

energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF ENERGY

Annual Performance Plan

2018/19



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA



OFFICIAL SIGN-OFF



It is hereby certified that this Annual Performance Plan:

- Was prepared in line with the tabled 2015 to 2020 Medium-Term Strategic Framework and the energy sector priorities of the National Development Plan (NDP).
- Reflects performance targets that the Department of Energy will endeavour to achieve given the resources made available in the budget outcome for the 2018/19 fiscal year.

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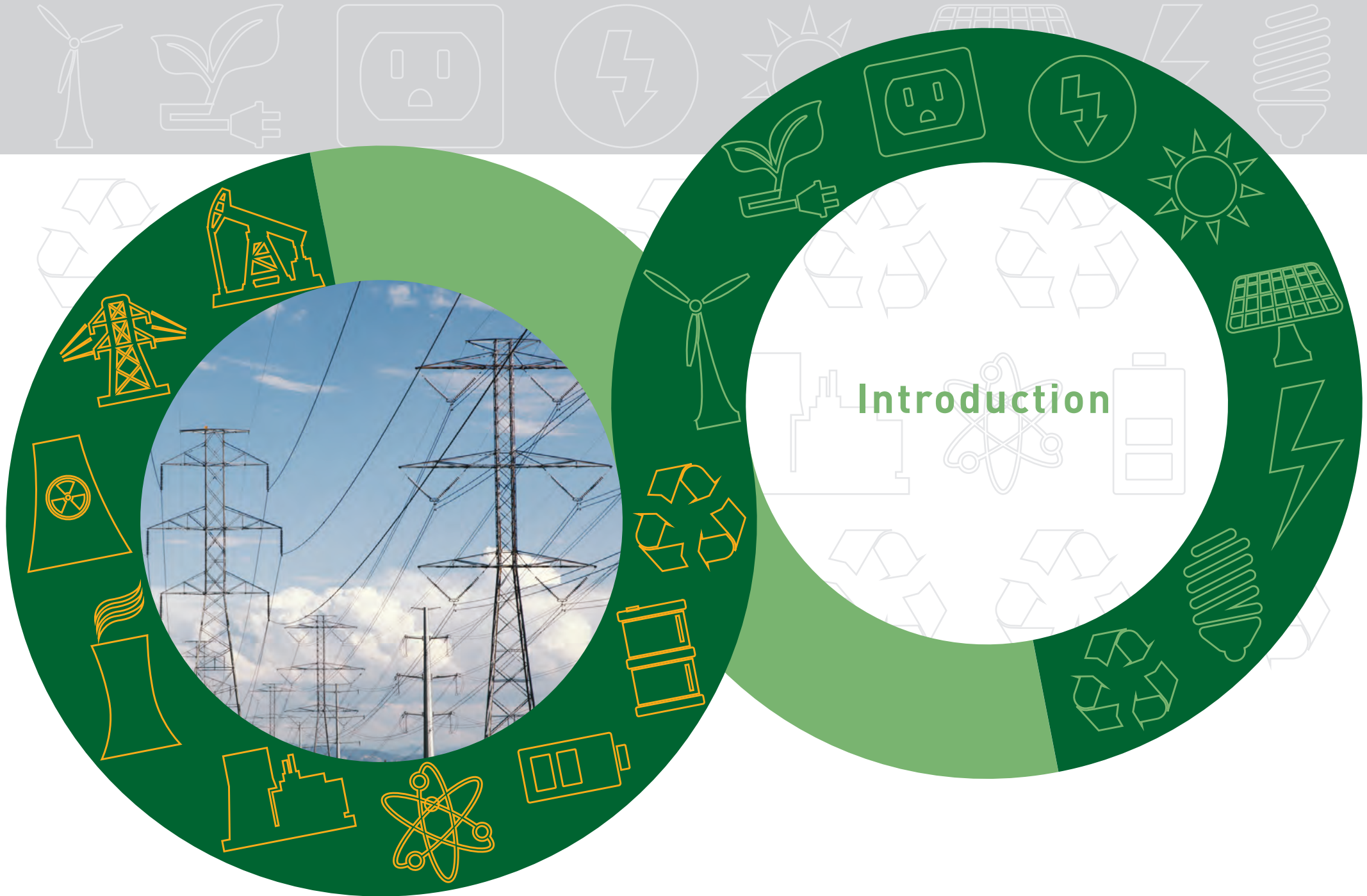
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Introduction

