

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Energy, under the guidance of the Hon. Minister, Tina Joemat-Petterson (MP);
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Energy is responsible;
- Was prepared in line with the current Strategic Plan of the Department of Energy; and
- Accurately reflects the performance targets that the Department of Energy will endeavour to achieve, given the resources made available in the budget for the 2017/18 fiscal year.

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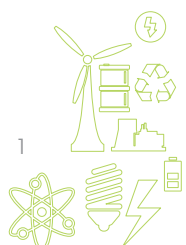


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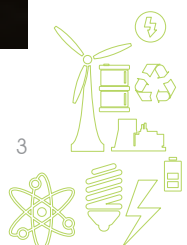


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1. FOREWORD BY THE MINISTER

Introduction

As we move into the fourth year of the 2014–2019 Medium-Term Strategic Framework (MTSF) period, our focus will be on continuing to roll out a diversified energy mix, especially as it relates to renewable energy, gas, nuclear, the Independent Power Producers Programme and regional energy integration. We believe that these initiatives will support our economic growth strategy as outlined in the Nine-Point Plan, the 2014–2019 MTSF, Election Manifesto and the National Development Plan (NDP). The NDP is a long-term vision that serves as a blueprint for the work that needs to be done to achieve a prosperous society for South Africa by 2030. The core priorities of the NDP are to reduce poverty, unemployment and inequality.

The energy sector has enormous potential to contribute to the growth stimulus that our country desperately needs. Economic growth through re-industrialisation, skills development and the creation of employment opportunities for our communities can all be enabled by the energy sector in the pursuit of radical economic transformation.

The primary purpose of our energy system seeks to contribute to a better quality of life. To those that have it, modern energy unlocks access to improved security, healthcare, education, economic opportunities, and a longer life. To those without access to energy, this is a major constraint on their socio-economic development. Hence, energy is key to societal economic development.



“The energy sector has enormous potential to contribute to the growth stimulus that our country desperately needs.”

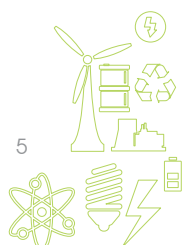
Integrated National Electrification Programme (INEP)

The electricity sector in South Africa has improved significantly over the past few years, with more financial resources spent on infrastructure investment to improve:

- Security of supply;
- Access to electricity; and
- Quality of supply.

Energy is a key driver for societal economic growth and development, yet sub-Saharan Africa has more than 620 million people living without access to electricity. It is also the only region in the world where the number of people living without electricity is increasing rapidly, because population growth outpaces strategies to provide access to sustainable and reliable energy.

In South Africa, we have moved from 36% access to electricity in 1994 to 85.87% by March 2016. Over 6.7 million households have received electricity through the INEP in collaboration with Eskom and licensed municipalities. While 85.87% is a commendable achievement, the Department of Energy aims to achieve universal access for all communities through the rollout of grid and off-grid technologies. It is important to note that, with every house electrified and particularly in rural areas, there is a positive ripple effect with regard to security and developmental opportunities for the residents of that particular community.



R5.7 billion was appropriated during the 2016/17 financial year for the electrification programme to deliver 255 000 connections utilising both grid and non-grid technologies. At the end of the third quarter (December 2016) 224 767 new connections had already been achieved. The final figure will be determined as soon as all the verification processes of new connections have been completed by the end of May 2017. However, the Department is confident that the target of 255 000 new connections will be realised.

The Department has developed a first draft of the Electrification Master Plan to ensure better co-operation between different implementing entities, as well as utilisation of different technologies, i.e. grid and non-grid rollout to un-served areas. The INEP will be allocated R6.1 billion for the 2017/18 financial year to deliver 250 000 connections in both grid and non-grid technologies. Over the MTEF period of 2017/18 to 2019/20 an estimated R17.6 billion will be appropriated to the INEP.

Integrated Energy Plan

The Integrated Energy Plan (IEP) represents our overarching energy policy and strategy statement that has been under development since 2012, and which received Cabinet approval for commencement with the public consultation process during November 2016.

The development of the IEP is articulated in the White Paper on the Energy Policy of the Republic of South Africa of 1998, and in terms of the National Energy Act, 2008 (Act No. 34 of 2008). The Minister of Energy is mandated to develop and, on an annual basis, review and publish the IEP in the *Government Gazette*. The purpose of the IEP is to provide a roadmap of the future energy landscape for South Africa, which guides future energy infrastructure investments and policy development. The development of the IEP is a continuous process and takes into account the changes in the macroeconomic environment, developments in new technologies and changes in national priorities and imperatives, amongst other factors.

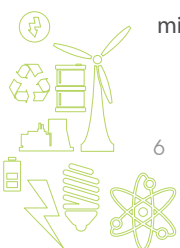
From the myriad of factors that had to be considered and addressed during the integrated energy planning process, eight key objectives were identified. They are to (1) ensure security of supply; (2) minimise the cost of energy; (3) promote the creation of jobs and localisation; (4) minimise negative environmental impacts from the energy sector; (5) promote the conservation of water; (6) diversify supply sources and primary sources of energy; (7) promote energy efficiency in the economy; and (8) increase access to modern energy. The IEP will provide answers to various questions our country has been grappling with regarding our energy future, including the development of the Energy Master Plan.

Integrated Resource Plan (IRP) and the Gas Infrastructure Plan

Arising out of the process of developing the IEP will be the infrastructure plans in respect of the electricity, gas and liquid fuels sectors, providing more detail, as recommended in the IEP. Since the promulgation of the IRP 2010–2030 there have been a number of developments in the energy sector, the country and the region, which necessitated the review and updating of the plan. Some of the developments or changes include additional capacity that has come online; demand that is lower than was envisaged in the IRP 2010–2030; drought in neighbouring countries that are also experiencing electricity shortages; reduced Eskom plant performance; and changes in technology costs.

The IRP updating process is different from the IRP 2010–2030 development process in that it is not zero based but utilises the promulgated, policy adjusted IRP 2010–2030 as a reference point. The IRP development and update process aims to balance similar objectives, which are security of supply; cost of electricity; job creation and localisation; minimal negative environmental impact; minimal water usage; diversity of supply sources (energy mix); and promotion of energy access. Against these objectives, the Department set four key milestones for the development of the IRP, which are (1) settling the key assumptions; (2) developing a base-case; (3) modelling and analysing the scenarios and sensitivities; and (4) developing a final plan that will take into account the various scenarios and policy positions.

The first and second milestones have been completed and are the basis of the planned public consultation process. The third milestone, which involves testing various scenarios and sensitivities, is currently under way, and the fourth milestone, which relates to policy adjustment, will follow once public consultations and scenario analyses are completed.



Renewable Energy IPPP

In 2010, the South African Government adopted a plan to grow the share of renewable energy in the electricity mix from 0% to 21% over a 20-year planning horizon up to 2030, simultaneously reducing the capacity share of fossil fuels in the electricity mix from 86.5% to 57%.

As at the end of June 2016, 6 376 MW of electricity had been procured from 102 RE Independent Power Producers in six bid rounds. From this, 2 200 MW of electricity generation capacity and 44 REIPP projects have been connected to the national grid. Despite the significant diversification of our electricity mix, investment in baseload capacity remains a necessity, requiring the addition of 16 383 MW of coal-fired generation within the planning horizon up to 2030. Currently, 77% of South Africa's energy needs are provided by coal. Environmental considerations and the increasing prevalence of extreme climate events compel us to reduce our dependence on coal and traditional coal-fired electricity plant technologies. South Africa has made an international commitment to both sustainable development and climate change, with the understanding that this will entail a reduction in the use of fossil fuels.

Inga Hydropower Project

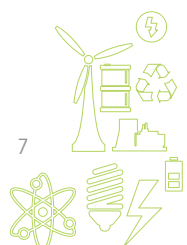
Since the treaty for the development of the Grand Inga Hydropower Project came into force in March 2014, the Democratic Republic of the Congo (DRC) has commenced with the process of selecting the concessionaire. The Grand Inga Treaty between South Africa and the DRC obliges South Africa to negotiate an off-take agreement for 2 500 MW of hydroelectricity from the Inga Hydro Project. We will continue to work with our neighbours in southern Africa to conclude power transmission transit arrangements. The Department of Energy and the Department of Water Affairs are collaborating to identify other strategic sources for hydropower to address regional challenges that affect neighbouring countries. We are also providing capacity support to the DRC in the management of the Grand Inga Hydropower Project.

During the 2017/18 financial year, the Department will be accelerating implementation of bilateral and regional agreements in order to realise the benefits of energy co-operation in the areas of hydro-electricity, coal, gas and renewable energy.

Solar Water Heater Programme

The Solar Water Heater (SWH) Programme consists of three sub-programmes, namely the social, repair and replace, and load reduction programmes. The budget for the SWH Programme allows for the installation of approximately 50 000 systems annually. To date, the procurement of 47 000 locally manufactured baseline SWH systems has been completed as follows:

- Minimum 70% local content as assessed in terms of the SABS1286 standard;
- Only local manufacturing companies are participating in the supply programme, located in Gauteng (8), KwaZulu-Natal (1), Limpopo (1), Western Cape (2) and Eastern Cape (1);
- Contribution status of these manufacturers is Level 4 B-BBEE at worst;
- An electronic monitoring system has been developed, which:
 - Creates a secure database of all SWH systems
 - Uniquely identifies each SWH system through a barcode
 - Maps the geospatial distribution of each baseline system at the manufacturer's factory, and
 - Has tracking capability allowing the movement of the systems from the factory to the storage hub to the rooftop to be tracked at all times;
- Participating municipalities that have signed the Framework Agreement include:
 - North West – Tlokwe/Ventersdorp (10 000 systems)
 - Northern Cape – Sol Plaatje (10 000 systems)
 - KwaZulu-Natal – negotiations ongoing with eThekweni (10 000 systems), and
 - Negotiations are ongoing with the City of Cape Town (Gugulethu) for 5 000 systems and Bitou Local Municipality for 3 000 systems;
- Social facilitation service providers have been appointed; and
- Service providers have been assigned to the participating municipalities.



In this financial year, the DoE will commence with the training of local communities in the installation of the solar water systems, with clear objectives set for skills and enterprise development, job creation and the targeting of youth, women and other designated groups.

Another priority is to address defective installations from the initial SWH Rollout Programme to ensure continued operation of the installed systems and service delivery to the recipients. This corrective SWH Programme has been identified to serve as an incubator for suitably skilled and experienced SWH installers and installation businesses. It provides a platform for technical training at different skills levels and an opportunity for work-based experience with regard to all aspects of SWH installation, including the identification of installation and system defects; repairs; and new and replacement installations. This initiative is an ideal opportunity for youth development and the establishment of an industry that can support the delivery of the larger national SWH target.

Petroleum and Petroleum Products Regulation

The Department attaches great importance to the quality of fuel sold to motorists and other users. In this regard, it has strengthened capacity to monitor adherence to fuel specifications. Unannounced visits to service stations across the country have been conducted to collect petrol and diesel samples for analysis. Non-compliant operators have been issued with enforcement notices and repeat offenders face the risk of losing their licences.

The year 2017 marks the eleventh anniversary of the enactment of the licensing of persons involved in the manufacturing and sale of petroleum products. The Department prides itself in having given historically disadvantaged South Africans an opportunity to participate meaningfully across the value chain, and the number and quality of licensees to date bears testimony to this.

During the 2017/18 financial year, the Department will continue to monitor compliance with the Liquid Fuels Charter commitment, which requires that historically disadvantaged South Africans own 25% of the aggregate value of the equity of the entities that hold the operating assets in the South African Oil Industry.

We are happy to report to South Africans that Sasol Oil and Total SA remain in fulfilment and compliance with the ownership element. Effective from 1 July 2006, Sasol Oil sold 25% of its shares to Tshwarisano LFB (Pty) Ltd, a broad-based black economic empowerment consortium comprising 150 000 direct shareholders and 2.8 million beneficiaries. The value of this transaction amounted to nearly R1.5 billion, making it a significant BEE transaction in the liquid fuels industry. The demographics of this empowerment group include 54% women ownership, substantial rural representation, 3% youth and 2% disabled. In keeping with our strategic drive since 1994, and as implored by the Freedom Charter, we will be facilitating other initiatives towards economic freedom and empowerment.

For some time the Department has indicated that the refineries in the country can no longer meet the national demand for petroleum products. In 2015, we saw a steep increase in the amounts of diesel and petrol imported into the country. In line with the National Development Plan, in the next 12 months government will make recommendations and firm proposals regarding the refining capacity in South Africa. We would need to consider a public-private partnership model given the need to manage the demand for public resources.

With respect to LPG, Mozambique became the number one source of imports, again helping to bolster regional integration in the energy trade. However, to better develop the LPG industry in our country, there are still bottleneck issues that need to be taken care of.

State Owned Entities

In line with the Presidential Review Commission on State Owned Entities (SOE), we have been working towards performing a comprehensive review of the composition of the Central Energy Fund (CEF) Group of companies. Our work in this area includes, amongst others, strengthening the CEF subsidiaries in the oil and gas sector, culminating in the creation of a stand-alone National Oil Company, with PetroSA forming its nucleus. This National Oil Company will aspire to include operations in the upstream, mid-stream and down-stream industries.



The PetroSA turnaround strategy that includes, among others, the expansion of PetroSA Ghana's operations, a comprehensive business process review for the entire Group of companies, and a review of the Group's strategy and integration alignment, will play a significant role in initiating this process.

The 865 km ROMPCO pipeline from Mozambique to South Africa, in which iGas has a 25% ownership stake, continues to earn considerable income for iGas and it is projected that this revenue will increase in the foreseeable future because of the ongoing expansion of the pipeline. However, this CEF subsidiary is also considering alternative means in order to play a far more influential role in the piped-gas sector.

In reviewing the composition of the CEF Group of companies, significant progress has been made regarding the transfer of African Exploration Mining and Finance Corporation (AEMFC). It is anticipated that the transfer of this entity to the Department of Mineral Resources (DMR) will be finalised during the 2017/18 financial year. AEMFC is expected to form the nucleus of government's State Owned Mining Company. The finalisation of this process will therefore herald a significant achievement for the country's mining and energy sectors.

The Petroleum Agency of South Africa (PASA) will continue to manage the country's extended Continental Shelf Claim, which will, if successful, ultimately add considerable impetus to government's Operation Phakisa.

The South African National Energy Development Institute (SANEDI) continues to achieve valuable momentum in the progression of its Carbon Capture and Storage Project, with the Zululand Basin having been identified as the most suitable location for implementation. The project was endorsed by Cabinet during May 2013 and forms part of the country's National Development Plan.

Stability and certainty have been brought to a number of DoE SOE boards with the recent appointment of permanent board members to the CEF, the National Nuclear Regulator (NNR), the National Radioactive Waste Disposal Institute (NRWDI) and the South African Nuclear Energy Corporation (Necsa). The Department has also worked hard to finalise the appointment of permanent CEOs to both NRWDI and the National Energy Regulator of South Africa (NERSA). This, coupled with the long-term re-appointments of the CEOs of both the NNR and Necsa, bodes well for the retention of institutional memory within these organisations, and the energy sector.

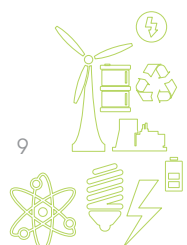
Cabinet's official endorsement of Necsa as the owner-operator of the nuclear fuel cycle and multi-purpose nuclear reactor is a significant development for the organisation and the country's Nuclear New Build Programme.

The realisation of funding for NRWDI over the next three financial years is a significant step towards the ultimate stabilisation and operationalisation of this entity, particularly as NRWDI, which was established during 2014, is a critical component of the Nuclear New Build Programme. The Department will continue to work towards the realisation of the National Radioactive Waste Management Fund Bill, which aims to resolve NRWDI's funding concerns beyond the aforesaid three-year period.

Nuclear Energy

The Nuclear Energy Expansion Programme is a central feature of our future energy mix, given the need to provide baseload electricity as well as meet the significant greenhouse gas emissions reduction target we have set for our country. We must re-iterate that our vision around this programme is centred on processes that will create a nuclear industry, with the objective of catapulting South Africa into the top echelons of the knowledge economy. We are confident that our nuclear programme will respond to job creation needs by creating employment and therefore alleviating poverty. It will also provide assurance to investors for security of supply for industrial purposes.

Having implemented a significant amount of preparatory work, our country once again stands at the cross-roads of a Nuclear New Build Programme procurement process for the deployment of a minimum of 9 600 MW of nuclear power by 2030. In line with the Integrated Resource Plan 2010–2030 this aims to ensure the realisation of the South African socio-economic vision as defined in the NDP up to 2030.



Following consideration by Cabinet, direction was given for the Department of Energy to issue a Request for Proposal (RFP). This decision has since been rescinded by Cabinet to allow Eskom to be the owner/operator and the procurer of the nuclear power plants, with Necca procuring the fuel front-end facilities and the multi-purpose reactor. The Department has been designated as the co-ordinator of the Nuclear New Build Programme.

In December 2016 Eskom issued a Request for Information which will later be followed by an RFP. The information received from participating vendor countries will assist the country in assessing the costs related to the programme before a stop-go decision is made.

The Department of Energy is in the process of ratifying the amendments to the Convention on the Physical Protection of Nuclear Material. The Cabinet approval process has been initiated in this regard and ratification of this amendment by South Africa is an important step towards strengthening measures for nuclear security in South Africa, and contributing to the global effort to strengthen nuclear security.

In conclusion I would like to thank the Deputy Minister, the Chairperson and Members of the Portfolio Committee on Energy, the Director-General, Ministry Officials, Department Officials and all our State Owned Entities for ensuring that their eyes are focused on our mandate at all times.



Ms Tina Joemat-Pettersson, MP

Minister of Energy
Executive Authority



2. ACCOUNTING OFFICER'S STATEMENT

This Annual Performance Plan is the blueprint for the Department of Energy for the 2017/18 financial year and within the Medium-Term Expenditure Framework (MTEF) period. It complies with all relevant prescripts on planning, as provided by National Treasury and the Department of Planning, Monitoring and Evaluation (DPME). This Annual Performance Plan is informed by the National Development Plan (NDP); the New Growth Path (NGP) Framework; the Presidential Infrastructure Coordinating Commission (PICC); Medium-Term Strategic Framework (MTSF) 2014–2019; the President's State of the Nation policy statement and commitments; as well as resolutions taken by Cabinet with regard to the country's energy portfolio.

Energy is crucial to unlocking economic development, job creation and attracting investments. Energy challenges are vast and complex and to ensure the realisation of our strategic goals and objectives, the Department requires effective collaboration with other government departments, private sector, implementing agencies and communities. Despite the magnitude of the challenges facing us, the Department is committed to executing our mandate with the necessary dynamism and vigour.

Previous plans have placed emphasis on developing and strengthening the legislative and regulatory framework governing the energy sector. This year will be a year of consolidation and alignment of our efforts to finalise our legislative programme. Considerable progress has been made and we continue to work towards concluding the introduction of legislative amendments to Parliament pertaining to the National Energy Regulator Amendment Bill, Electricity Regulation Second Amendment Bill, Biofuels Strategy, Integrated Energy Plan and Integrated Resource Plan. During this MTEF period, the Department will focus on the finalisation and implementation of these legislation and policy frameworks, as they will guide policy direction in so far as energy mix initiatives are concerned.

In addition, the Department started work on the Gas Amendment Bill and I am confident that these will be processed and published for public comment during the course of this financial year. This legislation will assist in defining the policy and regulatory framework to support the rollout of gas infrastructure.

Security of fuel supply for South Africa is a top priority, and there is an urgent need for the country to invest in new refining capacity. The Department will continue to promote the expansion of the refining capacity within the petroleum sector and will work closely with the petroleum industry to find sustainable solutions to a number of capacity constraints and challenges faced by the sector.

Considerable work has been done on the Solar Water Heating Programme, and significant progress has been achieved in increasing the local content of the systems rolled out under the revised contracting model. To date 12 local enterprises sustain about 342 jobs and have manufactured about 50 000 systems each, with a minimum of 70% local content.



“The electrification programme will be strengthened in order to continue its positive contribution to socio-economic development, job creation and poverty alleviation as well as to ensure that we come close to our goal of achieving universal access to electricity by 2025.”



The installation programme will target local youth and women, as part of a strategy to create a skilled force of plumbers, water reticulation artisans and related trainees. In this financial year we will, within the approved budget:

- Install 100 000 systems by March 2018; and
- Establish a national SWH Call Centre to ensure an independent verification of installed systems, product lifecycle management and the management of complaints from local communities.

The electrification programme will be strengthened in order to continue its positive contribution to socio-economic development, job creation and poverty alleviation as well as to ensure that we come close to our goal of achieving universal access to electricity by 2025.

The Independent Power Producer (IPP) Programme has unlocked R136.7 billion in investment, and it is projected that further projects can unlock R58.7 billion in investment in the near future. Two IPP coal producer projects were procured in the last quarter of 2016/17, with a potential investment of R40.4 billion. The Request for Proposal (RFP) for the Gas-to-Power (GtP) IPP (3 000 MW) will be released during the second quarter of this financial year. Future allocation and bidding rounds for the renewable energy and coal IPPs will be informed by the updated IRP once finalised.

South Africa's profile of energy demand is characterised by relatively high energy intensity, which makes the efficient use of energy particularly important. While the country has made great strides in developing energy efficiency policies and projects to mitigate dwindling electricity reserves, more needs to be done to promote end-use energy efficiency and demand-side management. To this end, the Department of Energy, in collaboration with the Department of Public Works, and Department of Environmental Affairs, German International Cooperation, National Business Initiative and SANEDI, has been working on proposals to secure funding to unlock the potential energy savings in public infrastructure and buildings through the Nationally Appropriate Mitigation Actions (NAMA) Facility. The Department will approve the utilisation of Energy Efficiency and Demand Side Management (EEDSM) grants to be allocated to municipalities that will participate in the NAMA Facility.

As the economy is battling to pick up, government departments are under pressure to cut more spending. As much as our budget is targeted at service delivery programmes, the Department will, in line with our Workplace Skills Development Plan (WSP), find ways of investing in capacity building, skills development of staff as well as other intermediary training initiatives to ensure that the workforce is sufficiently capable of tackling the existing and emerging challenges in the energy sector. Importantly, the Department will extend funding assistance to deserving students who would like to pursue careers in the energy sector.

In this tight fiscal space that the country finds itself in, we will endeavour to implement and monitor cost containment measures and manage our budget sparingly, whilst providing satisfactory quality service to our citizens.



Mr Thabane Zulu
Director-General: Energy
Accounting Officer



1. UPDATED SITUATIONAL ANALYSIS

1.1 Performance Delivery Environment

External Environment

According to the International Energy Agency (IEA), global energy demand is set to grow by 37% by 2040. Today half of the oil demand is from emerging economies. Global energy demand will dramatically increase over the next 20 years, but turmoil in many key producing regions, and the difficulties in formulating the right energy policies, mean the world may not be able to respond with adequate supply. Energy security concerns are on the rise.

The short-term picture of a well-supplied oil market is disguising the challenges that lie ahead as reliance grows on a relatively small number of producers. The situation in the Middle East is a major concern given steadily increasing reliance on this region for oil production growth – the region remains the only large source of low-cost oil. Conflict between Russia and the Ukraine has reignited concerns about gas security.

Electricity remains inaccessible to many people, including two out of every three people in sub-Saharan Africa. The point of departure for climate negotiations is not encouraging, with a continued rise in global greenhouse-gas emissions and stifling air pollution in many of the world's fast-growing cities.

Demand for natural gas is expected to grow by more than half, the fastest growth rate among the fossil fuels, and increasingly flexible global trade in liquefied natural gas (LNG) offers some protection against the risk of supply disruptions. The main regions that push global gas demand higher are China and the Middle East, but gas is also expected to become the leading fuel in the Organisation for Economic Co-operation and Development (OECD) energy mix by around 2030. The key uncertainty is whether gas can be made available at prices that are attractive to consumers, while still offering incentives for the necessary large capital-intensive investments in gas supply.

Although coal is abundant and its supply secure, its future use is constrained by measures to tackle pollution and reduce CO₂ emissions. Global coal demand is expected to grow by 15% by 2040, but almost two-thirds of the increase is expected to occur over the next ten years. Renewable energy technologies, a critical element of the low-carbon pillar of global energy supply, are rapidly gaining ground, helped by global subsidies amounting to \$120 billion in 2013. With rapid cost reductions and continued support, renewables are expected to account for almost half of the increase in total electricity generation to 2040.

Africa's energy sector is vital to its future development and yet remains one of the most poorly understood regions within the global energy system. The continent is huge in scale – around the size of the United States, China, India and Europe combined – and while it has energy resources more than sufficient to meet domestic needs, more than two-thirds of its population does not have access to modern energy. Those that do have access often face high prices for supply that is of poor quality and have to rely on an under-developed system that is not able to meet their needs. The effective development of Africa's energy resources, and of the energy sector as a whole, could unlock huge gains across the economy. But how quickly can modern energy be brought to the huge population now deprived of it? How can existing and emerging energy-rich countries maximise the value of their resources? What actions in the energy sector can unleash stronger economic and social development? There is a wide diversity of sub-Saharan countries – some are energy-resource rich, and many are among the world's most energy poor. It is a region whose energy sector is not well understood, facing challenges that, in many cases, differ from those of North Africa. For example, gross domestic product (GDP) per capita in North Africa is around two-and-a-half times that of sub-Saharan Africa and less than 1% of the population is without electricity.

There are positive signs of progress in sub-Saharan Africa, such as economic growth, higher income per capita and longer life expectancy. Areas of potential advantage that have yet to be exploited fully include rich natural resource endowments and a growing working-age population. However, there are also a myriad of challenges, such as high levels of poverty



and inequality, a major shortage of infrastructure, poor governance and corruption, relatively low levels of productivity and skills, and varying levels of political stability. Many of these factors contribute to a business environment in which it is often judged difficult and costly to operate.

