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TWELFTH PARLIAMENT – THIRD SESSION

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|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 09 OCT 2019 | |
| DAY: WEDNESDAY | |
| TABLED BY: THE NATIONAL ASSEMBLY | HON. DAVID GIKARIA, MP CHAIRPERSON, D.C. - ENERGY |
| CLERK-AT-TABLE: | A. SHIBUKO |

THE NATIONAL ASSEMBLY

THE DEPARTMENTAL COMMITTEE ON ENERGY

THE REPORT OF THE AFRICA OIL, GAS AND ENERGY CONFERENCE IN
FRASER SUITES, PERTH, AUSTRALIA FROM 2ND TO 7TH SEPTEMBER, 2019

Directorate of Committee Services
Clerk's Chambers
Parliament Buildings,
NAIROBI

OCTOBER, 2019

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ABBREVIATIONS/ACRONYMS

| | | |
|---------|---|--|
| ADR | - | Alternate Dispute Resolution |
| AUD | - | Australian Dollar |
| CS | - | Cabinet Secretary |
| EGH | - | Elder of Golden Heart |
| EHS | - | Environment, Health, and Safety |
| EPC | - | Engineering, Procurement and Construction |
| EPCM | - | Engineering, Procurement and Construction Management |
| FLNG | - | Floating Liquefied Natural Gas |
| HF | - | Hydrofluoric Acid |
| IOC | - | International Oil Company |
| LAPSSET | - | Lamu Port-South Sudan-Ethiopia-Transport |
| LNG | - | Liquefied Natural Gas |
| LPG | - | Liquefied Petroleum Gas |
| MP | - | Member of Parliament |
| Mw | - | Megawatts |
| OHS | - | Occupational Health and Safety |
| PSC | - | Production Sharing Agreements |
| US\$ | - | United States Dollar |
| WA | - | West Australia |

CHAIRPERSON FOREWORD

The Africa Oil, Gas and Energy Conference was held in Fraser Suites, Perth, WA, ostensibly to provide a platform for connecting professionals from the Australian oil and gas sector with Africa local Oil, Gas and Energy experts, government officials, projects and investment opportunities.

The Conference is an annual event held in Perth Australia to assist major Australian oil, gas and energy players to better engage with the new developments in the complex and fast-moving African oil, gas and energy industry. It provides a stage where Australian companies whose focus is on oil, gas and energy, are apprised on the opportunities in Africa at this time of great challenges in the oil, gas and energy industry.

Eminent speakers, Government officials, company representatives and exhibitors covered a range of issues including Africa's Oil and Gas exploration, development, production, joint ventures, existing and emerging projects, modes of agreements, new opportunities, bid rounds and related strategies, investment, services, financing, logistical supplies, Country specific regulations, transactions and implications.

The Committee is thankful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to the delegation before and during the conference.

On behalf of the Committees and pursuant to provisions of the Standing Orders of the National Assembly, it is therefore my pleasant duty and privilege, to lay this report on the conference on the Africa Oil, Gas and Energy Conference that was held in Fraser Suites, Perth, WA.

HON. DAVID GIKARIA, MP

CHAIRPERSON, DEPARTMENTAL COMMITTEE ON ENERGY

EXECUTIVE SUMMARY

The Departmental Committee on Energy was invited to attend the Africa Oil, Gas and Energy Conference as a key stakeholder in the Energy and Petroleum sector. The following Members of the Committee and accompanying staff comprised the delegation that attended the Conference:

1. The Hon. David Gikaria, MP – Chairperson, Leader of delegation
2. The Hon. (Dr.) Robert Pukose, MP
3. The Hon. Elisha Odhiambo, MP
4. Mr. David Kiplangat Ngeno, Research officer III, secretary to the Delegation

This report has elucidated the important issues that were keenly addressed by the plenary and the key issues that were broadly discussed at the conference. There were several presentations made by lead experts in the oil, gas and energy sectors.

The conference discussed wide ranging benefits including bringing Africa oil, gas and energy focus to Australia. It also explored possibilities of giving small Australian companies engagement opportunities with relevant officials from Africa, networking and exposure to the African market as well as keeping abreast of all the latest developments – geopolitical, industrial and technological updates.

The conference further provided joint round table discussions that gave a unique interaction with all interested parties who also got the chance of sharing accurate and up to date information on Africa's oil, gas and energy activities and investment perspectives as well as case studies from the African market.

