

NMDPRA - MAXIMISING DOMESTIC GAS VALUE CHAIN

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In March 2021, President Muhammadu Buhari launched the Decade of Gas programme, an initiative to transition Nigeria to the status of a major exporter of gas.

The Federal Government's policy aims to exploit its vast gas reserves to ensure that Nigeria is not just a consuming nation but a big player on the international scene. The initiative, coming on the heels of the National Gas Expansion Programme (NGEP), which seeks to expand domestic use of LPG, autogas and energy penetration, is one of the key strategies the Buhari administration hopes to apply in ensuring the optimal maximization of Nigerian oil and gas resources.

At the World Gas Conference, which was held in South Korea, discussions were held between Nigerian government officials and a foreign firm about the possibility of signing an agreement to construct an LPG vessel to boost the supply of LPG in the country.

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) as the regulatory agency of the midstream and downstream sectors of the Nigerian petroleum industry, is fine-tuning strategies to actualize the decade of gas policy. One of these strategies is the formulation of policies that bring into alignment the key objectives of the Nigerian government with the existing capacities within the sector.

Engr. Farouk A. Ahmed, Authority Chief Executive (ACE) of NMDPRA, says the Authority, as stipulated by the Petroleum Industry Act (PIA), has unfolded 10 draft regulations to be released later. The regulations, drafted in consultation with industry stakeholders were later reviewed at a four-day workshop.

Speaking at the review of the regulations, Engr. Ahmed said the priority of the NMDPRA, will be to ensure these regulations are primary enablers of the Federal Government's "Decade of Gas initiative and will help catalyse investment and enhance the attractiveness of the domestic gas value chain'.

Chairman of the Governing Board of NMDPRA, Mr. Idaere Ogan, said the Authority is willing to actively involve stakeholders before churning out regulations.

The Minister of State for Petroleum Resources, Chief Timipre Sylva, who decried the poor situation of the petroleum industry, said: "Whilst noting that the current state of our local energy landscape is dire and is in need of ingenious solutions, we have an opportunity to ameliorate the situation through these sets of regulatory instruments.

The Minister further said being the first stakeholders' consultation by NMDPRA, the regulatory instruments will meet present and future aspirations of the government for more investments in the sector.

Speaking for the Senate Committee on Downstream, Senator Philip Aduda, said these secondary regulations will complement the PIA in unlocking the potential of the sector.

Three syndicate groups reviewed the draft regulations and presented feedback.