

APRIL 24, 2023



KENYA E-MOBILITY TARIFF REVIEW

A TECHNICAL BRIEF

BY



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AT A GLANCE

An overview of the e-mobility tariff

In February 2023, the Kenya Power Lighting Company PLC (Kenya Power) applied for a tariff review to Kenya's energy regulator, EPRA. A significant aspect of the initial application was the proposed special tariff for electric mobility. As a prominent stakeholder in the e-mobility ecosystem, Kenya Power has been actively promoting e-mobility and recognizing it as a critical area that will sustain profitability and increase shareholder value.

In response to the approval of the proposed e-mobility (EM) tariff, the Africa E-mobility Alliance held a virtual meeting on April 4th 2023 with different e-mobility stakeholders within and outside of Africa to discuss the new tariff and what it means for the Kenya E-mobility industry, which currently has 1,350 registered vehicles on the road and 35 e-mobility companies operating in the country

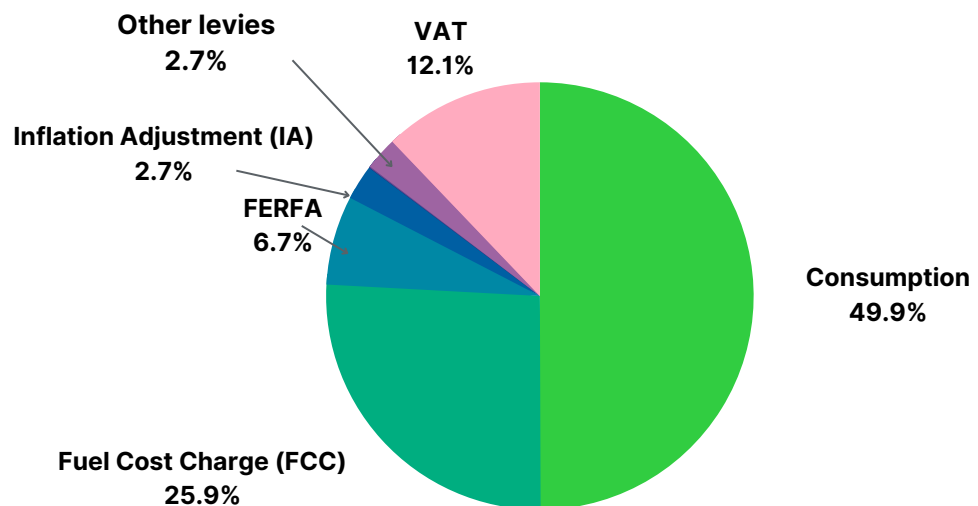
E-mobility Tariff Breakdown

BASE RATE/KWH	KSH 16
TAX INCL.	~ KSH 32

OFF-PEAK RATE/KWH	KSH 8
TAX INCL.	~ KSH 22

TIME FOR OFF-PEAK RATES

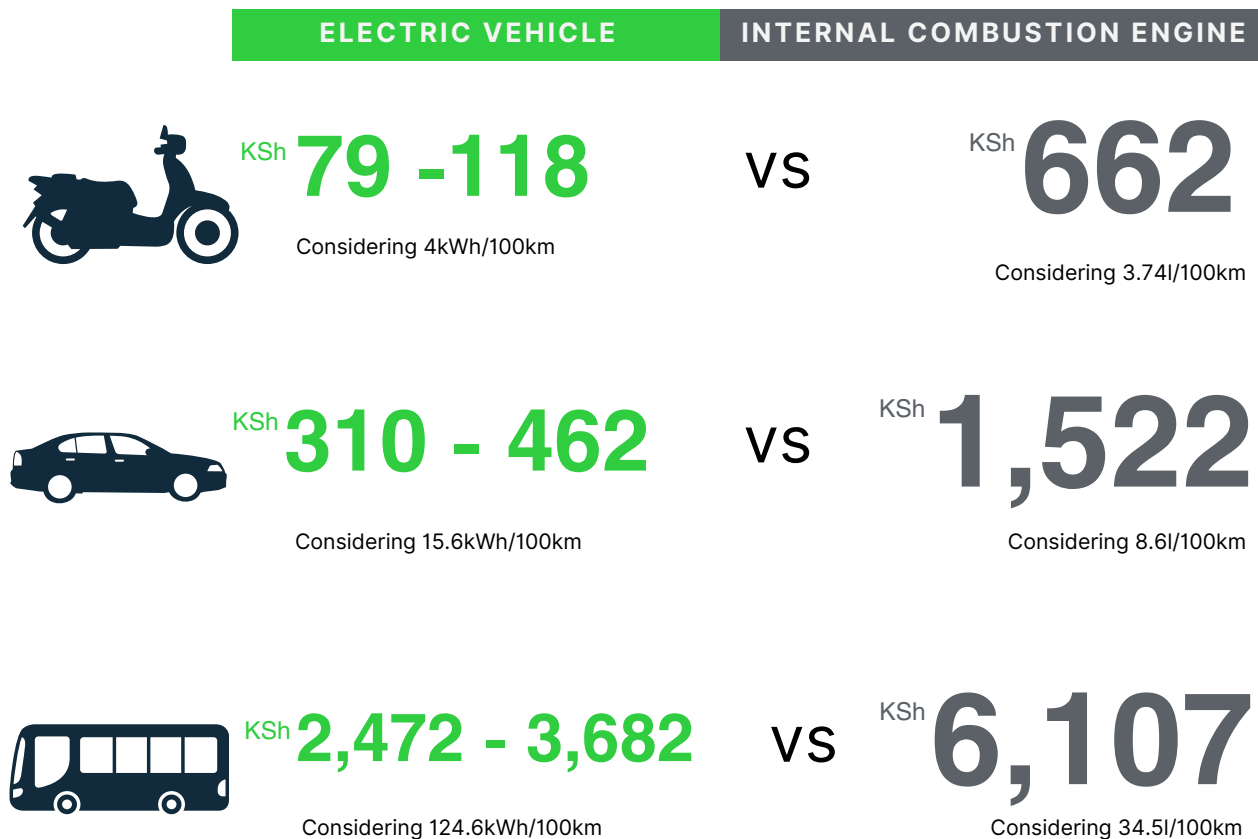
- Weekday: 10pm to 6am
- Saturday/pubic holiday: All day except 8am to 2pm
- Sunday: All day



Breakdown of taxes and levies for the 16 Ksh (32KSh tax incl) EM tariff

IS IT CHEAPER TO GO ELECTRIC IN KENYA?

Energy cost implication for every 100km covered



With the current EM tariff, driving an EV in Kenya is cheaper (up to 8 times in some cases) than driving an ICE vehicle regardless whether the vehicle is charged during off-peak or peak hours.

*Charging cost varies depending whether a vehicle is charged during off-peak or peak hours. Also charging cost includes the added levies and taxes

MARKET EXPERIENCES

Lessons from Rwanda and India