The government representatives and experts in the industry covered a range of strategic issues such as: Government policies, innovation, transport and infrastructure, energy companies operating in Africa, state involvement in the oil and gas industry, opportunities, challenges and interests for investment in Africa, sustainability and social issues, new business interests in the region, competition and regulation as well as risk and strategies.

The Committee observed that African Countries have huge potential in oil and gas and have remained critical sources of energy. The use of new technology in the oil and gas industry in Africa was still low. Governments play a critical role in safeguarding the interest of the citizens and those of investors in the oil, gas and energy industry. It was observed that the extraction of oil and gas impacts positively on the economic and social aspects of the citizens. There is exponential value in the use of drone technology in the monitoring of oil pipelines

The Committee recommends that Kenya should take advantage of technology to exploit the existing oil and gas potential to the benefit of her people. There should be proper and clear production sharing agreements (PSC) on exploitation of the oil and gas between Kenyan Government and potential investors so that both interests are safeguarded. Kenyan companies can use drones for surveillance of their lines since they are cheap and quite flexible to suit majority of inspections with minimal costs. Social and environmental impacts should be mitigated and Corporate social responsibilities be enhanced.

1.0 PREFACE

1.1 Establishment of the Committee

The Departmental Committee on Energy is one of the fifteen Departmental Committees of the National Assembly established under *Standing Order 216*.

1.2 Mandate of the Committee

The Committee's mandates pursuant to the *Standing Order 216 (5)* are as follows:

- (i) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
- (ii) To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
- (iii) To study and review all the legislation referred to it;
- (iv) To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
- (v) To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
- (vi) To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);
- (vii) To examine treaties, agreements and conventions;
- (viii) To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
- (ix) To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
- (x) To examine any questions raised by Members on a matter within its mandate.

1.3 Committee Membership

The Departmental Committee on Energy of the National Assembly comprises;

Chairperson

The Hon. David Gikaria, M.P.
Nakuru Town East Constituency

Jubilee Party

Vice Chairperson

The Hon. (Dr.) Robert Pukose, M.P.
Endebess Constituency

Jubilee Party

The Hon. Cecily Mbarire, M.P.
Nominated Member

Jubilee Party

The Hon. Ekomwa Lomenen James, M.P.
Turkana South Constituency

Jubilee Party

The Hon. Joseph Wathigo Manje, M.P.
Kajiado North Constituency
Jubilee Party

The Hon. Oscar Sudi Kipchumba, M.P.
Kapseret Constituency
Jubilee Party

The Hon. Amina Gedow Hassan, M.P.
Mandera Women Representative
Economic Freedom Party

The Hon. Clement Muturi Kigano, M.P.
Kangema Constituency
Jubilee Party

The Hon. Elsie Muhanda, MP
Kakamega Women Representative
Orange Democratic Party

The Hon. Julius Musili Mawathe, MP
Embakasi South Constituency
Wiper Democratic Movement-Kenya

The Hon. Nicholas Tindi Mwale, MP
Butere Constituency
Jubilee Party

The Hon. Mohammed Ali Lokiro, MP
Turkana East Constituency
Orange Democratic Movement

1.4 Committee Secretariat

The Committee is resourced with the following technical staff, representing the Office of the Clerk;

Ms Rose Wanjohi
Lead Clerk and Team Committee Secretariat

Mr. Douglas Katho
Clerk Assistant II

Mr. Ronald Walala
Legal Counsel
Mr. Abdirahman Gorod

The Hon. Lemanken Aramat, M.P.
Narok East Constituency
Jubilee Party

The Hon. (Eng.) Vincent Musyoka, M.P.
Mwala Constituency
Maendeleo Chap Chap Party

