

Projects & Energy



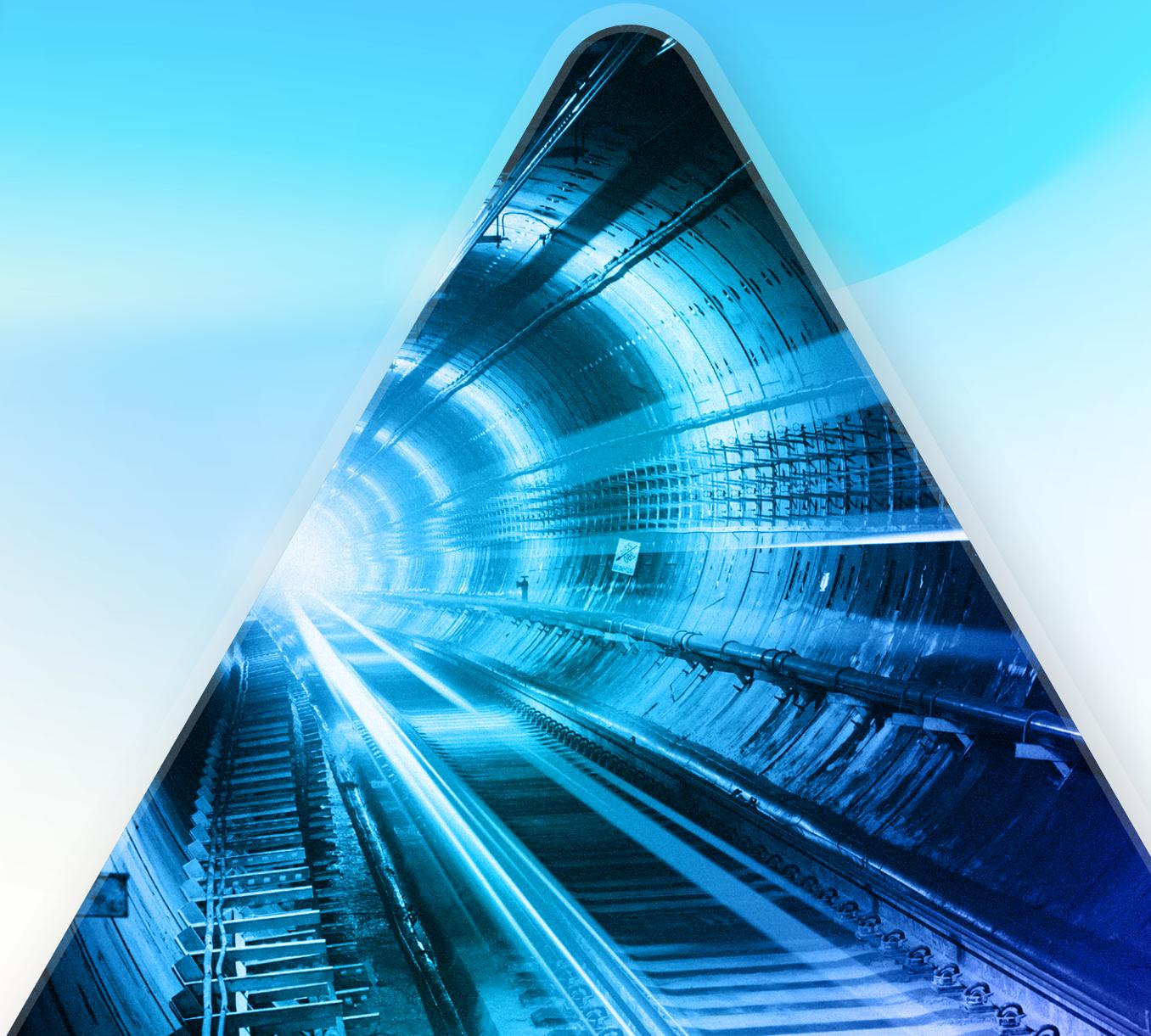
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Kenya

- Insights from Kenya's Energy (Biofuels) Regulations, 2025



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Insights from Kenya's Energy (Biofuels) Regulations, 2025

Bioenergy is an important component of Kenya's energy system. Data from [the Ministry of Energy's Bioenergy Strategy 2020–2027](#) indicates that it contributes approximately 68% of the country's final energy demand, particularly for cooking and heating. The strategy further highlights that about 74.7% of Kenyans rely on biomass as their primary source of energy, mainly for cooking. Despite this significant contribution and widespread dependence, bioenergy has historically received limited policy and regulatory attention.

