

Navigating Energy Transition in Nigeria: Assessment of the Upstream Petroleum Decarbonisation Template

The global energy landscape is indeed undergoing a transformative shift as nations strive to balance their energy needs with environmental stewardship. In this context, Nigeria is emerging as a proactive player by implementing frameworks to align its oil and gas sector (particularly its upstream oil and gas operations) with global energy transition goals. Notably, the Nigerian Upstream Petroleum Regulatory Commission (“NUPRC”) recently issued the Upstream Petroleum Decarbonisation Template (“UPDT”) and this further underscores Nigeria’s growing commitment to the global energy transition imperatives.



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Decarbonisation in Nigeria's Upstream Sector

The UPDT is a regulatory tool designed to promote sustainability and reduce the environmental impact of upstream oil and gas operations. It is a cornerstone of Nigeria's pledge to achieve net zero emissions by 2060, in line with the global push for cleaner energy.

Key mandates of the UPDT include:

- 1 Reducing Greenhouse Gas (GHG) Emissions:** Operators are required to establish measurable and time-bound GHG reduction targets.
- 2 Implementing Low-Carbon Technologies:** Companies must adopt energy-efficient technologies and renewable energy sources in their operations.
- 3 Eliminating Routine Flaring and Venting:** Compliance with the Gas Flaring, Venting, and Methane Emissions Regulations, 2023, is a mandatory requirement.
- 4 Carbon Management and Monetisation Initiatives:** Companies are encouraged to explore carbon capture, storage, and offset projects as well as nature-based solutions.



From Policy to Practice: Bridging the Gap

The implementation of the UPDT begins in January 2025, becoming an integral part of licence applications and operational approvals. This proactive approach integrates decarbonisation strategies across all facets of upstream operations, including field development plans, drilling activities, and facility engineering.

The NUPRC's support mechanisms, such as capacity-building programs and workshops, will aid operators in seamlessly adapting to these requirements. These measures ensure compliance without imposing undue burdens on stakeholders, positioning the sector for sustained investment and growth.



Benefits of the Decarbonisation Template

- 1 Global Competitiveness:** By aligning with Environmental, Social, and Governance (ESG) standards, Nigeria's upstream sector can attract sustainable investments and projects financing.
- 2 Energy Security:** Incorporating renewables and reducing emissions enhances the long-term viability of the energy sector.
- 3 Economic Opportunities:** Decarbonisation initiatives can spur innovation, create jobs, and unlock new revenue streams through carbon monetisation.





A Balanced Approach to Energy Transition

The introduction of the UPDT reflects Nigeria's business-enabling posture amidst evolving energy dynamics. By prioritising sustainability, the country seeks to secure its role as a leader in the global energy market while ensuring a just and equitable transition.

Conclusion

The UPDT is more than a regulatory framework; it is a strategic blueprint for Nigeria's upstream oil and gas industry to thrive in a low-carbon future. As the world embraces cleaner energy, Nigeria's proactive measures exemplify a commitment to sustainability, innovation, and resilience.