The Hon. Osman A. Mohamed, M.P.
Fafi Constituency
Kenya Africa National Union

The Hon. Elisha Odhiambo, MP
Gem Constituency
Orange Democratic Movement

The Hon. Faith Wairimu Gitau, M.P.
Nyandarua Women Representative
Jubilee Party

The Hon. Ken Chonga, MP
Kilifi South Constituency
Orange Democratic Movement

The Hon. Walter Owino, MP
Awendo Constituency
Orange Democratic Movement

Fiscal Analyst II

Mr. David Ngeno
Research Officer III

Ms. Deborah Mpusi
Media Relations Officer

2.0 INTRODUCTION

1. The Africa Oil, Gas and Energy Conference was held in Fraser Suites, Perth, Australia, ostensibly to provide a platform for connecting professionals from the Australian oil and gas sector with Africa local Oil, Gas and Energy experts, government officials, projects and investment opportunities. It was on its 5th edition mainly engage stakeholders with the new developments in the complex and fast-moving African oil, gas and energy industry. It was an opportunity to discuss critical matters.
2. There was sharing of ideas amongst eminent speakers, government officials, company representatives and exhibitors in a wide a range of issues including Africa's Oil and Gas exploration, development, production, joint ventures, existing and emerging projects, modes of agreements, new opportunities, bid rounds and related strategies, investment, services, financing, logistical supplies, country specific regulations, transactions and implications.
3. The conference program was structured to include among others; presentations on the respective projects in the region, thematic meeting with companies wishing to do business in Africa and the landscape of the oil, gas and energy sector in Africa, focusing on current investment opportunities and potential risks

2.1 PRESENTATIONS

2.1.1 Oil and Gas in Western Australia

4. Jeff Haworth, Executive Director, Geological Survey and Resource Strategy presented that West Australian major commodities were Petroleum (\$26.6B), Gold (\$11.4 B), Alumina (\$ 6.6 B), Nickel (\$ 2.6) and Iron Core (\$ 61.7). In order for the above commodities to be of value to the citizens, the Government of west Australia has put in place process for regulation of the industry. These includes: administration of Petroleum Titles, approval of activities throughout the life span of the project, monitoring petroleum activities and conducting audits, manages well construction and well operations, manages resource developments and maintaining information on the State's petroleum resources and consumption.
5. There are regulations on Gorgon CO2 storage operations, joint authority in Commonwealth area, lifting the hydrofluoric acid (HF) moratorium only on onshore petroleum titles existing as of 27 November 2018, on banning HF over the South-West, Peel and Perth Metropolitan regions, on banning HF in national parks, the Dampier Peninsula, and other iconic natural heritage areas to be identified and defined and on introducing a requirement for consent of relevant Traditional Owners and private landowners before HF production is permitted. There are also regulations on restoring the 10 per cent royalty rate for all onshore petroleum, on establishing a Clean Energy Future Fund (with a \$9-million seed allocation), using net royalties from onshore HF petroleum projects, to support facilitation of clean energy developments, on prohibiting HF within 2,000 metres of gazetted Public Drinking Water Source Areas.
6. Further the Government has invested in scientific research in exploration, extraction and marketing of this major commodity. On 26th November, 2018 the Government had released ninety one (91) Findings, forty four (44) Recommendations and Implementation Plan outlining how the recommendations will be enacted.

7. He ended his remarks by mentioning challenges faced in the exploration, extraction and marketing of this major commodity. These were: a large portfolio of petroleum production assets at or near the end of production life, Australian offshore decommissioning liability estimated at AUD \$18 billion over the next 50 years, the outlook for persistent low oil prices, Regulatory and policy uncertainty at State/Commonwealth, Government and community expectations and future use.
8. The Australian Government in efforts to assist the operators has decommissioning guidelines for the facilities near the end of the life.

2.1.2 The Case for Oil, Gas, and Energy Developments in Africa by Eng. John Mosonik, Chief Administrative Secretary, Ministry of Petroleum and Mining, Kenya

9. The Chief Administrative Secretary, Ministry of Petroleum and Mining, Eng. John Mosonik stated that East Africa was fast becoming a key player in the global oil and gas scene. There was a prediction that up to US\$100B could be invested in the regions oil and gas sector in the next 15 years of which Kenya was well placed to lead the development of oil in East Africa.
10. To that end, the Government had designed an Integrated Project with two (2) elements to develop and commercialize oil resource: the Upstream (South Lokichar Development) involved development of the oil fields located in Turkana County; and
 - (i) The Midstream involved development of the Crude Oil Export Pipeline from Lokichar to Lamu.
11. He reported that the Integrated Project shall be implemented in phases of which Phase 1 shall realize development of 3 fields that would lead to production of 60,000 - 80,000 bbl/day while phase 2 shall realize a Crude oil pipeline that would traverses 6 counties (Turkana, Samburu, Isiolo, Meru, Garissa and Lamu) and was aligned to LAPSSET Corridor.
12. This would impact positively to citizens through increased investment, increase in Kenya's GDP and achievement of Vision 2030 objectives within a shorter period, transfer of expertise/skills and creation of Business opportunities.
13. In realization of this benefits the Government enacted Kenya Petroleum Act, 2019 that achieved the under mentioned: Petroleum value chain now merged in one statute, introduction of fiscal Natural Gas provisions, National Upstream Petroleum Advisory Committee, Petroleum Agreements issuance – clarity on license award process through competitive bidding and direct negotiation and Parliament ratification – of PSC and FDP.
14. There is the Overhaul of Profit-Sharing mechanism, Taxation – IOC pays Corporate Income Tax, Revenue sharing –National Government 75%, County 25% and Local Community 5%, Transparency which includes publication of all Petroleum Agreements and Local Content. There are also Fiscal Obligations –compulsory signature bonus, and other fees, EHS – Decommissioning Fund, compliance, OHS, waste management, Community Rights - prior information, compensation, education and Dispute Resolution through the Energy & Petroleum Tribunal - ADR
15. He also highlighted areas that the Government would wish to invite investors to participate in:
 - i. Exploration/Development: Kenya is still a frontier exploration play. Total sedimentary basins surface area is 485,000 km² with sixty three (63) gazetted

