

Safaricom offers \$288m smart meter system to cut Kenya Power losses

By [Duncan Miriri](#)

17 Sep 2021

Kenya's biggest telecoms operator, Safaricom, is in talks with Kenya Power to install a 31.7bn shillings (\$288m) smart metering system for the utility to slash power losses.



Source: vachiraphan phangphan © [123RF.com](#)

The state-controlled utility, which is the main power distributor in the East African nation, suffers from annual power system losses of 23.46% on its transmission network, well above the global benchmark of 15%.

If the proposed system is implemented, Kenya Power should cut those losses, which it said last year were costing it 3bn shillings every year, to 15.46% in two years, documents from both firms showed.

"An efficiency of eight (percentage points) is a significant milestone that, if achieved, could spur the desired financial turnaround," Kenya Power said in its appraisal of Safaricom's proposal.



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Kenya Power in the red

Kenya Power, which was once considered a blue chip on the Nairobi bourse, has slid into the red in recent years on the back of the system losses and other forms of mismanagement.

Its shares are languishing close to their all time lows of under 1 shilling each.

"We have received the proposal from Safaricom and are reviewing it in line with internal processes," the company told Reuters.

Safaricom wants to build, operate and then transfer the smart grid to Kenya Power after an eight-year period. Safaricom will make the initial investment required.

It proposes to split the additional revenue, projected at 71.7bn shillings, on a 75% to 25% basis in favour of Safaricom.

Safaricom, which did not provide additional comment on the proposal when Reuters contacted the company, is a licensed applications provider and it wants to use its extensive fast internet infrastructure to support the proposed smart grid.

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