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KENYA NATIONAL ASSEMBLY

By Hon. J. Karanja, MP  
(Chair, DC-Eng & Info.)  
on Tuesday, 23.04.2015  
(Afternoon) p/m

ELEVENTH PARLIAMENT

2015

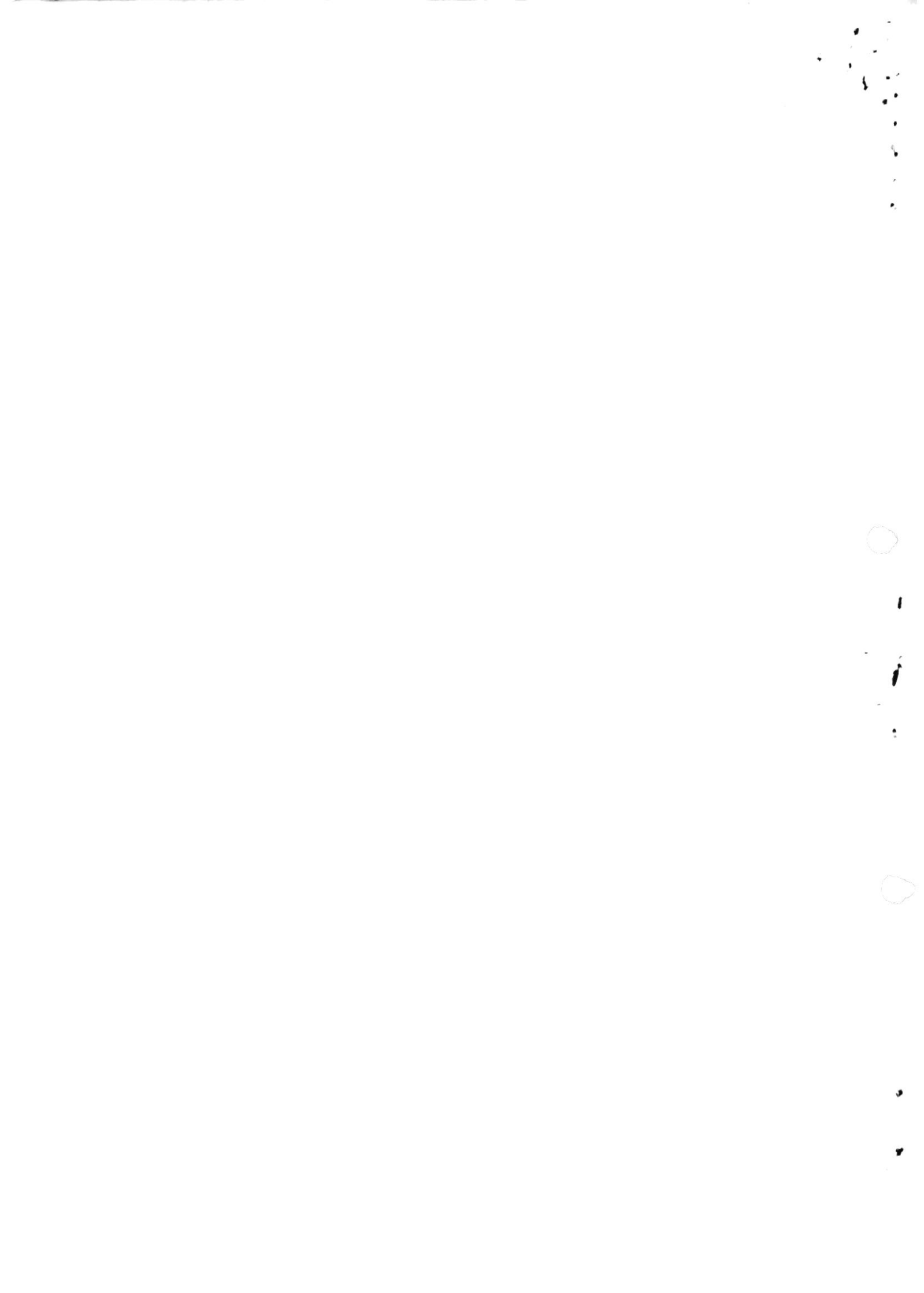
THIRD SESSION

THE DEPARTMENTAL COMMITTEE ON ENERGY, COMMUNICATION  
AND INFORMATION

REPORT ON THE  
PETITION BY RESIDENTS OF HOMABAY COUNTY REGARDING  
INVESTIGATIONS INTO THE OPERATIONS OF GEOTHERMAL  
DEVELOPMENT COMPANY

Clerk's Chambers  
Parliament Building  
Nairobi

April 2015



# TABLE OF CONTENTS

1.0.	PREFACE.....	2
1.1.	MANDATE OF THE COMMITTEE.....	2
1.2.	OVERSIGHT.....	3
1.3.	COMMITTEE COMPOSITION.....	3
1.4.	TASKS ACCOMPLISHED.....	4
1.5.	TABLING OF THE PETITION.....	4
1.6.	ACKNOWLEDGMENT.....	5
2.0	BACKGROUND INFORMATION.....	6
3.0	INVESTIGATIONS – BACKGROUND INFORMATION.....	6
3.1	SUBMISSIONS FROM THE PETITIONERS.....	7
3.1.1	MANAGEMENT.....	7
3.1.2	VALUE FOR MONEY AND PRODUCTION.....	9
3.2	SUBMISSIONS FROM THE GEOTHERMAL DEVELOPMENT COMPANY.....	11
4.0	OBSERVATIONS AND RECOMMENDATION.....	15
4.1	OBSERVATIONS.....	15
4.2	RECOMMENDATION.....	15





## 1.0. PREFACE

On Wednesday 26<sup>th</sup> November, 2014, a petition was tabled before the House pursuant to Standing Order No. 225 (2)(a) by the Hon. George Oner Ogalo, MP Member for Rangwe Constituency on behalf of the concerned residents of Homa Bay County who numbered six, being citizens of the Republic of Kenya;

Pursuant to House rules, the petition was referred to the Parliamentary Committee on Energy, Communication and Information for consideration and preparation of a report within 90 days. The Committee considered the petition pursuant to the provisions of *Standing Order 227 (1) and (2)*.

## 1.1. MANDATE OF THE COMMITTEE

The Departmental Committee on Energy, Communication & Information is one of the twelve Departmental Committees of the National Assembly established under *Standing Order 216*.

The Committee under Standing Order 216 (5) is mandated to:-

- 1 To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
- 2 To study the programme and policy objectives of ministries and departments and the effectiveness of their implementation;
- 3 To study and review all the legislation referred to it;
- 4 To study, access and analyse the relative success of the ministries and departments measured by the results obtained as compared with their stated objective;
- 5 To investigate and inquire into all matters relating to the assigned ministries and departments as may be deemed necessary, and as may be referred to it by the House or a Cabinet Secretary;
- 6 To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments); and



- 7 To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation.

The Committee is mandated to consider the following subjects, Fossil fuels exploration, Development of energy, Production of energy, Maintenance and regulation of energy, Communication, Information, Broadcasting and Information Communications Technology (ICT) development and management

## 1.2. OVERSIGHT

The Committee oversees the following Government Ministries and State Departments under them;

1. Ministry of Energy and Petroleum;
2. Ministry of Information, Communication and Technology

## 1.3. COMMITTEE COMPOSITION

The Departmental Committee on Energy, Communication and Information was constituted on May 20<sup>th</sup> 2013 and its membership is as follows:-

1. The Hon. Jamleck Kamau, EGH, MP.....Chairperson
2. The Hon. Jackson Kiptanui, MP .....Vice –Chairperson
3. The Hon. Mohammed Elmi, EGH, MP
4. The Hon. (Eng.) Nicolas Gumbo, MP
5. The Hon. (Eng.)James Rege, MP
6. The Hon. Mithika Linturi, MP
7. The Hon. Zebedeo Opore, MP
8. The Hon. Mary N. Mbugua, HSC, MP
9. The Hon. Aburi Mpuri, MP
10. The Hon. Aramat Lemanken, MP
11. The Hon. Athur Papa, MP
12. The Hon. Banticha Abdullahi, MP
13. The Hon. Daniel Kazungu, MP
14. The Hon. Esther Gathogo, MP
15. The Hon. Fathia Mahbub, MP
16. The Hon. James Lomenen, MP
17. The Hon. Joe Mutambu, MP
18. The Hon. John Mati Munuve, MP
19. The Hon. Junet Sheikh, MP
20. The Hon. Kanini Kega, MP



21. The Hon. Nicholas Ngikor, MP
22. The Hon. Onesmus Njuki, MP
23. The Hon. Rachael Amolo, MP
24. The Hon. Roba Duba, MP
25. The Hon. Ndung'u Gethenji, MP
26. The Hon. (Eng.) Vincent Musau, MP
27. The Hon. William Kisang, MP
28. The Hon. Richard Tongi, MP
29. The Hon. Moses Kuria, MP

#### 1.4. TASKS ACCOMPLISHED

The Committee proceeded with the consideration of the petition as follows:

Held sittings with:-

- a) Hon. George Oner and the petitioners;
- b) The Geothermal Development Company.