- exploration blocks onshore and offshore. Twenty six (26) blocks are licensed while thirty- six36 blocks currently open to investors.
- ii. Multi-client 2D and 3D seismic data acquisition and purchase – Participation in Kenya’s upcoming offshore multi-client data acquisition and encouraging investment in the unexplored offshore acreage.
 - iii. Farm in to existing PSC’s – licensed blocks in Kenya are in various stages of exploration/development. Farm in opportunities present an attractive option to acquire an interest whilst spreading the exploration risk and reducing development cost.
 - iv. Crude oil marketing – Early Oil Pilot Scheme and Full Field Development crude oil presents an opportunity for traders to access the highly demanded Turkana sweet crude
16. On Infrastructure, the Government of Kenya is considering new infrastructure projects to expand the downstream distribution network and upgrade existing facilities. These include expansion of the white goods pipeline network, additional jetties to expand the existing oil terminals, and increased storage capacity.
 17. In the upstream, specific areas of cooperation would include: financing of upstream crude oil pipeline via debt/equity, tendering for the EPC/EPCM contracts, supply and services contracts for the upstream and pipeline facilities in the Turkana development post FID. Investment in critical manufacturing areas in-country such as steel milling for the mid and upstream facilities
 18. On Gas and Power, there is development of FLNG facility and supply of LNG for gas fired power generation to replace existing thermal plants in the short term, and partnering to develop LPG facilities in country to ensure availability and accessibility of LPG at cost effective prices.
 19. On Infrastructure, there is assistance in reviewing and assessing gaps in the existing upstream environmental policies and legislative framework and regulations and recommendations on improvement, disposal of upstream oilfield waste including waste classification, tracking, storage, transfer and treatment and provision and supply of occupational health and safety equipment.
 20. To enhance capacity building, there is need for relevant training programs/oil and gas training to build local content capacity opportunities.
 21. He ended his remarks with highlighting challenges faced by the Country in the above integrated Project:
 - (i) Technical and Vocational Skills Gaps - Lack of adequately trained local vocational skills: e.g. welders, plumbers, instrumentation. This is because of the perception that vocational jobs are unattractive and low paid.
 - (ii) Fiscal Impediments – it is an emerging sector hence understanding of taxation regimes requires time to embed stability of the fiscal regime. There has been great progress with enactment of Petroleum Act 2019.
 - (iii) Technical Risks- this includes land acquisition process for upstream and midstream and water requirements for the oil development
 - (iv) Non-Technical Risks – the Community and Stakeholder engagement should be ongoing to get understanding and buy in of sector and resolve community disruptions.
 - (v) Expectation management – the sector is capital intensive, has long lifecycles which need to be balanced against benefits and short-term revenue expectations.

2.1.3 Presentations by Hon. Simon Kachapin, Chief Administrative Secretary, Ministry of Energy

22. The Chief Administrative Secretary, Ministry of Energy, Hon. Simon Kachapin, observed that despite the immense resources, Africa was still far behind in energy provision to her people. This was due to her lack of capability to exploit and use them. To this end most African Countries faced an energy crisis since power has remained inaccessible, unaffordable and unreliable for most people, ensnaring them in poverty. Her power generation has remained lower than those of any other regions in the world.
23. The solutions could be found in significant investment in energy infrastructure, technology transfers, improving access to electricity on a large scale, boosting cross-border power trade, improving the performance of existing utility companies and helping countries chart low-carbon growth paths. Kenya is endowed with significant energy resources especially the renewable energy. It targeted to be steadfast in developing renewable energy and universal access to electricity of which 90% of power was dispatched to the national grid. He said that from 2013 there was an addition of 1060 Mw to the grid of which 80% was from renewable sources. Kenya has the largest wind farm in Africa of 310Mw and the largest solar farm in East Africa-55Mw. The electricity access rate in Kenya currently stands at 75 %. It was exploring efficient technologies in cooking and storage of energy. The challenges needed to be turned into opportunities and private sector and development partners needed to seize the opportunity.

