



KenGen

KENYA ELECTRICITY GENERATING COMPANY PLC

INVITATION TO SUBMIT PROPOSALS

**CONTINUOUS ONBOARDING OF STRATEGIC INVESTORS
(SUB DEVELOPERS AND INDIVIDUAL MANUFACTURING/PROCESSING FIRMS) TO
THE KenGen GREEN ENERGY PARK IN OLKARIA, NAIVASHA – KENYA.
(KGN-COMM-001-2023)**

1. BACKGROUND INFORMATION

The Government of Kenya launched the Industrial Transformation Programme in July 2015 that provided a framework for the country's industrialization process. A key component of this programme is the setting up of industrial zones and parks. KenGen plans to develop an industrial park dubbed the **KenGen Green Energy Park** at the Olkaria geothermal hub in Naivasha.

KenGen intends to leverage on its Geothermal resources available at Olkaria to establish the Energy Park. The area marked for industrial development is about 342 Hectares (845 acres). The masterplan will accommodate both industrial and non-industrial activities such as Offices, Data Centres, Research & Development Centre, Hospitality, Visitor Experience Centre, Administrative & Commercial uses. Industrial use land has been master-planned targeting Medium/Heavy Industries, Steam Intensive Industries and Light Industries.

The opportunity available is for land lease to investors interested in setting up operations in the master-planned parcel to utilize geothermal steam and/or brine (hot water), raw water and electricity.

The Kenya Electricity Generating Company PLC now invites for submission of proposals from interested investors and individual manufacturing/processing firms to lease land and set up at the proposed KenGen Green Energy Park in Olkaria, Naivasha.

2. THE KENGEN GREEN ENERGY PARK

KenGen has completed plans to set up an Energy Park at its geothermal power generation hub at Olkaria, Naivasha, Kenya. KenGen intends to leverage on its Geothermal resources available at Olkaria to establish the Energy Park. The park will provide industrial, commercial and recreational facilities.

The KenGen Green Energy Park is located at Olkaria in Naivasha sub county, 130 Km from Nairobi, the capital city of Kenya. The Energy Park will be accessed both by Railway and Road to major seaport and airports and supported with the necessary logistical installations. The investment opportunities available at the KenGen Energy Park include the following;

- a) Medium and heavy industries – manufacturing plants and factories
- b) Steam intensive industries- pulp and paper, wood and wood products, textiles and apparel, food and beverages, leather industries.
- c) Light industries- warehousing and logistics and supporting light industries.

3. KEY OFFERINGS FOR THE KenGen GREEN ENERGY PARK

a) Location

- i. Green Renewable Electricity from Geothermal
- ii. Geothermal steam, brine and hot water
- iii. Connectivity & Logistics - Proximity to key transport connections and/or connectivity (roads, airstrip, rail, ports, airports, etc.) as well as logistics/supply hubs and corridors.
- iv. Urban Centres - Proximity or connectivity to residential centres or urban settlements.

b) Business Environment

- i. Access to an adequately skilled and productive workforce – Greatly urbanized with competitive labour and skills.

- ii. Development of Industrial Clusters - Creation of industrial clusters and synergies between different tenant companies operating in complementary and ancillary sectors to support the creation of a symbiotic ecosystem
 - iii. SEZ – Special Economic Zone (SEZ) status to facilitate business through attractive administrative and tax incentives to improve competitiveness for tenants over the longer term to target export-oriented activities.
 - iv. Availability of business services – one-**GO** shop and customs clearances where all licenses and business permits required for operation are housed in one building for ease of setting up.
 - v. Adequate lease periods for both tenants and developers – lease period of up to 20 years which is renewable.
- c) Core Services**
- i. Land - Flexible options to rent land on a long- or short-term lease.
 - ii. Access to high quality reliable utilities enabling uninterrupted and stable production - Competitive utilities costs, especially power, access to brine and steam for heat/steam intensive industries, water available from on-site reservoirs and wastewater treatment infrastructure.
 - iii. Waste Management - Waste collection and management services

4. INVESTORS' SCOPE OF WORKS

The scope of works by the strategic investors shall include but not limited to the following:

- a) Lease land from KenGen
- b) Civil works for levelling of site and perimeter fence.
- c) Construction of own factory buildings/sheds, sewerage system and waste water disposal systems.
- d) Connection of steam, brine and raw water to sheds from the interface to be agreed with successful firm/(s).
- e) Connection of power from agreed interface point.
- f) Installation of own-water treatment plant.
- g) Conduct operation and maintenance of its facilities.
- h) Any other on-site infrastructure required.