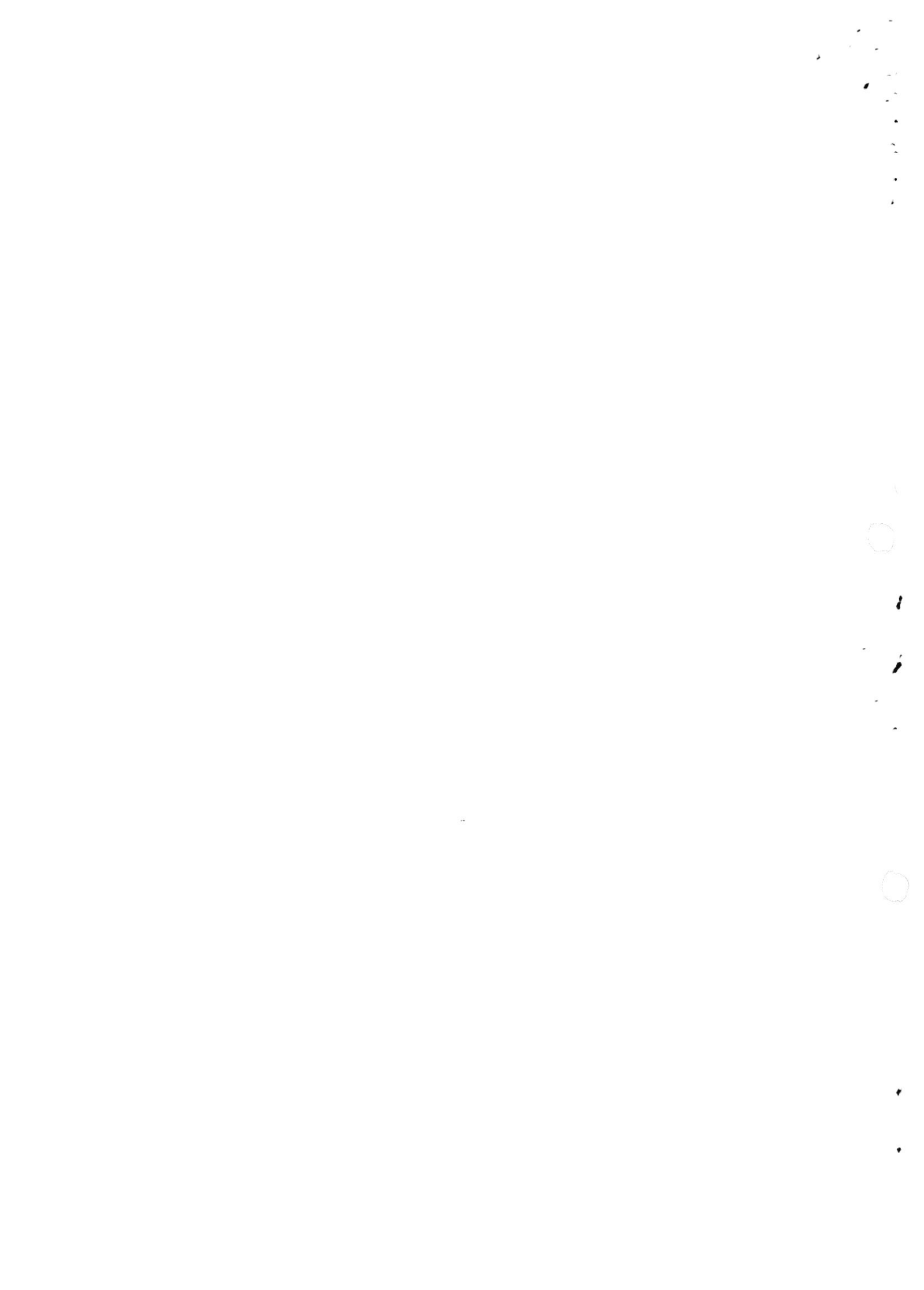
#### 1.5. TABLING OF THE PETITION

On Wednesday 27<sup>th</sup> November, 2014, the Hon. George Oner Ogalo, M.P for Rangwe Constituency, tabled a petition on behalf of residents of Homa Bay County, pursuant to the provisions of Standing Orders 225(2)(a) and 225 (3).

In their petition, the petitioners prayed that the National Assembly;

1. investigates the recent restructuring at the Geothermal Development Company;
2. examines the recruitment of the seven new General Managers in a bid to determine whether or not it was undertaken in line with the spirit of Article 234 of the Constitution regarding State Corporations;
3. inquires and investigates into the Company's achievements at or failure in delivering 105 MW of power by December, 2014 as compared to other players in the national and regional energy provision market;
4. causes the Auditor General to carry out a Special Management Audit and a Special Value for Money Audit of the Company with a view to determining whether or not the public has fully realized the values of its investment in the Company and
5. Causes the Company to concentrate on its core mandate.

Therefore, the petitioners humbly pray that Parliament through the Departmental Committee on Energy, Communication and Information obtains without delay, the



undertaking for the Management of the Geothermal Development Company that the issues raised are addressed without delay.

1.6. ACKNOWLEDGMENT

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the necessary support extended to it in the execution of its mandate.

Being the Chairperson of the Committee, I take this opportunity to thank all the Members of the Committee for their patience, sacrifice, endurance and hard work during the long sitting hours under tight schedules which enabled us to complete the tasks within the stipulated period.

The Committee wishes to record its appreciation for the services rendered by the staff of the National Assembly attached to the Committee. Their efforts made the work of the Committee and the production of this Report possible.

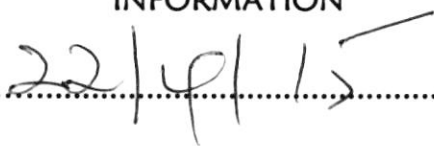
Finally, it is now my pleasant duty, on behalf of the Departmental Committee on Energy, Communication and Information, to present this report to the House pursuant to the provisions of Standing Orders 227(2) of the National Assembly.

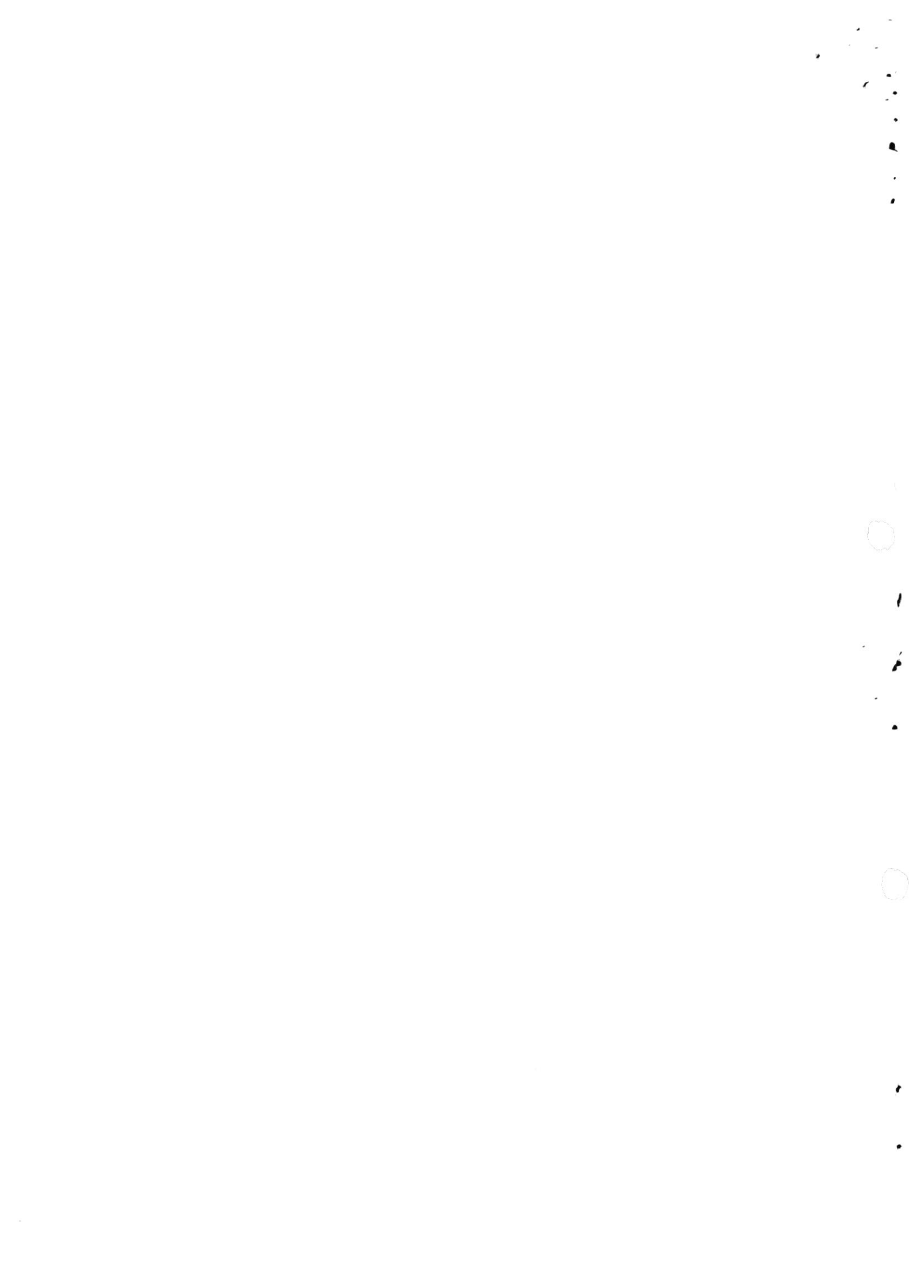
SIGNED: ..... 

THE HON. JAMLECK KAMAU, EGH, M.P.

(CHAIRPERSON)

DEPARTMENTAL COMMITTEE ON ENERGY, COMMUNICATION AND INFORMATION

DATE:..... 





## 2.0 BACKGROUND INFORMATION

The Petition by Residents of Homa Bay County was presented to the House by the Hon. George Oner Ogalo, M.P. on 26<sup>th</sup> November, 2014 pursuant to Standing Order No. 225 (2)(a). The petition was signed by six residents of Homabay County.

Pursuant to **Standing Orders 227(1)**, the petition was referred to the Parliamentary Committee on Energy, Communication and Information for consideration and preparation of a report within 90 days. The Committee considered the petition pursuant to the provisions of Standing Order 227 and 228.