Foreword by Minister



INTRODUCTION

The energy sector is governed and regulated by a number of pieces of legislation, including the Energy White Paper (1998) and the National Energy Act, 2008 (Act No. 34 of 2008). The National Energy Act, 2008 (Act No. 34 of 2008) mandates the Department to ensure that diverse energy resources are available, in sustainable quantities and at affordable prices, to the South African economy, in support of economic growth and poverty alleviation, while taking into account environmental management requirements that are in line with the National Environmental Management Act (NEMA), the National Climate Change Response White Paper and the United National Framework Convention on Climate Change. The White Paper on Energy Policy – South Africa (1998) states the following as its objectives: Increasing access to affordable energy services; Improving energy governance; Stimulating economic growth; Managing energy-related environmental and health impacts; Securing supply through diversity. However, many factors pose a potential threat to energy security, including scarce and depleting energy resources, minimising environmental impact, geopolitical instability, and inadequate energy infrastructure. Therefore, in order to ensure continued security of energy supply, it is essential that a coordinated and integrated approach to energy planning, which takes these complex issues into account, is undertaken regularly.

In the 2018 State of the Nation Address, his Excellency, President Ramaphosa indicated that young South Africans will be moved to the centre of our economic agenda. They are already forming a greater proportion of the labour force on our infrastructure

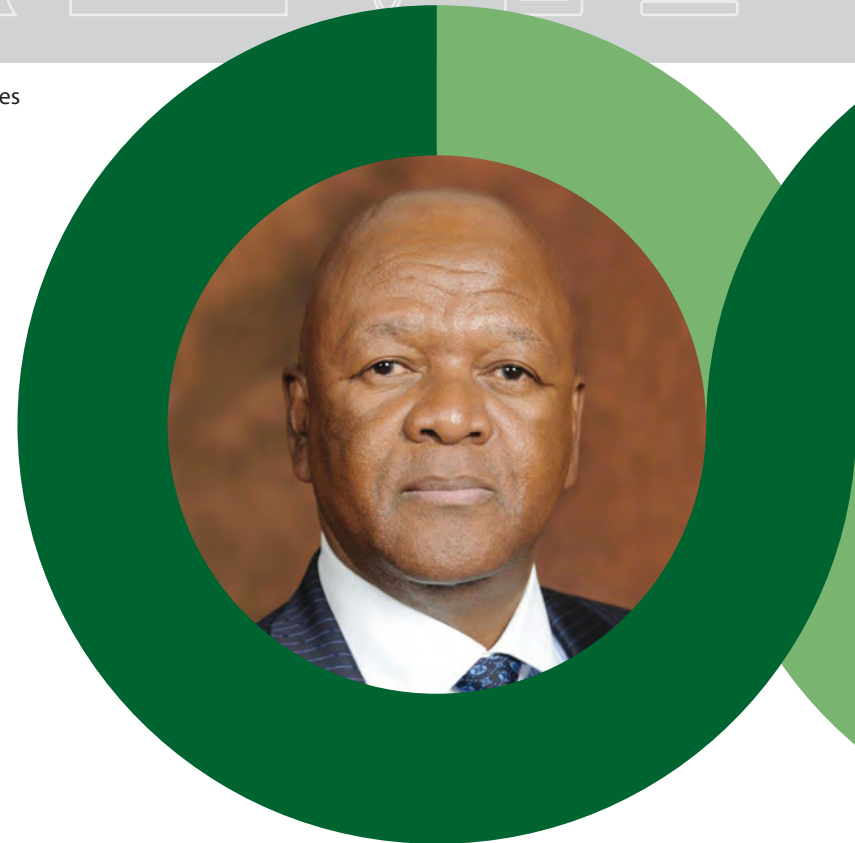
projects and are the primary beneficiaries of programmes such as the installation of solar water heaters and the war on leaks. The Department embarked on various energy projects that are aimed at resolving the energy challenges experienced in the past few years. The projects include: Gas Infrastructure Plan, National Solar Water Heater Programme (NSWHP), Municipal Energy Efficiency Demand Side Management (EEDSM) (0.5 TWh savings), and Independent Power Producer Plan.

During December 2017, the Department hosted an Energy Indaba that brought together all the stakeholders in the sector to reflect on the current energy landscape in the country, and to map out the way forward to stimulate economic growth, development and job creation. Broadly, the objectives of the Indaba included determining methods to ensure access to energy, and the supply of affordable secure energy in a climate carbon constrained environment.