Economic growth outlook

The outlook for the world economy has deteriorated in recent months. The moderate recovery in advanced economies remains uneven, and developing economies have been experiencing broad downward revisions to growth. Expectations of higher US interest rates, and concerns about the resilience of China and other large developing economies, have led to greater volatility in global capital flows. Commodity prices remain low. In combination, these conditions are adversely affecting financial markets, reducing risk appetite and tolerance for further build-up of public and corporate debt, particularly in developing countries. South Africa's GDP growth forecast for 2016 has been revised down to 0.9% from an estimated 1.7% at the time of the Medium-Term Budget Policy Statement (MTBPS). The weaker outlook is the result of lower commodity prices, higher borrowing costs, diminished business and consumer confidence, and drought. Although GDP growth is forecast to remain subdued in 2016 and 2017, improved global conditions and rising confidence are expected to result in a moderate improvement in economic growth by 2018.

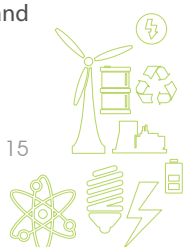
Government is strengthening its collaboration with the private sector, labour and civil society, to speed up implementation of the structural reforms set out in the National Development Plan. Public-sector infrastructure spending over the medium term is expected to total R865.4 billion. Government intends to roll out major partnerships with independent power producers in gas and coal over the next several years, boosting investment and energy supply. Several regulatory reforms will encourage greater private investment and improve the ease of doing business. These and other measures are needed to enable the economy to grow more rapidly as economic conditions improve. Over the medium term, fiscal measures to narrow the budget deficit and stabilise the growth of public debt, complemented by the inflation-targeting framework, will contribute to renewed confidence and greater investment (Budget Review; NT 2016).

South Africa's GDP growth is forecast to decelerate from 1.3% in 2015 to 0.9% in 2016, improving gradually to 1.7% in 2017 and 2.4% in 2018. The domestic economy faces a period of low commodity prices, heightened financial market volatility, and diminished consumer and business confidence. Although energy availability improved in 2015, the lack of new connections and uncertainty about future supply continues to hamper investment. While agile, competitive firms have taken advantage of currency depreciation to boost exports, the weaker rand has increased the cost of capital equipment and will have broader inflationary effects. These factors are expected to ease over the medium term. An upturn in global trade and investment, improved policy certainty, recovering consumer and business confidence, and greater electricity availability in the outer years should support stronger growth (Budget Review; NT 2016).

Access to modern energy

Every advanced economy has required secure access to modern energy to underpin its development and growing prosperity. Modern, high quality and reliable energy provides services such as lighting, heating, transport, communication and mechanical power that support education, better health, higher incomes and all-round improvements in the quality of life. Sub-Saharan Africa has yet to conquer the challenge of energy poverty. But the barriers to doing so are surmountable and the benefits of success are immense.

In societies suffering from energy poverty, such as those in sub-Saharan Africa, the first step in assessing future energy demand is to measure the extent to which the population of the region lacks access to modern energy. This issue is critical to many other aspects, such as electricity supply, solid biomass use and deforestation, and the assessment of the strong positive social and economic impact that broader and better access to modern energy can provide. It is the key to understanding why projections based simply on an extrapolation of past trends, or even on declared policy intentions, would fail to capture this crucial potential or, expressed another way, this huge pent-up energy demand. The International Energy Agency's (IEA) effort to collect comprehensive energy sector data, covering all aspects of the sub-Saharan energy system, includes a full update of its energy access database, which estimates national, urban and



rural populations without electricity access. There is no single internationally accepted and internationally adopted definition of 'modern energy access', yet significant commonality exists across definitions, including:

- Household access to a minimum level of electricity;
- Household access to safer and more sustainable (i.e. minimum harmful effects to health and the environment as possible) cooking and heating fuels and stoves;
- Access to modern energy that enables productive economic activity, e.g. mechanical power for agriculture, textile and other industries; and
- Access to modern energy for public services, e.g. health facilities, schools and street lighting.

All of these elements are crucial to economic and social development, as are a number of related issues that are sometimes referred to collectively as 'quality of supply', such as technical availability, adequacy, reliability, convenience, safety and affordability. A lack of access to such services often results in households relying on expensive, inefficient and hazardous alternatives. For example, households can typically spend 20–25% of their income on kerosene, even though the cost of useful lighting (measured as \$/lumen hour of light) can be 150 times higher than that provided by incandescent bulbs and 600 times higher than that from compact fluorescent lights. Each year, 4.3 million premature deaths, of which nearly 600 000 are in Africa, can be attributed to household air pollution resulting from the traditional use of solid fuels, such as fuelwood and charcoal.

Access to Electricity

Sub-Saharan Africa has more people living without access to electricity than any other region in the world – more than 620 million people, and nearly half of the global total. It is also the only region in the world where the number of people living without electricity is increasing, as rapid population growth is outpacing the many positive efforts to provide access. In 37 sub-Saharan countries, the number of people without electricity has increased since 2000, while the regional total rose by around 100 million people. On a more positive note, about 145 million people across the continent have gained access to electricity since 2000, led by Nigeria, Ethiopia, South Africa, Ghana, Cameroon and Mozambique. Overall, the electricity access rate for sub-Saharan Africa improved from 23% in 2000 to 32% in 2012. In North Africa, more than 99% of the total population has access to electricity.

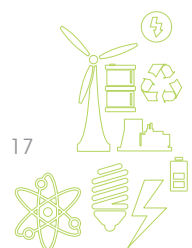
Nearly 80% of those lacking access to electricity across sub-Saharan Africa are in rural areas, an important distinction when considering appropriate energy access strategies and technical solutions. Around the world, increasing urbanisation has often facilitated increasing household access to modern energy. While it can play a similar role in sub-Saharan Africa, the extent to which this will occur is less clear because, unlike many world regions, sub-Saharan Africa is expected to continue to see significant growth in both its urban and rural populations. In this light, efforts towards universal modern energy access will require effective solutions for rural, as well as urban and peri-urban, communities. Several African countries have dedicated policies, programmes or institutions to provide electricity access in rural areas. While such a tailored approach appears warranted, the success rate has been uneven. In West Africa, electricity access rates range from below 20% in Liberia, Sierra Leone, Niger and Burkina Faso to more than 50% in Senegal and above 70% in Ghana. More than 90 million people in Nigeria (55% of the population), do not have access to (grid) electricity.

There are clear ambitions to increase electricity trade across sub-Saharan Africa. While at varying stages of development, regional power pools have been established with the aim of achieving greater efficiency through co-operative planning and improved transmission interconnections. At present, electricity trade in sub-Saharan Africa is relatively limited and is concentrated in the Southern Africa Power Pool, where over 5.3 TWh of electricity has been traded. The bulk of this trade involved supply from South Africa to Botswana (meeting almost all of Botswana's demand) and Namibia (nearly half of its demand). South Africa also imported electricity from Mozambique's Cahorra Bassa Project, but much of this was then exported back to Mozambique's southern region to supply Maputo (and particularly the Mozal smelter). Despite being the most developed regional power pool, Southern Africa's electricity trade is heavily constrained by the limitations of the transmission network.



Energy consumption levels in South Africa, particularly electricity, are significantly higher than in many other developing countries, mainly because of the country's strong industrial base. South Africa, with only 5% of Africa's population, consumes about 40% of all the electricity used in Africa. The overall rate of electrification in the country was 85.87% in March 2016 (INEP 2016):

Province	Projected Households with 2% Growth	Total Households Connected	Houses without Electricity	Houses Electrified	% Access per Province (Using Average %)	Projected Households with 2% Growth (April to March 2015)	Total Households Connected (April to March 2015)	Houses without Electricity	Houses Electrified	% Access per Province (Using Average %)	Projected Households with 2% Growth (April to March 2016)	Total Households Connected (April to March 2016)	Houses without Electricity	Houses Electrified	% Access per Province (Using Average %)
Eastern Cape	1 721 133	70 537	384 837	1 336 296	77.64%	1 755 555	37 820	381 439	1 374 116	78.27%	1 790 666	38 535	378 015	1 412 651	78.89%
Free State	839 782	15 138	84 144	755 638	89.98%	856 578	14 854	86 086	770 492	89.95%	873 710	2 695	100 523	773 187	88.49%
Gauteng	3 987 202	52 417	518 425	3 468 777	87.00%	4 066 946	22 037	576 132	3 490 814	85.83%	4 148 285	13 963	643 508	3 504 777	84.49%
KwaZulu-Natal	2 590 218	93 455	519 506	2 070 712	79.94%	2 642 022	39 621	531 689	2 110 333	79.88%	2 694 862	54 195	530 334	2 164 528	80.32%
Mpumalanga	1 096 998	62 186	105 440	991 558	90.39%	1 118 938	28 584	98 796	1 020 142	91.17%	1 141 316	28 993	92 181	1 049 135	91.92%
Northern Cape	307 433	19 717	30 461	276 972	90.09%	313 582	5 625	30 985	282 597	90.12%	319 853	6 074	31 182	288 671	90.25%
Limpopo	1 446 464	78 940	130 029	1 316 435	91.01%	1 475 393	40 103	118 855	1 356 538	91.94%	1 504 901	57 430	90 933	1 413 968	93.96%
North West	1 083 255	29 442	161 389	921 866	85.10%	1 104 920	25 972	157 082	947 838	85.78%	1 127 019	16 740	162 441	964 578	85.59%
Western Cape	1 666 680	38 741	101 959	1 564 721	93.88%	1 700 014	18 839	116 454	1 583 560	93.15%	1 734 014	12 387	138 067	1 595 947	92.04%
Total	14 739 165	460 573	2 036 190	12 702 975	86.19%	15 033 949	233 455	2 097 519	12 936 430	86.05%	15 334 628	231 012	2 167 186	13 167 442	85.87%
	DoE calculations with additional households electrified from October 2011 to March 2014														
	Additional households electrified from April 2014 to March 2015														
	Additional households electrified from April 2015 to March 2016														



Petroleum and Petroleum Products

The petroleum sector in South Africa remains robust and is a key pillar of national economic development. The sector has attracted the attention of traditional commodity traders and this trend is expected to continue as oil majors rebalance their investment portfolios in the downstream sector.

Regulatory effort by the DoE is applied to ensure that efficient operation of the sector is maximised. The regulation of the petroleum sector is being undertaken in a global environment that has recently started to witness a slight increase in crude oil prices with a concomitant increase in petroleum product prices, as result of the November 2016 decision by OPEC to cut crude oil production in order to moderate the oversupply in the global market. Some non-OPEC countries also agreed to the production cuts.

The crude oil price increase has resulted in petroleum product prices that are relatively higher than the local market became used to in the last calendar year. The return to production of unconventional sources in the shale oil producing countries is, however, expected to temper this increase.

The diversity of sources of crude oil supply is expected to continue, with the African continent once again continuing to play a major role in the supply of crude oil to South Africa. The growing trend in LPG imports from Mozambique, in addition to natural gas, emphasises the growing importance of that country as an energy supplier to South Africa.

1.2 Organisational Environment

Of the two Deputy Directors-General posts that were vacant, one was filled through secondment and the other has been advertised and is likely to be filled soon. During 2016, the DoE had a staff complement of 610 employees, with 541 fulltime employees and 69 contract employees. By the end of the year, the Department operated with a staff of 583 employees. The process of reviewing the functionality of the DoE's operational structure has commenced to address its mandate and the challenges facing the energy sector. Some specific changes have been effected, including the relocation of the Communications and Knowledge Management Chief Directorate from Corporate Services to the Office of the Director-General.

Training and Development

The challenge of acquiring the technical skills necessary in the energy sector has continued to be of concern. In response, a Workplace Skills Development Plan (WSP) has been developed, based on the training needs of individual employees and their managers. As part of the implementation of the WSP, a number of training and development interventions have been identified for implementation. The DoE has offered 32 new bursaries to deserving employees. It will also contribute to the implementation of youth development intervention programmes, such as the provision of bursaries to external applicants. Eleven external applicants within the youth programme were offered bursaries sponsored by the Chemical Industries Education and Training Authority (CHIETA) as well as four integrated learners, 32 interns and 15 people on learnership programmes. In preparation for the rollout of the Nuclear New Build Programme, the Nuclear Skills Development and Training Programme is under way, in partnership with various countries, including China, the Russian Federation and South Korea.

Regional Offices

In its quest to improve and bring service delivery closer to the people, the DoE has secured permanent office space for its regional offices in Mpumalanga, KwaZulu-Natal, North West, Eastern Cape, Western Cape and Limpopo provinces. The procurement of permanent office space for Gauteng is at an advanced stage and the process of procuring permanent office space in the Northern Cape and Free State provinces will be advertised by the National Department of Public Works. It is anticipated that this will be finalised before the end of the 2017/18 financial year.



1.3 Strategic Integrated Projects

In 2012, Cabinet adopted a National Infrastructure Plan intended to transform the economic landscape of South Africa, create a significant number of new jobs, strengthen the delivery of basic services to the population and support the integration of African economies. Eighteen Strategic Integrated Projects (SIPs) were developed and approved to support economic development and address service delivery in the poorest provinces.

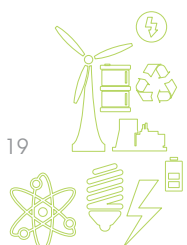
The DoE chairs one of the projects and co-chairs two. It also participates in ten projects where it attends regular Inter-governmental Forum meetings and provides input on specific parts of the relevant SIP. The DoE has observer status in five SIPs where it only attends meetings as and when required. Involvement in the SIPs chaired/co-chaired by the DoE can be categorised as follows:

SIP No.	Strategic Integrated Project	Departmental Contribution
6	Integrated Municipal Infrastructure Project	<p>The SIP is chaired by the Minister of Energy.</p> <p>This SIP addresses all maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure in the 23 least resourced district municipalities, covering 17 million people, in a project that is nationally managed but locally delivered.</p> <p>The DoE is contributing to this SIP through the following programmes:</p> <ul style="list-style-type: none"> • Integrated National Electrification Plan; and • Solar Water Heating Programme.
8	Green Energy in Support of the South African Economy	<p>The SIP is co-chaired by the Minister of Economic Development and the Minister of Energy.</p> <p>This SIP supports sustainable green energy initiatives on a national scale through a diverse range of clean energy options as envisaged in the IPR 2010, and supports bio-fuel production facilities.</p> <p>The DoE is contributing to this SIP through the following programmes:</p> <ul style="list-style-type: none"> • Independent Power Producer Programme; • Bio-fuels; • Clean Energy; • Solar Water Heating Programme; and • Solar Park.
10	Electricity Transmission and Distribution for All	<p>The SIP is co-chaired by the Minister of Public Enterprises and the Minister of Energy.</p> <p>The main functions of this SIP are to:</p> <ul style="list-style-type: none"> • Accelerate the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development; and • Align the 10-Year Transmission Plan, the service backlogs, the national broadband rollout and the freight rail line development to leverage regulatory approvals, supply chain and project development capacity. <p>The DoE is contributing to this SIP through the following programmes:</p> <ul style="list-style-type: none"> • Integrated National Electrification Plan; • Approach to Distribution Asset Management (ADAM); and • Mini-ADAM (providing subsidies to nine municipalities to address maintenance, refurbishment and backlog concerns in order to improve the quality of electricity supply).

1.4 Service Delivery Improvement Plan

A Service Delivery Improvement Plan (SDIP) has been developed for the period 1 April 2016 to 31 March 2019. The plan:

- Outlines the key services that the DoE provides;
- Identifies the key services that the DoE will focus on improving during the next three years; and
- Identifies the beneficiaries that coincide with these key services.



The following service delivery improvement priorities were identified during the SDIP prioritisation workshop:

- Improvement of the petroleum licensing process; and
- Electrification of the country, in particular low-cost residential housing.

Monitoring the implementation of the SDIP will be done by the DoE on a quarterly basis and will be reported to the Department of Public Service and Administration annually. The reporting cycles will be aligned with the MTEF period, as stipulated by National Treasury, and reviewed as part of the strategic planning process.

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

The following acts regulate the energy sector and reflect the legislative measures that the DoE has instituted:

- The National Energy Act, 2008 (Act No. 34 of 2008);
- The Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended; and
- The Electricity Regulation Act, 2006 (Act No. 4 of 2006), as amended.

Act	Description
The National Energy Act, 2008 (Act No. 34 of 2008)	<p>The National Energy Act, 2008, is the enabling legislation that empowers the Minister of Energy to ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while also taking into account environmental considerations. The Act also provides for:</p> <ul style="list-style-type: none"> • Energy planning; • Increased generation and consumption of renewable energy; • Contingency energy supply; • The holding of strategic energy feedstock and carriers; • Adequate investment in appropriate upkeep and access to energy infrastructure; • Measures for the furnishing of certain data and information regarding energy demand; • Supply and generation; and • The establishment of an institution to be responsible for the promotion of efficient generation and consumption of energy and energy research.
The Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended	<p>The Petroleum Products Act, 1977, provides for:</p> <ul style="list-style-type: none"> • Measures in the saving of petroleum products and economy in the cost of distribution thereof; • The maintenance and control of the price thereof; • The furnishing of certain information regarding petroleum products; • The rendering of service of a particular kind or standard in connection with petroleum products; • The licensing of persons involved in the manufacturing, wholesaling and retailing of prescribed petroleum products; • The promotion of the transformation of the South African petroleum and liquid fuels industry; and • The promulgation of regulations relating to such licences and matters incidental thereto.
The Electricity Regulation Act, 2006 (Act No. 4 of 2006), as amended	<p>The Electricity Regulation Act, 2006, replaced the Electricity Act, 1987 (Act No. 41 of 1987) as amended, with the exception of Section 5B, which provides for the funds for the energy regulator to regulate the electricity industry. The act establishes a national regulatory framework for the electricity supply industry and introduces the National Energy Regulator (NER) as the custodian and enforcer of the National Electricity Regulatory Framework. The Act also provides for licences and registration as the manner in which generation, transmission, distribution, trading and the import and export of electricity are to be regulated. Section 34(1) empowers the Minister of Energy to make determinations for the establishment of Independent Power Producers (IPPs) to create greater competition in the electricity generation sector, in order to increase the supply of electricity.</p>



Act	Description
The Central Energy Fund Act, 1977 (Act No. 38 of 1977), as amended	<p>The Central Energy Fund Act, 1977, as amended, provides for:</p> <ul style="list-style-type: none"> • The payment of certain moneys into the Central Energy Fund (Pty) Ltd (CEF) and for the utilisation and investment thereof; • The imposition of a levy on fuel and for the utilisation and investment thereof; • The control of the affairs of the CEF by a board of directors for the safeguarding of records of all transactions entered into for account of the CEF or the Equalisation Fund and of certain other transactions; • The investigation, examination and auditing of the books, accounts and statements kept and prepared in connection with the said transactions; • The submission to Parliament of a report relating to the said investigation, examination and auditing; and • Matters connected with the Act.
The Nuclear Energy Act, 1999 (Act No. 46 of 1999)	<p>The Nuclear Energy Act, 1999, provides for:</p> <ul style="list-style-type: none"> • The establishment of Necsa (a public company wholly owned by the state) and the definition of its functions and powers and its financial and operational accountability; • Its governance and management by a board of directors, the composition of the board and a chief executive officer; • The responsibilities for the implementation and application of the Safeguards Agreement and additional protocols entered into by the International Atomic Energy Agency (IAEA) in support of the Nuclear Non-Proliferation Treaty, acceded to by the Republic for the regulation of the acquisition and possession of nuclear fuel, certain nuclear and related material and equipment, and the importation and exportation of nuclear material, and certain other acts and activities relating to that fuel, material and equipment in order to comply with the international obligations of the Republic; and • Prescribed measures for discarding radioactive waste and storing irradiated nuclear fuel and other incidental matters.
The National Nuclear Regulator Act, 1999 (Act No. 47 of 1999)	<p>The National Nuclear Regulator Act, 1999, provides for:</p> <ul style="list-style-type: none"> • The establishment of the National Nuclear Regulator (NNR) in order to regulate nuclear activities, its objectives and functions, the manner in which it is to be managed and its staff matters, safety standards and regulatory practices; and • The protection of persons, property and the environment against nuclear damage and matters connected therewith.
The National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008)	<p>The National Radioactive Waste Disposal Institute Act, 2008, provides for:</p> <ul style="list-style-type: none"> • The establishment of the National Radioactive Waste Disposal Institute (NRWDI) to manage radioactive waste disposal on a national basis; • NRWDI's functions and the manner in which it is to be managed; and • The regulation of staff and matters connected therewith.
The Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)	<p>The Petroleum Pipelines Act, 2003, provides for:</p> <ul style="list-style-type: none"> • The establishment of a national regulatory framework for petroleum pipelines; and • A Petroleum Pipelines Regulatory Authority (PPRA) as the custodian and enforcer of the national regulatory framework and matters connected therewith.
The Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004)	<p>The Petroleum Pipelines Levies Act, 2004, provides for the imposition of levies by the PPRA and matters connected therewith.</p>
The Gas Act, 2001 (Act No. 48 of 2001)	<p>The Gas Act, 2001, provides for:</p> <ul style="list-style-type: none"> • The orderly development of the piped gas industry; • The establishment of a national regulatory framework; and • The National Gas Regulator (NGR) as the custodian and enforcer of the national regulatory framework and matters connected therewith.
The Gas Regulator Levies Act, 2002 (Act No. 75 of 2002)	<p>The Gas Regulator Levies Act, 2002, provides for the imposition of levies by the NGR and matters connected therewith.</p>
The National Energy Regulator Act, 2004 (Act No. 40 of 2004)	<p>The National Energy Regulator Act, 2004, provides for the establishment of a single regulator to regulate the electricity, piped-gas and petroleum pipeline industries and matters connected therewith.</p>
The Abolition of the National Energy Council Act, 1991 (Act No. 95 of 1991)	<p>The Abolition of the National Energy Council Act, 1991, provides for:</p> <ul style="list-style-type: none"> • The abolition of the National Energy Council; and • The transfer of powers, assets, liabilities, rights, duties, obligations and staff of the Council to the Minister and for matters incidental thereto.



In addition to the aforementioned acts, the Department is further mandated by Acts not administered by the DoE, including among others:

- The National Environmental Management Act, 1999 (Act No. 107 of 1999);
- The Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);
- The Disaster Management Act, 2002 (Act No. 57 of 2002);
- The Hazardous Substances Act, 1973 (Act No. 16 of 1973); and
- The National Ports Act, 2005 (Act No. 12 of 2005).

3. RELEVANT COURT RULINGS

The DoE, to date, has not experienced any significant court rulings that may significantly impact on its operations or service delivery obligations.

4. PLANNED POLICY INITIATIVES

The DoE intends to submit the following legislation to Cabinet and Parliament for approval in the 2017/18 financial year:

Name of the Bill	Strategic Focus of the Bill	Date for Submission of the Bill to Cabinet	Date for Submission of the Bill to Parliament	Impact
National Energy Regulator Amendment Bill	To promote efficient regulation of the energy sector	First Quarter of 2017	Final Quarter of 2017	Promotion of administrative justice in the decisions made by the energy regulator
Electricity Regulator Amendment Bill	To provide a regulatory framework that promotes IPP participation	Second Quarter of 2017	Final Quarter of 2017	Increased investment and capacity in power generation



5. STRATEGIC OUTCOME-ORIENTATED GOALS OF THE DEPARTMENT OF ENERGY

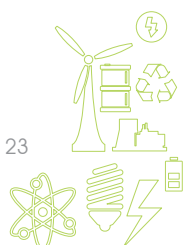
Strategic Outcome-Orientated Goals	Goal Statement
1. Security of Supply	To ensure that energy supply is secure and demand is well managed
2. Infrastructure	To facilitate an efficient, competitive and responsive energy infrastructure network
3. Regulation and Competition	To ensure that there is improved energy regulation and competition
4. Universal Access and Transformation	To ensure that there is an efficient and diverse energy mix for universal access within a transformed energy sector
5. Environmental Assets	To ensure that environmental assets and natural resources are protected and continually enhanced by cleaner energy technologies
6. Climate Change	To implement policies that adapt to and mitigate the effects of climate change
7. Corporate Governance	To implement good corporate governance for effective and efficient service delivery

6. ALIGNMENT OF THE DOE'S ANNUAL PERFORMANCE PLAN WITH THE NDP AND MTSF

The National Development Plan (NDP) envisages that by 2030 South Africa will have an energy sector that promotes:

- Economic growth and development through adequate investment in energy infrastructure. The sector should provide a reliable and efficient electricity service at competitive rates, while supporting economic growth through job creation;
- Social equity through expanded access to electricity at affordable tariffs and through targeted, sustainable subsidies for needy households; and
- Environmental sustainability through efforts to reduce pollution and mitigate the effects of climate change.