Representatives from Rwanda and India discussed their experiences with implementing e-mobility tariffs during the meeting. Rwanda implemented its e-mobility tariff in 2021 after a feasibility study and multiple implementation sessions, with the tariff being pegged at the industrial rate, the lowest in Rwanda, leading to an increase in the number of electric vehicles on the road while reducing electricity wastage. Representing Rwanda, Brady Grimes from Ampersand, an e-mobility company in Rwanda and Kenya, recommended that once the government sets its goals, adopting a low tariff could lead to a quicker adoption of electric vehicles.

Nevertheless, the attendants also discussed the coordination and push required to move forward on the application of tariffs and coordination with all stakeholders in the e-mobility industry in Kenya. Sagar Gubbi, a partner at Ecoforge Advisors Private Limited in India also shared the experience of creating a new customer category for EV charging and how having an e-mobility specific tariff boosted adoption of electric vehicles in India. For example, because of the cheap cost of charging an EV in addition to other incentives, the share of the EV sales of EV are expected to be more than 50% for 2W and at least 30% for buses by 2030.

CONCLUSION

According to Robert Mugo, the General Manager of ICT at Kenya Power, and chair of the e-mobility committee at the utility, the new e-mobility tariff will first be implemented starting with charging stations. He added that smart meters will be required, and Kenya Power will be making them available and configuring them for the new tariffs in the coming weeks. When the initial pilot phase with EV charging providers is completed, the new tariff will then be made available to all consumers in the e-mobility space, including residential and commercial consumers

Questions? Contact us.

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