ACCESS TO ENERGY

The electrification programme will be strengthened, in order for it to continue its contribution to socio-economic development, job creation, poverty alleviation, and addressing past imbalances. Accordingly, this project will assist the Department to fulfil its goal of achieving universal access by formal households by 2025. Within the next three years (MTEF) the Integrated National Electrification Programme (INEP) will disburse to its implementing agencies (municipalities, Eskom and non-grid service providers) to achieve approximately 700 000 households' connections. The country has moved from

36% access to electricity in 1994 to 86% access in 2017. Over 7.2 million households have received electricity through the INEP, in collaboration with Eskom and licensed municipalities. While 86% is a commendable achievement, the challenge remains, as many of our people continue to pursue economic opportunities elsewhere, and therefore leave their place of origin.





While the available budget has been reduced due to tight fiscal constraints, the electrification programme will be refined to ensure efficient utilization of limited resources while continuing to contribute to socio-economic development, job creation and poverty alleviation. With this being the fifth term of democratic government, more effort will be exerted to ensure that the target of 1.25 million household connections is achieved.

Cabinet approved the updated Integrated Resource Plan (IRP) that plots South Africa's energy future over the next 20 years, based on a process of consultation with a wide variety of stakeholders in the energy environment. IRP refers to the coordinated schedule for generation expansion and demand-side intervention programmes, while taking into consideration multiple criteria to meet electricity demand. The IRP directs the expansion of the electricity supply over a given period and also introduces the pace, scale, affordability and environmental considerations for any future expansion programme.

The Integrated Energy Plan (IEP) is the over-arching co-ordinated energy plan when combining the constraints and capabilities of alternative energy carriers to meet the country's energy needs. It provides a detailed analysis of the energy sector by identifying and presenting key assumptions about the macro-economic environment and other factors that could have a significant influence on future energy demand and supply options. Given the high level of uncertainty associated with long-term planning, a scenario-based approach will be followed. Future energy demand is projected and the associated supply side implications will be determined. Once again, we reiterate that the IEP will be concluded during the 2018/19 financial year.

HYDROCARBONS

Petroleum Licensing

The mandate derived from the Petroleum Products Amendment Act (PPAA) enables the Department to licence the downstream part of the petroleum value chain, thus ensuring that there is orderly functioning of the petroleum industry, while contributing to the radical socio-economic transformation

and service delivery imperatives. The Department created a sustainable environment for infrastructure investment and development of small businesses, to ensure access to affordable and on-spec petroleum products.

Liquid Fuel Industry Transformation

Despite the early adoption of the Petroleum and Liquid Fuels Charter in 2000, the petroleum sector remains largely untransformed, particularly in the retail sector. To this effect, the Department commissioned an independent audit to confirm the extent of transformation in the petroleum retail sector. The audit will provide a baseline in the alignment of Petroleum and Liquid Fuels Charter and the B-BBEE policy framework. In collaboration with stakeholders with majority commercial interest, the Department is developing the Petroleum sector codes, to ensure monitoring, evaluation, reporting and enforcement. The Department commissioned a review of the margin determination methodology, in order to achieve transparent, fair pricing and fair return on investments in the benchmark service station, secondary storage and distribution. Furthermore, in ensuring that fuel supply in the economy is not compromised, the Department constantly monitors fuel supply across the value chain, to minimize incidents of fuel supply disruption.

Refining Capacity

In as far as liquid fuels requirements are concerned, the NDP points out that South Africa faces challenges with regard to existing refining capacity. Although the country has six refineries, four of which are crude oil refineries, our country imports an increasing share of refined products. Creating and



maintaining a balance between energy supply and energy demand will continue to form the basis of our short, medium and long term interventions. This will require the development of strategic partnerships between government, the private sector and communities. The Department will continue to promote the expansion of refining capacity within the petroleum sector by engaging with relevant stakeholders. PetroSA, our national oil company, must be used as the vehicle to implement the provisions of the Energy Security Master Plan and the provisions contained in the Liquid Fuels Charter, in pursuit of the country's aspirations of energy security.

This picture is comparable to the rest of Africa. Africa has the lowest number of refineries of any continent and fifteen are located in two countries: South Africa (six) and Egypt (9). The common feature of these refineries is that they are ageing. Even in South Africa, most oil refining capacity dates back to the 1960s. Based on the facts above, it is evident that the construction of refineries on the continent has not kept pace with developments in the extraction of the resource (crude oil). In order to increase investment in energy infrastructure, there is a need to consider a new refining capacity for South Africa. With South Africa being a net importer of petroleum products, a new refining capacity presents a viable option for a gas and oil company that is wholly owned in SA but with the potential for regional integration. Consequently, we will soon make a policy decision regarding the refining capacity of the country, especially as we move towards Cleaner Fuels II.