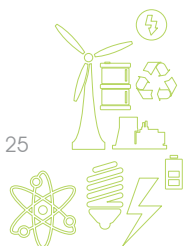
The DoE has aligned its Annual Performance Plan with the National Development Plan and various outcomes of the Medium-Term Strategic Framework 2014–2019 (MTSF) that directly or indirectly affect it, as follows:





Goals	Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014–2019) (outcomes)	DoE Programme
<p>1. Security of supply – To ensure that energy supply is secure and demand is well managed</p>	<p>SO 2.1 Improve energy security</p> <p>SO 2.2 Improve liquid fuels energy security by development and implementation the 20-Year Liquid Fuels Master Plan (20YRLFMP)</p> <p>SO 2.11 Ensure security of supply through additional power generation capacity</p>	<p>Enable exploratory drilling to identify economically recoverable coal seam and shale gas reserves, while environmental investigations will continue to ascertain whether sustainable exploitation of these resources is possible. If gas reserves are proven and environmental concerns alleviated, then development of these resources and gas-to-power projects will be fast-tracked.</p> <p>Invest in a new heavy-haul rail corridor to the Waterberg coalfield, upgrade the central basin coal network and expand export capacity of the line to Richards Bay.</p> <p>Ensure domestic security of coal supply for existing power stations through industry compact, more comprehensive coalfield planning and opening up the Waterberg for coal mining.</p> <p>Fast track development of offshore West Coast gas coupled with incremental power generation units.</p> <p>Develop infrastructure for the import of liquefied natural gas, mainly for power production.</p> <p>Upgrade refineries to ensure they meet new fuel quality standards and insist on strategic fuel stocks to ensure security of supply.</p> <p>Continue to import refined fuels, ensuring that the growing deficit in petroleum products is met, and defer decision on a new refinery.</p>	<p>Outcome 10: Annual energy balances provided to support compilation of the Greenhouse Gas (GHG) inventory</p> <p>Outcome 6: Publication of approved Integrated Energy Plan (IEP)</p> <p>Outcome 6: Take a decision on expanding oil refining capacity</p> <p>Outcome 6: Develop a national coal policy with regulations that will include a strategy to secure coal supply and that aligns with Mining Beneficiation</p> <p>Outcome 6: Develop and implement a Gas Infrastructure Master Plan</p> <p>Outcome 6: Develop a funding mechanism for upgrading of existing refineries to ensure they meet new fuel-quality standards</p> <p>Outcome 6: Refine, update and implement the integrated Resource Plan (IRP)</p> <p>Outcome 6: Principal Support Provider (PSP) Framework: Rands private investment and market share of private ownership of baseload, renewable energy, fuels and gas</p>	<p>Sub-Programme 2.1: Energy Planning Programme Performance Indicators:</p> <ul style="list-style-type: none"> Annual energy balances provided to support compilation of the GHG inventory Number of studies to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles and price elasticity of fuel demand for the Integrated Energy Plan <p>Sub-Programme 2.3: Hydrocarbon Policy Programme Performance Indicators:</p> <ul style="list-style-type: none"> Finalised 20YRLFMP Draft Position Paper on Coal for Energy Policy Draft Gas Utilisation Master Plan (GUMP) developed as well as Implementation Plan <p>Sub-Programme 2.1: Energy Planning Programme Performance Indicators:</p> <ul style="list-style-type: none"> Study to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles Study to determine the price elasticity of fuel demand <p>Sub-Programme 2.4: Electricity, Energy Efficiency and Environment Policy Programme Performance Indicators:</p> <ul style="list-style-type: none"> Integrated Resource Plan (IRP) Additional power generation capacity as per the IRP

Goals	Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014–2019) (outcomes)	DoE Programme
<p>2. Infrastructure – To facilitate an efficient, competitive and responsive energy infrastructure network</p>	<p>SO 2.9 Review the bulk electrical infrastructure required for universal access to electricity</p> <p>SO 4.3 Monitor energy infrastructure development</p> <p>SO 4.2 Enhance programme and project management</p>	<p>Ring-fence the electricity distribution businesses of the 12 largest municipalities, resolve maintenance and refurbishment backlogs and develop a financing plan, alongside investment in human capital.</p>	<p>Outcome 6: Ring-fence the electricity-distribution business of the 12 largest municipalities and resolve their maintenance and refurbishment challenges</p> <p>Outcome 6: SIP No. 6 – Integrated Municipal Infrastructure Project;</p> <p>SIP No. 8 – Green Energy in Support of the South African Economy; SIP No. 9 – Electricity Transmission and Distribution; SIP No. 10 – Electricity Transmission and Distribution; SIP No.17 – Regional Integration for African Co-operation and Development</p> <p>Number of Integrated Energy Centres (IECs)</p>	<p>Sub-Programme 2.4: Electricity, Energy Efficiency and Environmental Policy Programme Performance Indicators:</p> <ul style="list-style-type: none"> • Norms and standards for municipal electricity infrastructure asset management • Implementation plan on Project Inga agreement <p>Sub-Programme 4.4: Electricity Infrastructure/Industry Transformation Programme Performance Indicators:</p> <ul style="list-style-type: none"> • Number of SIP quarterly reports submitted to EXCO and MANCO and the Presidential Infrastructure Coordinating Commission (PICC) Secretariat on all SIPs <p>Sub-Programme 4.3: Community Upliftment Programmes and Projects Programme Performance Indicators:</p> <ul style="list-style-type: none"> • Number of reports on the progress made with regard to development of rural Integrated Energy Centres
<p>3. Regulation and competition – To ensure that there is improved energy regulation and competition</p>	<p>SO 2.8 Review policy and regulations to ensure security of supply</p> <p>SO 3.1 Audit B-BBEE participation in the petroleum retail sector</p> <p>SO 3.2 Promote the transformation of the South African petroleum and liquid fuels industry through issuing of licences</p>	<p>Move Eskom's system operator, planning, power procurement, power purchasing and power contracting functions and accelerate procurement of independent power producers.</p>	<p>Outcome 6: Amend the National Energy Regulator Act and the Electricity Regulation Act – Legislative amendments</p> <p>Outcome 6: Independent System Operator in place</p>	<p>Sub-Programme 2.4: Electricity, Energy Efficiency and Environmental Policy Programme Performance Indicators:</p> <ul style="list-style-type: none"> • Amend National Energy Regulator Act, 2004 (Act No. 40 of 2004) • Amend Electricity Regulator Act, 2006 (Act No. 4 of 2006). • Electricity Industry Structure Bill



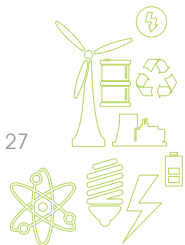


Goals	Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014–2019) (outcomes)	DoE Programme
<p>4. Universal access and transformation – To ensure that there is an efficient and diverse energy mix for universal access within a transformed energy sector</p>	<p>SO 2.9 Review the bulk electrical infrastructure required for universal access to electricity</p> <p>SO 2.10 Establish mechanisms to pre-fund capital and create a smooth price path over the long term</p> <p>SO 4.1 Access to electricity by households</p>	<p>Revise National Electrification Plan and ensure 90% coverage.</p> <p>“.....more than 90 percent of the population should enjoy access to grid-connected or off-grid electricity within 20 years” (Energy Vision, published 2012) and NDP Energy Proposals “Revise National Electrification Plan and ensure 90 percent access to grid-connected or off-grid electricity.”</p>	<p>Outcome 6: Reviewed Electricity Pricing Policy issued</p> <p>Outcome 7: Number of rural households linked to grid or micro-scheme (electricity); Number of rural households connected with off-grid technology</p> <p>Outcome 9: 1.4 million additional households connected to grid by 2019; 105 000 additional households connected with non-grid by 2019</p>	<p>Sub-Programme 2.4: Electricity, Energy Efficiency and Environmental Policy Programme Performance Indicators:</p> <ul style="list-style-type: none"> Electricity Pricing Policy <p>Sub-Programme 4.1: Integrated National Electrification Programme Performance Indicators:</p> <ul style="list-style-type: none"> Number of quarterly reports on allocation of funding, and number of additional households electrified with grid electrification per year in comparison to the Electrification Plan Number of quarterly reports on allocation of funding, and number of additional households electrified with non-grid electrification in comparison to the Electrification Plan
<p>5. Environmental assets – To ensure that environmental assets and natural resources are protected and continually enhanced by cleaner energy technologies</p>	<p>SO 4.4 Renewable energy</p> <p>SO 6.2 Co-ordinate and monitoring and implementation Energy Efficiency and Demand-Side Management (EEDSM) measures across all sectors</p>	<p>Move to less carbon-intensive electricity production by procuring up to 20 000 MW of renewable energy, increased hydro imports from the region and increased demand-side measures, including solar water heating.</p>	<p>Outcome 10: Percentage of new build that is derived from renewables 42% (or 17 800 MW) by 2030</p> <p>Outcome 6: Measure demand savings in MW in line with the National Energy Efficiency Strategy and Action Plan</p>	<p>Sub-Programme 4.4: Community Upliftment Programmes and Projects Performance Indicators:</p> <p>Number of Solar Water Heating (SWH) units installed in residential and commercial sectors per year</p>
<p>6. Climate change – To implement policies that adapt to and mitigate the effects of climate change</p>	<p>SO 5.3 Improve security of energy supply</p> <p>SO 6.1 Co-ordinate and monitoring and implementation of energy-related climate change response measures and environmental compliance</p>	<p>Thorough investigation of the implications of greater use of nuclear energy, including its potential costs, safety, environmental benefits, localisation and employment opportunities, uranium enrichment, fuel fabrication, and the dangers of weapon proliferation.</p>	<p>Review alternative generation options, including Coal 3 and nuclear, to evaluate financing and construction risks and submit realistic options to Cabinet (Included in Outcome 4)</p> <p>Outcome 10: Percentage of new build that is derived from renewables (to incorporate off-grid energy with a target of 42% (or 17 800 MW) by 2030</p> <p>6% (or 2 600 MW) by 2030 for import of hydropower developed</p>	<p>Sub-Programme 5.1 Nuclear and Technology Programme Performance Indicator:</p> <ul style="list-style-type: none"> Number of quarterly monitoring reports on the Localisation and Industrialisation Strategy implemented <p>Sub-Programme 4.1: Integrated National Electrification Programme Performance Indicators:</p> <ul style="list-style-type: none"> Number of quarterly reports on allocation of funding, and number of additional households electrified with non-grid electrification in comparison to the Electrification Plan

7. OVERVIEW OF THE 2017/18 BUDGET AND MEDIUM-TERM EXPENDITURE FRAMEWORK

7.1 Expenditure Estimates

Programmes	Baseline				Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main Appropriation)	Revised Indicative Baseline	Revised Indicative Baseline	Revised Indicative Baseline
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	232 558	257 168	277 768	240 137	239 541	245 948	263 991
Energy Policy and Planning	47 756	41 749	38 095	46 748	46 668	49 509	52 478
Petroleum and Petroleum Products Regulation	25 836	64 548	68 958	77 871	81 828	85 541	90 899
Electrification and Energy Programme and Project Management	3 958 525	4 180 973	5 820 485	5 699 907	6 184 028	6 432 399	7 791 738
Nuclear Energy	722 501	845 418	655 028	863 575	786 875	821 395	882 162
Clean Energy	1 489 887	830 257	281 783	616 933	774 510	835 151	869 506
Total for programmes	6 477 063	6 220 113	7 142 117	7 545 171	8 113 450	8 469 943	9 950 774

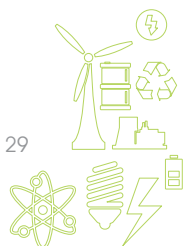




Economic Classification	Baseline					Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20		
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000		
Current payments	414 785	473 607	509 309	738 963	714 502	557 923	611 338	626 436		
Compensation of employees	228 545	264 266	296 009	310 797	318 297	318 247	331 900	357 041		
Salaries and wages	201 791	234 156	261 007	266 644	274 149	273 673	285 415	307 037		
Social contributions	26 754	30 110	35 002	44 153	44 148	44 574	46 485	50 004		
Goods and services	186 240	209 341	213 300	428 166	396 205	239 676	279 438	269 395		
Administrative fees	4 023	4 453	5 664	3 471	3 290	3 635	3 764	3 975		
Advertising	15 970	8 652	13 785	7 612	7 189	7 299	7 448	7 854		
Minor assets	389	367	1 036	3 194	2 814	3 367	3 976	4 182		
Audit costs: External	4 460	3 578	4 233	3 872	3 804	4 472	3 915	4 135		
Bursaries: Employees	696	761	610	755	755	785	821	867		
Catering: Departmental activities	2 641	1 032	1 961	2 082	1 829	2 042	2 173	2 295		
Communication (G&S)	6 853	7 846	7 613	6 018	5 894	5 836	6 095	6 435		
Computer services	7 975	10 264	9 839	6 345	6 125	6 115	6 397	6 758		
Consultants: Business and advisory services	25 387	43 780	25 828	283 486	256 350	97 719	130 711	112 369		
Legal services (G&S)	504	846	924	448	441	458	490	517		
Contractors	2 041	1 743	2 560	1 368	928	1 451	1 547	1 634		
Agency and support/outourced services	995	270	3 305	7 866	7 877	9 909	10 348	10 928		
Entertainment	69	22	1	177	91	197	231	244		
Fleet services (including government motor transport)	304	1 130	1 586	656	708	689	724	766		
Consumable supplies	795	1 582	1 042	2 295	1 730	2 563	2 775	2 932		
Consumables: Stationery, printing and office supplies	3 911	4 119	4 653	4 016	5 296	3 520	4 139	4 369		
Operating leases	26 709	27 145	34 063	32 782	30 932	34 080	36 097	38 118		
Rental and hiring	28	15	93	378	200	395	412	436		
Property payments	6 181	3 849	4 082	800	188	779	815	861		
Transport provided: Departmental activity	345	1	238	-	40	-	-	-		
Travel and subsistence	58 034	56 344	65 249	42 669	41 981	37 004	38 185	40 354		

Economic Classification	Baseline					Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Training and development	4 003	5 665	4 664	3 933	3 888	4 049	4 216	4 049	4 216	4 452
Operating payments	2 817	6 171	4 898	5 151	6 433	5 239	5 510	5 239	5 510	5 820
Venues and facilities	11 110	19 706	15 373	8 792	7 422	8 073	8 649	8 073	8 649	9 094
Transfers and subsidies	6 050 595	5 742 710	6 628 379	6 802 113	6 831 959	7 551 241	7 854 066	7 551 241	7 854 066	9 319 553
Municipalities	1 815 490	1 241 563	2 158 239	2 131 871	2 131 871	2 290 284	2 419 501	2 290 284	2 419 501	3 554 993
Departmental agencies and accounts	202 504	197 194	87 140	38 246	62 546	129 394	113 859	129 394	113 859	147 348
Foreign governments and international organisations	38 903	21 275	29 564	17 375	17 375	17 907	18 946	17 907	18 946	20 006
Public corporations	2 733 209	3 708 715	4 193 601	4 125 672	4 125 672	4 510 325	4 664 724	4 510 325	4 664 724	4 924 496
Private enterprises	1 260 220	570 000	156 179	486 750	492 135	600 919	636 582	600 919	636 582	672 230
Households	269	3 963	3 656	2 199	2 360	2 412	454	2 412	454	480
Payments for capital assets	11 683	3 763	4 424	4 095	4 095	4 286	4 539	4 286	4 539	4 785
Transport equipment	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	11 335	3 763	4 424	4 095	4 095	4 286	4 539	4 286	4 539	4 785
Software and other intangible assets	348	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	33	5	-	-	-	-	-	-	-
Total economic classification	6 477 063	6 220 113	7 142 117	7 545 171	7 550 556	8 113 450	8 469 943	8 113 450	8 469 943	9 950 774

Division of Revenue	Baseline					Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
National	4 661 573	4 978 550	4 983 878	5 413 300	5 418 685	5 823 166	6 050 442	5 823 166	6 050 442	6 395 781
Local government conditional grants (Direct)	1 815 490	1 241 563	2 158 239	2 131 871	2 131 871	2 290 284	2 419 501	2 290 284	2 419 501	3 554 993
Total	6 477 063	6 220 113	7 142 117	7 545 171	7 550 556	8 113 450	8 469 943	8 113 450	8 469 943	9 950 774



7.2 Relating Expenditure Trends to Strategic Outcome-Oriented Goals

Over the medium term, the DoE will focus on the security of energy resources and energy supply, including increasing household access to electricity, enhancing energy efficiency, diversifying the energy generation mix, establishing the National Radioactive Waste Disposal Institute, and improving the quality and security of petroleum fuels. These focus areas support the realisation of the vision of the NDP that, by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent economic disruptions. The plan also envisages economic growth, development and social equity through expanded access to energy services that are environmentally sustainable.

Increasing Household Access to Electricity

The DoE's spending over the medium term is set to remain largely on household electrification. To this end, an additional R1 billion has been allocated in 2019/20 to support the Integrated National Electrification Programme (INEP), which electrifies households through grid and non-grid connections, and builds and upgrades substations and electricity networks.

An estimated 723 000 grid and 60 000 non-grid connections to households are expected to be made over the medium term, funded by transfers to implementing municipalities, non-grid service providers and Eskom. Due to the additional allocation, transfers to municipalities are expected to increase from R2.1 billion in 2017/18 to R3.3 billion in 2019/20, and transfers to Eskom from R3.8 billion in 2017/18 to R4.2 billion in 2019/20. The cost of connections is expected to increase over the medium term as the INEP shifts to deep rural areas, requiring hardware that is more expensive and covering larger geographic areas. Spending on household electrification, budgeted for in the INEP's Electrification and Energy Programme and the Project Management Programme, is expected to increase from R5.7 billion in 2016/17 to R7.7 billion by 2019/20, at an average annual rate of 11%.

Non-grid electrification projects using solar energy will be extended countrywide, and will be implemented in areas where extending the grid would not be cost-effective. This method of delivery provides better value for money and, over time, allows for a greater number of connections to be made due to the relatively lower cost per connection. To provide more non-grid connections, spending on non-grid electrification projects is expected to increase from R171.8 million in 2016/17 to R212.9 million in 2019/20, at an average annual rate of 8.6%. Over the medium term, funding of R13.4 million in this INEP Sub-Programme has been earmarked for the oversight, monitoring and evaluation of non-grid electrification projects.

Enhancing Energy Efficiency

Over the medium term, the DoE will accelerate the implementation of the revised Solar Water Heater (SWH) Programme as part of the load-reduction strategy to reduce reliance on the national grid. Recent changes to the programme will allow the industry value chain to mature through revised localisation targets and the development of small businesses. Spending on the SWH Programme is set to increase from R478 million in 2017/18 to R534.1 million in 2019/20, and it is expected that 141 000 solar water heater units will be produced and installed. This includes spending on the transportation and warehousing of solar water heating systems. The initiative is funded through the Energy Efficiency Sub-Programme of the Clean Energy Programme.

The DoE's Energy Efficiency and Demand-Side Management Conditional Grant provides subsidies to municipalities to reduce energy consumption through energy efficient public lighting, and the retrofitting of energy efficient technologies in municipal buildings. Over the medium term, subsidies of R645.3 million are set to be transferred to municipalities, saving an estimated 0.5 TWh of energy per year.



Diversifying Energy

The DoE will continue to promote the optimal use of South Africa's renewable energy resources to ensure that the country's sustainable energy agenda is adhered to. This includes expanding the Independent Power Producer Procurement Programme. Renewable energy is an integral part of South Africa's Low-emission Development Strategy, and is vital to addressing the challenges of climate change, access to energy, and energy security. To meet the needs of the economy without compromising government's commitment to sustainable development, the DoE is pursuing a balanced mix of energy that includes clean and renewable resources, as informed by the 2016 Integrated Resource Plan. The plan has been released for public comment and implementation is expected over the medium term.

The newly developed Integrated Energy Plan optimises the relationship between the supply of electricity, gas and liquid fuels to meet energy demand in the period up to 2050. Whereas detailed electricity supply options are outlined in the Integrated Resource Plan, the Integrated Energy Plan focuses on liquid fuels (mainly in the transportation sector), and addresses the potential need for new oil-refining capacity. It also deals with piped gas, gas storage and liquefied natural gas infrastructure, and considers regional gas options in terms of imports from Mozambique and Botswana, as well as local shale gas. Spending on these plans is allocated through the Energy Policy and Planning Programme, and amounts to an estimated R52.7 million by 2019/20.

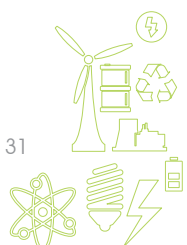
Establishing the National Radioactive Waste Disposal Institute

An amount of R99.3 million over the medium term has been reprioritised from the INEP Sub-Programme to provide operational funding for the National Radioactive Waste Disposal Institute, which has the mandate to manage the disposal of radioactive waste nationally. The Institute has signed a service-level agreement with the South African Nuclear Energy Corporation, and will adopt the corporation's policies, procedures and internal controls, as well as finance, payroll and supply chain management systems, to ensure it operates within an effective, efficient and transparent system of financial and risk management, and internal control.

Improving the Quality and Security of Petroleum Fuels

The DoE plans to undertake 4 500 inspections of petroleum retail sites over the medium term to ensure that petroleum fuel meets regulated quality standards. Spending in the Petroleum and Petroleum Products Regulation Programme is expected to increase from R77.6 million in 2017/18 to R86.3 million in 2019/20, mostly driven by inflation-related adjustments.

An additional allocation of R956 000 was made to the Petroleum and Petroleum Products Regulation Programme in 2017/18 for the development and implementation of a fuel supply monitoring system. The DoE manages the export and import of petroleum products, monitors fuel stock levels, and co-ordinates corrective actions to avoid distribution shortages. The system will allow for the monitoring and verification of information from the industry, providing the DoE with access to the status of fuel levels and fuel availability at any given time across the country. This will assist in ensuring that fuel disruptions are kept to a minimum.



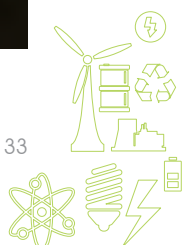
1. PROGRAMME 1: ADMINISTRATION

1.1 Programme Purpose

To provide strategic leadership, management and support services to the DoE.

1.2 Budget Sub-Programmes

- Ministry
- Departmental Management
- Finance Administration
- Audit Services
- Corporate Services
- Office Accommodation



Crosscutting Programme 1: Sub-Programmes

Crosscutting Programme 1 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 1.1 Sound corporate governance practices	Average Management Performance Assessment Tool (MPAT) score of at least 3.75 achieved for moderated assessment of 2019/20	Average MPAT score of 2.5 achieved for self-assessment of 2012/13: <ul style="list-style-type: none"> KPA 1 – 3.0 KPA 2 – 2.8 KPA 3 – 2.4 KPA 4 – 2.0 	Average MPAT score of at least 3.1 achieved for moderated assessment of 2013/14, with at least the following sub-scores: <ul style="list-style-type: none"> KPA 1 – 3.3 KPA 2 – 3.2 KPA 3 – 3.1 KPA 4 – 2.9 	Average MPAT score of at least 3.5 achieved for moderated assessment of 2014/15, with at least the following sub-scores: <ul style="list-style-type: none"> KPA 1 – 3.5 KPA 2 – 3.5 KPA 3 – 3.5 KPA 4 – 3.5 	Average MPAT score of at least 2.6 achieved for moderated assessment of 2015/16	Average MPAT score of at least 2.8 achieved for moderated assessment of 2016/17	Average MPAT score of at least 3.0 achieved for moderated assessment of 2017/18	Average MPAT score of at least 3.0 achieved for moderated assessment of 2018/19	Average MPAT score of at least 3.0 achieved for moderated assessment of 2019/20
SO 1.2 Sound financial resource management	Unqualified audit outcome for the DoE	Unqualified audit report by the AG achieved for 2012/13	Unqualified audit report by the AG achieved for 2013/14	Unqualified audit report by the AG achieved for 2014/15	Unqualified audit report by the AG achieved for 2015/16	Unqualified audit report by the AG achieved for 2016/17	Unqualified audit report by the AG achieved for 2017/18	Unqualified audit report by the AG achieved for 2018/19	Unqualified audit report by the AG achieved for 2019/20
SO 1.3 Sound corporate resource management	Unqualified audit outcome for the DoE	Unqualified audit report by the AG achieved for 2012/13	Unqualified audit report by the AG achieved for 2013/14	Unqualified audit report by the AG achieved for 2014/15	Unqualified audit report by the AG achieved for 2015/16	Unqualified audit report by the AG achieved for 2016/17	Unqualified audit report by the AG achieved for 2017/18	Unqualified audit report by the AG achieved for 2018/19	Unqualified audit report by the AG achieved for 2019/20

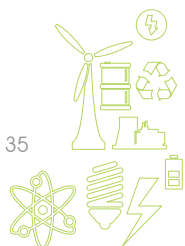


Crosscutting Programme 1 performance indicators and annual targets for 2017 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 1.1 Sound corporate governance practices	MPAT scores	Average MPAT score of 2.5 achieved for self-assessment of 2012/13:	Average MPAT score of at least 3.1 achieved for moderated assessment of 2013/14, with at least the following sub- scores:	Average MPAT score of at least 3.5 achieved for moderated assessment of 2014/15, with at least the following sub- scores:	Average MPAT score of at least 2.6 achieved for moderated assessment of 2015/16	Average MPAT score of at least 2.8 achieved for moderated assessment of 2016/17	Average MPAT score of at least 3.0 achieved for moderated assessment of 2017/18	Average MPAT score of at least 3.0 achieved for moderated assessment of 2018/19	Average MPAT score of at least 3.0 achieved for moderated assessment of 2019/20
SO 1.2 Sound financial resource management		<ul style="list-style-type: none"> • KPA 1 – 3.0 • KPA 2 – 2.8 • KPA 3 – 2.4 • KPA 4 – 2.0 	<ul style="list-style-type: none"> • KPA 1 – 3.3 • KPA 2 – 3.2 • KPA 3 – 3.1 • KPA 4 – 2.9 	<ul style="list-style-type: none"> • KPA 1 – 3.5 • KPA 2 – 3.5 • KPA 3 – 3.5 • KPA 4 – 3.5 					
SO 1.3 Sound corporate resource management	Results of the annual report	Unqualified audit report by the AG achieved for 2012/13	Unqualified audit report by the AG achieved for 2013/14	Unqualified audit report by the AG achieved for 2014/15	Unqualified audit report by the AG achieved for 2015/16	Unqualified audit report by the AG achieved for 2016/17	Unqualified audit report by the AG achieved for 2017/18	Unqualified audit report by the AG achieved for 2018/19	Unqualified audit report by the AG achieved for 2019/20

Crosscutting Programme 1 quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.1 Sound corporate governance practices	MPAT scores	Annually (end of the 3 rd quarter)	Average MPAT score of at least 2.8 achieved for moderated assessment of 2016/17	No target	No target	Average MPAT score of at least 2.8 achieved for moderated assessment of 2016/17	No target
SO 1.2 Sound financial resource management	Results of the Annual Report	Annually (end of the 3 rd quarter)	Unqualified audit report by the AG achieved for 2016/17	No target	Unqualified audit report by the AG achieved for 2016/17	No target	No target
SO 1.3 Corporate resource management							



Sub-Programme 1.1: Ministry

This sub-programme provides executive support to the Minister and Deputy Minister (DM) and provides a parliamentary service to the Minister, DM, DoE and Energy Sector. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-Programme 1.2: Departmental Management

This sub-programme provides executive support to the Director-General (DG) and Deputy Directors-General (DDGs) in carrying out the DoE's mandate and contributes to critical government programmes.