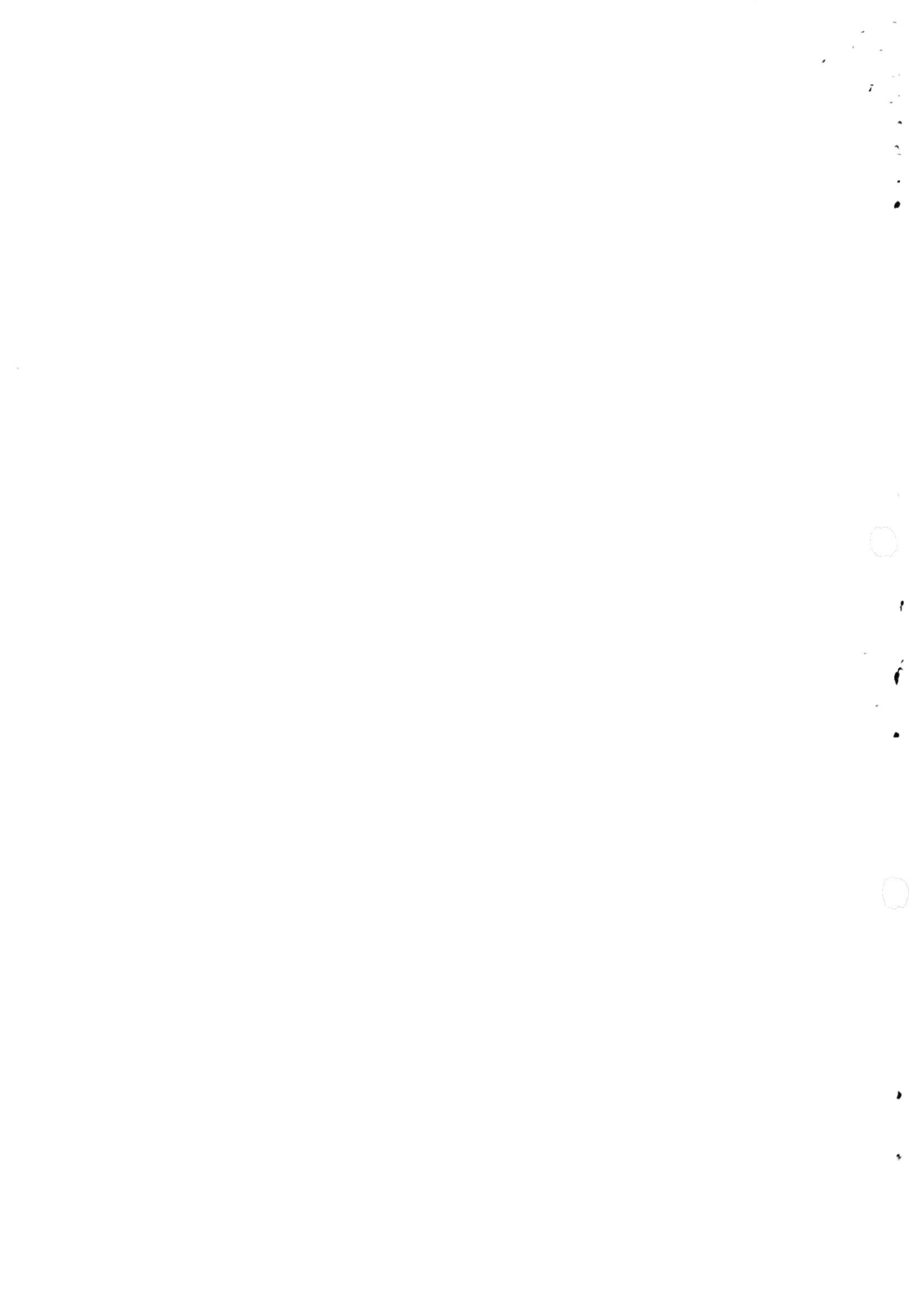
In their petition, the petitioners drew the attention of the House to the following;

1. THAT, aware that the Geothermal Development Company (GDC) is a company owned 100% by the Government of Kenya mandated to fast track the development of geothermal resources in the Country;
2. THAT, concerned that the recent restructuring of the Company's management leading to the appointment of seven new General Managers were undertaken without a strong basis or clear purpose;
3. THAT, further concerned that the controversial restructuring was possibly meant to micromanage future operations of the Company upon the expiry of the current Managing Director's term;
4. THAT, there have been inordinate delays in implementing the Company's workplan including the delivery of 105MW (Mega Watts) of power by December, 2014 most likely caused by poor and erratic management policies and practices;
5. THAT, the projected costs indicated in the revised workplan are questionable and are likely not to yield the value for money due to the tax-payers' investment;

## 3.0 INVESTIGATIONS – BACKGROUND INFORMATION

After the Petition was referred to the Committee following the Speaker of the National Assembly's directions, the Committee commenced its investigations. The petitioners appeared before the Committee on Tuesday 3<sup>rd</sup> March 2015, Tuesday, 17<sup>th</sup> March, 2015 and Thursday 16<sup>th</sup> April 2015 and presented their submissions.

The Geothermal Development Company sent to the Committee a written submission in response to the petitioner's prayers and also appeared before the Committee on Thursday, 19<sup>th</sup> March, 2015



### 3.1 SUBMISSIONS FROM THE PETITIONERS

The Petitioners made the following submissions;

#### 3.1.1 MANAGEMENT

That:

- 1) Prior to restructuring, GDC had a Managing Director, a General Manager and Five Chief Managers supported by a number of Managers, Deputy Managers and several other low level Management Staff.
- 2) Without public or organizational beneficial reasons or purpose, in a whimsical manner the Managing Director decided to promote 5 Chief Managers and 2 Managers to the positions of General Managers altering the organogram of the company without following due process that requires that staffing in public institutions and organs adhere to the values and principles of public service as outlined in Article 232 of the Constitution of Kenya, which provides inter alia as follows:-

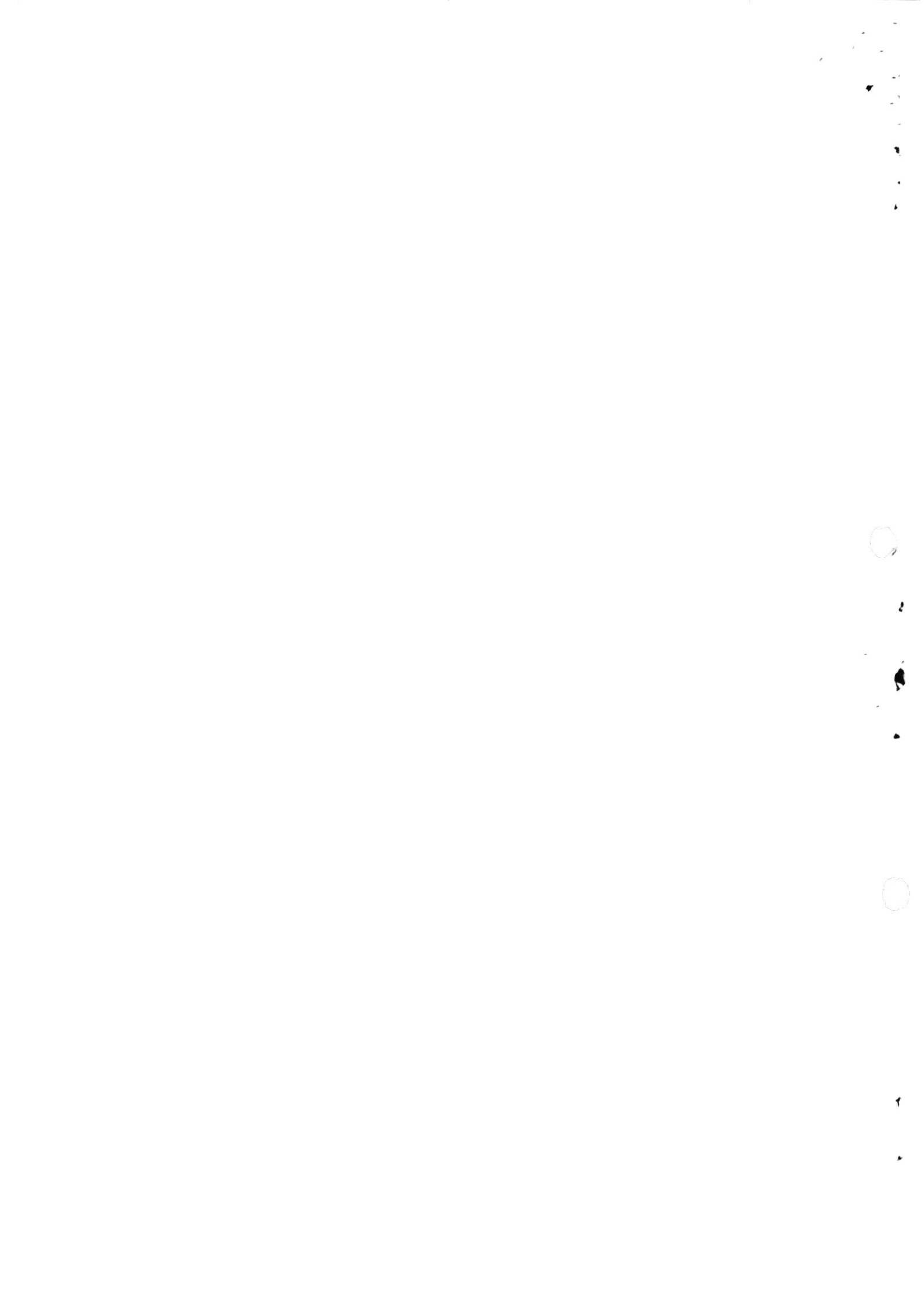
*232 (1) The values and principles of public service include:-*

- a) high standards of professional ethics;*
- b) efficient, effective and economic use of resources;*
- c) responsive, prompt, effective, impartial and equitable provision of services;*
- d) involvement of the people in the process of policy making;*
- e) accountability for administrative acts;*
- f) transparency and provision to the public of timely, accurate information;*
- g) subject to paragraphs (h) and (i), fair competition and merit as the basis of appointments and promotions;*
- h) representation of Kenya's diverse communities; and*
- i) affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service, of-*
  - i) men and women;*
  - ii) the members of all ethnic groups; and*
  - iii) persons with disabilities.*

