own valuers for assets including schools, residences, and farms, with compensation for riparian land fast-tracked.
92. Farmers demanded that title deeds for acquired land be processed and issued transparently to Settet Power Company, with specific dates provided for both title issuance and land compensation payment.
93. Farmers called for compensation for environmental damage already caused, plus mitigation measures for future harm. They requested for the establishment of a dispensary to address malaria and other health risks from water-related changes, and insisted that water conveyance tunnels be placed underground (not open canals) for residents' safety.

PART FOUR

4. COMMITTEE OBSERVATIONS

Upon hearing from the Petitioners, Ministry of Petroleum and Energy, the Kenya Tea Development Agency (KTDA), the Tea Board of Kenya, and the Small Tea Farmers, the Committee observed that—

94. The Chemosit project (2.5 MW) is approximately 51-60% complete and was now projected for commissioning by September 2026, representing a delay of over eight years from the original 24-month timeline anticipated upon contract award in 2016.
95. The delays are attributable to different factors: court disputes arising from the tender award (2016-2018), which were resolved through an out-of-court settlement; the COVID-19 pandemic (2019-2022), which led to site closure and departure of foreign contractor staff for over two years; land acquisition and access disputes, including opposition from the Chemosit community and Kipsigis College that was only amicably resolved in 2024; and delay of funding from the International Finance Corporation (IFC) of USD 8.6 million that was realized in September 2024.
96. The Committee noted persistent challenges regarding wayleaves for Kenya Power transmission lines, as evidenced in the Chemosit project, where KPLC transmission lines took over the already surveyed route leading to re-designing the transmission line and new wayleave negotiations.
97. The Kipsonoi project (2.6 MW) had not commenced civil works due to persistent land acquisition challenges. The project traverses 118 land parcels affecting over 300 beneficiaries, with approximately 48 acres required in total. As at time of site visit, only 20% of the required acreage (9.46 acres) had been fully paid for, while a further 25% (11.88 acres) was at 50% payment stage. The remaining parcels stalled due to a range of documentation and ownership problems, including irregular or missing titles, pending succession matters, fake or fraudulent titles, active disputes among claimants, and landowners who have simply refused to consent.
98. From the foregoing challenges, the KTDA did not ensure proper project management including procurement of contractors, public participation and obtaining buy-in from the farmers. This invariably led to disputes, tender mismanagement and inordinate delays.
99. Inadequate communication to stakeholders was apparent due to the constant complaints by farmers. Factory directors were not an alternative to transparent dissemination of regular information to farmers.

PART FIVE

5. COMMITTEE RECOMMENDATIONS

100. Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows—

- i) On the prayer that the Committee engages the Ministry of Agriculture and Livestock, Ministry of Energy and Petroleum; and, other relevant authorities with a view of investigating the alleged financial mismanagement in regard to generating power by KTDA on behalf of small holder tea farmers in Bomet County and other surrounding counties in the West of Rift; **The Committee recommends that within thirty (30) days upon tabling of this report, the KTDA should convene a multi-sectoral public engagement and participation exercise, including local political leadership, farmers and those persons whose land are affected by the Kipsonoi project with a view of resolving all outstanding issues.**
- ii) On the prayer that the Committee makes recommendation compelling KTDA to provide a detailed report within 30 days on the status of the hydro- power projects, including how the funds were invested and the reasons for the inordinate delay of the project; **The Committee confirms that Kenya Tea Development Agency (KTDA) and Tea Board of Kenya furnished the Committee with the report. The Committee recommends that the KTDA must ensure completion of the Chemosit power plant and submit a commissioning report by 31st October 2026;**
- iii) On the prayer that the Committee recommends the due compensation of all small holder tea farmers in the affected region where more than Kshs 3 billion have been deducted since 2014; **The Committee reiterates its recommendations (i) and (ii) above.**
- iv) Make any other necessary recommendation the Committee deems fit to address the issues raised in this Petition;
 - **The Committee recommends that within ninety (90) days upon tabling of this report the Ministry of Energy and Petroleum in liaison with KTDA should negotiate favourable rates similar to those of other Independent Power Producers.**

Signed: _____



HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

Date: _____

28/05/26

THE NATIONAL ASSEMBLY
PAPERS LAID
DAY

DATE: 28 MAY 2026

Thursday

TABLED BY:

Hon. Maisori Marwayi
Member, Public Petitions Committee

CLERK-AT-THE-TABLE:

Irene Nduku

ANNEXURES

- Annex 1: The Adoption List
- Annex 2: Public Petition No. 18 of 2024 regarding Farmers Hydro-power Generation by Kenya Tea Development Authority
- Annex 3: Minutes of proceedings.






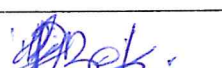
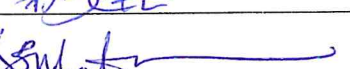

PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

(i) Consideration and adoption of the P/No. 19 of 2024 regarding Hydropower generation by Kenya Tea Development Authority by Hon Brighton Yegon, MP.

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 7/5/2026

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba, CBS, M.P. (Chairperson)	
2.	Hon. Janet Jepkemboi Sitienei, CBS, M.P. (Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene, CBS, M.P.	
9.	Hon. Paul Biego Kibichy, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	