2.1.4 Presentations by the Hon John Munyes, EGH, Cabinet Secretary (CS) Petroleum and Mining.

24. The Cabinet Secretary, Ministry of Petroleum and Mining, Hon. John Munyes, lauded the forum for providing a connection between Kenya and Australia with respect to the exploitation of oil and gas. He noted that there was an increase in the demand for energy from oil and gas. Kenya has a joint venture with Tullow Kenya Company in oil sector and that her first consignment of 200,000 barrels had gone to the market for the first time in the history of Kenya as an oil exporter. He said that Kenya needed to test the market and by 2020 it would realize her potential.
25. He further mentioned that there is a plan to have a trans Africa pipeline with capacity of 5000 bbl/day and that the terms of agreements together with investor interests would be well safeguarded. On LPG, the CS said that regulations on branding of cylinders and reticulation system shall be put in place. The Mwananchi Gas Project requires support and the development partners were asked to come in.

2.1.5 Presentation on Drone Technology in the oil and gas industry

26. The participants were informed to take advantage of the declining prices in the cost of drones and use them to reduce the costs and improve efficiencies in the oil and gas industry. Drones could be used to collect in-depth data and stream live forecasting which are critical in surveillance and monitoring of pipeline systems. This assists in deterring malpractices like fuel siphoning or even general leakages. They are cheap to be deployed and quite flexible to suit majority of inspections with minimal costs.

2.1.6 Women leaders in oil and gas industry

27. It was noted that the role of women in oil and gas industry has greatly revolutionized from secretarial levels to executive levels. A number of barriers that had limited women

participation were identified to include among others lack of access to opportunities, gender discrimination, inequality in pay, company policies, lack of role models, cultural perceptions, etc.

28. The enablers to women participation in the sector were identified as enactment of requisite legislations, change in policies of the companies' use of technology and self-confidence development. Ladies holding key positions in the oil and gas industry also participated in the meeting and made presentations.

3.0 DELEGATION'S OBSERVATIONS

The delegation observed that:-

1. African countries have huge potential in oil and gas and have remained critical sources of energy.
2. The use of new technology in the oil and gas industry in Africa was still low.
3. Governments play a critical role in safeguarding the interest of the citizens and those of investors in the oil, gas and energy industry.
4. The Extraction of oil and gas impacts positively on the economic and social aspects of the citizens.
5. There is exponential value in the use of drone technology in the monitoring of oil pipeline.

4.0 DELEGATION'S RECOMMENDATIONS

The Committee recommends that:-

1. Kenya should take advantage of technology to exploit the existing oil and gas potential to the benefit of her people;
2. There should be proper and clear production sharing agreements (PSC) on exploitation of the oil and gas between Kenyan Government and potential investors so that both interests are safeguarded;
3. Kenyan companies can use drones for surveillance of their lines since they are cheap and quite flexible to suit majority of inspections with minimal costs; and
4. Social and environmental impacts should be mitigated and Corporate social responsibilities be enhanced

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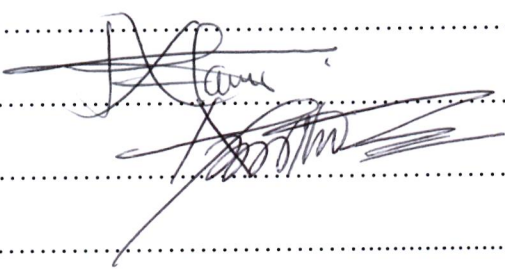



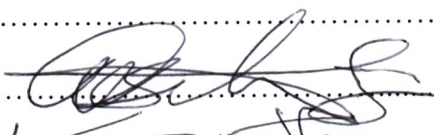
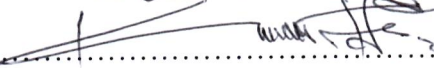
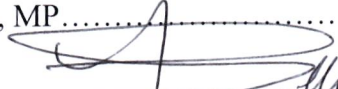

