



Our Ref:SL/LCP/GE/1

The Chairman,  
Save Lamu  
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**LAMU**  
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16 January 2019

The Director  
General Electric Company  
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CORPORATE HEADQUARTERS  
(617) 443-3000  
[https://www.ge.com/ar2016/assets/pdf/GE\\_AR16\\_CorporateInfo.pdf](https://www.ge.com/ar2016/assets/pdf/GE_AR16_CorporateInfo.pdf)

Dear Sir/ Madam,

**RE: REQUEST FOR INFORMATION AND CLARIFICATION ON THE  
EXTENT OF GENERAL ELECTRIC'S INVOLVEMENT IN THE PROPOSED  
1,050 MW COAL FIRED POWER PLANT IN LAMU**

The above matter refers.

We are a community-based organization working with over 30 organizations representing diverse communities in Lamu, Kenya, who will be directly affected by the proposed Lamu Coal Plant. On behalf of these organizations and the communities they represent, we write this letter to request information surrounding the involvement of your company, General Electric, in the proposed 1,050 MW Gross/981.5 MW Net Coal-fired Super-critical Thermal Power Plant being implemented by Amu Power (the "**Project**").

Amu Power,<sup>1</sup> a special purposed joint venture of two companies, Century Investments and Gulf Energy, was incorporated in 2013 for the purpose of developing the proposed 1,050 MW coal fired power plant in Kwasasi area, Hindi Division of Lamu County, approximately 21 km from UNESCO World

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<sup>1</sup> See <http://www.amupower.co.ke/about.html>.





### **SAVE LAMU**

Recent media reports, as well as releases from project developers and public statements from Amu Power, announced that GE has bought an equity stake in Lamu coal plant from Gulf Energy, to the tune of KES40bn, offering its more advanced ultra-supercritical clean coal technology to the project. (***Refer to Annex I: the reference list of all reports and media posts on the GE agreement with Amu Power***).

The press release from May 2018, was jointly released by General Electric, Amu Power, Centum Investments, and Gulf Energy, and received widespread media attention in Kenya. This joint release provided considerable detail of signing of the deal, explained the implications of the newer technology, and drew comparisons to existing ultra-supercritical coal plant models.<sup>4</sup> For months after the initial announcement, Amu Power extolled the benefits of its new partnership with General Electric. Amu Power's social media widely promoted the deal's ultra-supercritical technology as "clean coal", which followed public opposition and concerns about the project.

The original proposal for Lamu Coal Plant, which was evaluated in the project's environmental impact assessment, included 3 x 350 MW supercritical boilers.

The deal with GE would change the coal plant design so that the boilers operate at ultra-supercritical pressure/temperature conditions. Ultra-supercritical is only marginally more efficient than supercritical.<sup>5</sup> Although ultra-supercritical technology would somewhat improve the plants efficiency, this major change in the project design, coming after the EIA has been approved, must be evaluated and - at the very least - the EIA supplemented, since it alters the Lamu coal plant project's economic and environmental calculations. In this event, GE's deal would need to be factored into the

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<sup>4</sup> 'Amu Power signs Clean Coal Technology Agreement with GE'  
<http://www.centum.co.ke/index.php/2015-10-21-05-04-41/news/395-amu-power-signs-clean-coal-technology-agreement-with-ge> 16 May 2018.

<sup>5</sup> <https://www.ecofys.com/files/files/ecofys-2016-incompatibility-of-hele-coal-w-2c-scenarios.pdf>





### **SAVE LAMU**

Heritage site, Lamu Old Town.<sup>2</sup> Currently, Amu Power is providing the equity financing, and the majority of the debt financing is to be provided by the Industrial and Commercial Bank of China (ICBC).<sup>3</sup>

As you may be aware, the coal plant has been opposed by Save Lamu (the 'Petitioners') who have since filed an Appeal to the National Environment Tribunal Appeal case 196/2016 *Save Lamu and Others Vs Amu Power Company Ltd and National Environment Management Authority (NEMA)* challenging the granting of an Environmental Impact Assessment Licence by NEMA, the Kenyan environmental regulator, to the project developer. The case is ongoing.

The backdrop to the appeal is a flawed process in which Kurrent Technologies Ltd, appointed by Amu Power to conduct an Environmental and Social Impact Assessment Study, contravened constitutional and legal provisions that guide the conduct of this process. Besides the lack of adequate public participation, other key objections to the grant of the licence which violate provisions of the law include weak economic justifications for the plant; significant misrepresentation of air quality data to downplay the health impacts to the affected population; adverse climate change impacts; cumulative impacts of several development projects taking off in the area; and the potential pollution of the water sources and marine environment surrounding the plant. These objections and implications are attributed to the intended use of older, less efficient, and dirtier "supercritical technology" to run the plant. All official public project documents, including the environmental and social impact assessment (ESIA) report and the Power Purchase Agreement, consistently detail the plant's plans to use supercritical technology.

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<sup>2</sup> The proposed development project originates from a 2013 Prospectus published by the Ministry of Energy and Petroleum in which the Ministry, through a fast-tracked power generation programme, sought to increase generation capacity by over 5,000MW in 40 months.

<sup>3</sup> See <http://www.icbc-ltd.com/icbc/en/newsupdates/icbc%20news/ICBC%20Arranges%20Financing%20for%20the%20Largest%20Power%20Plant%20Project%20in%20Eastern%20Africa.htm>





## SAVE LAMU

project's environmental and social impact assessment and evaluated by the National Environmental Management Authority.

However, despite project developers' public announcement of an agreement with General Electric, Amu Power has announced that there is no deal with GE, implying that the flagship US corporation is not involved in Lamu coal plant project. Amu Power's attorney, Mr. Masika, categorically stated to the Tribunal during the National Environmental Tribunal (NET) hearings on 6 September 2018 that there are "no signed agreements with General Electric at all". (*Refer to Annex III, the National Environmental tribunal Record of Proceeding on 6<sup>th</sup> September 2018 at p. 151-152*). In making this statement in court, Amu Power confirmed that its original plans for Lamu coal plant hold and thus there is no need to consider the implications of any GE deal on the project.

Given this contradicting information in the public domain, we are interested in learning more about General Electric's involvement in the proposed Lamu Coal Plant project, and particularly to seek a clarification on whether General Electric has indeed signed an agreement with Amu Power to supply a more advanced ultra-supercritical "clean coal" technology to the project for an equity stake in Lamu coal plant from Gulf Energy, to the tune of KES40br

Thank you very much for your time in responding to this inquiry. We look forward to receiving more detailed information regarding the above as soon as possible.

Yours faithfully,

Abubakar Mohammed

Chairperson, Save Lamu

## ANNEX I: REFERENCE LIST

### WEBSITE ARTICLES





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Correspondent. (17<sup>th</sup> May, 2018). 'General Electric In Shs 40 Billion Deal With Centum To Build The Lamu Coal Plant'. *Business Illustrated*. Retrieved from: <https://businessillustrated.co.ke/corporate/tech/general-electric-shs-40-billion-deal-centum-build-lamu-coal-plant/>. Accessed 23<sup>rd</sup> Aug. 2018.

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## SAVE LAMU

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## SOCIAL MEDIA POSTS

### Facebook

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### **SAVE LAMU**

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