

## REQUEST FOR EXPRESSION OF INTEREST

### CONSULTANCY SERVICES FROM INTERNATIONAL CONSULTANCY FIRMS TO PROVIDE TECHNICAL ASSISTANCE TO THE KENYA POWER AND LIGHTING COMPANY PLC, FOR OPERATIONALIZATION OF A UTILITY RUN SUPER ENERGY SERVICE COMPANY (ESCO)

**Sector: Energy Efficiency**  
**Funding Agreement Reference: P-KE-FZO-020**  
**Project Identification Number: 5590155000051**  
**Reference Number: KP1/1/3A/4/1/EOI/001/23-24**

#### I. BACKGROUND

Energy use in the public sector represents a major cost to the Government of Kenya (GoK) and competes with other economic and social development programs. There are over 20000 public buildings - including institutional facilities, with an estimated annual energy consumption of 700 GWh (representing about 10% of the total annual energy consumption in the country). The associated energy costs for these buildings are approximately 120M USD per annum.

State agencies are among the leading contributors to outstanding electricity bills, presenting significant challenges for The Kenya Power & Lighting Company PLC (KPLC) in maintaining its operations. The share of Parastatals, national and county governments in the overall electricity customer debt stands at 30% as of June 2023. There is a need to both tackle the unpaid bills issue and secure additional revenue streams required to ensure sustainability of KPLC. Consequently, KPLC management focus has shifted towards restructuring the company, sealing loopholes in revenue collection, and exploring avenues for more revenue generation, while continuing to develop its initiatives in the energy efficiency (EE) and climate change fields, where it intends to become a key player.

The GoK, through KPLC, has initiated several projects aimed at ensuring efficient use of energy through the Demand Side Management (DSM) Unit at KPLC which intends to play a leading role in driving the EE market. Many energy audits have been conducted across the country, but implementation of recommended measures has been slow partially due to insufficient financial capacity to invest and notably the unavailability of suitable financial models that can encourage the suggested EE investments, even when short pay back times were evidenced.

Against this context, the African Development Bank's Sustainable Energy Fund for Africa (SEFA) is providing a Technical Assistant (TA) grant to KPLC to structure and build capacity of a team to operate as a Super Energy Service Company (Super-ESCO) in Kenya. The Team will be established within the KPLC Institute of Energy Studies and Research (IESR).

IESR is a Division within KPLC that is responsible for capacity building, research and consultancy. Considering its broad mandate, IESR has made significant contributions in the energy sector. On the capacity-building front, IESR hosts a Technical & Vocational Educational Institution (TVET) that offers diploma and certificate courses in a broad array of engineering disciplines including Electrical Engineering, Mechanical Engineering and ICT. In addition, the Institute has been involved in capacity building initiatives straddling various thematic areas in power & energy including renewable energy, e-cooking, safety competence in power systems as well as electrical power systems design and development. IESR is also a registered energy research institution under the Science, Technology and Innovation Act and currently undertaking restructuring in order to gain more autonomy from KPLC. The Institute has also provided consultancy services in energy planning and energy efficiency and mandated to champion revenue diversification initiatives including operating a telecom business. The institute is therefore well positioned to take lead in KPLC's energy efficiency initiatives.

In the proposed framework, KPLC wishes to recruit an international firm to provide technical assistance (hereafter referred to as the Consulting Firm) to IESR in operating as a Super ESCO. The assignment will be funded by the TA grant and will be supervised by KPLC, the African Development Bank (ADB) experts and any other experts as may be deemed necessary. The expectation is that the international firm will be able to provide operational support, daily advice, and in-depth capacity building to a dedicated unit established within the IESR, to operate as a Super ESCO (hereafter KPLC Super ESCO), and potential partners for a continuous period of up to twenty-four (24) months. The services provided under this proposed assignment include the support provided to IESR in setting up a Super ESCO business unit and in the development of bankable Energy Efficiency (EE) projects in Kenya, and consequently to create the basic conditions for creation and development of an EE market in Kenya.

The initially targeted market segments are hospitals, schools, public buildings, municipalities, street lighting and other public facilities, but might possibly include, in cases to be determined, the industrial sector as well. With the support of the AfDB SEFA, and the herein solicited Consulting Firm in ESCO management, there are excellent prospects for a successful ESCO industry start-up in Kenya.

Following the assignment, in case of successful performance, the Consulting Firm will be eligible for a continued relationship, possibly through either extension of contract or on a closer partnership basis, as will appear to be the most appropriate.

