Insights

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Kenya Power Loses its Monopoly. Big Users Can Now Buy Power Direct

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Energy | Projects | Regulatory

Introduction

Until recently, if you wanted electricity in Kenya, you bought it from Kenya Power. That is over. **On 8 May 2026** the government gazetted the Energy (Electricity Market, Bulk Supply and Open Access) Regulations, 2026 made under the Energy Act, 2019. The rules end the single-buyer model. A generator that has no power purchase agreement with Kenya Power can now sell electricity straight to large consumers, carrying it across the existing grid for a fee. That fee, called a wheeling charge, is paid to Kenya Power and to the Kenya Electricity Transmission Company (KETRACO).

Who Qualifies and How it Works

- **The threshold.** The Regulations grant open access where, in the words of the instrument, "the load shall not be less than one megavolt-ampere (1MVA) in the distribution system or ten megavolt-amperes (10MVA) in the transmission system". That is factory, industrial-park and large mixed-use scale.
- **The contract.** Direct supply agreements between a producer and a consumer run for between one and ten years. The Energy and Petroleum Regulatory Authority (EPRA) must approve the price.
- **Consumer choice.** Eligible users can pick their supplier and switch on written notice. The grid owner must carry any qualified player's power without favouring its own supply business.

The Market is Already Moving

- **KenGen, first out.** Kenya's largest generator gave notice that on **2 June 2026,** under Section 119(3) of the Energy Act, 2019, it would apply to EPRA for transmission and distribution licences for its Green Energy Park. It would be the first producer to open that market to competition.
- **The grid is being built for it.** On **13 June 2026** KETRACO energized the 400kV Isinya to Konza line and the Konza substation, a KSh 8.4 billion project financed by the Export-Import Bank of China and the Government of Kenya to guarantee supply to Konza Technopolis.

What This Means For You

- If you draw at least one megavolt-ampere from the distribution grid or ten from transmission, you qualify to leave Kenya Power. The direct price plus the wheeling charge you pay to use the grid has to beat what you pay today, or the switch costs you.
- Three things decide whether the switch pays: the direct supply agreement with your producer, the wheeling terms for carrying the power, and the access fees to Kenya Power and KETRACO.
- Suppose you generate power, the grid is now your route to customers. Secure your transmission and distribution licence from the Energy and Petroleum Regulatory Authority early.
- Say you are selling direct, your contract now runs one to ten years, the regulator must approve your price, and you no longer need a Kenya Power offtake. Build your direct-sale agreements to clear that approval the first time.

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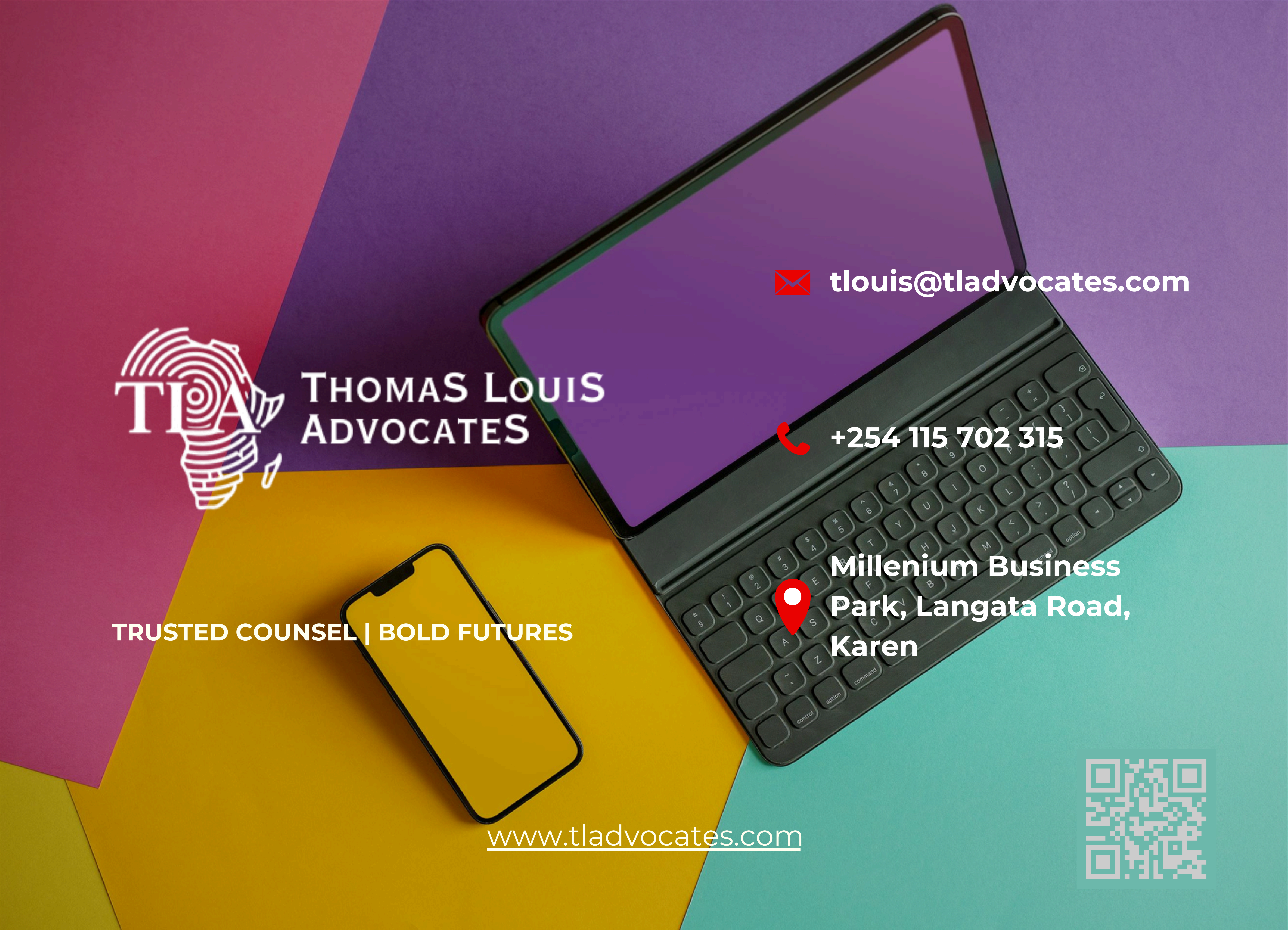
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