5. EVALUATION OF PROPOSALS

KenGen shall establish an ad hoc Evaluation Committee who will be responsible for reviewing and evaluating the Application Forms.

All the interested investors from the engagements above shall be evaluated for 'capacity for investment' on standard criteria.

Power generation, fertilizer production and/or hydrogen production are **NOT ACCEPTED** within the Green Energy Park.

a) Documents to be submitted.

The following documents are **MANDATORY** and must be submitted as part of the proposal:

Capability statement of the firm showing:

- i. Certificate of incorporation in the area of jurisdiction (and any certificate of change of name).
- ii. Tax compliance certificate or its equivalent
- iii. Letter of association in case of Joint ventures or consortium indicating the proposed members, proposed leader and the roles of each member. (**Note:** During negotiations a duly registered Power of Attorney of the lead partner shall be required).
- iv. Company profile of the firm showing background of the firm and management structure, development operation of similar nature within the last 5 years indicating location, size, funding structures and output/turnover in USD.

- v. Details of the proposed investment proposal.
- vi. Details of experience in emerging economies.
- vii. List of Key Personnel (Management/ Operation) of the company relevant to the proposed investment.
- viii. Audited financial statements for the last 3 years including, tax registration and tax compliance certificates or equivalent documents applicable in the applicant's country of origin.
- ix. Contact information - Contact Person, Designation, contact Number and email.

The following technical information will be required where applicable.

ITEM	REQUIREMENT	UNITS
Power / electricity		Megawatts Hour
Land		Hectares
Steam		Tonnes / Annum
Brine		Tonnes / Annum
Raw water		m ³ / Annum
Steam Pressure required: _____ Bar		
Duration required to commence operations after contract signing: _____ Months		

Note:

1. The minimum monthly power consumption will be computed from a load factor of 60% of the investor's indicated power requirement.
2. A performance security instrument based on the investor's requested power requirement shall be provided before contract signing. The performance instrument shall be an equivalent of 60% of 3 months power consumption.

b) Onboarding Process/Selection Criteria

Upon successful submission the prospective investor shall be issued with a unique system generated registration number. The registration number will be used in sequencing the site visit and subsequent contract negotiation. The continuous onboarding process/Selection criteria is as follows.

1. The Prospective investor will submit formal application through the dedicated portal.
2. The Portal will conduct a system examination of Mandatory requirements submitted. The proposals that meet the minimum requirements will be assigned a unique system generated registration number.
3. The proposal/s received will be evaluated to determine capacity of the investor/s to undertake proposed investment.
4. Successful applicant/s will be invited for a site visit to the Green Energy Park to identify prospects as proposed.
5. The successful applicant will be invited to formal negotiation after the site visit
6. Parties will formally agree on the proposal and sign off minutes.
7. KenGen issues letter of intention to enter contract with successful applicant.
8. The Strategic Investor will issue acceptance letter and submit Performance Guarantee for the agreed value issued by a Bank registered and regulated by Central Bank of Kenya.
9. Parties will execute the contract.

NB. Any investor who fails at any stage is allowed to reapply afresh for consideration as per the procedure above. This process will be continuous until full tenancy is achieved.

6. CONTRACT EXECUTION

KenGen shall subsequently enter into Implementation Agreements on successfully concluded negotiations. Investment proposals received shall be considered on a first come basis.

7. FORM OF APPLICATION

The form of application will be provided through a dedicated Portal on the company's website. The link: <https://gep.kengen.co.ke> has the form for application. The prospective investors are encouraged to continuously check the portal for updates.

For any clarification, kindly send e mail to tenders@kengen.co.ke and IOF@kengen.co.ke;

GENERAL MANAGER, SUPPLY CHAIN MANAGEMENT