*(2) the values and principles of public service apply to public service in –*

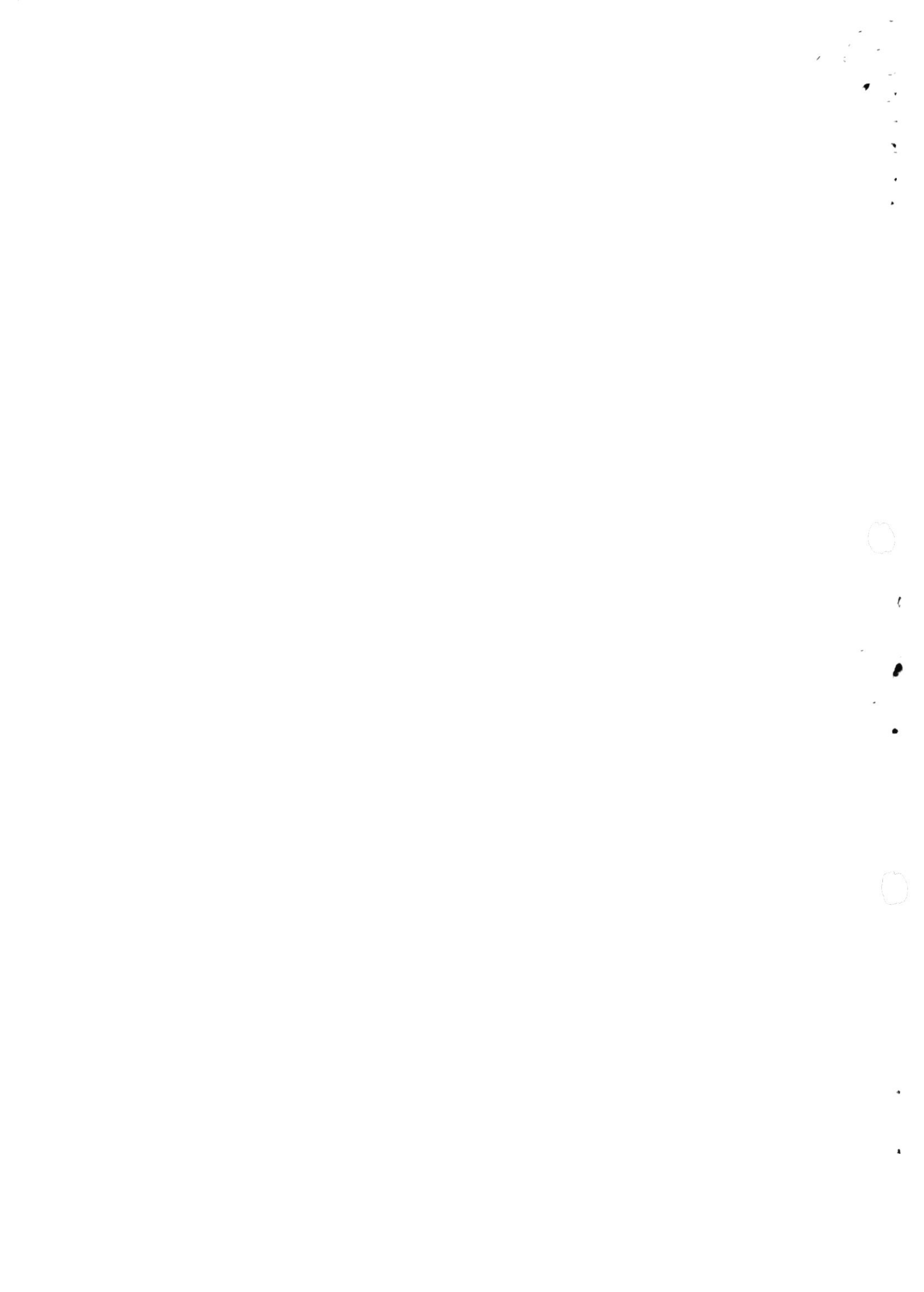
- (a) all State organs in both levels of government; and*
- (b) all State corporations.*

*(3) Parliament shall enact legislation to give full effect to this Article.*



3. The principle of fair competition was not adhered to as other staff members or indeed members of the public were not given an opportunity to apply for and be considered for appointment to these positions, further the principle of merit was not observed since the 5 Chief Managers and the 2 Managers did not necessarily possess the qualifications arrogated to them.
4. The academic qualifications of the seven new General Managers including the Photostat copies of those qualifications to be provide to the Committee. In particular the Managing Director furnish the Committee with the qualifications of following staff:-
  - a. Praxidis Saisi – Masters of Business Administration (MBA)
  - b. Irene Onyambu – Masters of Business Administration (MBA)
  - c. Michael Mbevi – Masters of Business Administration (MBA)
  - d. Paul Ngugi – Masters of Business Administration (MBA)
5. The restructuring raises serious questions especially considering that the current Managing Director's term is due to end within the year. Given that Managing Director has not been on leave for 5 years, his outstanding leave days may make his continued executive leadership of the institution end earlier than expected. The petitioners fear the restructuring could be aimed at micromanaging the institution even after retirement.
6. The Managing Director should furnish this Committee with the minutes of the Board of Directors resolution sanctioning this restructuring as the petitioners fear that the Board was not involved in making the unilateral action.
7. The tendency to unilaterally employ people without adhering to the stated values and principles of Public Service is ongoing and continues unabated in the company even in light of this petition. The staff level has since risen from around 800 in September to over 1000 currently. These new positions were created and filled without competitive process and without paying attention to merit.

An example of an employee recruited without due process is one Mrs. Jane Kazungu, who was employed as a Deputy Manager with questionable qualifications. The petitioners pray that you seek out the process leading to the recruitment of this employee, her qualifications and the justification for that employment.



8. This organization is replete with numerous such cases and only a **Special Management Audit** as prayed by the petitioners can ascertain the rot in Human Resource Management and Institute Corrective Measures.

### 3.1.2 VALUE FOR MONEY AND PRODUCTION

Whereas the Petitioners now do agree that the steam so far generated at the Menengai Geothermal Project is 130MW and while appreciating that the work plan of GDC required actions of other state organs, the petitioners wish to submit as follows on the delay of the work plan in delivering 105MW of power to the grid by December, 2014 and general issues of value for money:-

#### THAT:

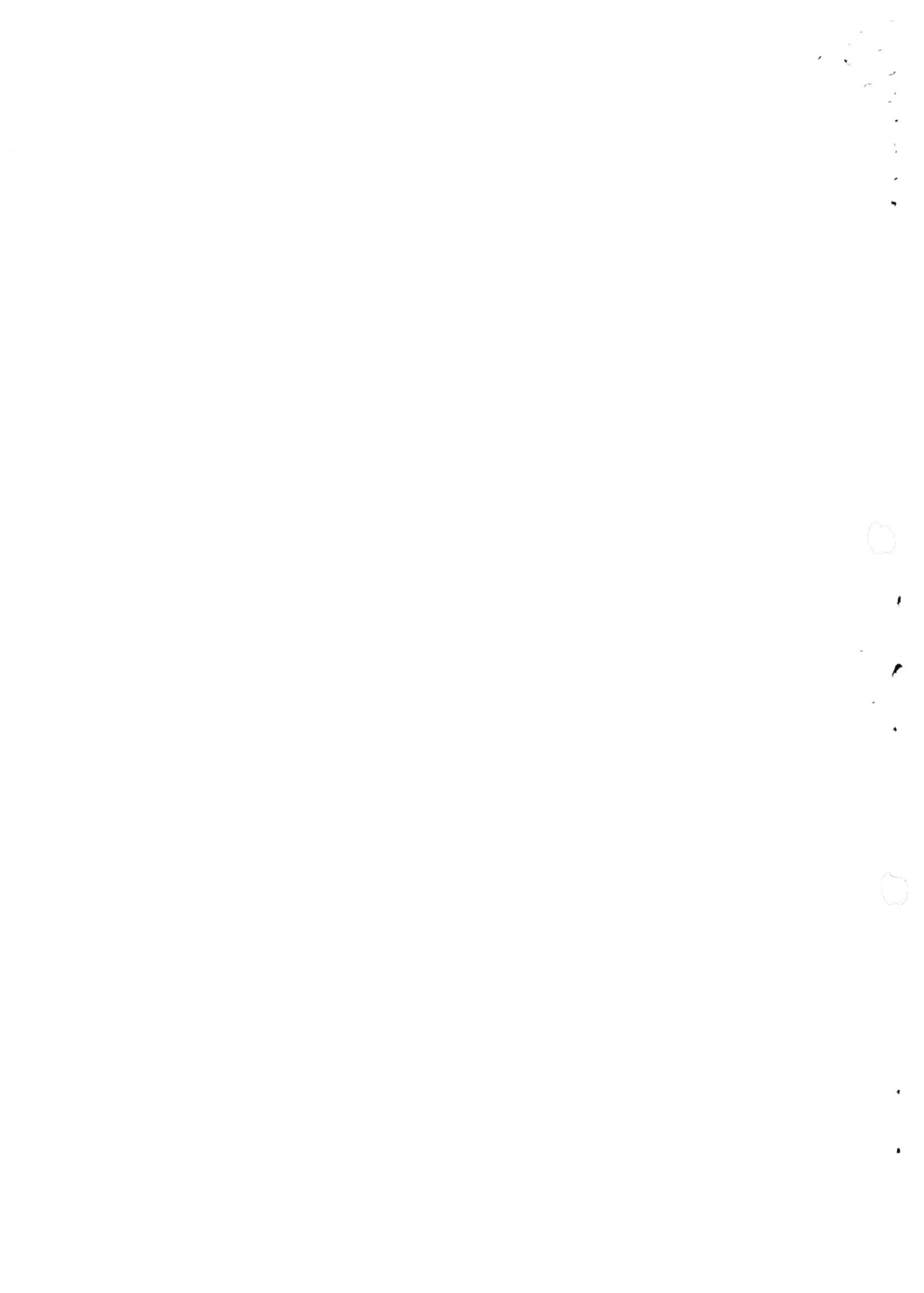
1. In the 5000 + MW by 2016 (Power to transform Kenya) an investment Prospectus published by the Ministry of Energy and Petroleum, the GDC was expected to provide 790MW of Geothermal Power to the grid to be Commissioned at different times before June 2016 at Menengai, Suswa and Baringo – Silali fields. Currently, only the Civil Infrastructure and steam Development of 105MW programme for Menengai has been delivered. Steam gathering system, power plant and transmission system are yet to be delivered.
2. The petitioners aver that indeed even in the revised work plan in which GDC claims that it will complete Steam Gathering System by May, 2015 and Transmission system by April, 2015, GDC continues to take the public for a ride.
3. The petitioners argue and it's for GDC to prove otherwise, that even routing of the transmission line is yet to be completed before way leaves acquisition occurs for the transmission line development to ensue. The steam gathering system being developed under contract awarded to H Young Ltd will not be ready by May 2015 and even if it were to be ready there would be no commissioning as there will be no power plant to deliver the steam to.