Gas

The Department will accelerate the diversification of energy sources. With rising energy prices, we will seek to diversify household fuels. Government has initiated a review of the LPG Pricing Regulatory Model, which seeks to promote an increased and adequate supply of Liquid petroleum gas (LPG) in the country that is affordable. It is envisaged that the new Pricing Regulatory Framework will be implemented during the 2018/19 financial year. The LPG technology system and infrastructure development that come with the LPG strategy will be realised, such as reticulation network, and import and storage facility. This will bring about employment opportunities, particularly for the youth, who stand to benefit from skills transfer associated with such developments.

Going forward, our gas strategy, as adopted and implemented, must be viewed within the context of a wider government strategy to grow the economy and as part of the Nine Point Plan. In order to meet our energy challenge, the availability of natural gas as reliable combustible fuel and as an enabling source of electricity power supply to the South African economy will produce direct and indirect benefits for the country.

The amendment of the Gas Act has not progressed as well as envisaged. This is intended to provide an opportunity to incorporate other gas related issues, such as the Gas-to-Power Project The Bill will be finalised soon, in order to: promote an efficient, competitive and responsive economic infrastructure,

and inclusive economic growth; leverage available gas resources (appropriate dispensation inclusive of natural gas, LNG, CNG, etc.). The Gas-to-Power Programme will be implemented in line with updated IRP.

Independent Power Producers Procurement Programme

Future allocation and bidding rounds for co-generation, renewable energy, coal IPPs and gas to power will be informed by the updated IRP. In this regard, the South African government has established an Independent Power Producers Procurement Programme (IPPPP), which has successfully designed, procured, monitored and evaluated electrical energy infrastructure projects from the private sector. This is a demonstration that both private and public sector funds can contribute to infrastructure investments. Meaningful transformation remains our immediate concern for this programme.

Flagship Program

One of the flagship programmes that we had anticipated would register much impact in our community, especially given its emphasis on social facilitation, is the Solar Water Heating Programme. Since the programme was moved back from Eskom, over 80 000 units have been manufactured. However, we need to concede that no progress has been registered in respect of the last and important phase, i.e. installation. We have thus taken a conscious decision to move this phase to the Central Energy Fund (CEF), for it to commence with installation in collaboration with the Independent Power Producer Office (IPP).



Nuclear Energy

The Department is going to undertake a comprehensive communications campaign, together with NECSA and ESKOM, to improve awareness and understanding of nuclear technologies amongst the South African population. South Africa remains committed to ensuring and maintaining effective nuclear security measures in respect of all nuclear and other radioactive material, in accordance with our national and international obligations. We therefore welcome the entry into force of the 2005 Amendment to Convention on the Physical Protection of Nuclear Material. National efforts are at an advanced stage to ratify the amended convention. We reiterate that the nuclear expansion programme remains part of the energy mix and that it will be implemented at a pace, scale and price that the country can afford.

State Owned Entities

Over the past few years our state owned Entities (SOE/SOCs) have experienced major governance and operational challenges. It is for this reason that Government has taken a decision that this situation cannot continue. In this regard, the Inter-Ministerial Committee (IMC) on SOE Reforms, chaired by the then Deputy President of the Republic, has made major recommendations to turn the situation around at all government SOE's. The entities in our portfolio contribute immensely towards service delivery, in pursuit of the objectives of the National Development Plan. It is with this in mind that I will ensure that governance and operational stability at all our SOE's is restored.

During the year 2018/19 financial year, I will be engaging with all our SOE's, with the aim of improving governance and resolving compliance challenges faced by some of the entities. The restructuring of the CEF Group will be undertaken during the coming year, so as to create a model that will improve accountability and ensure that the group operates efficiently and maximizes its synergies. The Department is currently engaged in discussions and providing support to the CEF Group, in order to finalise the turnaround of PetroSA and the investigation into the sale of strategic stocks.

Grand Inga

South Africa has signed a Treaty with the Democratic Republic of Congo (DRC) on the Grand Inga Hydro Scheme Power Project. This Treaty will be developed in seven phases, as strategic projects to transmit power from the Inga Dam through the transit countries. We will make sure that such strategic partnerships yield the desired result of security of supply. Since the treaty for the development of the Grand Inga Hydropower Project came into force in March 2014, the DRC has commenced the process of selecting the concessionaire. The Grand Inga Treaty between SA and the DRC obliges SA to negotiate an off-take agreement for 2 500 MW of hydroelectricity from the Inga Hydro Project. We will continue to work with our neighbors in Southern Africa to conclude power transmission transit arrangements. During the 2018/19 financial year, the Department will be accelerating implementation of bilateral and regional agreements, in order

to realize the benefits of energy cooperation in terms of hydro-electricity, coal, gas and renewable energy.

