

Lamu Coal Fired Power Plant Will Accelerate Local and Regional Growth while Conserving the Environment and Driving Positive Socio-Economic impact

The Lamu Coal Fired Power Plant project is part of the Government of Kenya's (GOK) blueprint for fast-tracked production of 5,000+MW of power, for transforming Kenya in 40 months from September 2013. This initiative is expected to contribute to the provision of reliable electricity to the national grid and bring down the cost of power for both domestic and industrial use. It is also aligned to the Government of Kenya Big Four Agenda, supporting manufacturing, food security, universal healthcare, and affordable housing.

Statistics show that connections to the national grid grew to 6.2 million in 2017 up from one million in 2010. As the country transitions into a middle-income economy by 2030, supply of adequate, reliable, and affordable energy is a key foundation. The anticipated increase in demand should be seen in light of the need to power ongoing and future projects such as Standard Gauge Railway, Lamu Port, Konza Technopolis, Steel Smelting industry, LAPPSET Special Economic Zones, the crude oil pipelines, and the LAPPSET resort cities, all of which require reliable, stable and affordable power to be competitive. These projects combined require about 5000 MW of power, not to mention other investors in various sectors that require connectivity to the grid.

In addition, the growth in the 47 counties of Kenya will also demand for reliable supply of electricity to support the sharp rise of numerous energy intensive economic activities that are anticipated to spring up in these counties such as mining, irrigation of large tracts of land, agro-based industries, and petrochemical industries in line with the counties economic blueprint. It is necessary therefore for Kenya's energy supply to meet the demand of what will be a rapidly growing county and National economy.

In light of this, the Government has joined efforts with various private companies through Public Private Partnerships (PPPs) to ensure that Kenya meets its energy demand through a mix of diversified energy generation which include the coal fired power plant in Lamu and Kitui, geothermal power plants in Naivasha, and the Turkana Wind Power Plant to name but just a few.

In the case of the Lamu Coal Fired Power plant, the project is well aligned to the Government's energy investment master plan (Least Cost Power Development Plan) that guides the power sector selection of strategic power investments with the twin goals of increasing availability and lowering costs.

Biomass provides approx. 70% of Kenya's national energy needs and 90% of Kenya's rural energy needs in the form of charcoal and firewood. About 57% of firewood is from unsustainable supplies resulting in Kenya having a national forest cover of just 6% that is estimated to be declining at a rate of 52,000hectares/year. The energy produced by the Lamu Coal Fired Power Plant will be enough to offset nearly 3.32 million household's dependence on biomass. It can therefore be contemplated that this would lead to the gradual recovery of deforested areas & subsequent additional forestation. This would not only last for the duration of the project but whose effect can reasonably be projected over a span of 100 years. It is expected that the Lamu Coal Fired Power Plant will increase the availability of cheaper power and increase domestic connectivity, and this will replace use of biomass as a source of energy in homes. Moreover, affordable reliable electricity will mitigate the harmful effects of deforestation, carbon emissions, respiratory diseases and mortality in children and women.

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We acknowledge that the environmental concerns raised by the community and various stakeholders are genuine. As best practice, the Lamu Coal Fired power plant will comply to all mandatory requirements applicable to Health, Safety and Environmental laws and regulations in Kenya as well as the environmental and social safeguards stipulated by the African Development Bank, International Finance Corporation and the World Bank Group.

The Lamu Coal Fired Power Plant will employ “clean coal technology” that will ensure harmful emissions are eliminated up to 99%. This will be achieved through the use of Electrostatic Precipitators (ESPs), Low Nitrogen Burners, Flue Gas Desulfurization (FGD) and Selective Catalytic Reduction. The combined use of this technology will ensure that all particulate matter, Nitrous Oxides, and Sulphur Oxides are successfully removed.

It is important to note that developed countries are moving away from the outdated Sub-Critical technology that is associated with harmful emissions. Use of Sub-Critical technology is the main reason why countries globally are shutting down coal fired power plants. Modern coal fired power plants are based on Super-Critical and Ultra Super-Critical technologies. Countries like Denmark, Germany, South Africa and Japan are currently running power plants based on clean coal technology. These power plants are on record to have drastically reduced emissions and improved efficiency. At present, countries like the USA, United Arab Emirates (UAE), Japan, and South Africa are building additional coal fired power plants that are based on Ultra-Super critical technology to improve their power production capacity.

