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# Oil, Gas & Energy Law Intelligence

**Book Review: The Palgrave Handbook of Natural Gas and Global Energy Transitions (eds. O.S. Damilola and E.G. Pereira) by U.V. Obi SAN, N. Chinwa Ole, and L. Ugochinyere Ezike**

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# **Olawuyi S. Damilola and Eduardo G. Pereira (eds), *The Palgrave Handbook of Natural Gas and Global Energy Transitions***

*Palgrave Macmillan Switzerland ISBN 978-3-030-91565-0, ISBN 978-3-030-91566-7 (eBook), 619 pages, 156.99USD*

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The urgent call for reducing greenhouse gas emissions from the petroleum sector in response to the challenges of climate change has given rise to a paradigm shift from carbon-intensive fossil fuel energy to low-carbon options. It has been confirmed that natural gas, as a less polluting energy source, has the potential to accelerate the global energy transition to the extent that it is used sustainably. While the ramifications of the energy transition for the global gas industry have received widespread scholarly attention, little has been said about the role of natural gas in the global energy transition. The book, *The Palgrave Handbook of Natural Gas and Global Energy Transitions* by Olawuyi S. Damilola and Eduardo G. Pereira (eds) makes a bold attempt to fill in the gap as it comprehensively analyses the role of natural gas in effectively achieving global energy transition. The book assembles contributors from all over the world to analyse the past, current and emerging technological, financial, commercial, legal and regulatory underpinnings of the natural gas sector to determine how well they support its role in achieving a feasible and sustainable energy transition. The analyses are partly based on case studies from prominent natural gas-producing countries in Africa, Asia, Europe, North America, South America, Australia and the Middle East. Based on the analyses, key legal recommendations are made, including adequate commercial and financial models that will assist to position natural gas to play its role in accelerating a global energy transition.

The book is divided into four main parts with twenty-five chapters. The first part, with four chapters titled ‘The International Gas Market: Introductory Context and Principles,’ provides the readers with an extensive analysis of the role and potential of natural gas in meeting global energy demands, and achieving energy security and transition. Part two of the book focuses on the various ongoing global transformations in the natural gas sector. The fifth chapter by Fleming Ruven analyses the European Union Hydrogen Strategy and Energy Policies, pointing out the needed structural transformations in the light of decarbonising the sector. The sixth chapter by Omran H. Al-Kuwari analyses the present and ongoing legal transformations for strengthening the role of liquefied natural gas in the context of the UK’s low carbon targets. James Henderson, in the seventh chapter, ‘Russian Natural Gas Exports and the Energy Transition,’ discusses the implications of decarbonisation policies of various EU member states for the Russian natural gas export sector. Tade Oyewunmi in the eighth chapter, analyses the multiple methods for regulating greenhouse emissions and gas flaring in the USA and Nigeria, respectively. The contributor also examines the utilisation programmes and market access to address the mentioned environmental problems in USA and Nigeria. Other chapters in part two include ‘A Political Economy of Energy Transition: Privatizing Natural Gas Assets in Gulf Arab States’ by Robert Mogielnicki, ‘Natural Gas Subsidies and Their Implications for the Global Energy Transition by Marcelo B. Neuman’ and, ‘Legal Framework for Promoting Natural Gas in the Energy Transition: Lessons from Brazil’s New Gas Law’ by Thiago de Freitas Benevenuto and others.