Mr J. Radebe, MP

Minister of Energy

Message from the Deputy Minister



INTRODUCTION

The Department is responsible for ensuring exploration, development, processing, utilization and management of South Africa's energy sources. In line with the provision of the White Paper on Energy, one of the key objectives of the Department is to ensure energy security, which, in essence, is about ensuring the availability of energy resources and access to energy services in an affordable and sustainable manner while minimising the associated adverse environmental impact. Certain factors pose a potential threat to energy security, including scarce and depleting energy resources, minimising environmental impact, geopolitical instability and inadequate energy infrastructure. In order to ensure continued security of energy supply, it is essential that a coordinated and integrated approach to energy planning, which takes into account these complex issues, is undertaken regularly.

The South African energy sector is governed and regulated by a number of pieces of legislation, including the National Energy Act, 2008 (Act No. 34 of 2008). The National Energy Act states the following as being its objectives: Increasing access to affordable energy services; improving energy governance; Stimulating economic growth; Managing energy-related environmental and health impacts; Securing supply through diversity. The development of an energy sector-wide transformation charter, in line with the revised codes of good practice is critical as a driver of transformation across the sector, if the NDP commitments to dealing with inequality, poverty and high levels of unemployment are to be realized.

Energy Cooperation

The Department continues to maintain cooperation with the SADC region, the Africa continent and the rest of the world. These strategic partnerships have been in line with the energy interest of the country, particularly the need for energy security of supply, diversification of energy mix, and access to finance, technology, technical skill and information. In line with this imperative, the Department has forged bilateral and multilateral relations that meet our strategic objectives. During 2018, South Africa assumes the chairship of BRICS, with the Department leading the work in the energy sector, and, specifically, hosting the Third BRICS Energy Ministers Meeting and the Meeting of the BRICS Working Group on Energy Saving and Improvement of Energy Efficiency.

The 2018 SADC Summit, also under the chairship of South Africa, will be preceded by a number of sectoral meetings and engagements, with the Department hosting a meeting of the SADC Energy Ministers during June 2018. One of the key deliverables during the country's chairship of SADC will be the development of the Regional Gasification Strategy and Plan. The country will work with the SADC Secretariat. The Zimbabwe-based SADC Regional Integrated Resource Planning has completed the study on a regional Integrated Resource Plan. This should cover key mega-resources, such as Inga III, Tete Coal, the Rovuma-basin gas-fields, the Angolan gas fields and renewable options. The Department will also work with the relevant SADC member states towards concluding and signing



of the Inter-governmental Memorandum of Understanding (IGMoU) and Inter-utility Memorandum of Understanding (IUMoU) on the Inga III transmission line for the transmission of power from the Inga III Hydropower Project with the Democratic Republic of Congo (DRC).

State Owned Entities

The safe disposal of radioactive waste is the end goal of the total radioactive waste management cycle. The nuclear community



needs to build confidence that such waste can be safely disposed in safe, an environmentally acceptable and economical manner. To this end, Vaalputs has been established in 1986 as the national radioactive waste management disposal facility that serves South Africa's needs for disposing of low level radioactive waste (LLW) generated by the nuclear, industrial, medical and agricultural sectors. Radioactive waste is different from other types of waste in that it contains radioactivity above certain concentrations. This waste needs to be disposed in a special

manner that isolates it from humans and the environment for as long as necessary.

Radioactive waste consists of materials with radioactive properties that vary significantly depending on the kind of material and concentration involved. The waste can occur in the form of large quantities of waste containing low concentrations of radioactive materials (soil, sludge, etc.), drummed operational waste containing contaminated items (protective clothing, rags, etc.), solidified operational waste containing spent resins and other radioactive components, and spent nuclear fuel assemblies containing high concentrations of radioactive (fissile) components.

Local and international peer reviews shall be conducted of waste management practises to ensure appropriate benchmarking and compliance with applicable legislation and international best practise.

The management of radioactive waste comply with, amongst other, the following national legislation, international agreements, standards, safety principles and other codes of practise.

- national radioactive waste disposal institute act (act 53 of 2008);
- radioactive waste management policy and strategy for the Republic of South Africa (2005).
- nuclear energy act, 1999 (act no. 46 of 1999);
- national nuclear regulator act, 1999 (act no. 47 of 1999);

In the management and disposal of radioactive waste, the regulator, waste generator and repository operator have clear responsibilities defined in the radioactive waste management policy and strategy for the republic of South Africa. Vaalputs is authorised by the national nuclear regulator to be used as a national disposal site for low-level waste (LLW) within the nuclear regulatory framework of, amongst other, the national nuclear regulator act (act no. 47 of 1999) and the nuclear energy act (act no. 46 of 1999). to this regard, Vaalputs is operated under the regulatory control of the national nuclear regulator and the safety of Vaalputs complies with the nuclear installation license.