THE HON. DAVID GIKARIA, MP

CHAIRPERSON DEPARTMENTAL COMMITTEE ON ENERGY

ADOPTION LIST



WE, THE MEMBERS OF THE DEPARTMENTAL COMMITTEE ON ENERGY, HAVE PURSUANT TO STANDING ORDER 227, ADOPTED THIS REPORT OF THE AFRICA OIL, GAS AND ENERGY CONFERENCE IN FRASER SUITES, PERTH, AUSTRALIA FROM 2ND TO 7TH SEPTEMBER, 2019 AND AFFIRM OUR APPROVAL AND CONFIRM ITS ACCURACY, VALIDITY AND AUTHENTICITY TODAY
⁹⁸⁴..... **OCTOBER 2019:**

1. The Hon. David Gikaria, MP. Chairperson..... 
2. The Hon. (Dr) Robert Pukose, MP - Vice Chairperson
3. Hon. Cecily Mbarire, MP.....
4. Hon. Ekwoma Lomenen James, MP.....
5. Hon. Joseph Waithigo Manje, MP..... 
6. Hon. Lemanken Aramat, MP.....
7. Hon. Oscar Sudi Kipchumba, M.....
8. Hon. (Eng.) Vincent Musyoka Musau, MP.....
9. Hon. Amina Gedow Hassan, MP..... 
10. Hon. Abdikahim Osman Mohamed, MP..... 
11. Hon. Clement Muturi Kigano, MP.....
12. Hon. Elisha Odhiambo, MP
13. Hon. Elsie Muhanda, MP..... 
14. Hon. Gitau Faith Wairimu, MP.....
15. Hon. Julius Musili Mawathe, MP..... 
16. Hon. Ken Chonga, MP..... 
17. Hon. Mohamed Ali Lokiro, MP.....
18. Hon. Tindi Nicholas Mwale, MP..... 
19. Hon. Walter Owino, MP..... 

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MINUTES OF THE 168TH SITTING OF THE DEPARTMENTAL COMMITTEE ON ENERGY HELD IN CONFERENCE ROOM, B2, ENGLISH POINT, MARINA, MOMBASA COUNTY ON FRIDAY 4TH OCTOBER, 2019 AT 10:00AM

PRESENT

1. The Hon. (Dr.) Robert Pukose, M.P. - Vice Chairperson
2. The Hon. Amina Gedow Hassan, M.P
3. The Hon. Lemanken Aramat, M.P.
4. The Hon. Tindi Nicholas Mwale, MP
5. The Hon. Walter Owino, MP
6. The Hon. Joseph Wathigo Manje, M.P.
7. The Hon. Julius Musili Mawathe, MP
8. The Hon. Gitau Faith Wairimu, M.P.
9. The Hon. Elisha Odhiambo, MP

APOLOGIES

1. The Hon. David Gikaria, M.P - Chairperson
2. The Hon. Cecily Mbarire, M.P.
3. The Hon. Abdikhaim Osman Mohamed, M.P
4. The Hon. Clement Muturi Kigano, M.P.
5. The Hon. Ekomwa Lomenen James, M.P.
6. The Hon. Mohammed Ali Lokiro, MP
7. The Hon. Richard Chonga, MP
8. The Hon. Elsie Muhanda, MP
9. The Hon. Oscar Sudi, Kipchumba, M.P.
10. The Hon. Eng. Vincent Musyoka Musau, M.P.

IN ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Rose M. Wanjohi - Clerk Assistant I
2. Mr. Ronald Walala - Legal Counsel
3. Mr. Abdirahman Gorod - Fiscal Analyst
4. Mr. David Ngeno - Research Officer
5. Ms. Christine Maeri - Audio Officer
6. Ms. Sheila Chebotibin - Serjeant-At-Arms

AGENDA

1. Prayers
2. Preliminaries/Introductions/Communication from the Chair
3. Confirmation of Minutes
4. Matters Arising
5. Report writing retreat for consideration of draft reports
6. Adjournment/ Date of the next meeting

MIN. NO. NA/ENERGY/2019/ 320: PRELIMINARIES AND ADOPTION OF AGENDA

The Chairperson called the meeting to order at fifteen minutes past ten o'clock and the prayers said. Self- introductions were made by those present

MIN. NO. NA/ENERGY/2019/321: CONFIRMATION OF MINUTES

The Agenda item was deferred

MIN. NO. NA/ENERGY/2019/322: CONSIDERATION AND ADOPTION OF DRAFT REPORT ON THE AFRICA OIL, GAS AND ENERGY CONFERENCE HELD IN FRASER SUITES, PERTH, AUSTRALIA

The Committee heard that the Africa Oil, Gas and Energy Conference was held in Fraser Suites, Perth, Australia, ostensibly to provide a platform for connecting professionals from the Australian oil and gas sector with African local Oil, Gas and Energy experts, government officials, projects and investment opportunities.