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The third and fourth parts of the book are the ‘Stakeholders Perspectives and Regulatory/ Contractual Trends’, and ‘Lessons Learned and Future Directions’ - with eleven chapters in the third part and two chapters in the fourth part, respectively. The third section of the book commences with a chapter by Wellington Otto Bahnemann et al., which discusses the place of natural gas as an option for achieving low carbon transition in the policies of the five major oil companies, *i.e.* BP, Shell, Exxon, Chevron and Total. The following chapter, Chapter thirteen, titled ‘Decarbonising Shipping and the Role of LNG: International Law and Policy Trends’ by Ruixuan Zhuo and Hui Wang examines the extent to which the various international instruments, including the United Nations Convention Law of the Seas (UNCLOS) 1992, are adequate to underpin shipping decarbonisation including through the use of Liquefied Natural Gas (LNG). The subsequent chapter by Gabriel Adeoluwa Onagoruwa, titled ‘The Financing Spectrum for LNG Projects’, identifies that sound financing and commercial structures are crucial to positioning natural gas to optimally play its role in achieving energy transition as well as economic development. Chapter 15, titled ‘Host Granting Instruments and Natural Gas Provisions’ written by Eduardo G. Pereira *et al.*, discusses how Host Granting Instruments (HGIs) deal with natural gas provisions, their involvement in certain jurisdictions, and the way global energy transitions lead to a proliferation of natural gas provisions in HGIs. Hilary Christina Bell wrote the 16th chapter, wherein she examines how legal risks arising from the global energy transition can be handled and managed in natural gas infrastructure development projects with the aid of engineering, procurement, construction and commissioning (EPCC) contracts. Chapter 17 considers the sources and causes of gas flaring in the oil and gas industry, and the regulatory, political and technological strategies and frameworks for fostering pollution alleviation in onshore and offshore oilfields. Rudiger Tscherning, in chapter 18, analyses the risk of physical impacts on existing natural gas pipeline infrastructure caused by deepening climate impacts. The succeeding chapter written by Victoria R. Nalule and Nathaniel A. Babajide considers the mechanisms for protecting natural gas investments from existing, emerging and new energy transition risks. Chapter 20 analyses the implications of trade restrictions on transborder trade in natural gas in key energy markets and how these restrictions can be addressed. Cameron Kelly in chapter 21 not only examines how natural gas and renewable energy complement each other to promote global energy transition, but also the legal preconditions for the synergy between natural gas and renewable energy, the barriers to their implementation and, the way such barriers can be mastered. The following chapter reviews the need to incorporate gender considerations in the arrangement scheme and execution of energy transition programs and policies in the petroleum industry. Chapter 23 examines the significance of liaison in the development of natural gas fields as a means through which energy security and de-carbonization are promoted in the Balkans and the Eastern Mediterranean regions.

The fourth section of the book comprises chapters 24 and 25. The section covers the ‘Lessons Learned and the Future Directions’ of the current energy transition in connection with the international natural gas sector. Chapter 24 titled ‘Energy Transitions and the Future of Natural Gas Law, Policy and Research’ explores the effect of the ongoing global energy transition on natural gas’ law, policy and research development while taking into consideration the necessity for innovative research, policy and law reform agenda that aids ongoing transformations in global natural gas markets. The subsequent Chapter 25, goes on to examine the noteworthy themes discussed in the book's earlier-mentioned chapters – about the ongoing global energy transition for global natural gas markets while noting the directions for future action and research.

Generally, this book is distinct from various textbooks on natural gas and the global energy transition because of its broad scope and in-depth insights into the subject. Its broad scope covers a myriad of issues about laws, policies, legal frameworks, regulations, contractual, financial, technological mechanisms and guidelines regulating the natural gas market in the light of the global energy transition. The book also provides appreciable information on the subject in connection with certain gas-rich countries. Furthermore, the book covers the theoretical postulations of the essential roles of natural gas in effectively advancing energy transition and the possible consequential transition threats - which provide a brilliant learning opportunity for readers who seek to know how specific countries can maximise the full value of natural gas to promote just and equitable global energy transitions.