The waste disposal operations at Vaalputs are subject to continual radiological monitoring of the workers, the environment and the public at large. in the operational life time of vaalputs, results of monitoring and measurement have not shown any transgression of regulatory limits or overexposure of personnel, the environment or the public at large.

Energy Savings Initiatives

The Department, in collaboration with the other key government structures, has introduced initiatives 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) grant funds to be allocated to municipalities that will participate in the NAMA Facility.



In order to reduce the damaging impact from emissions due to burning fossil fuels in the engines of vehicles, the world is moving towards the use of cleaner and more efficient electrically powered modes of transport. In the process, it has been found that electric vehicles (EVs) use about four times less energy and produce no emissions at point of use, making it logical to eventually use renewable energy to recharge the batteries of EVs. It is then important to consider the impact of switching from fossil fuels to electricity in the transport sector. A study to investigate this has been initiated by SANEDI. Initial calculations show that, not only can the new demand for electricity be supplied from existing local capacity, it can also reduce foreign exchange payments for petroleum imports and also support the Eskom grid and need for sales. Notwithstanding recent and continued advances in the roll-out of renewable energy and energy efficiency measures, we expect that coal will continue to form a significant component of our primary energy supply.

Therefore, as a transition measure, carbon capture utilisation and storage continues to be developed as one of the National Flagship Programmes of the National Climate Change Response White Paper. Following the publication of the Atlas on Geological Storage of Carbon Dioxide in South Africa and the identification of a potential storage basin, existing geological data has been further and more deeply analysed. An exploration programme has been developed to identify and characterise a site for the Pilot Carbon Dioxide Storage Project; it is scheduled to be completed during 2018/19.

Amb. Thembisile Majola
Deputy Minister of Energy

Statement by Accounting Officer



The tabling of the 2018/19 Annual Performance Plan signals the last year of the fifth term of this government. It thus provides an opportunity to reflect on key programmes that will accelerate service delivery in the energy space in this financial year.

The energy sector is governed and regulated by a number of laws, including the Energy White Paper (1998) and the National Energy Act, 2008 (Act No. 34 of 2008). The White Paper on Energy Policy – South Africa (1998) states the following as its objectives: increasing access to affordable energy services; improving energy governance; stimulating economic growth; managing energy-related environmental and health impacts; and securing supply through diversification of resources.

The National Energy Act, 2008 (Act No. 34 of 2008) mandates the Department to ensure that diverse energy resources are available in sustainable quantities and at affordable prices, to the South African economy, in support of economic growth and poverty alleviation. This must be done while taking into account the environmental management requirements that are in line with the National Environmental Management Act (NEMA), the National Climate Change Response White Paper and the United National Framework Convention on Climate Change.

Renewable Energy Independent Power Producer Programme (REIPPP)

Our renewable energy programme was introduced as part of the energy mix and attracted billions of Rands into our country, making South Africa one of the leading countries in rolling out good green energy projects. While significant progress has been made with the first three windows, little progress has been made with bid windows 3,5 and 4. However, discussions with the power utility (Eskom) are continuing and it is expected that this matter will be resolved during the 2018/19 financial year.