#### II. THE PROJECT

The project consists of two (2) components:

- To provide assistance in the operationalization of the Super ESCO in all facets of its activity (technical, financial, legal, accounting, sales & marketing, etc.) and its organization (organizational chart, staff profiles, continuing education procedures, etc.): the mission assigned to the firm that will be selected is to support IESR in all areas allowing it to position itself as soon as possible as a fully-fledged and operational Super ESCO, likely to act on the Kenyan market, (and more generally, when the time will come), in Africa, taking into account the specific characteristics of the Region. This approach should include staff training in all areas deemed necessary (project management, financing, human resources management, energy auditing, etc.) and the updating of standard documents (models of Energy Performance Contracts and/or project management assistance, adapted to the local legal context, accounting procedures, financial models, project financing procedures, energy savings measurement and evaluation methodologies, monitoring system, etc.) to allow, on this basis, the autonomous development of the Super ESCO.

- Provide assistance, both from a methodological and instrumentation standpoint, for the performance of energy audits and corresponding EE investment plans leading to the development of a portfolio of EE projects, and the strategy for the implementation of these projects: the expected result of this component is that a portfolio of EE projects is established so that the successful bidder can, within the framework of its mandate, support the Super ESCO in the contractualization, implementation and monitoring of energy efficiency projects designed for the benefit of its customers, including, if necessary, the mobilization of the financial resources needed from the most suitable national or international financial institutions.

It is specified that:

- The launch of this project is scheduled to start in March 2024 for an estimated duration of 24 months.
- Operationalization support should consolidate Super ESCO's ability to engage and manage large volumes of projects nationwide.
- The consulting firm that will be recruited will not **directly carry out the energy audits** mentioned above. Its role will consist, within the framework of separate contracts for which specific funding will be provided, to organise and set up the recruitment of consultants (mainly local) specialising in energy audits in buildings and public lighting, and, where appropriate, in industry. The firm will also supervise the recruited consultants to carrying out the audits and, where appropriate, to support and train any local ESCOs to understand and apply the concept of Energy Performance Contracts (EPCs) in the implementation of EE projects.
- In the same spirit, it is planned that a study tour will be organized in which some of the key personnel of the Super-ESCO will participate. This trip will be the subject of a separate contract for which specific funding will be provided. The role of the firm selected for the technical assistance mission for the operationalization of the Super-ESCO will therefore only be to prepare the specifications for this study mission (location, duration, dates, contacts to be made, organization, support, etc.).

KPLC invites interested consulting firms to apply to provide the services described above. Interested consultants must provide all relevant information on their capacity and experience demonstrating that they are qualified for the services covered by this call for expressions of interest:

- Documentation on consultancy activities in the field of EE, ESCOs and Super-ESCOs.
- Experience in providing assistance to private companies or public institutions in developing internal capacities, along with implementing management tools and enhancing governance, especially for state-owned enterprises.
- References of similar services and/or comparable assignments, in the field of energy efficiency, whether or not they relate specifically to the ESCO sector.
- Availability of the necessary qualified personnel.
- Knowledge of the energy efficiency situation and/or the ESCO market in Kenya and more generally in Africa.

Consultants can join forces to increase their chances of qualification, considering in particular the impact of the project at the level of the African Region.

The eligibility criteria, shortlist and selection procedure will be in accordance with the African Development Bank's "**Rules and Procedures for the Use of Consultants**" (October 2015 edition), which are available on the Bank's website at: <http://www.afdb.org>

In this context, the attention of the consultants is drawn to the following points:

- The nationality and location of the registered office of each consultant must be clearly indicated in the expression of interest, including in the case of consultants responding in a consortium.
- In the latter case, the lead consultant should be clearly designated.
- Each consultant involved, whether or not he is the lead partner, must specify his legal status (private company, public institution, NGO, etc.), and ensure that he or she is not on the list of companies or individuals excluded by the AfDB.
- As English is the working language of the proposed mission, it would be preferable to present the expression of interest in English.

The interest shown by a consultancy firm does not imply any obligation on the part of KPLC to retain it on the shortlist.

Interested consultants can obtain additional information by sending an e-mail to:

**Mr. Daniel Gomba: [DGnyandera@kplc.co.ke](mailto:DGnyandera@kplc.co.ke), Violet Simiyu: [VSimiyu@kplc.co.ke](mailto:VSimiyu@kplc.co.ke), Dr. Jeremiah Kiplagat: [JKiplagat@kplc.co.ke](mailto:JKiplagat@kplc.co.ke) & Mr. Bernard Jamet: [bjamet@hotmail.fr](mailto:bjamet@hotmail.fr)**

Expressions of Interest must be submitted, or sent by email, to the address mentioned below no later than **December 18<sup>th</sup>, 2023 at 5.00 p.m.** (local time) and marked "Consulting firm service for the assistance in the operationalization of the KPLC Super ESCO."

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**Attention: Director**  
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