The Conference is an annual event held in Perth Australia to assist major Australian oil, gas and energy players to better engage with the new developments in the complex and fast-moving Africa oil, gas and energy industry. It provides a stage where Australian companies whose focus is on oil, gas and energy are apprised on opportunities in Africa at this time of great challenges in the oil, gas and energy industry.

The conference discussed wide ranging benefits including bringing Africa oil, gas and energy focus to Australia. It also explored possibilities of giving small Australian companies engagement opportunities with relevant officials from Africa, networking and exposure to the African market as well as keeping abreast of all the latest developments – geopolitical, industrial and technological updates.

The conference further provided a joint round table discussions that gave a unique interaction with all interested parties who also got the chance of sharing accurate and up to date information on Africa's oil, gas and energy activities and investment perspectives as well as case studies from the African market.

Committee Observations

The Committee observed that:-

1. African Countries have huge potential in oil and gas and have remained critical sources of energy.
2. The use of new technology in the oil and gas industry in Africa was still low.
3. Governments play a critical role in safeguarding the interest of the citizens and those of investors in the oil, gas and energy industry.
4. The extraction of oil and gas impacts positively on the economic and social aspects of the citizens.
5. There is exponential value in the use of drone technology in the monitoring of oil pipelines

Committee Recommendations

The Committee recommends that:-

1. Kenya should take advantage of technology to exploit the existing oil and gas potential to the benefit of her people;

2. There should be proper and clear production sharing agreements (PSC) on exploitation of the oil and gas between Kenyan Government and potential investors so that both interests are safeguarded;
3. Kenyan companies can use drones for surveillance of their lines since they are cheap and quite flexible to suit majority of inspections with minimal costs; and
4. Social and environmental impacts should be mitigated and Corporate social responsibilities be enhanced.

The draft Report on the Africa Oil, Gas and Energy Conference held in Fraser Suites, Perth, Australia from 2nd to 7th September 2019 was unanimously adopted as proposed by Hon. Elisha Odhiambo, MP and seconded by Hon. Walter Owino, MP.

MIN. NO. NA/ENERGY/2019/323: CONSIDERATION AND ADOPTION OF THE DRAFT REPORT ON THE INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA) 63RD GENERAL CONFERENCE IN VIENNA, AUSTRIA, FROM 16TH TO 20TH SEPTEMBER, 2019.

The Committee heard that 63rd IAEA General Conference 2019 focused largely on the development and utilization of nuclear technology in realizing the United Nations Sustainable Development Goals with particular emphasis on energy and health care. Generally, the conference presented progress in development and utilization of nuclear technology in the higher income economies of the world. Equally revealed were considerable achievements in some middle income economies with glaring gaps in majority of the low and middle income economies.

It is therefore imperative that, efforts need to be made if the 21st century generation of humanity is to experience significant equality that is to be gotten through utilization of nuclear technology. In particular Africa must re-dedicate her efforts if she wishes to join in the League of Nations whose citizens are reaping the benefits of nuclear technology. Suffice to say, Africa possesses unparalleled resources for development of nuclear technology.

During the GC, Kenya renewed her commitment covering the assistance of IAEA in application of nuclear science in various sectors especially on Kenya's nuclear power programme in terms of trainings, fellowships, scientific visits, expert missions and assistance in review of various documents for the nuclear power programme

The IAEA GC paid a specific emphasis on the youth and the young professionals to explore the potential contribution of young generation networks in nuclear majorly in African member states to achieve the socioeconomic development in nuclear achieve science and allied fields, youth engagement opportunities and challenges young people face in embracing the careers and employment in nuclear related field.

Committee Observations

The Committee observed that:

1. Kenya is a leading proponent of green energy with over 70 % of the electricity generated and added to the National grid from hydro, wind and solar.
2. Nuclear energy is a form of green energy and does not use fossil fuels which are contributing to climate change.

3. Nuclear technology is being emphasized to play a significant role in the timely diagnosis and effective treatment of cancer.
4. Kenya needs to increase her human capital for nuclear science and technology to be able to manage the increasing needs and infrastructure that uses nuclear science and technology in Human health, Agriculture, water resource management and industry.