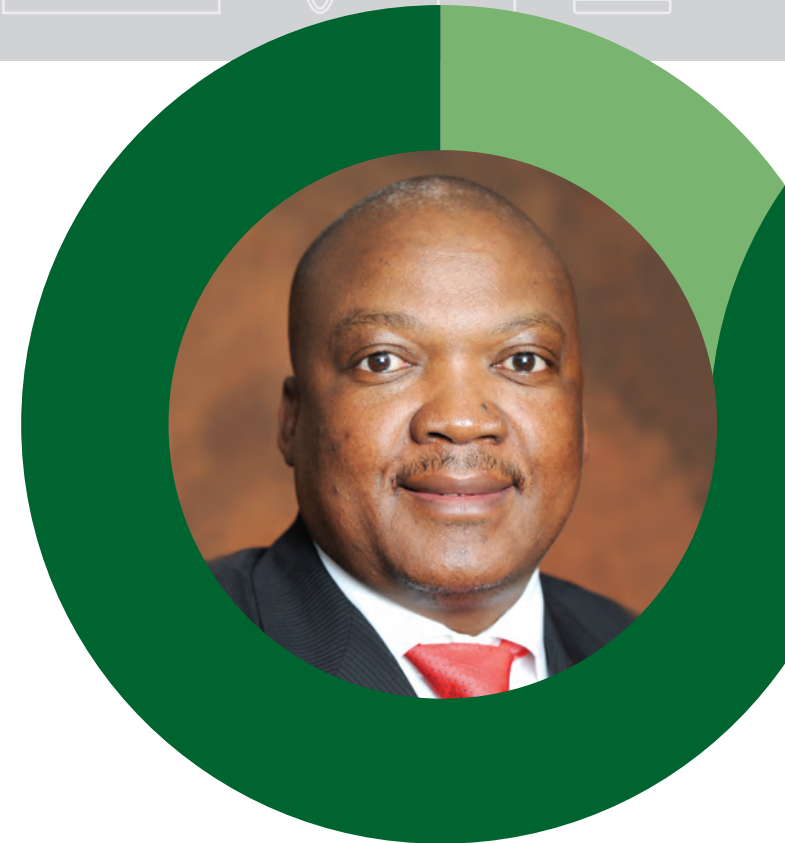
Governance

In the 2018/19 Financial Year, the Department will embark on a number of initiatives aimed at addressing strategic challenges, as part of our key core focus areas. In order to realise our strategic vision, it is imperative that the Department creates a learning and training development platform for the sector, so as to ensure that the scarce and critical skills that are needed are provided. The Department will form strategic partnerships with relevant stakeholders to plan and develop the right skills base for the South African economy.

National Solar Water Heater Programme

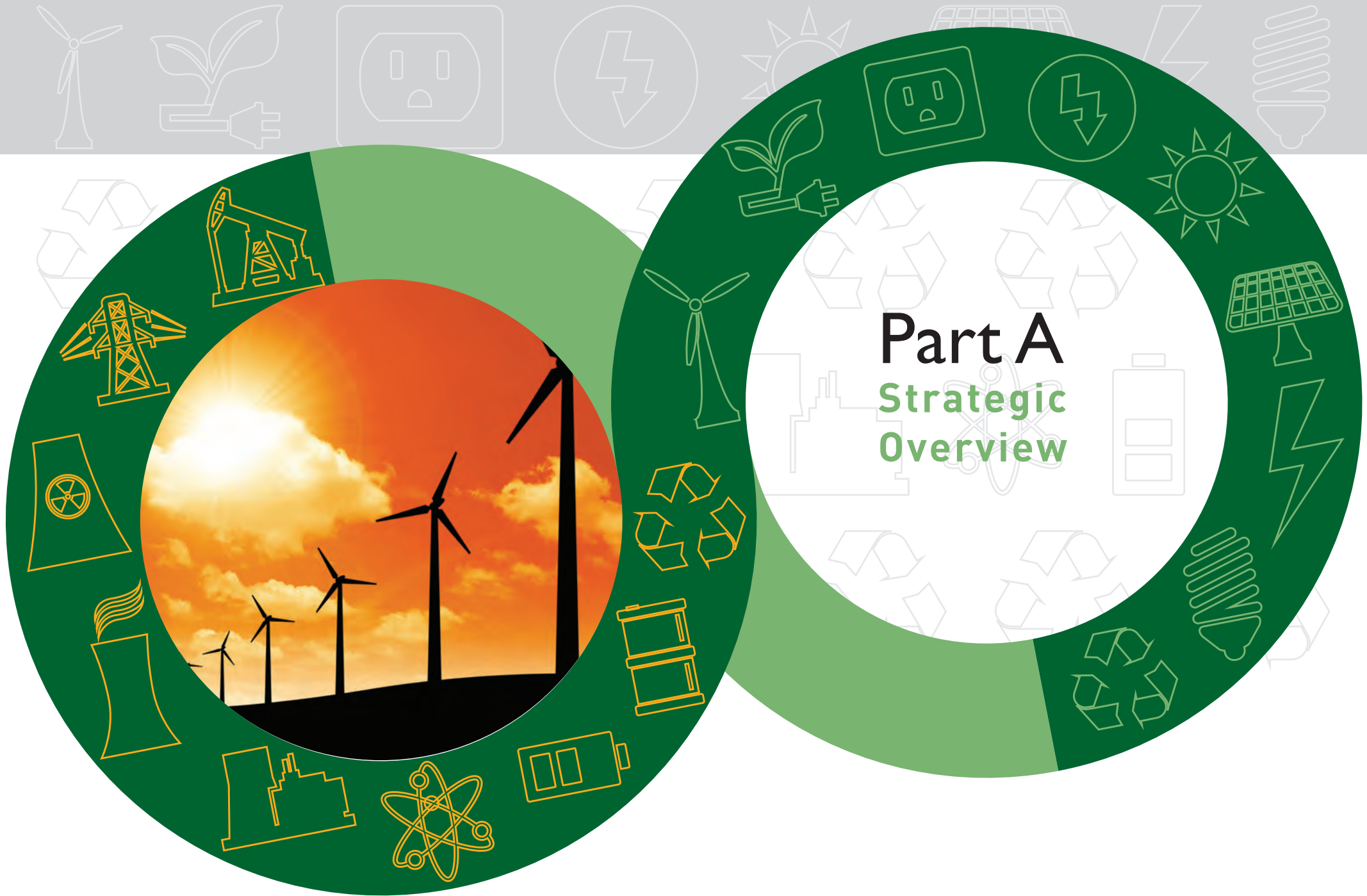
The National Solar Water Heater Program embodies the collaborative spirit of inter-governmental cooperation, with various stakeholders from the 3 spheres of government working together. Due to the nature and complexity of its implementation, we have resolved to work closely with key stakeholders that contribute to the programme. This includes both national and local government. We are alive to the concerns of the public regarding the implementation model. In this regard, we commit to accelerating the installation of the already procured units during the 2018/19 financial year.