Within the broader bioenergy landscape, biofuels such as bioethanol, biodiesel and biogas represent a more modern and commercialised segment. Unlike traditional biomass, biofuels can be produced, standardised and distributed within formal markets, and are increasingly viewed as a cleaner and more efficient alternative for a range of energy uses.

It is against this background that the Energy (Biofuels) Regulations, 2025 (Regulations), which came into force on 16 December 2025, assume particular significance. The Regulations establish a comprehensive framework for regulating the biofuels sector in Kenya. They apply across the entire value chain, including the production, importation, exportation, transportation, storage, packaging, blending, distribution and sale of bioethanol, biodiesel and biogas. Their overall objective is to promote the adoption of biofuels by setting clear and consistent standards. In doing so, they support a gradual transition from traditional biomass reliance towards a more structured and sustainable bioenergy framework.



Construction permits for biofuel facilities

The Regulations introduce a mandatory requirement to obtain a construction permit from the Energy and Petroleum Regulatory Authority (EPRA) before developing any biofuel production facility. This requirement is subject only to narrow exemptions for very small-scale operations, such as biogas plants producing less than 30 cubic metres and biodiesel plants producing less than 100 litres per month. Applications must be submitted in the prescribed form together with the applicable fees, and EPRA is required to determine them within 45 days, providing reasons where an application is rejected.

The construction permits issued are valid for two years and may be extended for a further two years where construction is still ongoing. However, EPRA retains the power to suspend or revoke a permit for non-compliance with its terms. In practice, obtaining a permit is likely to be a detailed and document-intensive process. Applicants must submit, among other things, proof of land rights, planning approvals, an environmental impact assessment licence, feasibility studies and detailed engineering designs. These requirements are likely to have a material impact on project planning and timelines.

Licensing of biofuels activities

The Regulations prohibit any person from undertaking biofuel-related activities, including production, importation, transportation, storage, blending, distribution and sale, without a valid EPRA licence, subject to the same limited small-scale exemptions applicable to construction permits.

Three categories of licences are established: Category D for biodiesel, Category E for bioethanol and Category G for biogas. Applications must be made in the prescribed form and EPRA is required to determine them within 30 days. Licences are valid for one year and must be renewed prior to expiry, failing which additional costs may arise. The Regulations also require EPRA approval for licence transfers and variations.

EPRA may suspend or revoke a licence where there is a breach of the Regulations or licence conditions but must first issue a notice to show cause and provide the licensee with an opportunity to respond. This procedural safeguard is significant, particularly in light of the emphasis Kenyan courts place on fairness in administrative decision-making.



Technical standards and operational requirements

The Regulations mandate compliance with the applicable Kenya Standards and set out detailed technical and operational requirements in accompanying schedules. These requirements cover the design, construction, operation and maintenance of biogas facilities, as well as safety, environmental protection, packaging, labelling and product specifications.

Biogas operators are required to conduct risk assessments and evaluations before conducting biogas projects and report any accidents relating to transportation of biogas to EPRA within 48 hours, while biodiesel operators must comply with blending specifications and labelling requirements. Bioethanol operators are also subject to strict labelling and safety obligations, including requirements relating to hazardous substance warnings and end-user training. Operators should therefore treat these technical provisions as enforceable obligations rather than general guidance.



Reporting and record-keeping

The Regulations impose ongoing reporting and record-keeping obligations on licensees. Each licensee is required to submit monthly reports to EPRA detailing quantities of biofuels produced, imported, exported and sold, as well as information on product origin, destination and feedstock used. In addition, records must be retained for at least five years.

EPRA is also required to publish quarterly data on biofuel production, demand and supply. These measures create a continuous compliance obligation for all licensed entities in the biofuels value chain.

Enforcement and dispute resolution

EPRA is granted broad enforcement powers under the Regulations, including the authority to inspect facilities and issue compliance orders requiring corrective action within specified timelines. Non-compliance may result in regulatory sanctions, including suspension or revocation of licences.

The Regulations also create offences, including operating without the required permit or licence and providing false or misleading information. Disputes arising under the Regulations are to be referred in the first instance to EPRA under the applicable dispute resolution framework, with appeals lying to the Energy and Petroleum Tribunal.

Transition period

The Regulations provide a transition period of one year for existing biofuel businesses to achieve compliance. This makes it essential for operators to undertake early assessments of their current operations and identify any gaps that may need to be addressed within the transition window.

Conclusion

The Energy (Biofuels) Regulations, 2025 represent a significant development in the regulation of the biofuels sector in Kenya. Businesses operating in this space will need to focus on immediate requirements, such as securing licenses, meeting technical requirements and implementing robust reporting systems. More broadly, the Regulations signal a strong policy commitment to integrating biofuels into Kenya's energy mix.

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Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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