



**MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA**

NATIONAL ASSEMBLY QUESTION 1409

Mr L S Ngonyama (Cope) to ask the Minister of Energy:

Whether her department intends to take any steps to separate the functions and responsibilities of electricity (a) generation and (b) distribution so that they do not reside in one entity; if not, why not; if so, (i) what steps, (ii) when and (iii) how will the process of separation be undertaken? NW1595E

Reply

(a)(b)(i)(ii)(iii)

Yes, the Energy White Paper provides a framework for the restructuring of the electricity sector. It clearly indicates that there must be separation between transmission, distribution and electricity generation. The department intends to implement the objectives of the white paper in a phased-in manner. The establishment of Independent System and Market Operator (ISMO) is the start of a process that will pave the way for the restructuring of the electricity sector. However, it is important that such restructuring takes into account the risks thereof, especially in an environment where security of supply might be compromised. Accordingly, the phased approach to restructuring has been adopted.