

REPUBLIC OF KENYA



PARLIAMENT

THE SENATE

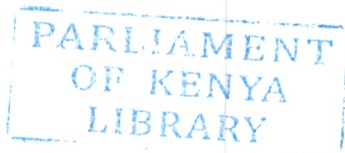
ELEVENTH PARLIAMENT

THE STANDING COMMITTEE

ON

ENERGY

A REPORT ON THE PETROLEUM (EXPLORATION, DEVELOPMENT AND
PRODUCTION) BILL (NATIONAL ASSEMBLY BILL NO. 44 OF 2015)



Clerk's Chambers,
First Floor,
Parliament Buildings,
NAIROBI.

Paper laid by Sen.
Sang on 26/07/16



14

JULY, 2016

TABLE OF CONTENTS

ABBREVIATIONS.....3
PREFACE.....4
CHAPTER ONE INTRODUCTION.....6
CHAPTER TWO PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATIONS.....10
CHAPTER THREE COMMITTEE RECOMMENDATIONS.....34

Appendices

The Petroleum (Exploration, Development and Production) Bill (National Assembly Bill No. 44 of 2015)

Attendance Lists

Advertisement

Minutes

ABBREVIATIONS

KEPSA	Kenya Private Sector Alliance
KPLC	Kenya Power and Lighting Company
PIEA	Petroleum Institute of East Africa

PREFACE

Establishment of the Committee

The Senate Standing Committee on Energy is established pursuant to standing order 208 of the Senate Standing Orders. The Committee is mandated *to consider all matters relating to fossil fuels exploration, development, production, maintenance and regulation of energy.*

In the execution of its mandate, the Committee oversees the Ministry of Energy and Petroleum.

Membership of the Committee

The Committee is comprised of the following members;

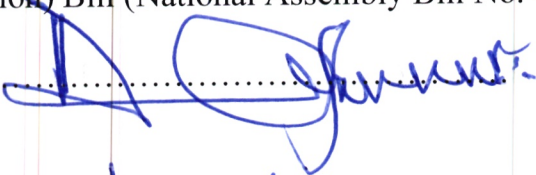
1. Sen. Gideon Moi, MP **-Chairman**
2. Sen. Danson Mwazo, MP **-Vice- Chairman**
3. Sen. Kiraitu Murungi, MP
4. Sen. Abu Chiaba, MP
5. Sen. David Musila, MP
6. Sen. Elizabeth Ongoro, MP
7. Sen. Kimani Wamatangi, MP
8. Sen. John Munyes, MP
9. Sen. Kipchumba Murkomen, MP

Acknowledgement

The Committee wishes to thank the Offices of the Speaker and the Clerk of the Senate, for the support extended to it in the conduct of the public hearings. Similarly, the Committee extends gratitude to the institutions/Organisations that made submissions on the Bill, both orally and in writing.

Mr. Speaker Sir,

It is my pleasant duty, pursuant to Standing Order 201, to present a Report of the Standing Committee on Energy, on the The Petroleum (Exploration, Development and Production) Bill (National Assembly Bill No. 44 of 2015)

Signed.....

Date.....14/07/2015.....

SEN. DANSON MWAZO, M.P,
VICE-CHAIRPERSON
STANDING COMMITTEE ON ENERGY.

The Petroleum (Exploration, Development and Production) Bill (National Assembly Bill No. 44 of 2015) was passed by the National Assembly, with amendments, on 3rd May, 2016 and transmitted to the Senate for its consideration and passage.

The Bill was read a first time in the Senate on 2nd June, 2016 and Committed to the Standing Committee on Energy, pursuant to Standing Order 130(1) of the Senate Standing Orders.

1.1 OBJECTS OF THE BILL

The Petroleum (Exploration, Development and Production) Bill (National Assembly Bill No. 44 of 2015) seeks to provide a framework for the contracting, exploration, development and production of petroleum.

1.2. OVERVIEW OF THE BILL

Part II of the Bill provides a framework for the development of a National Upstream Petroleum Policy and Plan through a consultative process and an upstream petroleum strategic plan in line with the national policy. This Part prohibits the engagement by any person of any upstream petroleum operations unless such person has obtained the approval of the Cabinet Secretary or Authority. Of noting is the fact that the Bill provides that the National Government may conduct upstream petroleum operations on its own, through the national oil company, through contractors or as may be prescribed under the Act.

Part III of the Bill sets out the institutions that are to be involved in the implementation of the Bill. It sets out the role of the Cabinet Secretary who has the overall responsibility in as far as reviewing applications for licences, entering or revoking agreements and overseeing the undertaking of upstream petroleum operations and matters relating to policy. This Part also provides for the establishment of a National Upstream Petroleum Advisory Committee whose main responsibility is to advise the Cabinet Secretary on matters relating to upstream petroleum operations and matters pertaining to petroleum