Again, the book consists of a detailed analysis of the implications of the energy transition of various aspects of natural gas to the major natural gas countries, in addition to the total responses of stakeholders such as the producers, national governments, actors or parties to contracts, and international organisations. The book emphasises that energy transition can result in significant transformations of production and commercialisation activities or markets in the energy sector. The experiences garnered from the case studies and the implications are well analysed in the form of a progressive and systematic-based approach. This makes the book more comprehensible and easier to follow. This said progressive-based approach adopted in the book could be seen as the book starts by 'setting up a target' to 'having an outcome' towards its conclusion. For instance, part II of the book sets out to establish a target that is making a political ambition and strategy towards advancing energy transition using the European Union as a case study (chap 5); to examine the roles of LNG in ensuring adaptation plans in the UK (Chap 6); to identifying possible challenges that may occur due to transition policy such as transition threats faced by producers (using Russia's experience as a case study) (chap 7); as well as the pollution threat in the USA and Nigeria (chap 8). From Chapter 8, it progressed to consider other pertinent and relevant factors such as privatisation in Arab countries (chap 9), redesigning subsidies in Indonesia, Argentina and Colombia (chap 10); to the anticipation of the possible outcome of the 'New Gas Law' focusing on Brazil as an example (chap 11). All these in-depth analyses that were brilliantly reported on key important aspects of the transition in the energy market are sufficient to categorically declare that the book's scope arguably covers a substantial spectrum of the subject matter.

Indeed, this book can be easily distinguished from other textbooks based on its practical approach laced with adequate case studies of the various issues bordering on different aspects of the natural gas industry and global energy transitions by examining the roles and contributions of the natural gas markets in advancing energy transition. The book cannot be presented at a much better time than now due to the ongoing war between Russia and Ukraine which has disrupted the energy supply across Europe with the currently reported gas leakages of pipelines in the Nord stream. Also, the Covid-19 pandemic which preceded the Russia-Ukraine war contributed to the massive disruption of the world economy, which is yet another factor considered impactful in the reshaping of the gas markets, regulations, policies, laws and contractual arrangements in use. Hence, the book is considered perfectly timeous and relevant at this moment, given the in-depth studies of the various countries that now provide helpful guidance for market players, national governments, international organisations, policymakers, relevant institutions, and other stakeholders in the energy ecosystem.

The chapter underscores originality and an audacious contribution to learning as it examines the role of women in energy sectors because of its uniqueness and distinctiveness. The book gives attention to every aspect of women's roles in energy markets, affirming the cliché that

“little drops of water make the mighty ocean”. Neglecting or not giving due consideration to the plights of women who may appear insignificant in the energy sector causes them to be more prone to hydrocarbon emissions. Some women may not have free access to natural gas as it may appear expensive and not readily affordable, forcing them to use high-carbon energy like kerosene and biomass, with high pollution consequences. Participation of women in the decision-making process as it relates to the design of energy transition programs and policies will promote a speedy implementation process in achieving energy transition. In essence, a just and inclusive energy transition must ensure that no one is left out - either the vulnerable in society or marginalised groups such as women. One can note that advancing energy transition is not solely the national government's responsibility but includes all stakeholders.

The methodology adopted in the book is an added advantage as it was sequentially arranged. The use of case studies as a preferred method to theoretical preposition provides lucidity and amplification of empirical evidence and propositions. As such, the key lessons derived from the case studies are more meaningful and easily applicable to other related contexts. Though it is almost certain that the substantive chapters in the book cannot be unpacked such that all the applicable legislations and instruments of every natural gas-producing country are analysed, the countries cited as case studies are of primary importance in that they directly deal with natural gas, and the lessons gained from them are pretty educative and contemporary thereby serving as helpful guidelines. For instance, the EU and UK are noted as significant importers of natural gas while Russia, Australia, Qatar, Saudi Arabia and Brazil are recognised as major exporters of hydrocarbon and gas, with Nigeria and the USA reported as countries with high gas emissions and other kinds of environmental pollution. Thus, it can be safely posited that these experiences are, to a reasonable extent, an actual reflection of global practices promoting natural gas in light of the global energy transition framework.