Committee Recommendations

The Committee after deliberations recommends that:-

1. Nuclear energy for electricity generation is a priority in the long-term to be included in the energy mix conscious of the fact that nuclear power is low carbon energy source. It does contribute to the mitigation of the impact of climate change and the achievement of SDGs.
2. The Country assents to the international Treaties and Conventions on nuclear safety and security including expressing political support to the code of conduct for safety and security for radioactive sources.
3. The Country calls for national research proposals in support of at least four multidisciplinary-multi institution projects focusing on cancer control and food security based on Nuclear Technology.
4. The International Atomic Energy Agency (the Agency) to successfully conclude the ongoing collaborative work in equipping Moi Teaching & Referral Hospital (MTRH).
5. In an effort to take care of the access to the cancer treatment services, the Government to embark on establishing more cancer centers.
6. In order to build adequate human resource capacity, the Country collaborates with the Agency, to establish local training programmes and centres for relevant health professionals.

The draft Report on the International Atomic Energy Agency (IAEA) 63rd General Conference in Vienna, Austria: 16th to 20th September, 2019 was unanimously adopted as proposed by Hon. Walter Owino, MP and seconded by Hon. Joseph Manje, MP.

MIN. NO. NA/ENERGY/2019/324: CONSIDERATION OF DRAFT REPORT OF THE PETITION REGARDING DEMOLITION OF HOUSES IN CHOKAA, EMBAKASI EAST BY KENYA POWER LIMITED

The Committee heard the Petition regarding demolition of houses in Chokaa, Mihango area in Embakasi East Constituency by the Kenya Power Limited was committed to the Energy committee on the 20th June 2019 for consideration and preparation of a report within 60 days. The Committee considered the petition pursuant to the provisions of Standing Order 227.

The petitioners prayed through the National Assembly, that it inquiries into the status of ownership of land in Chokaa, Mihango area to establish whether or not the said land falls within power line way leave; inquiries into circumstances under which demolitions were indiscriminately effected, hence affecting residents who had not encroached on Kenya power way leaves; and engages the Cabinet Secretary for energy to provide information regarding the demolitions in Chokaa, Mihango areas and measures the government has instituted to settle the displaced residents, assist them to return to normal lives and compensate innocent residents whose property were destroyed.

In considering the petition, the Committee invited the petitioners, and received submissions from various state agencies and made a site visit. During the site visit, the Committee held meetings with area leadership including the Deputy County Commissioner (D.C.C), the Area Member of

Parliament (MP), the Members of the County Assembly (MCA), senior staff from KPLC, other local leaders and Church leaders.

COMMITTEE OBSERVATIONS

The Committee observations that: -

1. The residents have lived in the area over a long period of time.
2. The residents have documents such as share certificates and sale agreements as proof of ownership of the property.
3. Over time the structures were constructed under the watch of the government officials both national and city county government of Nairobi.
4. There were evidences of structural facilities such as water and electricity connections as well as road access. KPLC provided electricity connectivity and received payments for services it rendered.
5. There was massive loss of property and disruption of livelihood of the residents upon demolition of the houses.
6. There was evidence of high voltage power lines in the area and habitation beneath them was dangerous.
7. Some cases are still pending in court

COMMITTEE RECOMMENDATIONS

The Committee recommends that: -

1. The National Land Commission investigates the claims of ownership to ascertain the ownership of the land within ninety (90) days;
2. KPC shall not make power connections to customers to areas designated as wayleaves and any KPC officer contravening the same will be personally liable;
3. The DCI investigates the alleged illegal allocations, irregular approvals of constructions and utility connections in Chokaa, Embakasi East Constituency with a view of seeking redress within ninety (90) days; and
4. There should be a humane way to remove persons from encroached areas and the Committee recommends that the affected persons seek redress through the court of law.

The draft Report on the petition regarding demolition of houses in Chokaa, Embakasi East Constituency by the Kenya Power Limited was unanimously adopted as proposed by Hon. Amina Gedow, MP and seconded by Hon. Nicholas Tindi Mwale, MP.

MIN. NO. NA/ENERGY/2019/325: ADJOURNMENT/ DATE OF NEXT MEETING

There being no other business, the meeting was adjourned at fifteen minutes past one o'clock. The next meeting will held on notice.

SIGNED.....

(CHAIRPERSON)

DATE.....