Sub-Programme 1.4 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
SO 1.5 Executive support services provided to Ministry, DG and DDGs	20 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	N/A	N/A	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	20 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	20 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	20 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters
SO 1.6 Executive and administration support services for Ministry, DG, DDGs	100 Izimbizo Public Participation Programmes (PPPs) conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted

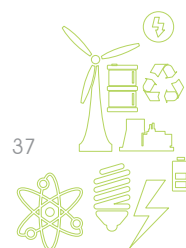


Sub-Programme 1.4 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
SO 1.5 Executive support services provided to Ministry, DG and DDGs	Number of quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes, 6, 7, 9 and 10 submitted to Clusters	N/A	N/A	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by DoE Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by DoE Minister	Number of quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes, 6, 7, 9 and 10 submitted to Clusters	4 Number of quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes, 6, 7, 9 and 10 submitted to Clusters	Number of quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes, 6, 7, 9 and 10 submitted to Clusters
SO 1.6 Executive and administration support services for Ministry, DG, DDGs	Number of Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted

Sub-Programme 1.4 quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets				
				Q1	Q2	Q3	Q4	
SO 1.5 Executive support services provided to Ministry, DG and DDGs	Number of Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes, 6, 7, 9 and 10 submitted to Cluster	Quarterly	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes, 6, 7, 9 and 10 submitted to Clusters	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 9 and 10 submitted to the Clusters (Q4) 2016/17	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 9 and 10 submitted to the Clusters (Q1) 2017/18	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 9 and 10 submitted to the Clusters (Q2) 2017/18	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 9 and 10 submitted to the Clusters (Q3) 2017/18	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 9 and 10 submitted to the Clusters (Q4) 2017/18
SO 1.6 Executive and administration support services for Ministry, DG, DDGs	Number of Izimbizo PPPs conducted	Quarterly	20 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted



Sub-Programme 1.3: Governance and Compliance

This sub-programme provides strategic direction and guidance on strategic planning, risk management, report monitoring and evaluation, State Owned Entity (SOE) oversight as well as international co-ordination.

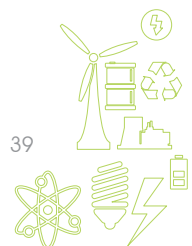
Sub-Programme 1.3 Governance and Compliance strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 1.4 Strategic support of energy security (re-establish new partnership/bilateral agreements)	50 Bilateral inter-governmental engagements or visits hosted in the energy sector, with African states (inbound and outbound), including Mozambique, Angola, Namibia, Tanzania and Algeria regarding shale gas; and DRC, Zimbabwe and Zambia regarding hydropower	N/A	N/A	10 Bilateral inter-governmental engagements or visits hosted in the energy sector, with African states (inbound and outbound)	10 Foreign participants (advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners
	90 Bilateral inter-governmental engagements or visits hosted in the energy sector, excluding African countries (inbound and outbound), including China, Russia, France, USA, South Korea, Japan, Canada, Brazil and Iran regarding the Nuclear Programme	N/A	N/A	18 Bilateral inter-governmental engagements or visits hosted in the energy sector, excluding Africa (inbound and outbound)	18 foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners



Sub-Programme 1.3 Governance and Compliance performance indicators and annual targets for the 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 1.4 Strategic support of energy security (re-establish new partnerships/ bilateral agreements)	Number of foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	N/A	N/A	10 Bilateral inter-governmental engagements or visits hosted in the energy sector, with African states (inbound and outbound)	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners
		N/A	N/A	18 Bilateral inter-governmental engagements or visits hosted in the energy sector, excluding Africa (inbound and outbound)	18 Foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 Foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 Foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 Foreign participants (Advancement of the African Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners



Sub-Programme 1.3 Governance and Compliance quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.4 Strategic support of energy security (re-establish new partnerships/ bilateral agreements)	Number of foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	Quarterly	10 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	1 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	1 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	4 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	4 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners
				2 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	2 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	4 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	6 Foreign participants (Advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners



Sub-Programme 1.4: Finance Administration

This sub-programme provides financial management, accounting and supply chain management (SCM) services to the DoE.

Sub-Programme 1.4: Finance Administration strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 1.2 Sound financial resource management	100% approved invoices paid within 30 days of receipt	100% rate of compliance with payments within 30 days with valid reasons for deviations	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt

Sub-Programme 1.4 Finance Administration performance indicators and annual targets for 2017 MTEF

Links to strategic Objectives in above table	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 1.2 Sound financial resource management	Percentage of approved invoices paid within 30 days of receipt	100% rate of compliance with payments within 30 days with valid reasons for deviations	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt

Sub-Programme 1.4: Finance Administration quarterly targets for 2017/18

Links to strategic Objectives in above table	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.2 Sound financial resource management	Percentage of approved invoices paid within 30 days of receipt	Monthly	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt



Sub-Programme 1.5: Audit Services

This sub-programme provides an audit and support service to the DoE. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-Programme 1.6: Corporate Services

This sub-programme provides corporate support to the DoE and ensures good corporate governance and compliance by the DoE and state-owned entities (SOEs).

Sub-Programme 1.6 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 1.3 Sound corporate resource management	Assess the impact and implement the HR Development Framework	Vacancy rate reduced to almost 10%	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained as per DPSA directive	Vacancy rate below 10% maintained as per DPSA directive	Vacancy rate below 10% maintained as per DPSA directive
		Approved HR Plan	Implementation of the HR Plan (Phase 2)	Review of HR Plan	Implementation of reviewed HR Plan	4 Quarterly Progress Reports on the implementation of the HR Plan	4 Quarterly Progress Reports on the implementation of the HR Plan	4 Quarterly Progress Reports on the implementation of the HR Plan
		1.8% of people with disabilities employed	1.8% of people with disabilities employed	2% of people with disabilities employed	2% of people with disabilities employed	2% of people with disabilities employed as per Cabinet instruction	2% of people with disabilities employed as per Cabinet instruction	2% of people with disabilities employed as per Cabinet instruction
		42.5% of women in SMS positions	50% of women in SMS positions	50% of women in SMS positions	50% of women in SMS positions	4 Quarterly Progress Reports regarding SMS positions as per Cabinet instruction	4 Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction	4 Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction



Sub-Programme 1.6 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 1.3 Sound corporate resource management	% of vacancy rate	Vacancy rate reduced to almost 10%	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained as per DPSA directive	Vacancy rate below 10% maintained as per DPSA directive	Vacancy rate below 10% maintained as per DPSA directive
	Number of Quarterly Progress Reports on the implementation of the HR Plan	Approved HR Plan	Implementation of the HR Plan (Phase 2)	Review of HR Plan	Implementation of reviewed HR Plan	4 Quarterly Progress Reports on the implementation of the HR Plan	4 Quarterly Progress Reports on the implementation of the HR Plan	4 Quarterly Progress Reports on the implementation of the HR Plan
	Number of Quarterly Progress Reports regarding 2% of people with disabilities employed as per Cabinet instruction	1.8% of people with disabilities employed	1.8% of people with disabilities employed	2% of people with disabilities employed	2% of people with disabilities employed	4 Quarterly Progress Reports regarding 2% of people with disabilities employed as per Cabinet instruction	4 Quarterly Progress Reports regarding 2% of people with disabilities employed as per Cabinet instruction	4 Quarterly Progress Reports regarding 2% of people with disabilities employed as per Cabinet instruction
	Number of Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction	42.5% of women in SMS positions	50% of women in SMS positions	50% of women in SMS positions	50% of women in SMS positions	4 Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction	4 Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction	4 Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction

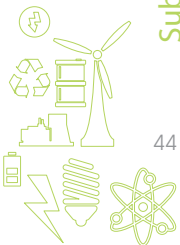


Sub-Programme 1.6 quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.3 Sound corporate resource management	% of vacancy rate	Quarterly	Vacancy rate below 10% maintained as per DPSA directive	Quarterly Progress Report on vacancy rate	Quarterly Progress Report on vacancy rate	Quarterly Progress Report on vacancy rate	Vacancy rate below 10% maintained as per DPSA directive
	Number of Quarterly Progress Reports on the implementation of the HR Plan	Quarterly	4 Quarterly Progress Reports on the implementation of the HR Plan	Quarterly Progress Report on HR Plan	Quarterly Progress Report on HR Plan	Quarterly Progress Report on HR Plan	Quarterly Progress Report on HR Plan
	Number of Quarterly Progress Reports regarding 2% of people with disabilities employed as per Cabinet instruction	Quarterly	4 Quarterly Progress Reports regarding 2% of people with disabilities employed as per Cabinet instruction	Quarterly Progress Report regarding 2% of people with disabilities employed as per Cabinet instruction	Quarterly Progress Report regarding 2% of people with disabilities employed as per Cabinet instruction	Quarterly Progress Report regarding 2% of people with disabilities employed as per Cabinet instruction	Quarterly Progress Report regarding 2% of people with disabilities employed as per Cabinet instruction
	Number of Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction	Quarterly	4 Quarterly Progress Reports regarding 50% of women in SMS positions as per Cabinet instruction	Quarterly Progress Report regarding 50% of women in SMS positions as per Cabinet instruction	Quarterly Progress Report regarding 50% of women in SMS positions as per Cabinet instruction	Quarterly Progress Report regarding 50% of women in SMS positions as per Cabinet instruction	Quarterly Progress Report regarding 50% of women in SMS positions as per Cabinet instruction

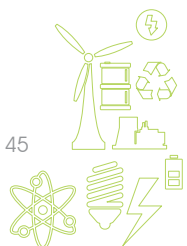
Sub-Programme 1.7: Office Accommodation

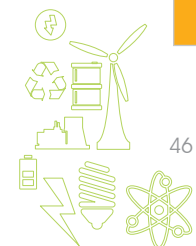
This sub-programme provides office accommodation and related support to the DoE. No strategic objectives, performance indicators or targets were set for this sub-programme. See the Departmental 2016/17 Operational Plan.



1.3 Resource Consideration

	Baseline				2016/17			Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20		
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	
Programme 1 : Administration (Sub-Programmes)										
Ministry	35 536	41 767	42 299	27 045	29 647	25 250	26 334	28 112		
Departmental Management	43 271	45 787	52 619	52 273	56 225	58 100	60 598	64 853		
Finance Administration	27 204	29 390	33 294	34 389	34 210	36 051	36 429	39 689		
Audit Services	4 564	6 754	6 698	7 845	7 777	6 076	6 340	6 769		
Corporate Services	121 983	109 053	110 758	86 524	86 894	80 753	81 004	87 351		
Office Accommodation	-	24 417	32 100	32 061	30 069	33 311	35 243	37 217		
Total for programmes	232 558	257 168	277 768	240 137	244 822	239 541	245 948	263 991		

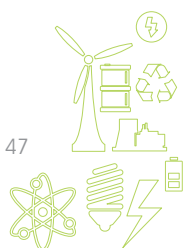




	Baseline					Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 1: Administration (Economic Classification)								
Current payments	221 076	248 394	268 555	232 858	237 543	231 796	239 847	257 556
Compensation of employees	112 636	131 521	138 750	136 792	144 292	138 899	141 446	153 668
Salaries and wages	99 403	116 920	122 580	117 356	124 641	119 454	121 644	132 157
Social contributions	13 233	14 601	16 170	19 436	19 651	19 445	19 802	21 511
Goods and services	108 440	116 873	129 805	96 066	93 251	92 897	98 401	103 888
Administrative fees	1 803	2 111	2 957	1 708	1 690	1 768	1 821	1 923
Advertising	5 707	6 062	6 211	3 228	3 101	3 087	3 219	3 400
Minor assets	380	360	1 006	2 456	2 359	1 941	2 493	2 630
Audit costs: External	4 460	3 578	4 233	3 872	3 804	3 740	3 915	4 135
Bursaries: Employees	696	761	610	755	755	785	821	867
Catering: Departmental activities	610	392	288	572	527	564	626	660
Communication (G&S)	5 375	6 352	5 851	3 581	3 541	3 475	3 627	3 830
Computer services	7 397	10 204	9 807	5 979	6 027	5 690	5 954	6 289
Consultants: Business and advisory services	3 511	5 103	4 025	4 883	4 905	4 215	4 457	4 704
Legal services (G&S)	504	647	824	448	441	458	490	517
Contractors	1 911	1 461	2 514	1 254	840	1 333	1 423	1 503
Agency and support/outsourced services	995	270	2 201	727	765	751	779	823
Entertainment	67	22	1	152	66	174	207	219
Fleet services (including government motor transport)	301	951	1 277	462	523	489	514	544
Consumable supplies	597	1 219	853	1 627	971	1 819	1 996	2 108
Consumables: Stationery, printing and office supplies	3 273	3 542	4 370	2 868	3 961	2 324	2 897	3 059
Operating leases	26 297	26 737	33 165	32 782	30 911	34 080	36 097	38 118
Rental and hiring	28	-	72	314	143	328	342	362
Property payments	6 181	3 849	4 050	-	-	-	-	-
Transport provided: Departmental activity	90	1	-	-	-	-	-	-
Travel and subsistence	29 872	27 842	32 467	19 584	19 526	17 196	17 368	18 319

	Baseline					Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20		
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	
Programme 1: Administration (Economic Classification)										
Training and development	3 077	5 636	4 643	3 784	3 784	3 925	4 086	4 315		
Operating payments	1 939	2 212	3 277	2 272	2 331	2 424	2 564	2 708		
Venues and facilities	3 369	7 561	5 103	2 758	2 280	2 331	2 705	2 855		
Transfers and subsidies	170	5 007	4 789	3 184	3 184	3 459	1 562	1 650		
Departmental agencies and accounts	-	812	792	985	985	1 047	1 108	1 170		
Foreign governments and international organisations	-	282	366	-	-	-	-	-		
Households	170	3 913	3 631	2 199	2 199	2 412	454	480		
Payments for capital assets	11 312	3 763	4 424	4 095	4 095	4 286	4 539	4 785		
Transport equipment	-	-	-	-	-	-	-	-		
Machinery and equipment	11 312	3 763	4 424	4 095	4 095	4 286	4 539	4 785		
Software and other intangible assets	-	-	-	-	-	-	-	-		
Payments for financial assets	-	4	-	-	-	-	-	-		
Total economic classification	232 558	257 168	277 768	240 137	244 822	239 541	245 948	263 991		

	Baseline					Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20		
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	
Programme 1: Administration (Transfer Payments)										
Beneficiary	170	3 212	2 920	351	351	368	389	411		
Employee social benefits	-	701	711	58	58	61	65	69		
Employee <i>ex-gratia</i> payments	-	812	792	985	985	1 047	1 108	1 170		
Energy and Water Sector Education and Training Authority	-	282	366	-	-	-	-	-		
International Energy Forum	-	-	-	1 790	1 790	1 983	-	-		
Households: Bursaries (Non-employees)	-	-	-	-	-	-	-	-		
Total	170	5 007	4 789	3 184	3 184	3 459	1 562	1 650		



1.4 Risk Management

The DoE fully understands its statutory obligations in respect of enterprise risk management. To that end, the DoE will continue to enhance the risk management culture, as contemplated in Section 38(1) (a) (i) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. The DoE is guided by the Public Sector Risk Management Framework, 2008, which aims to support institutions to improve and sustain their performance by enhancing systems of risk management.

Internal audit will play a pivotal role in the combined assurance framework by providing independent assurance over governance, risk management and systems of internal control, as well as over the combined assurance framework. Contributors in this role predominantly include internal audit, risk management, quality assurance, the external auditor and management. This is based on the best practices adopted by the King III Report and Code on Good Corporate Governance (King III).

Risk Exposure for Programme 1

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 1.3 Sound corporate resource management	Organisational structure of DoE not fully implemented	Inability of the department to perform its mandate effectively	Approval of the revised organisational structure expedited



2. PROGRAMME 2: ENERGY POLICY AND PLANNING

2.1 Programme Purpose

To ensure evidence-based planning, policy setting and investment decisions in the energy sector to improve the security of energy supply, regulation and competition.

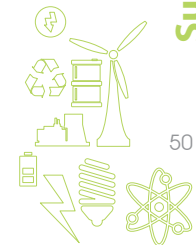
2.2 Budget Sub-Programmes

- Policy Analysis and Research
- Energy Planning
- Hydrocarbon Policy
- Electricity, Energy Efficiency and Environmental Policy

Sub-Programme 2.1: Policy Analysis and Research

This sub-programme develops key indicators and monitors the impact of energy sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and security of energy supply; conducts research and analyses policies in relation to other countries; and conducts research and analyses national and international trends or developments that impact on the demand and supply of energy.





Sub-Programme 2.2: Energy Planning

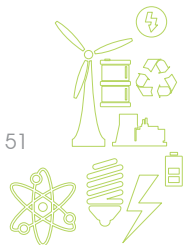
This sub-programme manages energy data and information; develops and maintains an energy modelling system to simulate energy supply and distribution; identifies energy supply and distribution constraints and addresses them through the Integrated Energy Plan (IEP); manages the overall collection, collation, validation, integrity and quality of energy data; and is responsible for managing the development of energy plans and strategic interventions for the generation, refining, distribution and transmission of energy sources for demand and supply optimisation.

Sub-Programme 2.2 strategic objectives annual targets for 2017/18

Strategic Objectives	5-Year Strategic Plan Target	Audited Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 2.1 Improved energy security	5 Annual Energy Balances published by 2020	Annual Energy Balance (2011) published by March 2014	Annual Energy Balance (2012) published by March 2015	Annual Energy Balance (2013) published by March 2016	Annual Energy Balance (2014) published by March 2017 Review and harmonise historical Energy Balances	Annual Energy Balance (2015) published by March 2018	Annual Energy Balance (2016) published by March 2019	Annual Energy Balance (2017) published by March 2020
	Finalised IEP	Draft IEP approved by Cabinet	Study of the socio-economic impact of technologies in the electricity sector completed Study on the externality costs of different electricity technologies completed	Study on the macroeconomic impact of the IEP completed Final IEP published	Cabinet approved draft IEP issued for final public consultation	Promulgate the IEP, taking into account the public comments	Incorporate the gas component into the IEP (Gas Infrastructure Plan)	Incorporate the gas component into the IEP (Gas Infrastructure Plan)
	Socio-economic impact assessment of the Integrated Energy Plan	N/A	N/A	N/A	N/A	Socio-economic impact assessment of the Integrated Energy Plan	Socio-economic impact assessment of the Integrated Energy Plan	Socio-economic impact assessment of the Integrated Energy Plan

Sub-Programme 2.2 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 2.1 Improved energy security	Annual Energy Balances provided to support compilation of the GHG inventory	Annual Energy Balance (2011) published by March 2014	Annual Energy Balance (2012) published by March 2015	Annual Energy Balance (2013) published by March 2016	Annual Energy Balance (2014) published by March 2017 Review and harmonise historical Energy Balances	Annual Energy Balance (2015) published by March 2018	Annual Energy Balance (2016) published by March 2019	Annual Energy Balance (2017) published by March 2020
	Incorporate public comments	Draft IEP approved by Cabinet	Study on the socio-economic impact of technologies in the electricity sector completed Study on the externality costs of different electricity technologies completed	Study on the macroeconomic impact of the IEP completed Electricity price path for the IEP calculated Final IEP published	Cabinet approved draft IEP issued for final public consultation	Promulgate the IEP, taking into account the public comments	Incorporate the gas component into the IEP (Gas Infrastructure Plan)	Incorporate the gas component into the IEP (Gas Infrastructure Plan)
	Socio-economic impact assessment	N/A	N/A	N/A	N/A	Socio-economic impact assessment of the Integrated Energy Plan	Socio-economic impact assessment of the Integrated Energy Plan	Socio-economic impact assessment of the Integrated Energy Plan





Sub-Programme 2.2 quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.1 Improved energy security	Annual Energy Balances provided to support compilation of the GHG inventory	Quarterly	Annual Energy Balance (2015) published by March 2018	No target	Draft 2015 commodity flows compiled	Consolidation of energy commodity flow into energy balance	Annual Energy Balance (2015) published by March 2018
	Incorporate public comments	Quarterly	Promulgate the IEP, taking into account the public comments	No target	Report collating public comments and their incorporation into the IEP	Draft Cabinet Memo on IEP submitted to Minister	Promulgate the IEP, taking into account the public comments
	Socio-economic impact assessment	Annual	Socio-economic impact assessment of the Integrated Energy Plan	No target	No target	No target	Socio-economic impact assessment of the Integrated Energy Plan

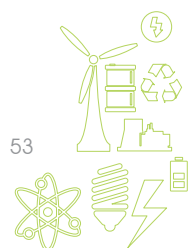
Sub-Programme 2.3: Hydrocarbon Policy

This sub-programme ensures a secure energy supply, well-managed demand, enhanced access to hydrocarbons and a transformed energy sector. It also ensures that energy regulation and competition are improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas.

Sub-Programme 2.3 Strategic objectives annual targets for 2017/18

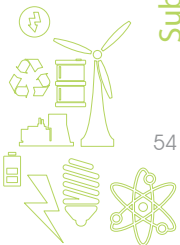
Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 2.1 Improved energy security	Gas Amendment Bill N/A		Draft Gas Amendment Bill submitted to Office of State Law Advisor for final pre-certification	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submit Cabinet Memo to Minister on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	Implement the infrastructure facilitated through the Gas Amendment Bill (if enacted by Parliament)	Implement the infrastructure facilitated through the Gas Amendment Bill (if enacted by Parliament)

Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 2.1 Improved energy security (continued)	LP Gas rollout model for the domestic, commercial and industrial sectors	N/A	N/A	N/A	N/A	N/A	Regulatory model for LP Gas rollout and increase the use of LP Gas as a thermal solution for the residential sector	Increase the use of LP Gas as a thermal solution for the residential sector	Increase the use of LP Gas as a thermal solution for the residential sector
SO 2.2 Improved liquid fuels energy security	Incorporate the 20-Year Liquid Fuels Infrastructure Roadmap (20YRLFIR) into the IEP to determine new refinery capacity	Refinery audits completed	Draft 20YRLFIR submitted to Cabinet for approval	Publish 20YRLFIR for external consultation	Incorporate 20YRLFIR into the IEP	Submit Cabinet Memo to Minister with a decision on the need for a new oil refinery	Submit Cabinet Memo to Minister with a recommendation on Clean Fuels 2	Submission of report on implementation of the Cabinet decision for Ministerial approval	Submission of report on implementation of the Cabinet decision for Ministerial approval
	Introduce biofuels into the liquid fuels industry through mandatory blending	N/A	South African Biofuels Regulatory Framework finalised	Biofuels Regulatory Framework implemented	Submission of draft Biofuels Regulatory Framework for Ministerial approval	Resubmit Biofuels Cabinet Memo to Minister, taking into consideration comments from Cabinet	Implement the Pilot Biofuels Programme, if approved by Cabinet	Implement the Pilot Biofuels Programme, if approved by Cabinet	Implement the Pilot Biofuels Programme, if approved by Cabinet
	Develop Clean Coal Technologies	N/A	N/A	N/A	Include clean coal technology options in the IRP research agenda	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project
	Gas Development Framework incorporated into the finalised IEP	N/A	N/A	Launch the Gas-to-Power (GtP) Programme (4 600 MW) as a step towards rolling out gas infrastructure	Include Gas Utilisation as part of the IRP	Initiate negotiations with Mozambique regarding gas infrastructure development	Implement the GtP Infrastructure Programme	Implement the GtP Infrastructure Programme	Implement the GtP Infrastructure Programme



Sub-Programme 2.3 performance indicators and annual targets for the 2017 MTEF

Strategic Objectives	Performance Indicator	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 2.1 Improved energy security	Cabinet Memo to Minister on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	N/A	Draft Gas Amendment Bill submitted to Office of State Law Advisor for final precertification	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submit Cabinet Memo to Minister on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	Implement the infrastructure facilitated through the Gas Amendment Bill (if enacted by Parliament)	Implement the infrastructure facilitated through the Gas Amendment Bill (if enacted by Parliament)	
	Develop a regulatory model for LP Gas rollout and increase the use of LP Gas as a thermal solution for the residential sector	N/A	N/A	N/A	N/A	Regulatory model for LP Gas rollout and increase the use of LP Gas as a thermal solution for the residential sector	Increase the use of LP Gas as a thermal solution for the residential sector	Increase the use of LP Gas as a thermal solution for the residential sector	
SO 2.2 Improved liquid fuels energy security	Cabinet Memo to Minister	Refinery audits completed	Draft 20YRLFIR submitted to Cabinet for approval	Publish 20YRLFIR for external consultation	Incorporate the 20YRLFIR into the IEP	Submit Cabinet Memo to Minister with a decision on the need for a new oil refinery	Submission of report on implementation of the Cabinet decision for Ministerial approval	Submission of report on implementation of the Cabinet decision for Ministerial approval	
	Cabinet Memo	N/A	South African Biofuels Regulatory Framework finalised	Biofuels Regulatory Framework implemented	Submission of draft Biofuels Regulatory Framework for Ministerial approval	Resubmit Biofuels Cabinet Memo to Minister, taking into consideration comments from Cabinet	Implement the Pilot Biofuels Programme, if approved by Cabinet	Implement the Pilot Biofuels Programme, if approved by Cabinet	
	Cabinet Memo regarding Carbon Capture and Storage Pilot Project	N/A	N/A	N/A	Include clean coal technology options in the IRP research agenda	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project	



Strategic Objectives	Performance Indicator	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 2.2 Improved liquid fuels energy security (<i>continued</i>)	A Memorandum of Agreement with Mozambique on the collaboration on gas	N/A	N/A	N/A	N/A	N/A	Initiate negotiations with Mozambique regarding gas infrastructure development	Ongoing negotiations with Mozambique regarding gas infrastructure development	Ongoing negotiations with Mozambique regarding gas infrastructure development

Sub-Programme 2.3 quarterly targets for 2017/18

Strategic Objectives	Performance Indicator	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.1 Improved energy security	Cabinet Memo to Minister on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	Quarterly	Submit Cabinet Memo to Minister on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	No target	Revised draft Gas Amendment Bill completed, incorporating GtP and related aspects	Ministerial submission on draft Gas Amendment Bill	Submit Cabinet Memo to Minister on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)
	Develop a regulatory model for LP Gas rollout and increase the use of LP Gas as a thermal solution for the residential sector	Quarterly	Regulatory model for LP Gas rollout and increase the use of LP Gas as a thermal solution for the residential sector	Incorporate LP Gas into a suite of supply options for energy access	Submit the LP Gas Rollout Plan for approval by the Director-General	Implement the LP Gas Rollout Plan	Regulatory model for LP Gas rollout and increase the use of LP Gas as a thermal solution for the residential sector
SO 2.2 Improved liquid fuels energy security	Cabinet Memo to Minister	Annual	Submit Cabinet Memo to Minister with a decision on the need for a new oil refinery	No target	No target	Submit Cabinet Memo to Minister with a decision on the need for a new oil refinery	No target
			Submit Cabinet Memo to Minister with a recommendation on Clean Fuels 2	No target	No target	Submit Cabinet Memo to Minister with a recommendation on Clean Fuels	No target
	Cabinet Memo	Annual	Resubmit Biofuels Cabinet Memo to Minister, taking into consideration comments from Cabinet	No target	No target	No target	Resubmit Biofuels Cabinet Memo to Minister, taking into consideration comments from Cabinet





Strategic Objectives	Performance Indicator	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.2 Improved liquid fuels energy security (continued)	Cabinet Memo regarding Carbon Capture and Storage Pilot Project	Bi-annual	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project	No target	No target	Submit status report on the performance of the pilot project	Submit a Cabinet Memo to Minister regarding an update on the Carbon Capture and Storage Pilot Project
	A Memorandum of Agreement with Mozambique on the collaboration on gas	Quarterly	Initiate negotiations with Mozambique regarding gas infrastructure development	Initiate a Memorandum of Agreement with Mozambique regarding the collaboration on gas	No target	Conclude a feasibility study regarding a gas pipeline from Mozambique	Initiate negotiations with Mozambique regarding gas infrastructure development

Sub-Programme 2.4: Electricity, Energy Efficiency and Environmental Policy

This sub-programme ensures secure energy supply; well-managed demand and a transformed energy sector; and energy regulation and competition that is improved through the development, promulgation and maintenance of a statutory framework for electricity over the medium term. This includes reforming the electricity supply industry to introduce independent power producers (IPPs) in support of electricity security.