Amu Power Company Limited has from the award of the contract by the Government of Kenya, through the Ministry of Energy and Petroleum, to construct the Lamu Coal Fired Power Plant continuously consulted and engaged the communities of Lamu County, listening to their concerns and working with the project design teams to ensure that the power plant will cause minimum effects to our host communities. Amu Power together with the Ministry of Energy and Petroleum was involved in workshops with the following groups: National Government, County Government of Lamu, County Assembly of Lamu, Imams and Preachers, Youth Groups, Women Groups, Farmers, CBO's/NGO's, Pastoralists, Hunters and Gatherers of Lamu, Fishermen, Bee Keepers, Lamu Business Community, and the Media. In addition, Amu Power in its efforts to ensure that every member of the community was engaged, organised a 3-month door to door campaign where each household in the islands was visited to consult, engage and sensitize them about the Lamu Coal Fired Power Plant.

To protect our host community and future generations, Amu Power took a critical step and rolled out an Environment and Social Impact Assessment (ESIA) study to assess all potential environmental and social impacts associated with the project. The study was conducted by a team of lead experts from 20 different organizations who analysed different social, economic and environmental aspects of the project to ensure that the project met all required standards. The report details the proposed mitigation measures that would protect any damage to the environment and protect the health of the people. This report was shared with the various stakeholders, approved and licensed by the National Environmental Management Authority (NEMA), the body mandated by law to issue Environmental Impact Assessment (EIA) licences. The ESIA was produced by a team of independent lead experts, using some of the most rigorous globally accepted evaluation and modelling methods, tool and techniques. Therefore NEMA, other independent assessors, and power sector regulators are some of the competent authorities to pass judgment on the veracity of the ESIA.



Some of the claims made by environmentalists regarding the ESIA process have not been backed by specific facts to question the credibility of the license issued to Amu Power.

The potential of the Lamu Coal Fired Power Plant project to transform the lives of residents in Lamu County and the country is limitless. The project will directly and indirectly create jobs through its initial KES. 200 billion investment that will go into the development phase as well as another set of jobs during execution and through the plants value chain. During the lifetime of the project, it will produce significant direct and indirect economic benefits to the residents of Lamu through direct employment, provision of services, and revenue generation by the County government, in addition to inducing and stimulating local investment and development of physical and social amenities that will benefit the local communities. The project will invest in integrated community development projects and initiatives that are aligned with the needs of the community. The development plans include education programmes, livelihood programmes, and infrastructure projects such as schools, health centres, boreholes, roads and power lines all of which can be used by the community even after the project life is over. In addition, Amu Power Company is committing to gradually create a large forested area around the plant as part of its concern for the well-being of the environment. To date, this forest cover includes approximately 2 million trees that have already been planted in the last 1 year around Lamu (schools, mosques, churches, prisons, National Youth Service and local farmers).

Amu Power operations are guided by respect for the priorities, culture, heritage, values and way of life of the communities in its areas of operation. The company is working closely with local leaders in Lamu, regulators, government agencies, and administrators at all levels to ensure compliance with all regulations and that the coal power plants' activities are aligned to local development plans in Lamu.

Though the power plant construction will not interfere with the fishing grounds, Amu Power is working with the Government of Kenya, County Government of Lamu and the local fishermen (Beach Management Units) to equip them with state of the art fishing gear and boats that will enable them to fish in the high seas. This way they will be economically enabled and their livelihoods improved. So far, in conjunction with the community, Amu Power has already rolled out various programs based on thematic areas which include clean water provision, cold storage, health programs, and education scholarships which have benefitted Lamu residents.

The Lamu Coal Fired Power project will come with a diversification aspect to it. As the single largest energy project in East and Central Africa and a major infrastructure undertaking in Kenya, the plant as well as the related industries will be a massive employer, bringing to Lamu high quality, well-paying jobs, that will further create more indirect employment and revenues for the County Government. Lamu is also primarily a tourist town that relies on peak seasons for economic activity. Being one of the poorest Counties in Kenya with low education levels, the county now has a potential to diversify the incomes of the people. Through the value chain, the community can conduct business with the project through supply of goods and services. The locals also have an opportunity to learn new skills that they can use to work in other major infrastructure projects across the globe. Stimulation of the local environment through the spin-off effects of the project is also expected to create more jobs and economic capital like real estate and consumer consumption for the residents of Lamu.

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The Lamu Coal Fired Power Project, being a Government initiative, has to be setup on a piece of land provided by the Government of Kenya. Therefore resettlement and compensation of land claimants at the project site is the mandate of the National Government through the National Lands Commission. It is also important to note that the project site lies within LAPPSET Corridor Development Authority land that is set aside for LAPPSET projects.

The Lamu Coal Fired Power Project is a mega infrastructure project that has the potential to impact the economy and transform the living standards of Kenyans. The project aims at bringing industrial transformation by offering a competitive tariff to champion the following pillars of economic development: to grow our global export engines, to build a food processing hub, build local content for infrastructure investments, and to enhance non-industrial job-creating sectors such as tourism and ICT.

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