

Key contacts



Dayo Okusami
Partner and Co-Head,
Energy and Natural Resources
dayo.okusami@templars-law.com



Yemisi Awonuga
Partner and Co-Head,
Energy and Natural Resources
yemisi.awonuga@templars-law.com



Desmond Ogba
Partner,
Finance, Energy and Natural
Resources
desmond.ogba@templars-law.com

TEMPLARS Transcripts: Energy & Natural Resources Digest

Oil and Gas

Nigeria

❖ NUPRC Reviews New Regulations to Guide Compliance, Enforcement in Upstream Operations

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has initiated the review of new regulations aimed at providing guidance to upstream operators in the oil and gas industry, ensuring compliance with global standards and addressing administrative and enforcement issues. During the 2nd segment of the 4th Phase Consultation Forum with Stakeholders, the NUPRC emphasized the importance of ethical standards for licensees and leases involved in upstream operations. The regulations under consideration include the Draft Upstream Petroleum Code of Conduct and Compliance Regulations, Draft Upstream Petroleum (Administrative Harmonization) Regulations, and Draft Amendment to the Nigerian Upstream Petroleum Host Communities Development Regulations 2023, with two being new regulations.

The regulations aim to establish a framework for acceptable industry conduct, considering the inherent risks in petroleum operations globally. Specifically, the Upstream Petroleum Administrative Harmonization Regulations address the coexistence of the old Petroleum Act and the PIA, preserving the rights of licensees and leases.

❖ **NCDMB Launches New Nigerian Content Reporting Template for the Oil and Gas Industry**

The Nigerian Content Development and Monitoring Board (NCDMB) has launched a new Monitoring and Evaluation Reporting Template for stakeholders in the country's oil and gas industry. The template, presented by the NCDMB, aligns with the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010 and the Nigerian Content 10-Year Strategic Roadmap.

The unveiling took place during a sensitization workshop organized by the NCDMB's Monitoring and Evaluation Directorate in Lagos. The objectives of the workshop include addressing reporting challenges, introducing new templates, and preparing for automation. The new template aims to enhance the monitoring and evaluation framework, simplify reporting templates, and encourage stakeholder cooperation to achieve the 70% Nigerian Content target outlined in the Nigerian Content 10-Year Strategic Roadmap by 2027. **Stakeholders are encouraged to provide feedback on the template, with the assurance that their comments will be considered before the template is finalized and implemented.**

The overarching aim is to streamline reporting processes and enhance Nigerian Content in the oil and gas industry. Others are procedures for advertisements, Invitation to Tender, Nigerian Content Plan, commercial submissions, and the Nigerian Content Compliance Certificate.

❖ **NUPRC To Enforce Crude Supply Obligations to Local Refineries**

NUPRC has announced its intention to enforce crude supply obligations to local refineries.

Section 109 of the Petroleum Industry Act 2021 (PIA) mandates the NUPRC to allocate domestic crude oil supply obligations based on the national crude oil demand requirement supply curve to respective lessees. The NUPRC affirmed its commitment to enforcing all aspects of the PIA, urging crude oil producers to consistently provide details on their committed and uncommitted barrels for enhanced transparency and accountability within the industry.

Additionally, it was noted that the PIA grants the NUPRC the authority to penalize any industry player found in violation of regulations related to domestic crude oil supply obligations.

❖ **Niger Govt, NNPC Sign Greenfield Hydroelectric Power Project**

Niger State and the Nigerian National Petroleum Corporation Limited (NNPCL) have entered into a pivotal Memorandum of Understanding (MOU) to advance key developmental projects. The MOU, signed on Tuesday, centered on industrialization, agriculture, and solar initiatives. Notable components include a Greenfield Hydroelectric power project, mega solar parks in institutions, and the implementation of home solar systems for 250,000 households, forming part of a broader plan targeting 800,000 households.

Underscoring the collaboration's comprehensive nature, emphasis was placed on the establishment of a 500 million-litre Ethanol Plant. Furthermore, the initiative

includes the cultivation of maize, sugarcane, and sweet sorghum on a substantial 100,000 hectares of land to yield over 500,000 tons of crops, serving as essential inputs for the ethanol plant. NNPC further emphasized its commitment to clean energy in Africa and its pivotal role in converting such energy sources for national prosperity.

Energy Transition

❖ **NSIA And IFC Launch US\$500 Million RIPLE Initiative for Clean Energy Transition**

The Nigeria Sovereign Investment Authority (NSIA) has launched a US\$500 Million initiative called the Renewables Investment Platform for Limitless Energy (RIPLE) in collaboration with the International Finance Corporation (IFC). The project aims to accelerate Nigeria's transition to clean energy sources, redefine the energy landscape, and address climate change threats. RIPLE is expected to promote energy-efficient solutions, enhance productivity, reduce carbon footprint, expand energy access, improve energy efficiency, and ensure energy security.

The first phase of RIPLE will be implemented within the Tokarawa Industrial Hub in Kano State, focusing on setting up a generation and distribution system to meet 70MW of unsuppressed energy demands. This encompasses industrial activities, commercial enterprises, and residential customers, covering approximately 9,000 connections. Positioning the expected outcomes, the project aims to deliver a reliable power supply, reduce greenhouse gas emissions, and decrease dependence on fossil fuels. This is anticipated to contribute to improved quality of life, productivity, and economic growth in Nigeria.

Ghana

❖ **Modern Auto Gas Stations Inaugurated Across Key Regions in Ghana in line with Energy Transition Pathway**

GOIL PLC ("GOIL"), a state-owned Ghanaian oil and gas marketing company, has recently inaugurated five cutting-edge Auto Gas stations across strategic regions in Ghana - a milestone achieved through a collaboration with South Korea's Yooju Engineering and Construction Limited. These stations are located in the Greater Accra Region, Central Region, Western Region, and Ashanti Region.

These Modern Auto Gas Stations are designed in accordance with current construction procedures and international safety standards, deploying Gas Leakage Detection Alarms and Automated and Emergency Shut-Off Valves, among others. These safety features minimize the risk of LPG leaks and resultant explosions and fires to the barest minimum.

This initiative by GOIL aligns with Ghana's cylinder recirculation module ("CRM") policy. The CRM policy, aimed for full implementation by 2030, aims to extend safe, clean, and environmentally sound liquefied petroleum gas access to 50% of the Ghanaian population. GOIL's investment in these modern Auto Gas Stations further aligns with Ghana's just energy transition pathway to achieving a net-zero status.

❖ **Ghana Government's Proposal for Automatic Adjustment Formula in Energy Sector Levies**

The Government of Ghana has announced plans to introduce an automatic adjustment formula for the rates of the Special Petroleum Tax, Energy Sector Levies, and Excise Duty. This initiative is part of a concerted effort to streamline and optimize the efficiency of the country's tax system as outlined in the Medium-Term Revenue Strategy for the years 2024-2027.

The proposed automatic adjustment formula is designed to establish a more dynamic and responsive tax structure, ensuring that these key indirect taxes remain in sync with economic changes and fluctuations. This would enable the Ghana government to maintain revenue levels while minimizing the need for frequent manual adjustments.