The petitioners note that the Government of Kenya has fully financed the steam gathering system and the transmission line development in the 2013/2014 financial year and there is therefore no justifiable cause of the delay. No other state organ's action would be liable for this failure including the famous Power Purchase Agreements (PPAs)





4. In the said work plan GDC undertook to deliver 400MW by June 2016 at Menengai and it's on this basis that AFDB extended the financing facility to purchase the rigs. GDC has been on this from 2011 and has only been able to deliver 105MW by 2015 meaning there is no way they will deliver 400MW onto the grid by June 2016. The Kenyan taxpayer therefore is exposed to the following expenses.
  - i. Continued interest payments on the facility extended to GDC when no steam is being sold to any power producer to offset these costs.
  - ii. Continued reliance on expensive thermal power and even extremely expensive emergency power from Independent Power Producers (IPPs) when effective implementation of the work plan would have introduced the cheaper geothermal power into the grid.
  - iii. Variation costs on the H Young steam gathering system contract as the commissioning will not be able to take place in the absence of the power plants among others.
  
5. GDC continues to engage in expensive methods of achieving their goals resulting in wasteful misuse of Public resources. For example:-
  - i. Despite spending USD 210M in purchasing rigs that now the company owns, GDC has without competitive bidding, awarded top-holing services to a company the Petitioners call GRD for 4 billion Kenya Shillings.
  - ii. Despite having its own rig-move equipment purchased at Kshs. 400M in 2011/12, GDC continues to hire services of a company the Petitioners say is called Bonfide clearing and forwarding company in a contract in which GDC pays Ksh.42m for each rig move which could be for even a distance less than 2KM.
  
6. The same company offers similar services to KENGEN for Kshs. 19M per rig move. If it's not wasteful misuse of Public resources, what would explain this kind of Management decision? In this wasteful decision GDC has by now paid the contractor Kshs. 1.2 Billion, while equipment and salaried staff stay idle.
  
7. Coupled with the other on-going procurement woes bedeviling the company which have now become Public knowledge including the variation order in the procurement of the drilling rigs, the Petitioners aver that these management gaffes could be affecting the country's efforts at attaining the energy objectives the economy requires to attain Vision 2030.



8. The petitioners are informed that only Civil Infrastructure Development is underway in Baringo – Silali field. Water supply system tender awarded in December, 2014 is yet to be approved by the intended financier KFW. The Petitioners fear the withholding of this approval and the general lethargy of the financier could be as a result of the questionable Management practices at GDC.
9. The petitioners also fear this could have a ripple effect in the other projects which also require partner financing resulting in the delay or failure of GDC to produce 790MW of power to the grid. At the moment no tangible work is underway at the Suswa field.
10. The Petitioners therefore pray that a thorough value for money audit issues on GDC to help stem this wasteful misuse of public resources and help restore public confidence in this vital national institution.

### 3.2 SUBMISSIONS FROM THE GEOTHERMAL DEVELOPMENT COMPANY

The Geothermal Development Company made the following submissions in response to the petitioner's prayers.

#### Regarding investigating the recent restructuring at the Geothermal Development Company

The Geothermal Development Company stated that they had not carried out a restructuring of the Company. However, the Company carried out a harmonization of nomenclature where one grade had two different titles and the affected staff re-designated from Chief Managers to General Managers. Further, due to increased responsibilities, two departments (Human Resources and Drilling Operations) were upgraded.

On examining the recruitment of seven new General Managers in a bid to determine whether or not it was undertaken in line with the spirit of Article 234 of the Constitution regarding state corporations;

The Committee was informed that in undertaking the harmonization from Chief Managers to General Managers, GDC did not engage in any recruitment. In this regard, GDC finds that its activities do not violate the spirit of Article 234 of the Constitution whose subject matter refers to the functions of Public Service Commission.



On Inquiring and investigating into the Company's achievements at or failure in delivering 105MW of power by December 2014 as compared to other players in the National and regional energy provision market;

The Committee was informed that GDC is the main sponsor of the 105MW Menengai project. However, there are many players who are responsible for the execution of different components of the project. The project is broken down into:

- a) Civil Infrastructure Development – GDC (Internally)
- b) Steam Development (105 MW) – GDC (Internally)
- c) Construction of steam gathering system – GDC (hired an EPC contractor)
- d) Construction of Transmission Infrastructure – KETRACO (Contractor)
- e) Construction of Power Plant – Independent Power Producers (IPP)
- f) Power Purchase Agreement (PPA) – KPLC & IPP
- g) Approval of (PPA) – ERC
- h) Project and steam supply agreement – GDC & IPP

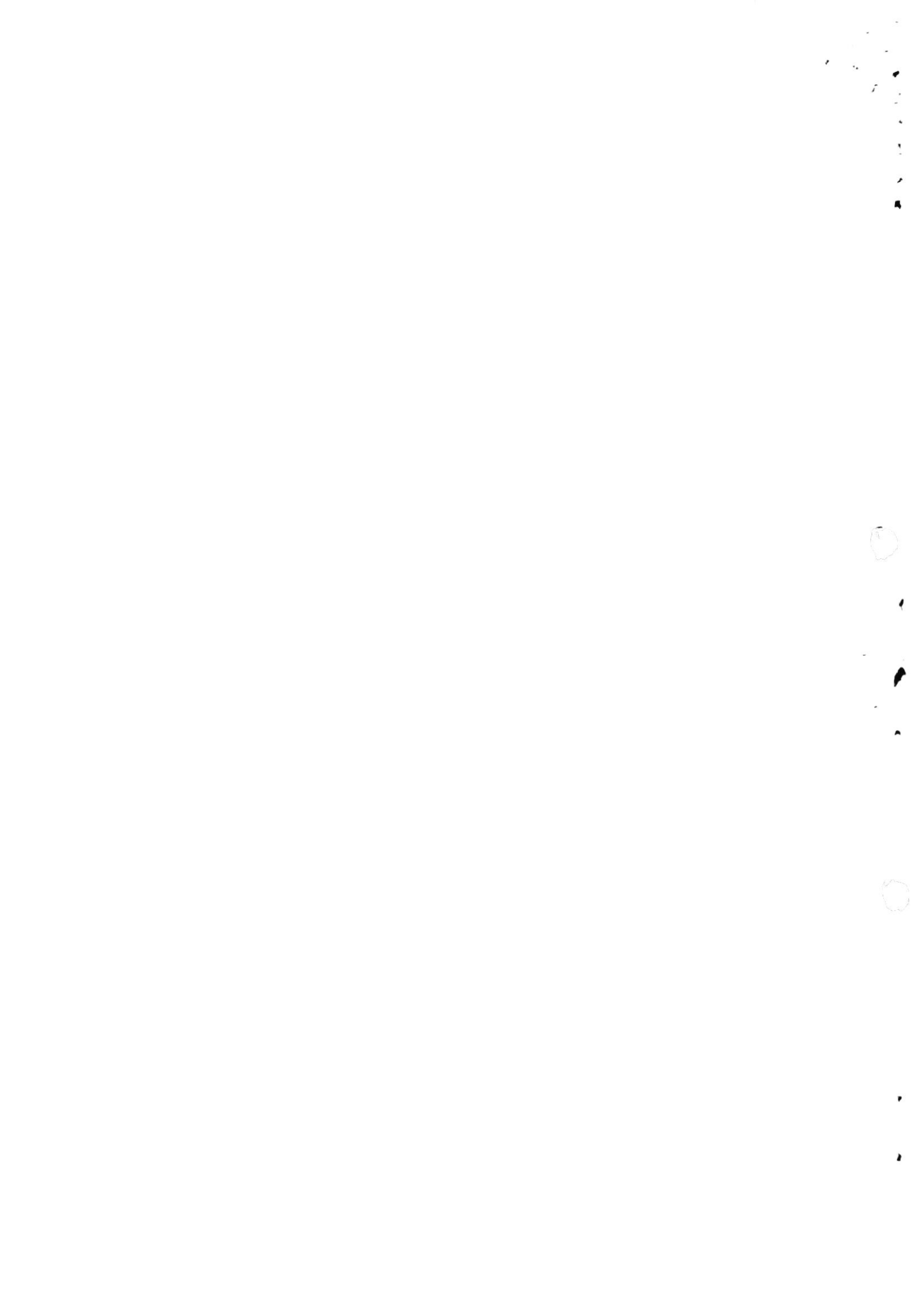
As at December 2014, GDC had 130MW of steam. The steam gathering system is projected to be completed by May 2015, Transmission Infrastructure by April 2015. The 105MW project delay was occasioned by prolonged PPA negotiation (KPLC) and approval process (ERC) which were beyond GDC's control.

The delay notwithstanding, the Menengai 105MW project will be the fastest development geothermal executed project in Kenya and one of the fastest in the world.

- iv) Regarding Causing the Auditor General to carry out a Special Management Audit and a Special Value for Money Audit of the Company with a view to determining whether or not the public has fully realized the value of its investment in the Company.

GDC reported as follows:

1. That it was incorporated under the Companies Act and by virtue of its shareholding and it is a state corporation. They confirm that the Auditor General has every financial year audited the company's accounts and given an unqualified opinion.



