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Traders selling bottled biogas illegally – ERC

Photo/ FILE



GREEN ENERGY: Kentainer projects manager Paul Madoc explains how a portable biogas system works when it was unveiled in Nakuru on March 28, 2014. Biogas cylinders are not licensed locally.

BY RICHARD MUNGAI

THE Energy Regulatory Commission has not licensed any of the bottled biogas products which are in the market, it has said.

ERC said those packaging biogas in cylinders are doing so illegally and putting consumers at risk because some of the fuel's contents are highly explosive hence pose a lot of danger if not well handled.

"The people bottling biogas need to get safety approval first," ERC director of renewable energy, Robert Oimeke told the star.

"For you to compress biogas in a cylinder you need to purify it to get 97 per cent methane gas but the people who are packaging it are not able to achieve this. So those cylinders could be very dangerous and we do not encourage consumers to buy them."

The right technology for cleaning biogas for bottling, he said, is very expensive and its currently only available in China and India.

Biogas in the conventional gas cylinder has already gone commercial in some parts of Kenya. Those in business are refilling a six-kilogram cylinder for Sh700. Refilling a similar sized cylinder for LPG costs an average Sh1,000.

State-run Kenya Industrial Research and Development Institute said it is exploring safe ways of compressing biogas in cylinders. If the trials achieve a successful concept, KIRDI said, it will be possible to commercialise the biogas produced at the Keekonyokie slaughterhouse in Kajiado County.

"Biogas is already in use domestically but commercial production is still at the proof of concept stage," lead researcher, Erastus Gatebe said.

He said the people who have commercialised biogas lack a way of measuring its chemical contents adding that only KIRDI and ERC have the analyzing equipment.

"Entrepreneurs should not bring bottled biogas to the market before getting proper certification," he said.

Genghis Capital power and gas specialist, Florence Kimaiyo said biogas despite being cheap and better in combustion, will require massive input by stakeholders in order to achieve success in the energy sector market.

"Proliferation of Biogas into LPG market share will largely depend on consumer awareness and education undertaken by distributors of the same to the low-income and middle-class households," she said.

Biogas is produced from animal and agricultural waste such as cowdung and manure.

Bolloré Africa wins wind power plant contract

BY STAR REPORTER

BOLLORÉ Africa Logistics has won a lucrative contract to provide services to Bluesea Energy which is currently setting up a 40 Megawatt wind power plant in Meru.

Bluesea Energy whose core business is in renewable power has tapped the services of Bolloré to transport 27 massive wind turbines from

the port of Mombasa to Ntubiri in Meru. This comes after the company obtained a power generation licence last year, setting the stage for the start of the project.

Bolloré's East Africa region CEO, Jason Reynard said: "We have been partners of similar industrial projects in Eastern Africa in the last decade and rest assured that your investment is in capable

hands."

The turbines are extraordinary in dimension and require specialised vehicles and equipment.

The turbine's tower measures 4.6m in diameter, its nacelle, which houses the generating components of the turbine, weighs 52 tonnes while a single blade is 23.2m long. The project is expected to commence this month.

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AFRICA MUST ADOPT BETTER RISK MANAGEMENT OF RESOURCES

One of my tried and trusted 'proxy' economic indicators is the traffic. I have had to leave earlier and earlier from Windsor in Kiambu every morning as the traffic volume spikes higher. Consider what happens if the price of super petrol now at Sh92 and change falls to Sh60 a litre, which is where it should be now. Crude oil in New York spiked +6.75% higher Friday to close at \$48.24 but this same contract was above a \$100 a barrel in June 2014. My more constructive outlook for Kenya in 2015 (and bear in mind we are having to hurdle a very soft tourism sector) is informed by this fall in the price of fuel, which will produce a seriously meaningful "grass-roots" stimulus as 41million Kenyans experience the boost of having some spending power this year. In fact, while you cannot eat GDP you can 'eat' a lower fuel price. President Reagan spoke of "trickledown" economics, many years ago. As I spot more and more Peugeot 504s on the road, I am in fact watching "trickledown" I am not optimistic about my commute. If you model the Kenyan economy like I do, You will note the economy outperforms under these conditions as it did in 2006 and 2007.

The appointment of Zimbabwean President Robert Mugabe (who turns 91 in February - and consider that the median average in Sub Saharan Africa is about 18.6, therefore 91/18.6 = 4.89 times which is surely a factor that is so extreme its off the charts) as chairman of the African Union caught my attention as it did catch the attention of everyone on social media (social media allows me to measure the real time pulse) especially as he had to be jogged awake. President Mugabe made a typical 'fire-brand' speech vowing to protect the continent's resources from "imperialists and colonialists."

Mugabe thanked God for recent oil finds in Africa that the "blind eyes of colonialists could not see."

"African resources should belong to Africa and to no one else, except to those we invite as friends," Mugabe said. "Friends we shall have, yes, but imperialists and colonial-

ists no more. Africa is for Africans."

And I thought to myself; Mr. African Union president you are missing the point entirely and a little like President Putin missed the point as the 21st century oil warfare specialist Barack Obama took Russia and the ruble to the cleaners. The word clueless springs to mind and let me explain why. For at least three years through June 2014, the price of Nymex crude oil averaged between \$90 and \$100 Nigeria, Angola, South Sudan and all the oil producing economies had an opportunity to lock in those prices on a forward basis at \$90-plus for a number of years.

I am of the opinion that not one African country did this. Its absolutely frightful risk management. And that is the point. In an increasingly sophisticated and complex financial World, the folks charged with managing our precious resources, they have failed at the very first hurdle and chatter about "imperialist and colonialists" is just a smokescreen.

Vladimir Putin was always the target of this oil warfare but so where the peripherals. The shale boys in North America are still standing and only because they hedged.

Bloomberg headlined a story "Africa oil boom on hold" last week. Its worth reading because it re-affirms what the share price action of the explorers is telling us. Tullow Oil PLC has slumped -53.08 per cent over the last 12 months, Africa Oil -70.92 per cent, and Afren -96.43 per cent (which Fitch Ratings yesterday saying that "default is imminent.") over the same period. If these shares were listed at the Securities Exchange, they would be the worst three performing shares bar none.

East African oil exploration has actually buckled.

"For Africa to revive the momentum of its oil and gas industry, governments need to look at the terms they offer explorers and adapt them to reflect lower prices" Tullow chief executive officer Aidan Heavey said.

The open question is when these governments will do this and hopefully before what has happened to Afren "default is imminent" happens to the entire sector.

Shares go up and down and readers are advised that this column represents Mr Satchu's personal opinions.