Sub-Programme 2.4 strategic objectives annual targets for 2017/18

Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
SO 2.3 Policy and regulations to ensure security of supply	The National Energy Regulator Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet Electricity Regulation Amendment Bill	Review and amend the Act	Continue with stakeholder engagement on the proposed amendments	Introduce National Energy Regulator Bill for consideration and support by Cabinet and Parliament	Reintroduce the Bill in Cabinet after consideration of the policy input	Resubmit the Cabinet Memo to Minister regarding the National Energy Regulator Bill, taking into account comments by Cabinet	Implement the National Energy Regulator Bill if enacted by Parliament	Implement the National Energy Regulator Bill if enacted by Parliament
		N/A	N/A	N/A	Proposals regarding industry end-state developed and tabled	Submit a Cabinet Memorandum to Minister with proposals regarding the 'end-state' electricity sector	If end-state proposal approved by Cabinet, introduce the Electricity Regulation Amendment Bill	Implement the Electricity Regulation Amendment Bill if enacted by Parliament

Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 2.3 Policy and regulations to ensure security of supply (<i>continued</i>)	Licensing regulations under the Electricity Regulation Act	N/A	N/A	N/A	Promulgate regulations for the introduction of embedded generation and small-scale generation technologies	Publish policy or regulations and licensing and embedded generation	Publish policy or regulations and licensing and embedded generation	Publish policy or regulations and licensing and embedded generation
SO 2.4 Bulk electrical infrastructure required for universal access to electricity	Municipal Infrastructure Rehabilitation Programme	Revise Approach to Distribution Asset Management (ADAM) Report	Finalise ADAM Report update	Table revised ADAM Report, including the ring-fencing of the largest municipalities, to Cabinet Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Undertake a phased Municipal Asset Management Programme focusing on either revenue management, energy efficiency, or asset rehabilitation	Support the implementation of policy, norms and standards	Support the implementation of policy, norms and standards
SO 2.5 Security of supply through additional power generation capacity	Finalised Integrated Resource Plan	Update IRP and the ADAM Report	Review and analyse input from stakeholder and public engagements	Introduce the updated IRP for consideration and support by Cabinet and Parliament	Initiate the IRP update public consultation process	Cabinet Memo to the Minister regarding the updated IRP, taking into consideration public comments	Implement the updated IRP	Implement the updated IRP
	Implementation of the updated IRP to increase generation capacity through the various technologies	N/A	Introduce bidding rounds for renewable energy, cogeneration, coal and gas programmes in line with IRP determinations made by Minister	Introduce bidding rounds for renewable energy, cogeneration, coal and gas programmes in line with IRP	Conclude contracts for coal, cogeneration and gas IPPs	Increase the generation capacity through renewable energy, coal, gas, cogeneration, biomass, biogas, in line with the updated IRP	Increase the generation capacity through renewable energy, coal, gas, cogeneration, biomass, biogas, in line with the updated IRP	Increase the generation capacity through renewable energy, coal, gas, cogeneration, biomass, biogas, in line with the updated IRP



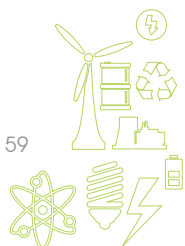


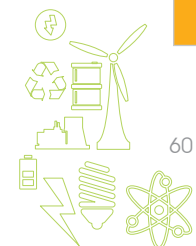
Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 2.5 Security of supply through additional power generation capacity (continued)	Grand Inga Project implementation	N/A	Bilateral Energy Agreement signed with government of the DRC	Negotiate PPA and resolve transmission solution associated with power delivery from Inga	RSA has committed to procure 2 500 MW from the first phase of the project (NOTE: RSA does not build the project but is a Buyer, whereas the DRC takes the financing and construction risk of delivering the power at the border between DRC/ Zambia)	Finalise the transmission infrastructure solution required to evacuate the power over Zambia, Zimbabwe/ Botswana and into RSA	Conclude negotiations with the transit countries (Zambia, Zimbabwe, Botswana)	Implement Inga Project Agreement
SO 2.6 PSP Framework: Rands private investment and market share of the private ownership of baseload, renewable energy, fuels and gas	Development a procurement process for the establishment of Solar Park as a partnership between a strategic partner as investor and state owned company(s)	N/A	N/A	N/A	Expression of Interest issued requesting interested parties to register interest with the Department	Launch the new capacity bidding rounds in accordance with the pace and scale approved under the IRP	Launch the new capacity bidding rounds in accordance with the pace and scale approved under the IRP	Launch the new capacity bidding rounds in accordance with the pace and scale approved under the IRP

Sub-Programme 2.4 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicator	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 2.3 Policy and regulations to ensure security of supply	Cabinet Memo to Minister regarding National Energy Regulator Act, 2004 (Act No. 40 of 2004)	Review and amend National Energy Regulator Act, 2004 (Act No. 40 of 2004)	Continue with stakeholder engagement on proposed amendments	Introduce National Energy Regulator Bill for consideration and support by Cabinet and Parliament	Approval of regulations emanating from National Energy Regulator Act, 2004 (Act No. 40 of 2004)	Resubmit the Cabinet Memo to Minister regarding the National Energy Regulator Bill, taking into account comments by Cabinet	Implement the National Energy Regulator Bill if enacted by Parliament	Implement the National Energy Regulator Bill if enacted by Parliament

Strategic Objectives	Performance Indicator	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 2.3 Policy and regulations to ensure security of supply (continued)	Cabinet Memo regarding the 'end-state' electricity sector	N/A	N/A	N/A	Tabling of the End-state Proposal in Cabinet	Submit a Cabinet Memo to Minister regarding the 'end-state' electricity sector	Submit a Cabinet Memo to Minister regarding the 'end-state' electricity sector	Submit a Cabinet Memo to Minister regarding the 'end-state' electricity sector	
	Public comments regarding policy or regulations taking into account	N/A	N/A	N/A	Promulgate regulations for the introduction of embedded generation and small-scale generation technologies	Publish policy or regulations on licensing and embedded generation	Publish policy or regulations on licensing and embedded generation	Publish policy or regulations on licensing and embedded generation	
SO 2.4 Bulk electrical infrastructure required for the universal access to electricity	Pilot Municipal Asset Management Programme	Revise ADAM Report	Finalise ADAM Report update	Table the revised ADAM Report, including the ring-fencing of the largest municipalities, to cabinet	Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Undertake a Pilot Municipal Asset Management Programme focusing on either revenue management, energy efficiency, or asset rehabilitation	Support the implementation of policy, norms and standards	Support the implementation of policy, norms and standards	
SO 2.5 Security of supply through additional power generation capacity	Submitted Cabinet memo	Update IRP and ADAM Report	Review and analyse input from stakeholders and public engagements	Introduce the updated IRP for consideration and support by Cabinet and Parliament	Initiate the IRP Update public consultation process	Cabinet memo to the Minister regarding the Updated IRP taking into consideration public comments	Implement the updated IRP	Implement the updated IRP	

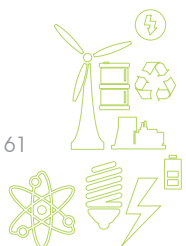




Strategic Objectives	Performance Indicator	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 2.5 Security of supply through additional power generation capacity (continued)	Contracts for coal, cogeneration and gas IPPs for additional power capacity as per IRP	N/A	Introduce bidding rounds for renewable energy, cogeneration, coal and gas programmes in line with IRP determinations made by the Minister	Introduce bidding rounds for renewable energy, cogeneration, cross-border projects, coal and gas programmes in line with IRP	Conclude contracts for coal, cogeneration and gas IPPs for additional power capacity as per IRP	Increase the generation capacity through renewable energy, coal, gas, cogeneration, cross-border projects, biomass, biogas in line with the updated IRP	Increase the generation capacity through renewable energy, coal, gas, cogeneration, cross-border projects, biomass, biogas in line with the updated IRP	Increase the generation capacity through renewable energy, coal, gas, cogeneration, cross-border projects, biomass, biogas in line with the updated IRP	Increase the generation capacity through renewable energy, coal, gas, cogeneration, cross-border projects, biomass, biogas in line with the updated IRP
	Transmission infrastructure solution	N/A	Bilateral Energy Agreement signed with government of DRC	Negotiate PPA and resolve transmission solution associated with power delivery from Inga	RSA has committed to procure 2 500 MW from the first phase of the project (NOTE: RSA does not build the project but is a Buyer, whereas the DRC takes the financing and construction risk of delivering the power at the border between DRC/ Zambia)	Finalise the transmission infrastructure solution required to evacuate the power over Zambia, Zimbabwe/ Botswana and into RSA	Conclude negotiations with the transit countries (Zambia, Zimbabwe, Botswana)	Implement Inga Project Agreement	
SO 2.6 PSP Framework: Rands private investment and market share of the private ownership of baseload, renewable energy, fuels and gas	Renewable energy bidding rounds	N/A	N/A	Upgrade the transmission infrastructure to evacuate power from the Northern Cape	Expression of Interest issued requesting interested parties to register interest with the Department	Launch the renewable energy bidding rounds in accordance with the pace and scale approved under the IRP	Launch the renewable energy bidding rounds in accordance with the pace and scale approved under the IRP	Launch the renewable energy bidding rounds in accordance with the pace and scale approved under the IRP	

Sub-Programme 2.4 quarterly targets for 2017/18

Strategic Objectives	Performance Indicator	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.3 Policy and regulations to ensure security of supply	Cabinet Memorandum to Minister regarding National Energy Regulator Act, 2004 (Act No. 40 of 2004)	Bi-annual	Resubmit the Cabinet Memo to Minister regarding the National Energy Regulator Bill, taking into account comments by Cabinet	No target	No target	Ministerial submission on National Energy Regulator	If approved by Minister, submit National Energy Regulator Amendment Bill Cabinet Memorandum
	Cabinet Memo regarding the 'end-state' electricity sector	Bi-annual	Submit a Cabinet Memo to Minister with proposals regarding the 'end-state' electricity sector	Ministerial submission on the 'end-state' electricity sector	No target	Submit a Cabinet Memo to Minister with proposals regarding the 'end-state' electricity sector	No target
	Public comments regarding policy or regulations taken into account	Bi-annual	Publish policy or regulations on licensing and embedded generation	Collate public comments and incorporate into licensing regulations	Promulgate the regulations or policy	No target	Publish policy or regulations on licensing and embedded generation
SO 2.4 Bulk electrical infrastructure required for the universal access to electricity	Agreed rollout plan for Municipal Asset Management Programme	Bi-annual	Undertake a phased Municipal Asset Management Programme, focusing on either revenue management, energy efficiency, or asset rehabilitation	No target	Municipal Asset Management Framework developed and consulted on with municipalities and NERSA	No target	Undertake a phased Municipal Asset Management Programme focusing on either revenue management, energy efficiency, or asset rehabilitation
	Cabinet Memo regarding the IRP update (DoE-approved draft IRP)	Quarterly	Submit a Cabinet Memo to the Minister regarding the updated IRP, taking into consideration public comments	Collate public comments and incorporate into draft IRP	Publish the various scenarios and their related outputs	Submit to Minister a Cabinet Memo regarding the IRP update	No target
SO 2.5 Security of supply through additional power generation capacity	Contracts for coal, cogeneration and gas IPPs for additional power capacity as per IRP	Annual	Increase the generation capacity through coal in line with the updated IRP	No target	No target	No target	Determine the pace and scale of the programme in accordance with the approved IRP Increase the generation capacity through coal in line with the updated IRP



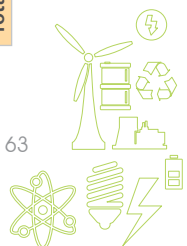


Strategic Objectives	Performance Indicator	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.5 Security of supply through additional power generation capacity (continued)	Contracts for coal, cogeneration and gas IPPs for additional power capacity as per IRP (continued)	Bi-annually	Increase the generation capacity through gas in line with the updated IRP	No target	Launch the Request to Qualification for the Richards Bay Project	No target	Launch the Request for Proposals for the Richards Bay Project Increase the generation capacity through gas in line with the updated IRP
		Annual	Increase the generation capacity through cogeneration in line with the updated IRP	No target	No target	No target	Determine the pace and scale of the programme in accordance with the approved IRP Increase the generation capacity through cogeneration in line with the updated IRP
	Quarterly	Increase generation capacity through cross-border projects in line with the updated IRP	Submit proposed memoranda of agreements relating to Mozambique, Botswana and Zimbabwe to Minister	No target	No target	Develop a draft Feasibility Study Report for the generation and/or transmission project in Mozambique, Botswana and Zimbabwe respectively	Subject to proposed MOAs being agreed between the two countries, commence negotiations regarding Power Purchase Agreements or transmission interconnection and related activities Increase generation capacity through cross-border projects in line with the updated IRP
		Annual	Increase generation capacity through renewable energy in line with the updated IRP	No target	No target	No target	Determine the pace and scale of the programme in accordance with the approved IRP Increase generation capacity through renewable energy in line with the updated IRP

Strategic Objectives	Performance Indicator	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.5 Security of supply through additional power generation capacity (continued)	Contracts for coal, cogeneration and gas IPPs for additional power capacity as per IRP (continued)	Annual	Increase generation capacity through biomass in line with the updated IRP	No target	No target	No target	Determine the pace and scale of the programme in accordance with the approved IRP increase generation capacity through biomass in line with the updated IRP
SO 2.6 PSP Framework: Rand's private investment and market share of the private ownership of baseload, renewable energy, fuels and gas	Transmission infrastructure solution	Annual	Finalise the transmission infrastructure solution required to evacuate the power over Zambia, Zimbabwe/Botswana and into RSA	No target	No target	No target	Finalise the transmission infrastructure solution required to evacuate the power over Zambia, Zimbabwe/Botswana and into RSA
	Renewable energy bidding rounds	Annual	Launch the new capacity bidding rounds in accordance with the pace and scale approved under the IRP	No target	No target	No target	Launch the new capacity bidding rounds in accordance with the pace and scale approved under the IRP

2.3 Resource Consideration

Programme 2: Energy Policy and Planning (Sub-Programmes)	Baseline				Medium-Term Expenditure Framework			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Policy Analysis and Research	2 337	475	1 570	2 421	1 868	2 531	2 638	2 820
Energy Planning	18 380	23 134	18 429	24 095	21 729	22 718	24 528	25 685
Hydrocarbon Policy	15 402	11 695	11 428	12 361	12 231	12 770	13 319	4 298
Electricity, Energy Efficiency and Environmental Policy	11 637	6 445	6 668	7 871	7 690	8 649	9 024	9 675
Total for programmes	47 756	41 749	38 095	46 748	43 518	46 668	49 509	52 478



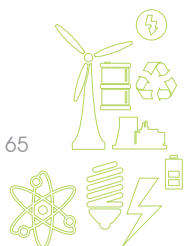


Programme 2: Energy Policy and Planning (Economic Classification)	Baseline					Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Current payments	47 748	41 708	38 095	46 748	43 518	46 668	49 509	52 478
Compensation of employees	28 348	28 754	31 521	34 769	34 769	35 283	37 622	39 929
Salaries and wages	25 153	25 523	27 959	29 831	29 861	30 343	32 356	34 338
Social contributions	3 195	3 231	3 562	4 938	4 908	4 940	5 266	5 591
Goods and services	19 400	12 954	6 574	11 979	8 749	11 385	11 887	12 549
Administrative fees	368	233	222	424	327	469	489	516
Advertising	1 012	111	147	218	161	227	236	249
Minor assets	-	-	-	30	24	30	30	31
Catering: Departmental activities	51	30	38	171	133	173	184	195
Communication (G&S)	441	408	265	511	283	514	537	567
Computer services	439	-	-	47	27	63	65	69
Consultants: Business and advisory services	9 643	8 144	342	4 668	3 520	4 377	4 574	4 829
Contractors	59	15	-	93	35	97	102	108
Consumable supplies	8	19	39	28	38	29	30	32
Consumables: Stationery, printing and office supplies	334	8	24	336	196	304	317	334
Operating leases	10	-	-	-	-	-	-	-
Property payments	-	-	-	91	30	41	43	45
Travel and subsistence	4 993	2 941	4 062	3 856	3 575	3 661	3 816	4 030
Training and development	151	-	-	149	104	124	130	137
Operating payments	381	833	742	207	196	236	246	260
Venues and facilities	1 510	212	693	1 150	100	1 040	1 088	1 147
Transfers and subsidies	8	41	-	-	-	-	-	-
Households	8	41	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	47 756	41 749	38 095	46 748	43 518	46 668	49 509	52 478

	Baseline					Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Programme 2: Energy Policy and Planning (Transfer Payments)										
Beneficiary										
Employee social benefits	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
	8	41	-	-	-	-	-	-	-	-
Total	8	41	-	-	-	-	-	-	-	-

2.4 Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 2.1 Improved energy security	Pricing/unreliability of electricity supply causing migration of demand to other carriers	Migration of demand from the grid supply to alternatives such as rooftop solar, gas, etc. Stranded Eskom assets/infrastructure	Development of price path as part of the updating of the IRP Development of licensing regulations which will enable NERSA's small-scale embedded generation rules to be implemented



3. PROGRAMME 3: PETROLEUM AND PETROLEUM PRODUCTS REGULATION

3.1 Programme Purpose

Regulate the petroleum and petroleum products industry to ensure the optimal and orderly functioning of the petroleum industry to achieve government’s developmental goals.

3.2 Budget Sub-Programmes

- Petroleum Compliance, Monitoring and Enforcement
- Petroleum Licensing and Fuel Supply
- Fuel Pricing
- Regional Petroleum Regulation Offices

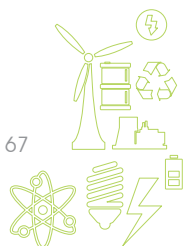


Sub-Programme 3.1: Petroleum, Compliance, Monitoring and Enforcement

This sub-programme monitors compliance with the Liquid Fuels Charter and technical, legal and commercial licensing conditions. This includes compliance with import and export conditions, as well as the enforcement of the submission of data by the industry. The sub-programme also processes arbitration requests as well as promotion of access to information requests on behalf of the Controller of Petroleum Products.

Sub-Programme 3.1 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 3.1 Compliance monitoring and enforcement in the petroleum sector	6 000 Retail site inspections conducted	Enforcement notices issued in 80% of cases where non-compliance was identified during routine compliance inspections	Enforcement notices issued in 85% of cases where non-compliance was identified during routine compliance inspections (baseline 2 000 retail site compliance inspections conducted)	Enforcement notices issued in 90% of cases where non-compliance was identified during routine compliance inspections (baseline 1 500 retail site compliance inspections conducted)	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted
	7 568 Fuel samples tested	Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing	Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing (baseline 1 080 fuel samples tested)	Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing (baseline 1 892 fuel samples tested)	1 892 Fuel samples tested	1 080 Fuel samples tested	1 080 Fuel samples tested	1 080 Fuel samples tested	





Sub-Programme 3.1 performance indicators and annual targets for 2017 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
SO 3.1 Compliance monitoring and enforcement in the petroleum sector	Number of retail site compliance inspections conducted	Enforcement notices issued in 80% of cases where non-compliance was identified during routine compliance inspections	Enforcement notices issued in 85% of cases where non-compliance was identified during routine compliance inspections (baseline 2 000 retail site compliance inspections conducted)	Enforcement notices issued in 90% of cases where non-compliance was identified during routine compliance inspections (baseline 1 500 retail site compliance inspections conducted)	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	
		Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing	Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing (baseline 1 080 fuel samples tested)	Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing (baseline 1 892 fuel samples tested)	1 080 Fuel samples tested	1 080 Fuel samples tested	1 080 Fuel samples tested	

Sub-Programme 3.1 quarterly targets for 2017/18

Strategic Objective	Performance Indicators	Reporting Period	Annual Target	Quarterly Target			
				Q1	Q2	Q3	Q4
SO 3.1 Compliance monitoring and enforcement in the petroleum sector	Number of retail site compliance inspections conducted	Quarterly	1 500 Retail site compliance inspections conducted	300 Retail site compliance inspections conducted	800 Retail site compliance inspections conducted (cumulative target)	1 100 Retail site compliance inspections conducted (cumulative target)	1 500 Retail site compliance inspections conducted (cumulative target)
				250 Fuel samples tested	290 Fuel samples tested	290 Fuel samples tested	250 Fuel samples tested

Sub-Programme 3.2: Petroleum Licensing and Fuel Supply

This sub-programme manages the adjudication of petroleum licence applications, regulates the permitting of the export and import of petroleum products, monitors fuel stock levels, and co-ordinates corrective actions to avoid fuel shortages. This entails conducting licence analyses and ensuring permit and charter compliance and fuel supply. It also includes adjudication of different licence types in accordance with the Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended.

Sub-Programme 3.2 strategic objectives annual targets for 2016/17

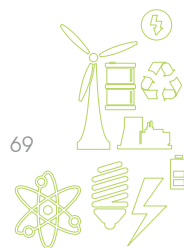
Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 3.2 Promote petroleum licensing	50% of licence applications approved have 50% BEE ownership	N/A	30% of licence applications approved have 50% BEE ownership	40% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership

Sub-Programme 3.2 performance indicators and annual targets for 2017 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance		Estimated Performance	Medium-Term Targets	
		2013/14	2014/15		2016/17	2018/19
SO 3.2 Promote petroleum licensing	% of licence applications approved where BEE ownership is at least 50%	N/A	30% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership

Sub-Programme 3.2 quarterly targets for 2017/18

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 3.2 Promote petroleum licensing	% of licence applications approved where BEE ownership is at least 50%	Quarterly	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership





Sub-Programme 3.3: Fuel Pricing Regulation

This sub-programme regulates the pricing of petroleum products in accordance with the legislative framework. This entails the determination, review, update and maintenance of fuel levies and margins and the process of paying fuel levies. Fuel price administration includes developing, evaluating and monitoring price models, updating elements of the Basic Fuel Price (BFP), and ensuring secure audit services for the auditing of fuel prices to ensure internationally competitive pricing of petroleum products, thereby enabling investment in the sector.

Sub-Programme 3.3 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 3.3 Petroleum products market regulated	10 Publications of Petroleum Products Market Analysis Reports	N/A	N/A	N/A	2 Publications of the Petroleum Products Market Analysis Reports	2 Publications of the Petroleum Products Market Analysis Reports	2 Publications of the Petroleum Products Market Analysis Reports	2 Publications of the Petroleum Products Market Analysis Reports
SO 3.4 Verification of fuel price adjustments (external auditors)	48 Audit reports on fuel price adjustments (external auditors)	N/A	N/A	N/A	12 Audit reports on the fuels finding (external auditors)	12 Audit reports on fuel price adjustments (external auditors)	12 Audit reports on fuel price adjustments (external auditors)	12 Audit reports on fuel price adjustments (external auditors)

Sub-Programme 3.3 performance indicators and annual targets for 2017 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 3.3 Petroleum products market regulated	Number of publications of Petroleum Products Market Analysis Reports	N/A	N/A	N/A	2 Publications of the Petroleum Products Market Analysis Reports	2 Publications of the Petroleum Products Market Analysis Reports	2 Publications of the Petroleum Products Market Analysis Reports	2 Publications of the Petroleum Products Market Analysis Reports
SO 3.4 Verification of fuel price adjustments (external auditors)	Number of audit reports on fuel price adjustments (external auditors)	N/A	N/A	N/A	12 Audit reports on fuel price adjustments (external auditors)	12 Audit reports on fuel price adjustments (external auditors)	12 Audit reports on fuel price adjustments (external auditors)	12 Audit reports on fuel price adjustments (external auditors)

Sub-Programme 3.3 quarterly targets for 2017/18

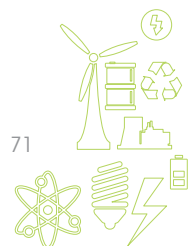
Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 3.3 Petroleum products market regulated	Number of publications of Petroleum Products Market Analysis Reports	Biannual	2 Publications of the Petroleum Products Market Analysis Reports	No target	1 Publication of the Petroleum Products Market Analysis Reports	No target	1 Publication of the Petroleum Products Market Analysis Reports
SO 3.4 Verification of fuel price adjustments (external auditors)	Number of audit reports on fuel price adjustments (external auditors)	Monthly	12 Audit reports on fuel price adjustments (external auditors)	3 Audit reports on fuel price adjustments	3 Audit reports on fuel price adjustments	3 Audit reports on fuel price adjustments	3 Audit reports on fuel price adjustments

Sub-Programme 3.4: Regional Petroleum Regulation Offices

This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, and ensures economic and technical compliance with relevant legislation. In addition, all annual information submitted by licence holders is captured and analysed.