2. GDC was created to accelerate the development of Geothermal Resources which since 1996 have been found to be the most economic source of power for the Nation. In spite of this fact, development in the power sector favored the expensive thermal. This explains partly why the cost of power had been high.
3. GDC's first project was the development of 280MW at Olkaria, for this project KenGen has installed a power plant. The injection of the 280MW of geothermal power into the grid has led to a substantial decline in the Fuel Cost Charge (FCC) component of the electricity bills arising from reduced power generation from petro thermal sources.
4. In July 2014, the Fuel Cost Charge was Kshs/kWh 7.22 but it has now reduced to an all-time low of Kshs/kWh 2.53 in January 2015. This represents a 65% drop in the FCC. As a result, it has led to a reduction in the overall cost of power to consumers. The impact of this has been a reduction of the average Domestic Life Line Customer tariff (up to 50kWh) from Kshs/kWh 15.53 to Kshs 10.02/kWh, representing a 35% decline. This category of supply is for the vulnerable members of our society and currently accounts for 1.3 million of the 2.9 million KPLC customers.
5. That for Domestic Customers (DC) whose average consumption is 200kWh, the retail electricity tariff has reduced from Kshs. 23.06/kWh to 17.55/kWh, a reduction of 24%. Similarly, the average Industrial Customer (C15) tariff has reduced from Kshs/kWh 18.80 to Kshs/kWh 13.29, representing a 29% decline over the same period.
6. KPLC in their 2013/14 annual statements has provided information relating to the bulk cost of power from the generators. An analysis of the financial statements shows that the average weighted bulk tariff for the year 2013/14 is about Kshs. 8.8 per kWh. The individual tariff from different generators ranges from Kshs. 4.07 per kWh (co-generation) to Kshs. 35.48 per kWh (emergency power). Geothermal is priced at Kshs. 8.07 per kWh. In comparison, the 105MW Menengai project tariff is estimated at Kshs. 6.37 per kWh.
7. The current power mix is dominated by hydro power sources and has a significant thermal portion rendering the system susceptible to adverse weather and price of crude oil. In the financial year 2013/14, 71% (Kshs. 55 billion) of revenues arising from electricity sales were used to purchase only 11% of power from thermal sources. Elimination or reduction of the thermal portion therefore is





a great incentive in reducing power tariff. An equivalent supply from geothermal would cost about Kshs. 18 billion. In principle, the country stands to gain a saving of Kshs. 37 billion annually by eliminating and replacing all the thermals with geothermal.

8. Geothermal development is a high upfront risk and high capital intensive economic venture. It is prone to high upfront risks that have deterred private sector participation in the early development stages. This can be attested to by the fact that none of the three independent power producers given green concession in the last 7 years has managed to undertake the initial exploration drilling. GDC was created to facilitate the participation of the private sector as a means to raise the requisite infrastructure development capita.
9. GDC has developed and adopted a business model showing the various roles between GDC and the independent power producers. Using this model GDC has already contracted three investors for the 105MW Menengai project who will together raise an estimated cost of Kshs. 22billion (USD 240 million) at a low tariff of USD 0.07 per kWh (inclusive of steam).
10. The foregoing therefore shows the Company has brought value to the Country and continues to be relevant.

v) **On causing the Company to concentrate on its core mandate.**

GDC's explained that its mandate includes the following:

- a) Prospecting for investing in and utilizing geothermal resources in Kenya for electricity generation and other direct uses, undertaking geo-scientific survey, conducting drilling works, developing the necessary infrastructure for the utilization of the geothermal resource for electricity generation and other direct use of geothermal energy and sustainably managing the resources.
- b) Managing public resources such as funds and rigs and other infrastructure required for faster geothermal development.
- c) Developing the human capacity in Geothermal Technology in Kenya to support sustainable growth of the geothermal sector.
- d) Supporting and promoting development of direct uses of geothermal resources.
- e) Consulting on geothermal energy, other geo-science and resource projects, environmental studies and project management.



- f) Marketing geothermal as a benign environmental friendly and least cost power source for Kenya.
- g) Support government efforts to attract funding and investment in geothermal energy for rapid development.
- h) Selling steam to power generators.

Therefore GDC remains committed to its mandate.

#### 4.0 OBSERVATIONS AND RECOMMENDATION

##### 4.1 OBSERVATIONS

The Committee made the following observations:-

1. Following the EACC report annexed to the Presidential Speech during the State of the Nation address held on 26<sup>th</sup> March 2015 on the status of corruption related cases in the country, the Committee observed that the issues raised in the petitions are similar to the ongoing investigations by EACC.
2. The Committee also observed that the Managing Director of GDC had stepped aside to pave way for a detailed investigation by Ethics and Anti-corruption Commission (EACC).

##### 4.2 RECOMMENDATION

The Committee recommends that since the prayers raised in the petition are being addressed by the EACC, the deliberations on the matter should await the outcome of the EACC report.



MINUTES OF THE 20<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON ENERGY, INFORMATION & COMMUNICATION HELD ON 16<sup>TH</sup> APRIL, 2015 ON THE PETITION ON THE OPERATIONS OF GDC AT COMMITTEE ROOM 9 MAIN PARLIAMENT BUILDINGS WITH THE PETITIONERS AT 10.20 A.M.

PRESENT

1. Hon. Jamleck Kamau, EGH, MP - Chairperson
2. Hon. Jackson Kiptanui, MP - Vice Chairperson
3. Hon. Mohammed Elmi, EGH, MP
4. Hon. (Eng.) James Rege, MP
5. Hon. Mary N. Mbugua, HSC, MP
6. Hon. Aramat Lemanken, MP
7. Hon. Racheal Amolo, MP
8. Hon. Esther Gathogo, MP
9. Hon. Fathia Mabbub, MP
10. Hon. Daniel Kazungu, MP
11. Hon. Onesmus Njuki, MP
12. Hon. James Lomenen, MP
13. Hon. William Kisang', MP

APOLOGY

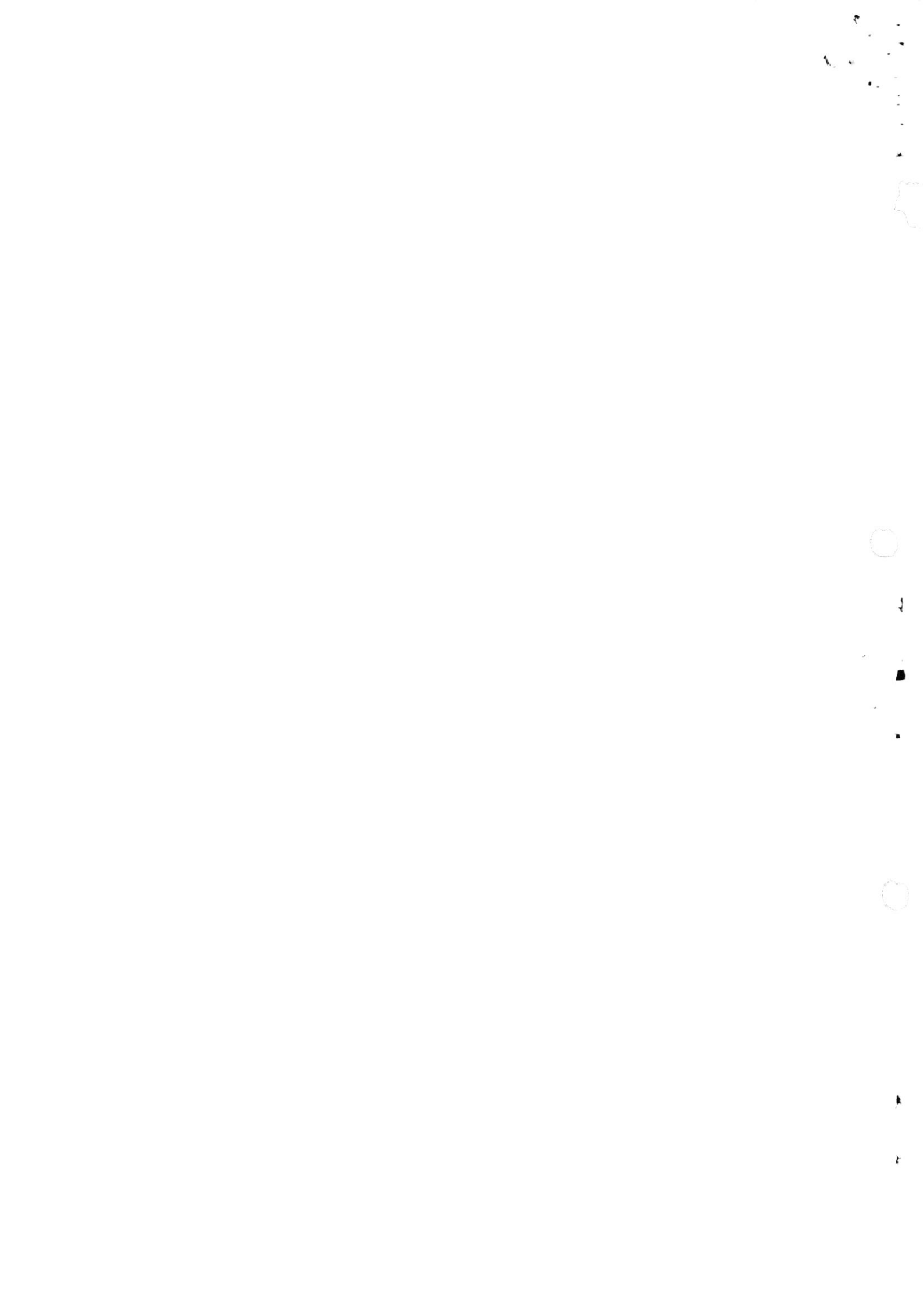
1. Hon. (Eng.) Nicholas Gumbo, MP
2. Hon. (Eng.) Vincent Musau, MP
3. Hon. Joe Mutambu, MP
4. Hon. Richard Tongi, MP
5. Hon. Arthur Papa Odera, MP
6. Hon. Banticha Abdullahi, MP
7. Hon. Nicholas Ngikor, MP
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9. Hon. Junet Sheikh, MP
10. Hon. Zebedeo Opore, MP
11. Hon. Mithika Linturi, MP
12. Hon. Ndung'u Gethenji, MP
13. Hon. Mati Munuve, MP
14. Hon. Aburi Mpuru, MP
15. Hon. Kanini Kega, MP
16. Hon. Moses Kuria, MP

COMMITTEE SECRETARIAT

1. Mr. Amos Kiangwe – Clerk Assistant
2. Mr. Abdiaziz Shobay – Clerk Assistant

INATTENDANCE

1. Hon. George Oner MP, – Rangwe Constituency
2. Mr. Collins Okendi – Petitioner
3. Mr. Job Nyagilo – Petitioner



4. Mr. Enock Kiche – Petitioner
5. Mr. Ojode Duncan – Petitioner
6. Mr. Daniel Opiyo - Petitioner

MIN. NO.102/DC-E/2015

PRELIMINARY

The Chairperson called the meeting to order at 10.20 a.m. with a word of prayer. He thereafter called for the introduction of those intendants.