In addition, the book is brilliantly written in clear and simple English, logically presented with appropriate research design, and has minimal typographical errors. Also, there is an index at the end which provides a straightforward guide to addressing specific issues, which can be considered helpful to a reader who is searching for specific information but, due to an unspecified reason, may need more time to peruse the entire book. The footnotes containing referred sources are well-referenced as they provide additional and germane information appropriate for future research.

Although the book can be said to be accurately and adroitly written, for the most part, some minor errors can, however, be identified. A few things could be more consistent in the choice of words used, which could be misleading to the reader. A good case in point is chapter 14 of the book, where the authors interchangeably used ‘host granting instrument’ and ‘host government instrument’. This may confuse the reader as he or she may be unable to determine whether the book intended to use the term ‘host granting instrument’ or ‘host government instrument’ interchangeably or differently/independently. Another gap observed in the book is that in most of the chapters, some sub-topics are not adequately numbered, as seen in chapter 14. An inaccurately numbered subtopic may make the reader encounter difficulty to flow seamlessly with the book’s contents and possibly result in an impatient reader’s loss of interest in the book.

Textbooks typically contain graphs, charts or tables because they are explicit pictorial representations of data collection, which can be illustrative to readers. They are mainly used to report research findings, emphasise a point or compare multiple data sets for easy understanding and quick memorisation of the material. In this book, however, the manner of

placement of graphs, tables and charts, especially in chapter 24, appears illogical as it does not allow a reader to follow properly, although tables are meant to back up points made after or before a statement and indicate as ‘to be seen above or below’. In chapter 24, some of the graphs, charts and tables contained therein are wrongly placed between the concluding section, thus erroneously splitting the section into two parts.

Above all, the book comprises many current laws relevant to contemporary societies. However, Oyewunmi, in chapter 8, failed to update some of the laws, especially the Petroleum Act 1969 – which had been repealed at the time of the publication of the book. Referencing outdated laws as though they were current laws may mislead a reader into what the applicable or extant laws are. In addition, the author incorrectly stated that the Department of Petroleum Resources (DPR) is the industry’s primary regulator and that the Minister of Petroleum still chairs the board of NNPC as established in the now-repealed Petroleum Act. In reality, however, the regulation of the petroleum sector is currently vested in two bodies, namely, the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA). The NUPRC regulates upstream petroleum operations, including gas, while the remainder of the midstream and downstream are regulated by the NMDPRA. However, Elisabeta Smaranda Olarinde and Hilary Okoeguale, in chapter 22 of the same book, correctly wrote about and cited the new Act, the Petroleum Industry Act of 2021. Such identifiable inconsistencies present in the book may mar the information base of a reader when most of the assertions about the Nigerian legislation in chapter 8 have been repealed.

All in all, this textbook is extremely relevant and highly motivating in light of the ongoing energy transitions, as it provides valuable information and educates the reader on how to maximise the full value of natural gas. The book is an amazing contribution to the body of learning with expansive literature on the theme. Given the place of gas in securing energy security and, just transition, the book will be of interest to a wide array of readers as it will provide a valuable guide to market actors and contracting parties on some issues that weigh in the course of negotiating gas contracts. For those that are seeking to enact or amend laws relevant to one or more spectrums of gas operations, the book provides a valuable guide on how best the law supporting natural gas should be developed to attain a just energy transition. These may include national governments, international organisations especially civil society organisations (CSOs), governance experts and policymakers. The book is highly recommended in the academic field because it provides systematic analyses of the various developments and regulations of all aspects of the natural gas market towards the successful implementation of the global energy transition. Similarly, it provides a good foundational basis for further research on various issues about the place and role of natural gas in the global energy transition. For anyone seeking to undertake a course on the same subject matter relating to the transformative responses of the natural gas market to advance global energy transition, the book serves as a very useful starting point and a source of a good finishing point. In sum, I highly recommend this book to all as it adequately and impressively addresses the ominous and current global energy transition issues relating to natural gas.