3.3 Resource Consideration

Programme 3: Petroleum and Petroleum Products Regulation (Sub-Programmes)	Baseline				Medium-Term Expenditure Framework									
	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2019/20	
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Audited Outcome R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	
Petroleum Compliance, Monitoring and Enforcement	6 797	13 541	13 847	13 707	13 569	13 569	13 306	12 728	13 306	14 151	13 306	14 151		
Petroleum Licensing and Fuel Supply	15 473	19 400	20 740	24 059	24 009	24 009	28 116	26 946	28 116	30 178	28 116	30 178		
Fuel Pricing	3 566	9 158	6 839	7 547	7 485	7 485	8 367	8 465	7 844	8 367	7 844	8 367		
Regional Petroleum Regulation Offices	-	22 449	27 532	32 558	32 465	32 465	38 203	33 689	36 275	38 203	36 275	38 203		
Total for programmes	25 836	64 548	68 958	77 871	77 528	77 528	85 541	81 828	85 541	90 899	85 541	90 899		





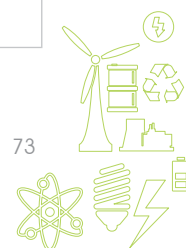
	Baseline				Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 3: Petroleum and Petroleum Products Regulation (Economic Classification)							
Current payments	25 783	62 236	68 958	77 871	77 528	81 828	90 899
Compensation of employees	19 084	41 927	52 566	56 792	56 792	60 917	68 839
Salaries and wages	16 592	36 605	45 620	48 725	48 745	52 388	59 202
Social contributions	2 492	5 322	6 946	8 067	8 047	8 529	9 637
Goods and services	6 699	20 309	16 392	21 079	20 736	20 911	22 060
Administrative fees	128	479	297	332	305	346	383
Advertising	3 175	468	432	957	876	995	1 099
Minor assets	2	-	-	172	117	177	185
Catering: Departmental activities	217	85	64	423	315	420	463
Communication (G&S)	302	286	675	586	632	610	673
Computer services	-	60	9	173	50	180	199
Consultants: Business and advisory services	396	9 056	10 023	9 329	9 219	9 965	9 961
Legal services (G&S)	-	199	-	-	-	-	-
Contractors	-	41	7	21	21	21	23
Agency and support/outsourced services	-	-	-	7	11	6	6
Entertainment	-	-	-	5	5	4	4
Fleet services (including government motor transport)	-	22	32	167	144	174	192
Consumable supplies	6	151	23	344	373	358	395
Consumables: Stationery, printing and office supplies	47	98	62	81	69	83	92
Operating leases	9	221	26	-	8	-	-
Rental and hiring	-	15	-	64	57	67	74
Property payments	-	-	-	26	26	27	30
Travel and subsistence	1 649	5 714	4 270	4 567	5 059	3 895	4 307
Training and development	608	11	-	-	-	-	-
Operating payments	108	3 036	254	2 494	2 328	2 362	2 613
Venues and facilities	52	367	218	1 331	1 121	1 221	1 351

	Baseline						Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	
Programme 3: Petroleum and Petroleum Products Regulation (Economic Classification)									
Transfers and subsidies	53	2 312	-	-	-	-	-	-	
Foreign governments and international organisations	-	2 312	-	-	-	-	-	-	
Households	53	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	
Transport equipment	-	-	-	-	-	-	-	-	
Other machinery and equipment	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	
Total economic classification	25 836	64 548	68 958	77 871	77 528	81 828	85 541	90 899	

	Baseline			Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 3: Petroleum and Petroleum Products Regulation (Transfer Payments)								
Beneficiary								
Employee social benefits	53	-	-	-	-	-	-	-
African Petroleum Producer Association	-	2 312	-	-	-	-	-	-
Total	53	2 312	-	-	-	-	-	-

3.4 Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 3.2.: Promote Petroleum Licensing	Perpetuated inequality in the petroleum sector	Delays in achieving set BEE targets and transformation objectives Lack of confidence on the regulatory environment	Strategy on transformation Comprehensive motivation to Energy Policy and Planning Branch to effect change in legislation Dedicated Petroleum Advocacy Programme



4. PROGRAMME 4: ELECTRIFICATION AND ENERGY PROGRAMME AND PROJECT MANAGEMENT

4.1 Programme Purpose

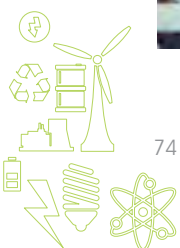
To manage, co-ordinate and monitor programmes and projects focused on access to energy.

4.2 Budget Sub-Programmes

- Integrated National Electrification Programme
- Energy Regional Offices
- Programmes and Project Management Office
- Electricity Infrastructure

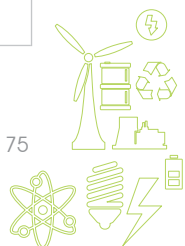
Sub-Programme 4.1: Integrated National Electrification Programme

The Integrated National Electrification Programme (INEP) is responsible for planning, funding, and project management for new grid and non-grid household connections and bulk infrastructure (e.g., medium voltage [MV] lines and substations). The programme is implemented by transferring funds to implementing agencies (Eskom, local municipalities and non-grid service providers) with the aim of achieving universal access to energy by 2025.



Sub-Programme 4.1 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 4.1 Access to electricity by households	12 Quarterly Reports on the allocation of funding and monitoring of progress of additional households to be electrified with grid electrification toward the 2019/20 target of 1.25 million in the National Electrification Plan	1 Annual Report on the allocation of funding and monitoring of progress on the number of additional households electrified with grid electrification toward the 2012/13 target of 180 000 in the National Electrification Plan	Number of additional households to be electrified with grid electrification toward the 2014/15 target of 265 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2017/18 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2018/19 target of 238 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2019/20 target of 250 000 in the National Electrification Plan	
	16 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2019/20 target of:	1 Annual Report on the allocation of funding and monitoring of progress on the building/upgrading of electrification infrastructure projects toward the 2012/13 target of:	Building/upgrading of electrification infrastructure projects toward the 2014/15 target of:	4 Quarterly Reports on the building/upgrading of electrification infrastructure projects toward the 2015/16 target of:	4 Quarterly Reports on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2016/17 target of:	4 Quarterly Reports on allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2017/18 target of:	4 Quarterly Reports on allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2018/19 target of:	4 Quarterly Reports on allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2019/20 target of:	
	<ul style="list-style-type: none"> 17 new bulk substations built 24 additional substations upgraded 545 km new MV power lines constructed 450 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 4 new bulk substations built 5 additional substations upgraded 275 km new MV power lines constructed 200 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 4 new bulk substations built 7 additional substations upgraded/strengthened 150 km new MV power lines constructed 80 km of existing MV power lines upgraded/strengthened 	<ul style="list-style-type: none"> 4 new bulk substations built 6 additional substations upgraded 110 km new MV power lines constructed 95 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 3 additional substations upgraded 90 km new MV power lines constructed 90 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 95 km new MV power lines constructed 95 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 100 km new MV power lines constructed 90 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 100 km new MV power lines constructed 90 km of existing MV power lines upgraded 	



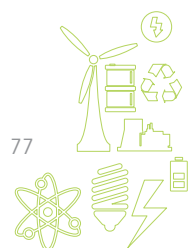
Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 4.1 Access to electricity by households (continued)	A total non-grid connection of 115 000 households by March 2019 of which 86 250 (75%) are in the rural areas	1 Annual Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2012/13 target of 10 000 in the National Electrification Plan	Number of additional households electrified with non-grid electrification toward the 2014/15 target of 15 000 in the National Electrification Plan	Number of additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification towards the 2016/17 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification towards the 2017/18 target of 15 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification towards the 2018/19 target of 16 500 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification towards the 2019/20 target of 18 150 in the National Electrification Plan

Sub-Programme 4.1 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 4.1 Access to electricity by households	Number of Quarterly Reports of additional households to be electrified with grid electrification toward the 2017/18 target of 235 000 in the National Electrification Plan	1 Annual Report on allocation of funding and monitoring of progress of additional households electrified with grid electrification toward the 2012/13 target of 180 000 in the National Electrification Plan	Number of additional households to be electrified with grid electrification toward the 2014/15 target of 265 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the 2017/18 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the 2018/19 target of 238 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the 2019/20 target of 250 000 in the National Electrification Plan

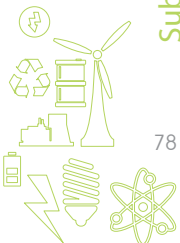


Strategic Objectives	Performance Indicators	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 4.1 Access to electricity by households (continued)	Number of quarterly progress reports on building/upgrading of electrification infrastructure projects toward the 2017/18 target	1 Annual Report on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects toward the 2012/13 target of:	Building/upgrading of electrification infrastructure projects toward the 2014/15 target of:	4 Quarterly Reports on the building/upgrading of electrification infrastructure projects toward the 2015/16 target of:	4 Quarterly Reports on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2016/17 target of:	4 Quarterly Reports on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2017/18 target of:	4 Quarterly Reports on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2018/19 target of:	4 Quarterly Reports on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2019/20 target of:	
		<ul style="list-style-type: none"> 4 new bulk substations built 5 additional substations upgraded 275 km new MV power lines constructed 200 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 4 new bulk substations built 7 additional substations upgraded/strengthened 150 km new MV power lines constructed 80 km of existing MV power lines upgraded/strengthened power lines upgraded 	<ul style="list-style-type: none"> 4 new bulk substations built 6 additional substations upgraded 110 km new MV power lines constructed 95 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 3 additional substations upgraded 90 km new MV power lines constructed 90 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 95 km new MV power lines constructed 95 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 100 km new MV power lines constructed 90 km of existing MV power lines upgraded 	<ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 100 km new MV power lines constructed 90 km of existing MV power lines upgraded 	
	Number of quarterly reports on additional households electrified with non-grid electrification towards the 2017/18 target of 15 000 in the National Electrification Plan	1 Annual Report on the allocation of funding and monitoring of progress of the number of additional households electrified with non-grid electrification toward the 2012/13 target of 10 000 in the National Electrification Plan	Number of additional households electrified with non-grid electrification toward the 2014/15 target of 15 000 in the National Electrification Plan	Number of additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2016/17 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2017/18 target of 15 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2018/19 target of 16 500 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2019/20 target of 18 150 in the National Electrification Plan	



Sub-Programme 4.1 quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.1 Access to electricity by households	Number of quarterly reports of additional households to be electrified with grid electrification toward the 2017/18 target of 235 000 in the National Electrification Plan	Quarterly	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2017/18 target of 235 000 in the National Electrification Plan	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 25 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 45 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 70 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 95 000
	Number of quarterly progress reports on building/upgrading of electrification infrastructure projects towards the 2017/18 target	Quarterly	4 Quarterly Reports on the building/upgrading of electrification infrastructure projects towards the 2017/18 target of: <ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 95 km new MV power lines constructed 95 km of existing MV power lines upgraded 	1 Quarterly Report on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2017/18 targets of: <ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 95 km new MV power lines constructed 95 km of existing MV power lines upgraded 	1 Quarterly Report on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2017/18 targets of: <ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 95 km new MV power lines constructed 95 km of existing MV power lines upgraded 	1 Quarterly Report on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2017/18 targets of: <ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 95 km new MV power lines constructed 95 km of existing MV power lines upgraded 	1 Quarterly Report on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2017/18 targets of: <ul style="list-style-type: none"> 3 new bulk substations built 4 additional substations upgraded 95 km new MV power lines constructed 95 km of existing MV power lines upgraded
	Number of quarterly reports on additional households electrified with non-grid electrification towards the 2017/18 target of 15 000 in the National Electrification Plan	Quarterly	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2017/18 target of 15 000 in the National Electrification Plan	1 Quarterly Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2017/18 target of 1 500	1 Quarterly Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2017/18 target of 3 500	1 Quarterly Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2017/18 target of 4 500	1 Quarterly Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2017/18 target of 5 500



Sub-Programme 4.2: Energy Regional Offices

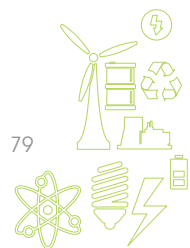
This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, manages and co-ordinates regional electrification planning, and ensures economic and technical compliance with relevant legislation.

Sub-Programme 4.3: Community Upliftment Programmes and Projects

To plan, organise, implement, monitor and review specific energy programmes and projects. This sub-programme also focuses on special projects that fulfil government's priorities for broad transformation, which include gender, disability, youth and children in the energy sector in line with the national policies and strategies of the country.

Sub-Programme 4.3 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
SO 4.2 Enhanced programme and project management	16 Quarterly Progress Reports and 4 Annual Reports on energy infrastructure development covering INEP (challenges, mitigation plans and interventions)	N/A	Develop 20 dashboards for each project (internal/external)	Implement 12 dashboards for each project (internal/external)	4 Project dashboards per year	4 Project dashboards for each project (internal/external)	4 Project dashboards for each project (internal/external)	4 Project dashboards for each project (internal/external)
		4 Quarterly Reports on progress made in 2012/13 with regard to the establishment of 2 IECs	4 Quarterly Reports on progress made in 2013/14 with regard to the establishment of 2 IECs	Annual Report on progress made in 2014/15 with regard to IECs	Annual Report(s) on development of rural IECs	4 Quarterly Reports and one Annual Report regarding development of rural IECs	4 Quarterly Reports and one Annual Report regarding development of rural IECs	4 Quarterly Reports and one Annual Report regarding development of rural IECs
		N/A	N/A	IEC Strategy drafted and consultation initiated	Approved IEC Strategy	Approved IEC strategy	Implementation of approved IEC Strategy	Implementation of approved IEC Strategy

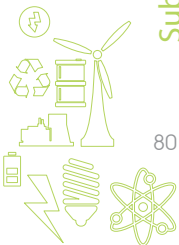


Sub-Programme 4.3 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 4.2 Enhanced programme and project management	Number of project dashboards per year	N/A	Develop 20 dashboards for each project (internal/external)	Implement 12 dashboards for each project (internal/external)	4 Dashboards per year	4 Project dashboards for each project (internal/external)	4 Project dashboards for each project (internal/external)	4 Project dashboards for each project (internal/external)
	Number of quarterly reports on progress made with development of rural IECs	4 Quarterly Progress Reports made in 2012/13 with regard to establishment of 2 IECs submitted to community upliftment	4 Quarterly Progress Reports made in 2013/14 with regard to establishment of 2 IECs	Annual report on progress made in 2014/15 with regards to IECs	Monthly, Quarterly and Annual Reports with regard to development of IECs	4 Quarterly Reports and one Annual Report regarding development of rural IECs	4 Quarterly Reports and one Annual Report regarding development of rural IECs	4 Quarterly Reports and one Annual Report regarding development of rural IECs
	Developed IEC Strategy	N/A	N/A	IEC Strategy drafted and consultation initiated	Approved IEC Strategy	Approved IEC Strategy	Implementation of approved IEC Strategy	Implementation of approved IEC Strategy

Sub-Programme 4.3 quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.2 Enhanced programme and project management	Number of project dashboards for each project (internal/external)	Quarterly	4 Project dashboards for each project (internal/external)	Project dashboards for each project (internal/external)	Project dashboards for each project (internal/external)	Project dashboards for each project (internal/external)	Project dashboards for each project (internal/external)
	Number of quarterly reports on progress made with regard to development of rural IECs	Quarterly	4 Quarterly Reports and one Annual Report regarding development of rural IECs	1 Quarterly Report on IECs regarding development of rural IECs	1 Quarterly Report on IECs regarding development of rural IECs	1 Quarterly Report on IECs regarding development of rural IECs	1 Quarterly and one Annual Report on development of rural IECs
	Developed IEC Strategy	Quarterly	Approved IEC Strategy	Stakeholder consultation on the draft IEC Strategy	Review of Implementation Plan of IEC Strategy	Review of Implementation Plan of IEC Strategy	Approved IEC Strategy



Sub-Programme 4.4: Electricity Infrastructure

This sub-programme facilitates the orderly development of energy infrastructure through monitoring project development in line with contractual obligations.

Sub-Programme 4.4 strategic objectives annual targets for 2017/18

Strategic Objective	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 4.3 Monitor energy infrastructure development	4 Annual Reports on IPP Programme and a close-out report on bid window 2, 3, 4 and 5 of REIPPP	1 Annual Report on progress made in 2013/14 with regard to construction and operation phases of IPP projects	Updated report on highlighting achievements of implementation of IPP Programme	4 Quarterly Reports on progress made with regard to construction and operation phases of IPP projects	4 Quarterly Reports on progress made with regard to construction and operation phases of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects
	5 Annual Reports on infrastructure monitoring and compliance with implementation of non-Renewable Energy Independent Power Producer Programme (REIPPP) generation – peaker stations	N/A	Updated report highlighting achievements of implementation of IPP Programme	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring & compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations
	4 SIP Reports submitted to EXCO, MANCO and PICC secretariat on SIP 8 and 9	Provide energy inputs to all SIPs where energy is the major component	Provide energy inputs to all SIPs where energy is the major component	1 SIP Report submitted to EXCO, MANCO and PICC secretariat on SIP 8 and 9	1 SIP Report submitted to EXCO, MANCO and PICC secretariat on SIP 8 and 9	1 SIP Report submitted to PICC secretariat on SIP 8 and 9	1 SIP Report submitted to PICC secretariat on SIP 8 and 9	1 SIP Report submitted to PICC secretariat on SIP 8 and 9



Sub-Programme 4.4 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 4.3 Energy infrastructure development monitored	Number of Quarterly Reports on progress made on construction and operation phases of IPP projects	1 Annual Report on progress made in 2013/14 with regard to construction and operation phases of IPP projects	An updated report highlighting achievements of implementation of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects	4 Quarterly Reports on progress made on construction and operation phases of IPP projects
	Number of Annual Reports on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	N/A	An updated report highlighting achievement on implementation of IPP Programme	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations
	Number of SIP reports submitted to PICC secretariat on SIP 8 and 9	Provide energy inputs to all SIPs, where energy is the major component	Provide energy inputs to all SIPs, where energy is the major component	1 SIP Report submitted to EXCO, MANCO and PICC secretariat on SIP 8 and 9	1 SIP Report submitted to EXCO, MANCO and PICC secretariat on SIP 8 and 9	1 SIP Report submitted to PICC secretariat on SIP 8 and 9	1 SIP Report submitted to PICC secretariat on SIP 8 and 9	1 SIP Report submitted to PICC secretariat on SIP 8 and 9



Sub-Programme 4.4 quarterly targets for 2017/18

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.3 Energy infrastructure development monitored	Number of quarterly reports on progress made on construction and operation phases of IPP projects	Quarterly	4 Quarterly Reports on progress made on construction and operation phases of IPP projects	1 Quarterly Report on progress made on construction and operation phases of IPP projects	1 Quarterly Report on progress made on construction and operation phases of IPP projects	1 Quarterly Report on progress made on construction and operation phases of IPP projects	1 Quarterly Report on progress made on construction and operation phases of IPP projects
	Number of annual reports and quarterly reports on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	Biannually	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	No target	No target	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation – peaker stations	No target
	Number of SIP reports submitted to PICC secretariat on SIP 8 and 9	Annually	1 SIP Report submitted to PICC secretariat on SIP 8 and 9	No target	No target	1 SIP Report submitted to PICC secretariat on SIP 8 and 9	No target

4.3 Resource Consideration

Programme 4: Electrification and Energy Programme and Project Management (Sub-Programmes)	Baseline				Medium-Term Expenditure Framework							
	2013/14		2014/15		2016/17		2017/18		2018/19		2019/20	
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	
Integrated National Electrification Programme	3 907 895	4 142 550	5 775 682	5 657 039	5 662 437	6 143 507	6 390 133	7 746 428				
Energy Regional Offices	33 204	17 581	20 271	15 687	15 678	15 805	16 477	17 717				
Programme and Project Management Office	5 926	7 245	9 095	11 532	8 969	11 338	11 832	12 628				
Electricity Infrastructure/Industry Transformation	4 262	6 575	8 593	9 727	12 184	7 713	8 046	8 637				
Community Upliftment Programmes and Projects	7 238	7 022	6 844	5 922	5 887	5 665	5 911	6 328				
Total for programmes	3 958 525	4 180 973	5 820 485	5 699 907	5 705 155	6 184 028	6 432 399	7 791 738				

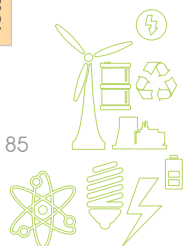




Programme 4: Electrification and Energy Programme and Project Management (Economic Classification)	Baseline					Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20		
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000		
Current payments	72 011	58 240	70 718	60 903	60 766	60 998	64 242	68 416		
Compensation of employees	46 050	36 224	41 796	45 749	45 749	44 232	47 060	50 270		
Salaries and wages	40 759	31 993	36 804	39 250	39 290	38 020	40 452	43 211		
Social contributions	5 291	4 231	4 992	6 499	6 459	6 212	6 608	7 059		
Goods and services	25 961	22 016	28 922	15 154	15 017	16 766	17 182	18 146		
Administrative fees	1 152	991	1 328	811	759	833	863	912		
Advertising	1 544	976	853	104	218	93	98	104		
Minor assets	4	7	30	536	314	564	589	622		
Audit costs: External	-	-	-	-	-	732	-	-		
Catering: Departmental activities	1 096	261	1 435	656	580	641	669	708		
Communication (G&S)	485	537	421	692	696	714	748	789		
Computer services	2	-	15	21	21	53	56	59		
Consultants: Business and advisory services	1	25	19	1 975	1 983	3 515	4 111	4 341		
Contractors	68	14	39	-	32	-	-	-		
Agency and support/outsourced services	-	-	9	-	-	-	-	-		
Entertainment	2	-	-	-	-	-	-	-		
Fleet services (including government motor transport)	3	153	276	27	41	26	28	30		
Consumable supplies	136	75	104	101	253	125	133	141		
Consumables: Stationery, printing and office supplies	21	1	14	147	122	168	170	179		
Operating leases	390	183	871	-	13	-	-	-		
Rental and hiring	-	-	21	-	-	-	-	-		
Property payments	-	-	32	-	-	-	-	-		
Transport provided: Departmental activity	233	-	238	-	40	-	-	-		
Travel and subsistence	15 271	14 254	15 700	8 344	7 725	7 505	7 843	8 282		
Training and development	133	18	21	-	-	-	-	-		
Operating payments	232	74	343	147	254	181	188	199		
Venues and facilities	5 188	4 447	7 153	1 593	1 966	1 616	1 686	1 780		

	Baseline					Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20		
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000		
Programme 4: Electrification and Energy Programme and Project Management (Economic Classification)										
Transfers and subsidies										
Municipalities	3 886 157	4 122 704	5 749 762	5 639 004	5 644 389	6 123 030	6 368 157	7 723 322		
Public corporations	1 634 772	1 104 658	1 980 340	1 946 246	1 946 246	2 087 048	2 204 477	3 327 928		
Private enterprises	2 141 027	2 948 037	3 613 243	3 526 334	3 526 334	3 846 154	3 962 031	4 182 453		
Households	110 320	70 000	156 179	166 424	171 809	189 828	201 649	212 941		
	38	9	-	-	-	-	-	-		
Payments for capital assets	357	-	-	-	-	-	-	-		
Transport equipment	-	-	-	-	-	-	-	-		
Other machinery and equipment	9	-	-	-	-	-	-	-		
Software and other intangible assets	348	-	-	-	-	-	-	-		
Payments for financial assets	-	29	5	-	-	-	-	-		
Total economic classification	3 958 525	4 180 973	5 820 485	5 699 907	5 705 155	6 184 028	6 432 399	7 791 738		

