

PRESS RELEASE

Kenya Emerges as Solar PV Hot Spot

25 February 2015, Nairobi, Kenya... A 2014 study by M-KOPA Solar and InterMedia shows that Kenya has emerged as a hot spot for off-grid solar, with 14% of the population surveyed using solar as their primary lighting and charging source. Kenya Power calculates that 30% of the population has access to the grid, which leaves up to 56% still relying on kerosene, batteries and candles.

By comparison to other African markets, Kenya is a leader for off-grid power. The most recent Africa-wide study by Lighting Africa in 2012 showed that the penetration of 'pico-powered' lighting systems (solar and wind-up) in Africa's 115-120 million off-grid households was estimated to be just 4%.

Jesse Moore, Managing Director and Co-Founder M-KOPA says, "Off-grid solar is a vital part of Kenya's energy mix. This market has been ignited by new and improving solar equipment, and much of it has been made affordable to the mass market by pay-as-you-go offerings or other consumer financing models."

M-KOPA has connected over 140,000 homes in Kenya to solar power in the past two years, plus 20,000 more in Uganda and Tanzania. The Nairobi-based company partnered with Safaricom in late 2012 to launch the first commercial offering, globally, that combines mobile payments with GSM sensor technology to sell solar power systems to households on a daily payment plan.

Jesse Moore says, "We've developed solar home systems to power lighting, phone charging and radio. Being able to provide this on a payment plan that was on average 40% cheaper than kerosene, batteries and candles was what has enabled us to build scale – to the point we're now connecting 500 or more homes a day."

The M-KOPA and InterMedia study surveyed 300 households across Kenya. It also looked at what consumers were spending on their energy consumption. Off-grid homes, without solar, are spending on average Ksh 24,820 (US\$ 272) per annum with 55% of this on kerosene. The balance is spent on batteries, third party phone charging, torches and candles.

Jesse Moore says, "The Kenyan solar category has grown quickly because consumers are being offered more and more solar options at different price points and with affordable payment options. Much of this is enabled by the convenience of mobile money, especially M-PESA. Making solar affordable has had a positive impact on people's lives and savings, though we believe that the scale and impact will grow many times over in the coming years."

Most off-grid homes in Kenya are classified as low income, with average per capita annual incomes of Ksh 66,430 (US\$ 730). Solar providers in Kenya have been successful at creating products and payment options that work financially and practically for these consumers. The M-KOPA and InterMedia study calculates that the total annual energy spend by consumers in Kenya is now valued at over Ksh 150 billion (US\$ 1.3billion).

Jesse Moore concludes, "In many markets around the world, solar is seen as something of a luxury. In Kenya, this has been turned on its head. Solar is giving millions of people an essential foot on the energy ladder and helping them save money. The entire solar industry in Kenya is focused on improving customer offerings and powering up many more homes. At M-KOPA alone, we expect to power at least a million homes in 3 years time."

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About M-KOPA

M-KOPA Solar, headquartered in Nairobi, Kenya, is the market leader of 'pay-as-you-go' energy for off-grid customers. Since its commercial launch in October 2012, M-KOPA has connected more than 150,000 homes in Kenya, Tanzania and Uganda to solar power, and is now adding over 500 new homes each day.

The success of M-KOPA stems from making solar products affordable to low-income households on a pay-per-use installment plan. Customers acquire solar systems for a small deposit and then purchase daily usage "credits" for US \$0.45, or less than the price of traditional kerosene lighting. After one year of payments customers own their solar systems outright and can upgrade to more power.

All revenues are collected in real-time via mobile money systems (such as M-PESA in Kenya) and embedded GSM sensors in each solar system allow M-KOPA to monitor real time performance and regulate usage based upon payments. This connected design means that M-KOPA is processing vast amounts of data (i.e. over 10,000 mobile payments per day) via the company's proprietary cloud platform, M-KOPAnet.

As of January 2015 M-KOPA employs over 500 full time staff across East Africa and sells through a network of 1,000 direct sales agents. It has also commenced licensing its technology to partners in other markets.

M-KOPA has been recognised for its pioneering business model and scale, notably winning the 2015 Zayed Future Energy Prize, being selected as the top New Energy Pioneer at the 2014 Bloomberg New Energy Finance awards and earning the 2013 FT/IFC Excellence in Sustainable Finance Award.

About Intermedia

InterMedia is an independent, global consultancy specializing in strategic research and evaluation. Since 1995, the company's quantitative and qualitative research alone has engaged 1.4 million respondents in more than 100 countries, including many of the world's most challenging places. InterMedia's work supports the development initiatives of international development agencies and philanthropic foundations, media, government agencies engaged in strategic communications and conflict resolution, and commercial firms. InterMedia helps its clients understand and enhance the impact of policy, programs and investment in the 21st century's rapidly evolving economic, social and technological environments. InterMedia's offices are located in Washington, DC, and Nairobi, Kenya.

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