MIN. NO.103/DC-E/2015

CONFIRMATION OF MINUTES

Agenda deferred

MIN. NO.104/DC-E/2015

MATTERS ARISING

Agenda deferred

MIN. NO.105/DC-E/2015

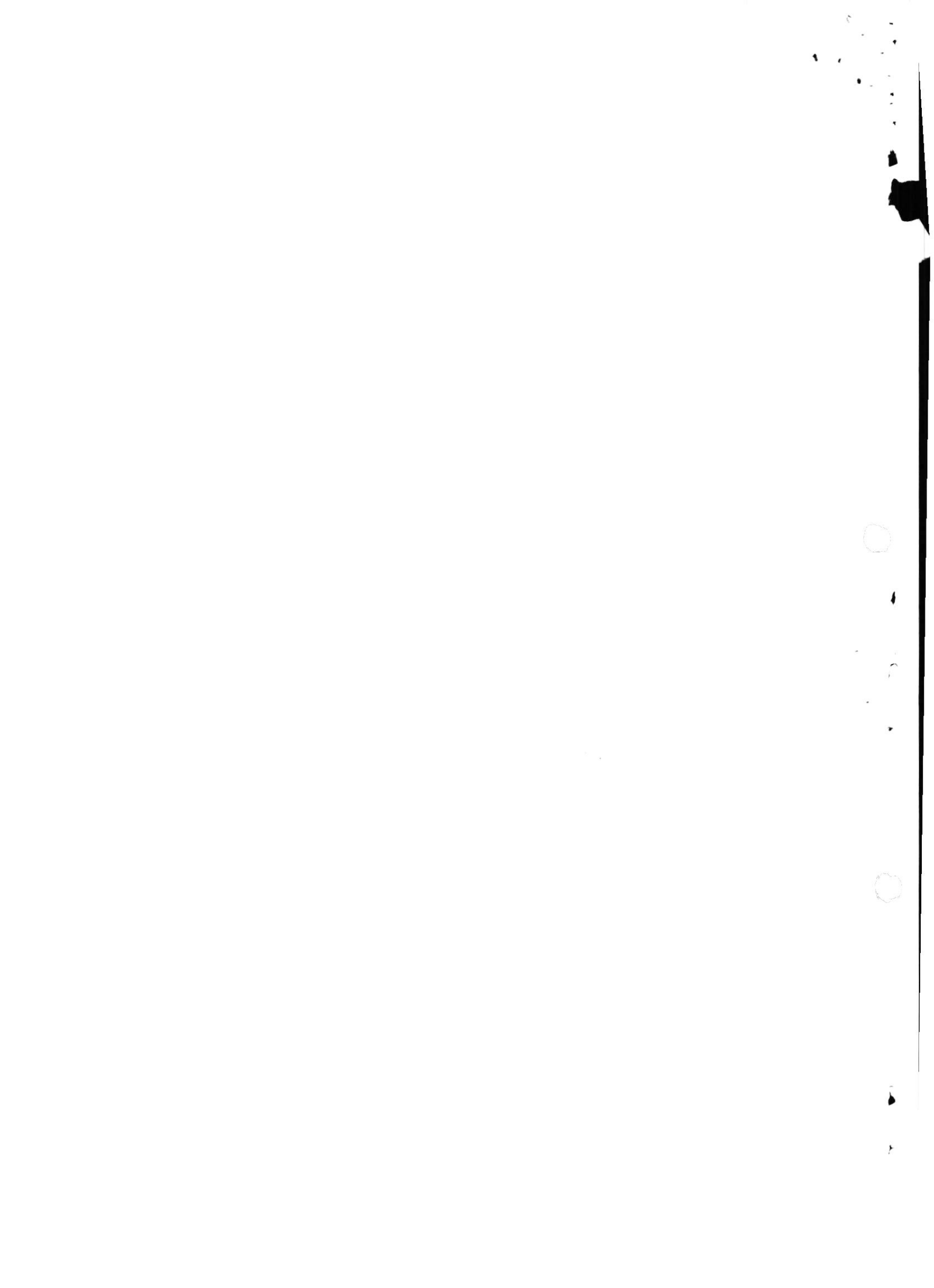
DELIBERATION ON THE PETITION  
REGARDING THE OPERATIONS OF  
GDC WITH THE PETITIONERS:

The Petitioners made their submissions as follows-

1. The petitioners informed the meeting that there is need for a special value for money audit to be carried out by an independent auditor to ascertain the loopholes in the operations and management of GDC.
2. On whether the Petitioner had given any evidence to Ethic and Anti-Corruption Commission, the petitioners informed the meeting that they have not given their evidence for review to EACC; they however expressed willingness to avail the said evidence to the EACC.
3. The meeting was also informed that GDC was misleading the Committee on the list of staff since the number of staff is higher than the number given by the Managing Director in his written submission. Evidence to that effect was tabled by the petitioners.
4. The issues raised in the petition are similar to what the Ethics and Anti-corruption Commission is investigating, pursuant to a report annexed during the presidential address to the nation and subsequently tabled before the House for debate.

Committee Resolution

1. Regarding the petitioners prayers the Committee deliberated and resolved that since the matter is before the Ethics and Anti-corruption Commission, the Committee should wait for its report before any further deliberation and further agreed to revisit the matter, if any specific prayers for the petitioners in not adequately considered by EACC .





2. The Committee deliberated and resolved to write a report on the progress made by the Committee on the petition. The Clerks were directed to act on the report urgently.
2. Regarding the operations of GDC the Committee noted that there is need for a technical advisor to be involved to appraise the Committee on the technical operations of GDC.

MIN. NO.106/DC-E/2015

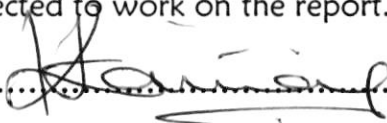
ANY OTHER BUSINESS

1. Declaration of interest by Members pursuant to the Standing Orders- resolved that there is need for Member(s) of the Committee to declare interest pursuant to Standing Orders 90, if they are directly or indirectly affected by any matter within the purview of the Committee.
2. The Committee resolved to attend the workshop organized by Kenya Oil and Gas Associations from the 24<sup>th</sup>-25<sup>th</sup> April and a workshop with the Ministry of ICT from the 7<sup>th</sup> -9<sup>th</sup> May 2015 both to be held in Naivasha.
3. On the breakfast meeting organized the ICT Authority the Committee resolved to combine their request with the Workshop to be held together with the Ministry of ICT since it is a State Corporation, under the Ministry.

MIN. NO.107/DC-E/2015

ADJOURNMENT

There being no other business for deliberation the Chairperson adjourned the meeting at 1.30pm. The next Meeting to be held on the 21<sup>st</sup> April 2014 to adopt the report on the petitions, the Clerks were directed to work on the report.

Signed..........

Hon. Jamleck Kamau, EGH, MP  
(Chairperson)

Date.....21/4/15.....



MINUTES OF THE 21<sup>ST</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON ENERGY, COMMUNICATION & INFORMATION HELD ON 21<sup>ST</sup> APRIL, 2015 IN COMMITTEE ROOM ON 4<sup>TH</sup> FLOOR CONTINENTAL HOUSE- PARLIAMENT BUILDINGS AT 10.20 A.M.