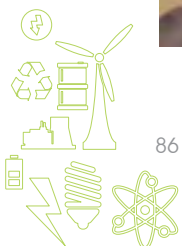
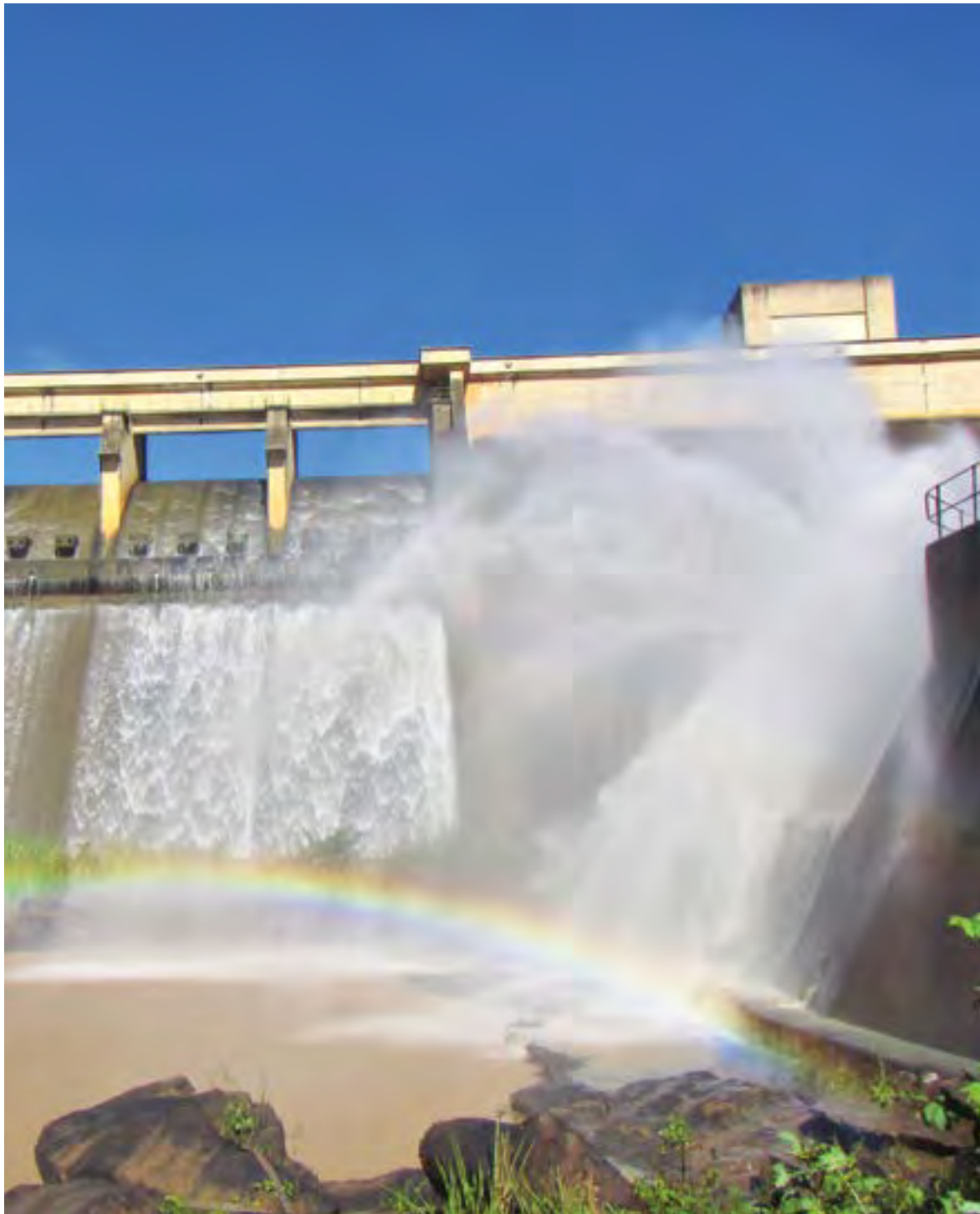
	Baseline					Medium-Term Expenditure Framework				
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20		
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000		
Programme 4: Electrification and Energy Programme and Project Management (Transfer Payments)										
Beneficiary										
Employee social benefits	38	-	-	-	-	-	-	-		
Employee <i>ex-gratia</i> payments	-	9	-	-	-	-	-	-		
Integrated National Electrification Programme	110 320	70 000	156 179	166 424	171 809	189 828	201 649	212 941		
Eskom: Integrated National Electrification Programme allocation-in-kind	2 141 027	2 948 037	3 613 243	3 526 334	3 526 334	3 846 154	3 962 031	4 182 453		
Integrated National Electrification Programme grant	1 314 772	1 104 658	1 980 340	1 946 246	1 946 246	2 087 048	2 204 477	3 327 928		
Integrated National Electrification Programme: Approach to distribution asset management	320 000	-	-	-	-	-	-	-		
Total	3 886 157	4 122 704	5 749 762	5 639 004	5 644 389	6 123 030	6 368 157	7 723 322		



4.4 Risk Management

Risk exposure for Programme 4

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 4.1 Access to electricity by households	Inability to reach universal access by 2025	People deprived of modern forms of energy Poverty	Once approved, INEP will be rolled-out according to the Master Plan



5. PROGRAMME 5: NUCLEAR ENERGY

5.1 Programme Purpose

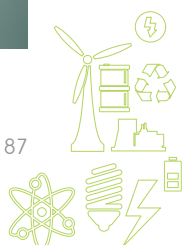
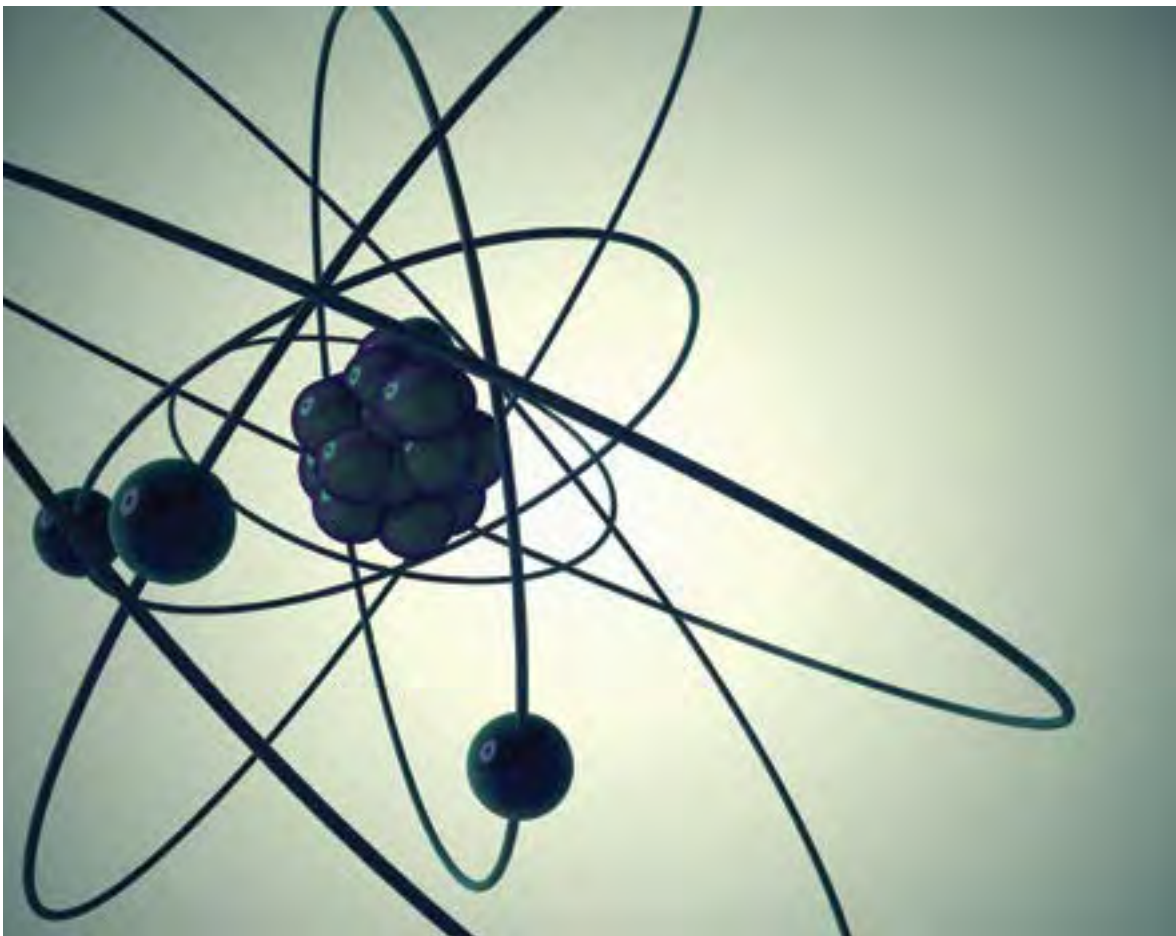
To manage the South African nuclear energy industry and control nuclear material in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

5.2 Budget Sub-Programmes

- Nuclear Safety and Technology
- Nuclear Non-Proliferation and Radiation Security
- Nuclear Policy

Sub-Programme 5.1: Nuclear Safety and Technology

This sub-programme manages and implements all matters relating to nuclear safety and technology, as required by legislation and international agreements; implements the Nuclear Energy Policy in line with the requirements of the Integrated Resource Plan (IRP); and administers all matters relating to nuclear safety, liability and emergency management, with the aim of improving the governance of the nuclear sector, specifically in relation to nuclear safety and nuclear technology. This sub-programme also makes transfers to the National Radioactive Waste Disposal Institute (NRWDI), South African Nuclear Energy Corporation SOC Limited (Necsa) and the National Nuclear Regulator (NNR).



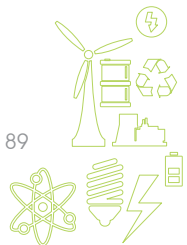
Sub-Programme 5.1 strategic objectives annual targets for 2017/18

Strategic Objectives	5-Year Strategic Plan	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 5.1 Improved security of energy supply	Monitor and implement approved National Disaster Management Plan	N/A	Action plan based on preparedness review mission developed	Updated draft National Nuclear Disaster Management Plan completed	Consultation with impacted stakeholders on draft National Nuclear Disaster Management Plan completed	Amended National Nuclear Disaster Management Plan approved	Monitor implementation of approved National Disaster Management Plan, and conduct for the IAEA EPREV follow-up mission completed	Monitor implementation of approved National Disaster Management Plan, and conduct an IAEA EPREV follow-up mission	
		N/A	N/A	N/A	N/A	Nuclear New Build Programme Governance Framework approved	Nuclear New Build Programme Governance Framework approved	Nuclear New Build Programme Governance Framework approved	
Ensure security of electricity supply through the procurement of 9.6 GW of nuclear energy by 2030		N/A	N/A	N/A	N/A	Inter-Governmental Implementation Protocol approved	Inter-Governmental Implementation Protocol submitted to Minister for Cabinet approval	Inter-Governmental Implementation Protocol approved	
	Establish Nuclear PMO to expedite rollout of the Nuclear New Build Programme	N/A	N/A	N/A	N/A	Proposed funding model for Nuclear New Build Programme submitted to Minister	Proposed funding model for Nuclear New Build Programme submitted to Minister	Proposed funding model for Nuclear New Build Programme submitted to Minister	



Sub-Programme 5.1 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance				Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 5.1 Improved security of energy supply	Amended National Nuclear Disaster Management Plan	N/A	Action plan based on emergency preparedness review mission developed	Updated draft National Nuclear Disaster Management Plan completed	Consultation with impacted stakeholders on draft National Nuclear Disaster Management Plan completed	Amended National Nuclear Disaster Management Plan approved	Monitor implementation of approved National Nuclear Disaster Management Plan, and preparation for the IAEA EPREV follow-up mission completed	Monitor implementation of approved National Nuclear Disaster Management Plan, and conduct an IAEA EPREV follow-up mission	
	Developed Governance Framework for Nuclear New Build Programme	N/A	N/A	N/A	N/A	Nuclear Build Programme Governance Framework approved	Nuclear Build Programme Governance Framework approved	Nuclear Build Programme Governance Framework approved	
	Developed Inter-Governmental Implementation Protocol for Nuclear New Build Programme	N/A	N/A	N/A	N/A	Inter-Governmental Implementation Protocol approved	Inter-Governmental Implementation Protocol submitted to Minister for Cabinet approval	Inter-Governmental Implementation Protocol approved	
	Developed proposed funding model for the Nuclear New Build Programme	N/A	N/A	N/A	N/A	Proposed funding model for Nuclear New Build Programme submitted to Minister	Proposed funding model for Nuclear New Build Programme submitted to Minister	Proposed funding model for Nuclear New Build Programme submitted to Minister	





Sub-Programme 5.1 quarterly targets for 2017/18

Strategic Objectives	Performance indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.1 Improved security of energy supply	Amended National Nuclear Disaster Management Plan	Quarterly	Amended National Nuclear Disaster Management Plan approved	Consolidated inputs from stakeholder consultation	Workshop with stakeholders on consolidated document	Consolidated document sent to Minister for approval	Amended National Nuclear Disaster Management Plan approved
	Developed Governance Framework for Nuclear New Build Programme	Quarterly	Nuclear New Build Programme Governance Framework approved	Draft Governance Framework submitted to stakeholders (accounting officers) for comment	Consultation report from stakeholder workshops	Consolidated document with inputs from stakeholder workshops for final consultation with accounting authorities (boards)	Governance Framework submitted to Minister for Cabinet approval
	Developed Inter-Governmental Implementation Protocol for Nuclear New Build Programme	Quarterly	Inter-Governmental Implementation Protocol submitted to Minister for Cabinet approval	Drafted Implementation Protocol	Consolidated inputs from stakeholder consultation	Workshop the draft with stakeholders based on consolidated document	Inter-Governmental Implementation Protocol submitted to Minister for Cabinet approval
	Developed proposed funding model for the Nuclear New Build Programme	Quarterly	Proposed funding model for Nuclear New Build Programme submitted to Minister	Consultation with impacted stakeholders (Eskom, Necsa, DPE, NT)	Consolidation of input from stakeholders (Eskom, Necsa, DPE, NT)	Consolidation of input from stakeholders (Eskom, Necsa, DPE, NT)	Proposed funding model submitted to Minister for Cabinet approval

Sub-Programme 5.2: Nuclear Non-Proliferation and Radiation Security

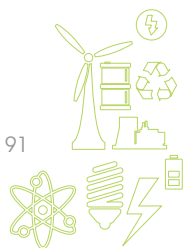
This sub-programme manages and implements all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements. This includes standardising nuclear security measures at ports of entry and installing portal radiation monitors at main ports of entry.

Sub-Programme 5.3: Nuclear Policy

This sub-programme develops and reviews policies as required by the nuclear sector's international agreements and governance principles in South Africa; undertakes research and development; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies and provides advice accordingly.

Sub-Programme 5.3 strategic objectives annual targets for 2017/18

Strategic Objectives	5-Year Strategic Plan	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 5.2 Improved nuclear security	Promulgated National Nuclear Reactor Amendment Act	Submission to Chief State Law Advisor	Consultation with and presentation to FOSAD Cluster	Submission to Cabinet for public consultation	Submission to Cabinet for public consultation	4 Workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the draft NNR Amendment Bill	Revised draft Bill encompassing stakeholder consultation comments	Submission of updated draft Bill to Cabinet
SO 5.3 Increased nuclear awareness (Nuclear Legislation Framework)	Demystifying nuclear energy through a number of public awareness campaigns and 68 community outreach events per annum	4 Public awareness campaigns and community outreach events held	5 Public awareness campaigns and community outreach events held	5 Public awareness campaigns and community outreach events held	6 Public awareness campaigns and community outreach events held Manage the marketing agency (with support from Communications Unit) which is responsible for implementing Nuclear Communications Strategy	2 Public awareness campaigns and community outreach events held	2 Public awareness campaigns and community outreach events held	2 Public awareness campaigns and community outreach events held



Sub-Programme 5.3 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 5.2 Improved nuclear security	Number of workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the draft NNR Amendment Bill	Submission to Chief State Law Advisor	Consultation with and presentation to FOSAD Cluster	Submission to Cabinet for public consultation	Submission to Cabinet for public consultation	4 Workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the draft NNR Amendment Bill	Revised draft Bill encompassing stakeholder consultation comments	Submission of updated draft Bill to Cabinet
SO 5.3 Increased nuclear awareness (Nuclear Legislation Framework)	Number of public awareness campaigns and community outreach events held	4 Public awareness campaigns and community outreach events held	5 Public awareness campaigns and community outreach events held	5 Public awareness campaigns and community outreach events held	6 Public awareness campaigns and community outreach events held	2 Public awareness campaigns and 2 community outreach events held	2 Public awareness campaigns and 2 community outreach events held	2 Public awareness campaigns and 2 community outreach events held

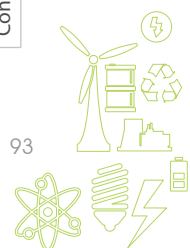
Sub-Programme 5.3 quarterly targets for 2017/18

Strategic Objectives	Performance indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.2 Improved nuclear safety and security	Number of workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the Draft NNR Amendment Bill	Quarterly	4 Workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the draft NNR Amendment Bill	Workshop consultation with NNR and DoH on the draft Amendment Bill	Workshop consultation with NNR and DoH on the draft Amendment Bill	Workshop consultation with SANDF on the draft Amendment Bill	Workshop consultation with DPME on the draft Amendment Bill
SO 5.3 Increased nuclear awareness (Nuclear Legislation Framework)	Number of public awareness campaigns and community outreach events held	Quarterly	2 Public awareness campaigns and 2 community outreach events held	1 Community outreach event held	1 Public awareness campaign held	1 Community outreach event held	1 Public awareness campaign held



5.3 Resource Consideration

	Baseline				Medium-Term Expenditure Framework			
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 5: Nuclear Energy (Sub-Programmes)								
Nuclear Safety and Technology	712 386	832 274	641 491	651 669	865 907	769 527	803 405	862 957
Nuclear Non-proliferation and Radiation Security	5 461	6 156	7 168	8 314	8 304	8 003	8 503	9 130
Nuclear Policy	4 654	6 988	6 369	203 592	5 930	9 345	9 487	10 075
Total for programmes	722 501	845 418	655 028	863 575	880 141	786 875	821 395	882 162
	Baseline				Medium-Term Expenditure Framework			
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 5: Nuclear Energy (Economic Classification)								
Current payments	23 249	34 040	25 273	230 226	222 331	36 224	50 246	40 717
Compensation of employees	10 058	13 446	17 040	19 429	19 429	21 181	22 500	24 250
Salaries and wages	8 859	12 085	15 321	16 669	16 799	18 216	19 350	20 855
Social contributions	1 199	1 361	1 719	2 760	2 630	2 965	3 150	3 395
Goods and services	13 191	20 594	8 233	210 797	202 902	15 043	27 746	16 467
Administrative fees	410	447	383	84	79	92	96	101
Advertising	4 129	476	1 571	2 280	1 470	2 091	2 018	2 131
Minor assets	3	-	-	-	-	-	-	-
Catering: Departmental activities	594	155	81	154	129	132	143	150
Communication (G&S)	166	146	277	221	237	244	255	269
Computer services	6	-	-	-	-	-	-	-
Consultants: Business and advisory services	3 252	11 847	752	205 250	197 543	10 078	2 552	10 986
Legal services (G&S)	-	-	50	-	-	-	-	-
Contractors	3	212	-	-	-	-	-	-



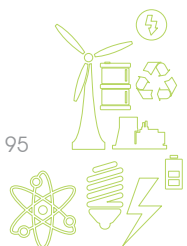


	Baseline					Medium-Term Expenditure Framework			
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	
Programme 5: Nuclear Energy (Economic Classification)									
Agency and support/outsourced services	-	-	-	31	-	32	34	36	
Fleet services (including government motor transport)	-	2	1	-	-	-	-	-	
Consumable supplies	3	16	19	-	5	-	-	-	
Consumables: Stationery, printing and office supplies	236	468	130	419	883	465	484	511	
Operating leases	3	2	-	-	-	-	-	-	
Transport provided: Departmental activity	22	-	-	-	-	-	-	-	
Travel and subsistence	3 485	3 386	3 177	1 749	1 948	1 368	1 591	1 678	
Training and development	34	-	-	-	-	-	-	-	
Operating payments	71	-	1	-	-	-	-	-	
Venues and facilities	774	3 437	1 791	609	608	541	573	605	
Transfers and subsidies	699 252	811 378	629 755	633 349	657 810	750 651	771 149	841 445	
Departmental agencies and accounts	68 160	33 697	21 487	16 636	40 936	68 573	49 510	79 396	
Foreign governments and international organisations	38 910	17 003	27 885	17 375	17 375	17 907	18 946	20 006	
Public corporations	592 182	760 678	580 358	599 338	599 338	664 171	702 693	742 043	
Households	-	-	25	-	161	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	
Transport equipment	-	-	-	-	-	-	-	-	
Other machinery and equipment	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	
Total economic classification	722 501	845 418	655 028	863 575	880 141	786 875	821 395	882 162	

	Baseline					Medium-Term Expenditure Framework			
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 5: Nuclear Energy (Transfer Payments)									
Beneficiary									
South African Nuclear Energy Corporation	592 182	760 678	580 358	599 338	599 338	664 171	702 693	742 043	
National Nuclear Regulator	48 360	33 697	21 487	16 636	40 936	38 573	16 510	43 096	
International Atomic Energy Agency	38 910	17 003	27 885	16 715	16 715	17 207	18 205	19 224	
National Radioactive Waste Disposal Institute	19 800	-	-	-	-	30 000	33 000	36 300	
Generation IV International Forum	-	-	-	660	660	700	741	782	
Employee Social Benefits	-	-	25	-	161	-	-	-	
Total	699 252	811 378	629 755	633 349	657 810	750 651	771 149	841 445	

5.4 Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 5.2.: Improved nuclear safety and security	Delays in implementation of Nuclear New Build Programme in line with the IRP 2010–2030 timelines	Not meeting commitments made regarding climate change Compromised security of electricity supply	Find innovative funding mechanisms Ring-fence financial resources for implementation of Nuclear New Build Programme Approval and implementation of programme strategies Finalise appointment of resources RFP



6. PROGRAMME 6: CLEAN ENERGY

6.1 Programme Purpose

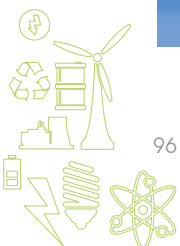
To manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as Energy Efficiency and Demand-Side Management (EEDSM) initiatives.

6.2 Budget Sub-Programmes

- Energy Efficiency
- Renewable Energy
- Climate Change Response, Environmental Compliance and Designated National Authority

Sub-Programme 6.1: Energy Efficiency

This sub-programme advances energy efficiency in South Africa by planning and co-ordinating initiatives and interventions that are focused on developing and improving the energy efficiency market, which ensures the integration and co-ordination of energy efficiency initiatives and interventions with relevant associated institutions.

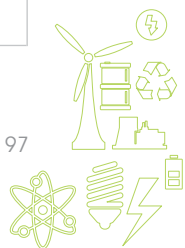


Sub-Programme 6.1 strategic objectives annual targets for 2017/18

Strategic Objectives	5-Year Strategic Plan Target	Audited Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.1 Implementation of the EEDSM measures across all sectors co-ordinated and monitored	Verified energy savings from EEDSM initiatives	1.2 TWh of energy savings realised and verified from EEDSM projects	Planning and developing projects to achieve 0.5 TWh of energy savings per annum	0.5 TWh of energy savings realised and verified from EEDSM projects	Verified energy savings from EEDSM initiatives	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects
		Developed energy consumption baselines for an additional 10 municipalities	Developed energy consumption baselines for an additional 15 municipalities	20 Additional municipalities for which energy consumption baselines have been developed annually	15 Additional municipalities for which energy consumption baselines have been developed annually	Develop energy consumption baselines for 15 additional municipalities	Develop energy consumption baselines for 15 additional municipalities	Develop energy consumption baselines for 15 additional municipalities
	Implementation of the post-2015 energy efficiency targets and strategy	National Energy Efficiency Strategy and Plan promulgated	Promulgation of National Energy Efficiency Strategy and Plan (if approved by Cabinet)	N/A	Post-2015 National Energy Efficiency Strategy drafted and submitted for approval	Post-2015 National Energy Efficiency Strategy submitted for approval by the Minister	Approved post-2015 National Energy Efficiency Strategy implemented	Approved post-2015 National Energy Efficiency Strategy implemented

Sub-Programme 6.1 performance indicators and annual targets for the 2017 MTEF

Strategic Objectives	Performance Indicators	Audited Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.1 Implementation of the EEDSM measures across all sectors co-ordinated and monitored	Number of energy savings realised and verified from EEDSM projects	1.2 TWh of energy savings realised and verified from EEDSM projects	Planning and developing projects to achieve 0.5 TWh of energy savings per annum	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects
		Number of additional municipalities for which energy consumption baselines have been developed annually	Developed energy consumption baselines for an additional 15 municipalities	20 Additional municipalities for which energy consumption baselines have been developed annually	15 Additional municipalities for which energy consumption baselines have been developed annually	Develop energy consumption baselines for 15 additional municipalities	Develop energy consumption baselines for 15 additional municipalities	Develop energy consumption baselines for 15 additional municipalities





Strategic Objectives	Performance Indicators	Audited Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.1 Implementation of the EEDSM measures across all sectors co-ordinated and monitored (continued)	Submission of the post-2015 National Energy Efficiency Strategy	National Energy Efficiency Strategy and Plan promulgated	Promulgation of National Energy Efficiency Strategy and Plan (if approved by Cabinet)	N/A	Post-2015 National Energy Efficiency Strategy drafted and submitted for approval	Post-2015 National Energy Efficiency Strategy drafted and submitted for approval	Approved post-2015 National Energy Efficiency Strategy implemented	Approved post-2015 National Energy Efficiency Strategy implemented

Sub-Programme 6.1 quarterly targets for 2017/18

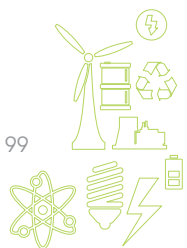
Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.1 Implementation of the EEDSM measures across all sectors co-ordinated and monitored	Number of energy savings realised and verified from EEDSM projects	Quarterly	0.5 TWh of energy savings realised and verified from EEDSM projects	Energy efficiency interventions identified in residential, commercial or industrial sector	Business plans in respect of various interventions developed	Implementation of various interventions commenced	0.5 TWh of energy savings realised and verified from EEDSM projects
	Number of additional municipalities for which energy consumption baselines have been developed annually	Quarterly	Develop energy consumption baselines for 15 additional municipalities	Submit the project plan agreed with the respective municipalities to the Director-General	Implement the project plan	Implement the project plan	Verify the baseline through independent M&V protocols Develop energy consumption baselines for 15 additional municipalities
	Submission of the post-2015 National Energy Efficiency Strategy	Quarterly	Post-2015 National Energy Efficiency Strategy drafted and submitted for approval by the Minister	Draft post-2015 National Energy Efficiency Strategy prepared	Stakeholder consultation workshops on post-2015 National Energy Efficiency Strategy development conducted	Revised draft post-2015 National Energy Efficiency Strategy in line with comments received	Post-2015 National Energy Efficiency Strategy drafted and submitted for approval by the Minister

Sub-Programme 6.2: Renewable Energy

This sub-programme ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and co-ordinating initiatives and interventions focused on the development and improvement of the renewable energy market. It also integrates and co-ordinates renewable energy initiatives and interventions with the relevant associated local and international institutions. In addition, the sub-programme makes transfers to the South African National Energy Development Institute (SANEDI).