**PRESENT**

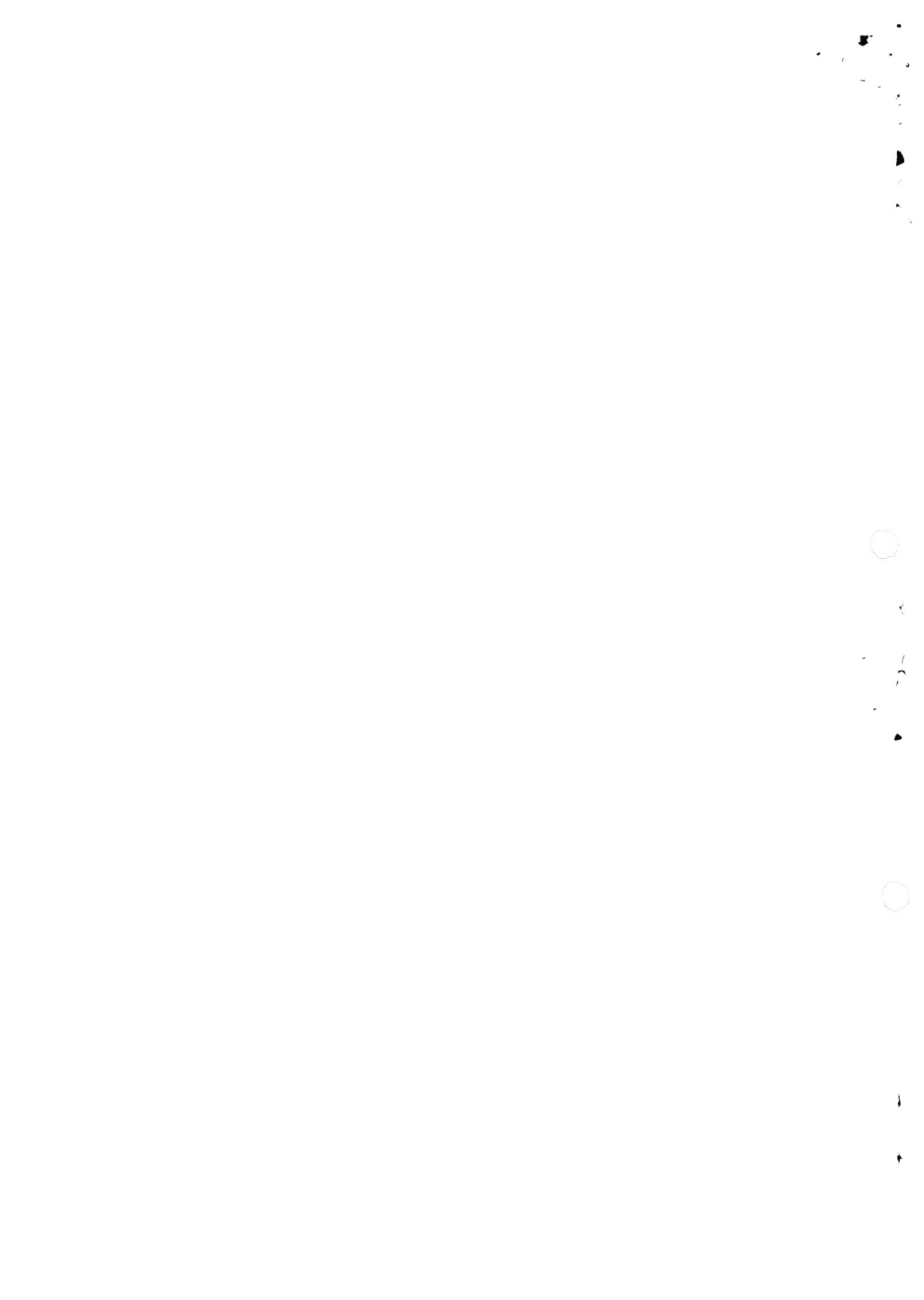
- |                                  |   |                  |
|----------------------------------|---|------------------|
| 1. Hon. Jamleck Kamau, EGH, MP   | - | Chairperson      |
| 2. Hon. Jackson Kiptanui, MP     | - | Vice Chairperson |
| 3. Hon. (Eng.) Nicolas Gumbo, MP |   |                  |
| 4. Hon. (Eng.) James Rege, MP    |   |                  |
| 5. Hon. Mithika Linturi, MP      |   |                  |
| 6. Hon. Zebedeo Opore, MP        |   |                  |
| 7. Hon. Roba Duba, MP            |   |                  |
| 8. Hon. Aramat Lemanken, MP      |   |                  |
| 9. Hon. Arthur Papa Odera, MP    |   |                  |
| 10. Hon. Racheal Amolo, MP       |   |                  |
| 11. Hon. Onesmus Njuki, MP       |   |                  |
| 12. Hon. Esther Gathogo, MP      |   |                  |
| 13. Hon. Kanini Kega, MP         |   |                  |
| 14. Hon. Daniel Kazungu, MP      |   |                  |
| 15. Hon. James Lomenen, MP       |   |                  |
| 16. Hon. Fathia Mahbub, MP       |   |                  |
| 17. Hon. William Kisang', MP     |   |                  |
| 18. Hon. Joe Mutambu, MP         |   |                  |
| 19. Hon. Mary N. Mbugua, HSC, MP |   |                  |

**APOLOGY**

1. Hon. Mohammed Elmi, EGH,MP
2. Hon. Nicholas Ngikor, MP
3. Hon. John Mati Munuve, MP
4. Hon. Banticha Abdullahi, MP
5. Hon. Richard Tongi, MP
6. Hon. Aburi Mpuru, MP
7. Hon. Junet Sheikh, MP
8. Hon. (Eng.)Vincent Musau, MP
9. Hon. Ndung'u Gethenji, MP
10. Hon. Moses Kuria, MP

**COMMITTEE SECRETARIAT**

1. Mr. Amos Kiangwe – Clerk Assistant
2. Ms. Lauren Wesonga – Clerk Assistant (Taking Minutes)
3. Mr. Abdiaziz Shobay – Clerk Assistant
4. Ms. Lorna Okatch – Researcher
5. Ms. Winnie Kizia – Media Relations Officer



MIN. NO.102/DC-E/2015

**PRELIMINARY**

The Chairperson called the meeting to order at 10.20 a.m. with a word of prayer from Hon. James Rege, MP. He then called the Meeting to deliberate on the Agenda of the day.

MIN. NO.103/DC-E/2015

**CONFIRMATION OF MINUTES**

Minutes of the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> sittings were confirmed to be true records of the proceedings of the previous meetings.

MIN. NO.104/DC-E/2015

**MATTERS ARISING**

In the 3<sup>rd</sup> sitting, the meeting had resolved to meet the Cabinet Secretary Ministry of Information, Communication and Technology and the Director General of the Communications Authority of Kenya for an in camera meeting on digital migration. The Committee Clerks were directed to organize for the meeting.

Action by  
Committee Clerks

MIN. NO.105/DC-E/2015

**ADOPTION OF THE PETITION  
REPORT REGARDING THE  
OPERATIONS OF THE  
GEOTHERMAL DEVELOPMENT  
COMPANY**

The Members agreed on the following observations and recommendations;

**Observation:**

1. Following the EACC report annexed to the Presidential Speech during the State of the Nation Address held on 26<sup>th</sup> March, 2015 on the status of corruption related cases in the country, the Committee observed that the issues raised in the petition are similar to the ongoing investigations by the EACC.

Action by  
Committee Clerks

2. The Managing Director, GDC had stepped aside to pave way for a detailed investigation by the Ethics and Anti-Corruption Commission (EACC).

**Recommendation**

The Committee recommends that the prayers raised in the petition are being addressed by the EACC and that deliberations on the matter should await the outcome of the EACC report.



The report was adopted by 19 members present and resolved to table the report before the House on **Wednesday, 22<sup>nd</sup> April, 2015 at 2.30.** The Clerks were directed to prepare the report for tabling.

Action by  
Committee Clerks

MIN.NO.106/DC-E/2015

ANY OTHER BUSINESS

1. Regarding the workshop between the Committee and the Kenya Oil and Gas Association, the Members were informed that the said workshop will take place between 23<sup>rd</sup> and 25<sup>th</sup> and planning is ongoing by the secretariat.
2. On the issues raised by Members regarding project implementation cycle with regards to commission of complete line by Kenya Power Company and the Rural Electrification Company, the meeting agreed that the Committee will go through the issues that had been raised by Members on Thursday, 23<sup>rd</sup> April, 2015 and thereafter invite REA and KPLC for a meeting on Tuesday 28<sup>th</sup> April, 2015.
3. Members were reminded to ensure that they attend Committee sittings regularly or write an apology to the Chair in case of absence. This is in line with S.O 187.

MIN.NO.107/DC-E/2015

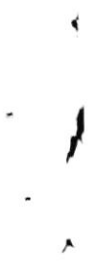
ADJOURNMENT.

There being no other business for deliberation the Chairperson adjourned the meeting at 11.25 a.m.

Signed.....

Hon. Jamleck Kamau, EGH, MP  
(Chairperson)

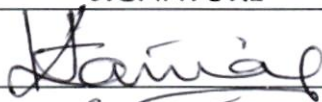
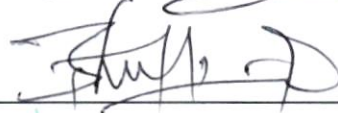

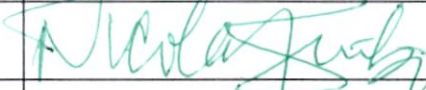


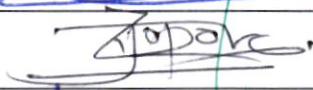



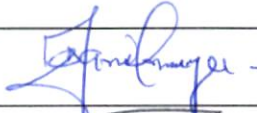





Date.....21/4/15



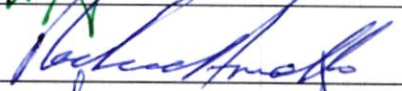

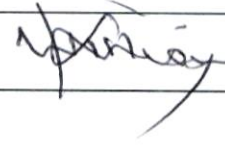




COMMITTEE ON ENERGY, COMMUNICATION AND INFORMATION

ADOPTION SHEET FOR THE PETITION REPORT REGARDING THE OPERATIONS OF THE GEOTHERMAL DEVELOPMENT COMPANY ON TUESDAY, 21<sup>ST</sup> APRIL, 2015

NO.	NAME	SIGNATURE
1	HON. JAMLECK KAMAU, EGH, MP - CHAIRPERSON	
2	HON. JACKSON KIPTANUI, MP - VICE - CHAIRPERSON	
3	HON. MOHAMMED ELMI, EGH, MP	
4	HON. (ENG.) NICOLAS GUMBO, MP	
5	HON. (ENG.) JAMES REGE, MP	
6	HON. MITHIKA LINTURI, MP	
7	HON. ZEBEDEO OPORE, MP	
8	HON. MARY N. MBUGUA, HSC, MP	
9	HON. ABURI MPURU, MP	
10	HON. ARAMAT LEMANKEN, MP	
11	HON. ARTHUR ODERA, MP	
12	HON. BANTICHA ABDULLAHI, MP	
13	HON. DANIEL KAZUNGU, MP	
14	HON. ESTHER GATHOGO, MP	
15	HON. FATHIA MAHBUB, MP	
16	HON. JAMES LOMENEN, MP	
17	HON. JOE MUTAMBU, MP	
18	HON. JOHN MATI MUNUVE, MP	
19	HON. JUNET SHEIKH, MP	

20	HON. KANINI KEGA, MP	
21	HON. NICHOLAS NGIKOR, MP	
22	HON. ONESMUS NJUKI, MP	
23	HON. RACHAEL AMOLO, MP	
24	HON. ROBA DUBA, MP	
25	HON. NDUNG'U GETHENJI, MP	
26	HON. (ENG.) VINCENT MUSAU, MP	
27	HON. WILLIAM KISANG, MP	
28	HON. RICHARD TONGI, MP	
29	HON. MOSES KURIA, MP	