Sub-Programme 6.2 strategic objectives annual targets for 2017/18

Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.2 Renewable energy	Update Renewable Energy Implementation Report	N/A	N/A	Renewable Energy Implementation Report	MW or petajoules of renewable energy introduced in line with IRP	Update Renewable Energy Implementation Report	Update Renewable Energy Implementation Report	Update Renewable Energy Implementation Report
	National Biogas and Biomass Strategy	N/A	N/A	Completed draft National Biogas Strategy	Final National Biogas and Biomass Strategy completed	Submit a Cabinet Memo to Minister regarding the Biomass/Biogas to Energy Strategy and Plan	Increase the uptake of bioenergy in the Renewable Energy IPP Programme or the Embedded Generation Programme	National Biogas and Biomass Strategy implemented
	Developed repository of renewable energy information publically available	N/A	N/A	N/A	Publically accessible beta-version of Renewable Energy Data Information System (REDIS) created on departmental website	Renewable Energy Data Information System functional	N/A	N/A
	Strategy to increase the uptake of solar technologies in the energy mix	N/A	N/A	N/A	Solar Energy Technology Roadmap incorporated into the Integrated Energy Plan	Promulgation of the Solar Energy Technology Roadmap	N/A	N/A





Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.2 Renewable energy (continued)	Solar Water Heating Programme Implementation	N/A	N/A	Completed Solar Water Heating Implementation Plan	Procure about 50 000 baseline systems with a local content exceeding 70%	Increase the number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities	Increase the number of procured baseline systems in line with budget allocation	N/A
		N/A	N/A	N/A	Finalise the collaboration agreements with National Treasury and the insurance industry to target replacements due to failure of electric geysers	Initiate the Load Reduction Programme (subject to a fiscal subsidy to cover the difference in cost between a solar water heater and a normal electric geyser)	Increase the quantity of retrofitted solar water geysers due to electric geyser failures	N/A

Sub-Programme 6.2 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicator	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.2 Renewable energy	Renewable Energy Implementation Report developed	N/A	N/A	Renewable Energy Implementation Report	MW or petajoules of renewable energy introduced in line with IRP	Update Renewable Energy Implementation Report	Update Renewable Energy Implementation Report	Update Renewable Energy Implementation Report
		N/A	N/A	Completed draft National Biogas Strategy	Final National Biogas and Biomass Strategy implementation	Submit a Cabinet Memo to Minister regarding the Biomass/Biogas to Energy Strategy and Plan	Increase the uptake of bioenergy in the Renewable Energy IPP Programme or the Embedded Generation Programme	National Biogas and Biomass Strategy Implementation

Strategic Objectives	Performance Indicator	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.2 Renewable Energy (continued)	Developed repository of renewable energy information publically available	N/A	N/A	N/A	Publically accessible beta-version of Renewable Energy Data Information System (REDIS) created on departmental website	REDIS functional	N/A	N/A
	Solar Energy Technology Roadmap	N/A	N/A	N/A	Solar Energy Technology Roadmap incorporated into the Integrated Energy Plan	Promulgation of the Solar Energy Technology Roadmap	N/A	N/A
	Number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities	N/A	N/A	Solar Water Heating Programme Implementation Plan	Procure about 50 000 baseline systems with a local content exceeding 70%	Increase the number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities	Increase the number of procured baseline systems in line with budget allocation	Solar Water Heating Programme Implementation Plan
	Load Reduction Programme	N/A	N/A	N/A	Finalise the collaboration agreements with National Treasury and the insurance industry to target replacements due to failure of electric geysers	Initiate the Load Reduction Programme (subject to a fiscal subsidy to cover the difference in cost between a solar water heater and a normal electric geyser).	Increase the quantity of retrofitted solar water geysers due to electric geyser failures	Load Reduction Programme





Sub-Programme 6.2 quarterly targets for 2017/18

Strategic Objectives	Performance Indicator	Reporting Period	Annual Target: 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.2 Renewable energy	Renewable Energy Implementation Report developed	Quarterly	Update Renewable Energy Implementation Report	Data collection for Renewable Energy Status Report; design questionnaires; conduct stakeholder mapping; recruit and select data collection specialists	Data collection for Renewable Energy Status Report; design questionnaires; conduct stakeholder mapping; recruit and select data collection specialists	Data collection for Renewable Energy Status Report; design questionnaires; conduct stakeholder mapping; recruit and select data collection specialists	Update Renewable Energy Implementation Report
	Cabinet Memo to Minister	Bi-annual	Submit a Cabinet Memo to Minister regarding the Biomass/Biogas to Energy Strategy and Plan.	Submit draft strategy to the Minister for approval	No target	No target	Submit Cabinet Memo regarding the Bioenergy Strategy and Plan
	Developed repository of renewable energy information publicly available	Bi-annual	REDIS functional	Data collection for Renewable Energy Status Report	No target	No target	Update Renewable Energy Implementation Report
	Energy Technology Roadmap	Quarterly	Promulgation of the Solar Energy Technology Roadmap	Submit draft SETR Report, taking into account public engagements	Stakeholder workshops conducted	Final SETRM completed	Promulgation of the Solar Energy Technology Roadmap
	Number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities	Bi-annual	Increase the number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities	Procure additional baseline systems	No target	No target	Increase the number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities
	Load Reduction Programme	Bi-annual	Initiate the Load Reduction Programme (subject to a fiscal subsidy to cover the difference in cost between a solar water heater and a normal electric geyser)	Submit the project plan regarding a pilot programme involving the insurance sector to the Director-General	No target	No target	Initiate the Load Reduction Programme (subject to a fiscal subsidy to cover the difference in cost between a solar water heater and a normal electric geyser)

Sub-Programme 6.3: Climate Change and Designated National Authority

This sub-programme ensures that the energy sector's climate change and environment response measures, in terms of mitigation and adaptation, are implemented within the energy sector. It also ensures the fulfilment of international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol.

Sub-Programme 6.3 strategic objectives annual targets for 2017/18

Strategic Objectives	5-Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.3 Implementation of energy-related climate change response measures and environmental and compliance co-ordinated and monitored	Developed implementation plan for Energy and Climate Change Strategy in public buildings 12% by 2015 (Energy efficiency target for 2019 to be finalised as outlined by the National Energy Efficiency Strategy)	N/A	N/A	Energy and Climate Change Strategy for public building sector approved	Developed implementation plan for Energy and Climate Change Strategy in public buildings	Developed implementation plan for Energy and Climate Change Strategy in public buildings	Developed implementation plan for Energy and Climate Change Strategy in public buildings	Developed implementation plan for Energy and Climate Change Strategy in public buildings
SO 6.4 Measurement, reporting and verification system of climate change parameters	Efficiency Action Plan to be tabled for Cabinet consideration	N/A	N/A	N/A	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition
	International climate change engagements	N/A	N/A	N/A	Finalise the respective collaboration agreements with international partners on climate change	Project co-ordination services for the Danish, German, UK and other related clean energy programmes (i.e. VNAMA Facility, GEF, Green Global Fund, etc.)	Project co-ordination services for the Danish, German, UK and other related clean energy programmes (i.e. VNAMA Facility, GEF, Green Global Fund, etc.)	International climate change engagements
		N/A	N/A	N/A	Carbon Offset Administrative System established to support implementation of Carbon Tax Policy	Submission to Minister regarding Carbon Offset Administrative System to support Carbon Tax Policy	Implementation of Carbon Offset Administrative System to support Carbon Tax Policy implemented	Carbon Offset Administrative System to support Carbon Tax Policy implemented



Sub-Programme 6.3 performance indicators and annual targets for 2017 MTEF

Strategic Objectives	Performance Indicator	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
SO 6.3 Implementation of energy-related climate change response measures and environmental compliance co-ordinated and monitored	Implementation plan for Energy and Climate Change Strategy	N/A	N/A	Energy and Climate Change Strategy for public building sector approved	Developed implementation plan for Energy and Climate Change Strategy in public buildings	Developed implementation plan for Energy and Climate Change Strategy in public buildings	Developed implementation plan for Energy and Climate Change Strategy in public buildings	Developed implementation plan for Energy and Climate Change Strategy in public buildings
	Developed Annual Compliance Report on the 3 rd Environmental Management Plan Edition	N/A	N/A	N/A	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition
	Project co-ordination services	N/A	N/A	N/A	Finalise the respective collaboration agreements with international partners on climate change	Project co-ordination services for the Danish, German, UK and other related clean energy programmes (i.e. VNAMA Facility, GEF, Green Global Fund, etc.)	Project co-ordination services for the Danish, German, UK and other related clean energy programmes (i.e. VNAMA Facility, GEF, Green Global Fund, etc.)	Project co-ordination services for the Danish, German, UK and other related clean energy programmes (i.e. VNAMA Facility, GEF, Green Global Fund, etc.)
SO 6.4 Measurement, reporting and verification system of climate change parameters	Submission to the Minister regarding Carbon Offset Administrative System to support implementation of Carbon Tax Policy	N/A	N/A	N/A	Carbon Offset Administrative System established to support implementation of Carbon Tax Policy	Submission to the Minister regarding Carbon Offset Administrative System to support Carbon Tax Policy	Implementation of Carbon Offset Administrative System to support Carbon Tax Policy	Carbon Offset Administrative System to support Carbon Tax Policy implemented

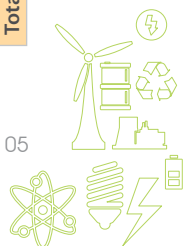


Sub-Programme 6.3 quarterly targets for 2017/18

Strategic Objectives	Performance Indicator	Reporting Period	Annual Target 2017/18	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.3 Implementation of energy-related climate change response measures and environmental compliance co-ordinated and monitored	Implementation plan for Energy and Climate Change Strategy	Quarterly	Developed implementation plan for Energy and Climate Change Strategy in public buildings Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Draft implementation plan developed	Stakeholder consultation on the draft implementation action plan Commence collection of data and information	Stakeholder comments consolidated Submit Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Developed implementation plan for Energy and Climate Change Strategy in public buildings Approved Annual Compliance Report on the 3 rd Environmental Management Plan Edition
	Developed Annual Compliance Report on the 3 rd Environmental Management Plan Edition	Quarterly	Project co-ordination services for the Danish, German, UK and other related clean energy programmes (i.e. VNAMA Facility, GEF, Green Global Fund, etc.)	Prepare Engagements Reports for approval Collate collaboration agreements and prepare report relating to each partner country	Implementation based on the international engagements	Progress reports on donor-funded projects with international partners	Project co-ordination services for the Danish, German, UK and other related clean energy programmes (i.e. VNAMA Facility, GEF, Green Global Fund, etc.)
SO 6.4 Measurement, reporting and verification system of climate change parameters	Submission to Minister regarding Carbon Offset Administrative System to support Carbon Tax Policy	Quarterly	Submission to Minister regarding Carbon Offset Administrative System to support Carbon Tax Policy	Offset project database developed and hosted in the Department	Carbon offset guidelines and sustainable development criteria developed	Carbon offsets registry for listing offset credits developed and outsourced	Submission to Minister regarding Carbon Offset Administrative System to support Carbon Tax Policy

6.3 Resource Consideration

	Baseline			Medium-Term Expenditure Framework			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Programme 6: Clean Energy (Sub-Programmes)							
Energy Efficiency	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Renewable Energy	1 347 547	658 657	206 211	581 964	564 528	757 306	787 071
Climate Change and Designated National Authority	137 538	167 419	69 774	27 144	27 055	69 457	73 430
	4 802	4 181	5 798	7 825	7 809	8 388	9 005
Total for programmes	1 489 887	830 257	281 783	616 933	599 392	835 151	869 506



	Baseline					Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 6: Clean Energy (Economic Classification)								
Payments for capital assets	14	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	14	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	1 489 887	830 257	281 783	616 933	599 392	774 510	835 151	869 506

	Baseline					Medium-Term Expenditure Framework		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	Audited Outcome R'000	Audited Outcome R'000	Audited Outcome R'000	Voted (Main Appropriation) R'000	Adjusted Appropriation R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000	Revised Indicative Baseline R'000
Programme 6: Clean Energy (Transfer Payments)								
Beneficiary								
South African National Energy Development Institute	134 344	162 685	64 861	20 625	20 625	59 774	63 241	66 782
Various institutions: Solar water heater project	1 149 900	500 000	-	320 326	320 326	411 091	434 933	459 289
Employee social benefits	-	-	-	-	-	-	-	-
International Atomic Energy Agency	-7	1 678	1 313	-	-	-	-	-
Energy Efficiency and Demand-Side Management/Municipal grant	180 718	136 905	177 899	185 625	185 625	203 236	215 024	227 065
Total	1 464 955	801 268	244 073	526 576	526 576	674 101	713 198	753 136

6.4 Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 6.1 Implementation of the EEDSM measures across all sectors co-ordinated and monitored	Failure of municipalities to implement EEDSM projects on time	Non delivery on the committed target Delays in implementation of EEDSM	DoE to discuss with National Treasury for consideration of utilising transversal (centralised) contracts for Municipal EEDSM Programme

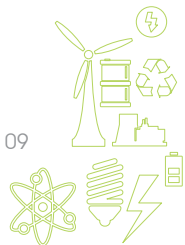


1. LINKS TO LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

The DoE leads three Strategic Integrated Projects (SIPs), namely Integrated Municipal Infrastructure Projects; Green Energy in support of the South African Economy; and Electricity Transmission and Distribution for All. In addition, the DoE is required directly or indirectly to participate in other SIP initiatives for co-ordination and reporting purposes.

Expenditure on long-term infrastructure and other capital plans

Programme/ Project Name	Type of Infrastructure	Project Description	Current/ Capital Transfer	Current Project Stage	SCOA Item	SIP Category	Total Project Cost	Adjusted Appropriation			MTEF Baseline	
								2016/17	2017/18	2018/19	2019/20	
Mega-projects (total project cost of at least R1 billion over the project lifecycle)												
INEP: Eskom	Electrification backlog of permanently occupied residential dwellings	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure and rehabilitate electrification infrastructure	Capital	Various	Public corporations and private enterprises	SIP 10: Electricity Transmission and Distribution for All	R25 082 671	R5 472 580	R5 933 202	R6 166 508	R7 510 381	R4 182 453
INEP: Municipalities	Electrification backlog of permanently occupied residential dwellings	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure and rehabilitate electrification infrastructure	Capital	Various	Provinces and municipalities	SIP 6: Integrated Municipal Infrastructure Project	R9 565 699	R1 946 246	R2 087 048	R2 204 477	R3 327 928	



2. CONDITIONAL GRANTS

The DoE administers conditional grants with regard to the National Electrification Programme, the Energy Efficiency and Demand-Side Management (EEDSM) Programme and the National Solar Water Heating Programme (NSWHP). These conditional grants are summarised as follows (details provided in the Division of Revenue Act, 2014 [Act No.10 of 2014] [DoRA]):

Conditional Grant 1: National Electrification Programme (equitable share)

Department/municipality to whom the grant has been transferred	Several municipalities
Purpose of the grant	Electricity connections
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DoRA (R'000)	1 980 340
Amount transferred (R'000)	1 980 340
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department (R'000)	
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring Department	Technical audits and monthly reports

Conditional Grant 2: National Electrification Programme (Eskom)

Department/municipality to whom the grant has been transferred	Eskom
Purpose of the grant	Electricity connections
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DoRA (R'000)	3 613 243
Amount transferred (R'000)	3 613 243
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring Department	Eskom

Conditional Grant 3: Energy Efficiency and Demand-Side Management Programme (equitable share)

Department/municipality to whom the grant has been transferred	Several municipalities
Purpose of the grant	Implementation of energy efficiency technologies
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DoRA (R'000)	177 899
Amount transferred (R'000)	177 899
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	
Reasons for the funds unspent by the entity	Municipal financial year-end is in June
Monitoring mechanism by the transferring Department	The Department developed a monitoring and evaluation tool indicating the pay-back period to achieve kWh savings; energy savings (kWh) achieved by each municipality; and R(million)/kWh. The Department annually undertakes an independent technical audit, measurement and verification (M&V) of energy savings achieved by implementing municipalities



Conditional Grant 4: Energy Efficiency and Demand-Side Management Programme (NSWHP)

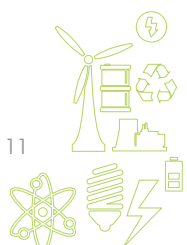
Department/municipality to whom the grant has been transferred	Solar water heater service providers
Purpose of the grant	Implementation of the SWH Programme
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DoRA	112 522
Amount transferred (R'000)	0
Reasons if amount as per DoRA not transferred	Following the termination of the DoE-Eskom MoA for the implementation of the programme, Cabinet's approval of the Revised Contracting Model was obtained during the year, paving the way for the amendment of the appropriation listing the DoE as the implementer and not Eskom. The start of the procurement process and the evaluation of tenders, which took longer than anticipated, negatively affected the project, resulting in budget underspending of R112.52 million
Amount spent by the Department/municipality (R'000)	-
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring Department	

3. PUBLIC ENTITIES

The Minister of Energy is responsible for overseeing five state-owned entities (SOEs) and their subsidiaries, which are either classified as Schedule 2 or as 3A institutions according to the Public Finance Management Act, 1999 (Act No. 1 of 1999):

- The National Nuclear Regulator (NNR);
- The Central Energy Fund (CEF) Group of companies under CEF (Proprietary) Limited;
- The South African Nuclear Energy Corporation SOC Limited (Necsa);
- The National Radioactive Waste Disposal Institute (NRWDI);
- The National Energy Regulator of South Africa (NERSA); and
- The South African National Energy Development Institute (SANEDI).

The enabling legislation requires that the minister of a department appoints members of the board for all SOEs reporting to him or her. Boards are ultimately accountable and responsible for the performance of their respective entities. They give strategic direction in line with the DoE's strategy within their respective mandates and implementation is undertaken by management.





Public entities' mandate, outputs, annual budget and next evaluation date of the SOEs

Name of Public Entity	Mandate	Outputs	Current Annual Budget 2017/18	Date of Next Evaluation
NNR	<p>The NNR is established in terms of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999).</p> <p>The Act establishes the regulator as a competent authority for nuclear regulation in South Africa.</p> <p>The mandate of the NNR, as outlined in Section 5 of the Act, is to provide for the protection of persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices.</p> <p>To finance and promote the acquisition of, research into and exploitation of oil, gas and renewable/clean energy-related products and technology.</p>	Refer to the NNR's 2017/18 APP for details regarding the specific outputs planned by the NNR	38 573	As needed
CEF	To finance and promote the acquisition of, research into and exploitation of oil, gas and renewable/clean energy-related products and technology.	Refer to the CEF's 2017/18 APP for details regarding the specific outputs planned by the CEF	-	As needed
Necsa	<p>Necsa is established in terms of Section 3(1) of the Nuclear Energy Act.</p> <p>The Act provides for the commercialisation of nuclear and related products and services, and delegates specific responsibilities to the corporation, including the implementation and execution of national safeguards and other international obligations.</p> <p>The Nuclear Energy Policy of 2008 reinforced Necsa's mandate relating to R&D and nuclear fuel cycle responsibilities.</p>	Refer to Necsa's 2017/18 APP for details regarding the specific outputs planned for the period 2017/18	664 171	As needed
NRWDI	<p>The Nuclear Waste Disposal Institute was established in terms of Section 3 of the National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008).</p> <p>The Act provides for the establishment of NRWDI to manage radioactive waste disposal on a national basis and to provide for its functions and for how it is to be managed.</p>	N/A	30 000	As needed
NERSA	<p>NERSA is a regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004).</p> <p>NERSA's mandate is to regulate the electricity, piped-gas and petroleum pipeline industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Gas Act, 2001 (Act No. 48 of 2001) and the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).</p>	Refer to NERSA's 2017/18 APP for details regarding the specific outputs planned for the period 2017/18	N/A	As needed
SANEDI	SANEDI is an applied energy research institute established in terms of Section 7(1) of the National Energy Act, 2008 (Act No. 34 of 2008).	Refer to SANEDI's 2017/18 APP for details regarding the specific outputs planned for the period 2017/18	59 774	As needed

4. PUBLIC-PRIVATE PARTNERSHIPS

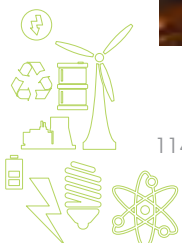
No public-private partnerships exist between the DoE and other stakeholders.

1. TECHNICAL INDICATOR DESCRIPTIONS

Published on the DoE's website.

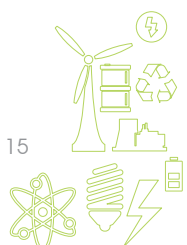
2. AMENDMENT TO REVISED STRATEGIC PLAN

Existing	Amended
PROGRAMME 2: ENERGY POLICY AND PLANNING	
SO 2.3 Policy and regulations to ensure security of supply reviewed	SO 2.3 Policy and regulations to ensure security of supply
SO 2.4 Bulk electrical infrastructure required for the universal access to electricity reviewed	SO 2.4 Bulk electrical infrastructure required for universal access to electricity
SO 2.5 Mechanisms to prefund capital and create a smooth price path over the long term established	SO 2.5 Mechanisms to prefund capital and create a smooth price path over the long term
	SO 2.6 PSP Framework: Rands private investment and market share of the private ownership of baseload, renewable energy, fuels and gas
PROGRAMME 3: PETROLEUM AND PETROLEUM PRODUCTS REGULATION	
SO3.3 Petroleum Products Market Analysis Report	SO 3.3 Petroleum products market regulated
PROGRAMME 5: NUCLEAR ENERGY	
SO 5.2 Strengthen the control of nuclear material and equipment	Moved to Institutional Operational Plan (IoP)



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4. ACRONYMS AND ABBREVIATIONS

20YLFIRM	20-Year Liquid Fuels Infrastructure Roadmap	HR	Human Resource
20YRLFMP	20-Year Liquid Fuels Master Plan	IPP	Independent Power Producer
AfDB	African Development Bank	IPAP	Industrial Policy Action Plan
Amb.	Ambassador	IHDI	Inequality-Adjusted Human Development Index
APP	Annual Performance Plan	IDP	Integrated Development Plan
ADAM	Approach to Distribution Management	IEC	Integrated Energy Centre
AG	Attorney General	IEP	Integrated Energy Plan
BFP	Basic Fuel Price	INEP	Integrated National Electrification Programme
bcm	Billion cubic metres	IRP	Integrated Resource Plan
BEE	Black Economic Empowerment	IAEA	International Atomic Energy Agency
CEF	Central Energy Fund	IEF	International Energy Forum
CHIETA	Chemical Industries Education and Training Authority	JRC	Joint Research Centre
CSP	Concentrated Solar Power	KPA	Key Performance Area
DRC	Democratic Republic of Congo	km	Kilometre
DoE	Department of Energy	kWh	Kilowatt hour
DPME	Department of Monitoring and Evaluation	kWh/m²	Kilowatt hour per square metre
DPSA	Department of Public Service and Administration	LNG	Liquefied natural gas
DDG	Deputy Director-General	LPG	Liquefied petroleum gas
DM	Deputy Minister	MANCO	Management Committee
DG	Director-General	MPAT	Management Performance Assessment Tool
DoRA	Division of Revenue Act of South Africa	MRGP	Maximum Refinery Gate Price
Eskom	Electricity Supply Commission	MV line	Medium voltage line
EMP	Electrification Master Plan	MTEF	Medium-Term Expenditure Framework
EWSETA	Energy and Water Sector Education and Training Authority	MTSF	Medium-Term Strategic Framework
EE	Energy Efficiency	MV	Mega volt
EEDSM	Energy Efficiency and Demand-Side Management	MW	Megawatt
ESC	Energy Sciences Coalition	MP	Member of Parliament
EU	European Union	MoA	Memorandum of Agreement
EUEI PDF	European Union Energy Initiative – Partnership Dialogue Facility	NDP	National Development Plan
EXCO	Executive Committee	Necsa	South African Nuclear Energy Corporation SOC Limited
FDI	Foreign Direct Investment	NER	National Energy Regulator
FOSAD	Forum of South African Directors	NERSA	National Energy Regulator of South Africa
FBAE	Free Basic Alternative Energy	NGP	National Growth Path
FBE	Free Basic Electricity	NIP	National Infrastructure Plan
GUMP	Gas Utilisation Master Plan	NIEP	National Integrated Electrification Programme
GTL	Gas-to-liquid	NNEECC	National Nuclear Energy Executive Coordination Committee
GAB	Geoscience Amendment Bill	NNR	National Nuclear Regulator
GWh	Gigawatt hours	NRWDI	National Radioactive Waste Disposal Institute
G&S	Goods and Services	NSWHP	National Solar Water Heater Programme
GHG	Greenhouse gas	NT	National Treasury
GDP	Gross Domestic Product	NFC	Nuclear Fuel Cycle
Hon.	Honourable	OECD	Organisation for Economic Co-operation and Development



PetroSA	Petroleum Oil and Gas Corporation of South Africa SOC Limited	SANEDI	South African National Energy Development Institute
PPA	Petroleum Products Act	SAPP	South African Power Pool
PV	Photovoltaic	SCOA	Standard Chart of Accounts
PICC	Presidential Infrastructure Coordinating Commission	SoNA	State of the Nation Address
PMO	Project Management Office	SOE	State-owned entity
PFMA	Public Finance Management Act	SFF	Strategic Fuel Fund
PPP	Public Participation Programme	SIP	Strategic Integrated Project
RAS	Regulatory Accounting System	SMC	Strategic Management Committee
REIPPP	Renewable Energy Independent Power Producer Programme	SO	Strategic Objective
RFP	Request for Proposal	SCM	Supply chain management
SMS	Senior Management Service	TJ/t	Terajoule per tonne
SMME	Small, medium and micro enterprise	TWh	Terawatt hour
SEIAS	Socio-Economic Impact Assessment	UNDP	United Nations Development Programme
SWH	Solar Water Heater	USA	United States of America
		WSP	Workplace Skills Plan



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