I wish to thank the Minister and the Deputy Minister for their leadership, commitment and dedication to the Department, the entities reporting to the Department, and the sector as a whole. Through prioritising, guidance and consideration of the constructive input received over the past year and during the Energy Indaba, I am confident that the Department will finalise all its pending legislation and improve operational efficiency to drive socio-economic growth and development.



I commit Team Energy to continuing to display high levels of excellence and dedication in the service of the people of South Africa.

Mr Thabane Zulu
Director-General: Energy



Part A

Strategic Overview

Part A

Strategic Overview



1. Situation Analysis

A number of factors pose a potential threat to energy security, including scarce and depleting energy resources, geopolitical instability, inadequate energy infrastructure and, more recently, natural disasters. To ensure continued security of energy supply, it is essential that there is a coordinated and integrated approach to energy planning and coherent policy making. We face numerous energy challenges; firstly, to meet rapidly rising demand for energy especially in developing countries; secondly, to increase energy supply in a globally carbon constrained environment; and, lastly to ensure security of supply and affordability of energy for all. These are challenges that South Africa faces as a country and in the energy sector.

Constrained government budgets, in both the developed and developing countries, have necessitated increased infrastructural investment through innovative private sector financing options. Institutions that finance infrastructure development are increasingly broadening their investment opportunities, innovative financing options and risk tolerance levels toward developing markets, greenfield projects and riskier infrastructure assets with a greater level of private equity. The South African situation is no different from that of other countries. The country's social, economic and fiscal context makes it imperative to leverage private sector financing and investment to meet infrastructure investment needs.

To alleviate pressure on the fiscus and stimulate economic growth and development, the government needs to utilise the private sector for infrastructure development, especially in terms of the development, implementation and operation of energy

infrastructure. In this regard, the South African government has established an Independent Power Producers Procurement Programme (IPPPP), which has successfully designed, procured, monitored and evaluated electrical energy infrastructure projects from the private sector. This is a demonstration that both private and public sector funds can contribute to infrastructure investment. Meaningful transformation remains our immediate concern in this sector.

1.1 Performance Delivery Environment

Nuclear

There is an increased need, not only globally, but also in South Africa for mitigation policy efforts to lower the use of fossil fuels and decarbonise the economy, by shifting to low carbon alternatives. South Africa contributes about 1.5 per cent of GHG emissions and is ranked in the top 20 highest GHG emitters, with emission per capita in the region of 9.5 tons, which is comparable to that of developed countries. Currently, nuclear constitutes about 6% of the South African energy mix – with 1 800 megawatt of electricity supplied to the national grid by the Koeberg Nuclear Power Station in the Western Cape. Being a developing country, the key driver of our policy decision for nuclear power is the economics of the energy source. Currently, Koeberg is one of our lowest cost electricity sources, and Generation III nuclear power plants (NPPs) remain a good economic choice for South Africa. Generation IV nuclear power plants promise improved economics and South Africa looks forward to deploying such advanced energy systems to support its development. Being a committed party to the Paris Convention, South Africa has set

ambitious carbon reduction targets, and Generation IV reactors will continue the tradition of nuclear power being the lowest carbon emitter of all energy sources. With the advent of reduced waste from these systems, there is no doubt that nuclear power itself will be more sustainable than ever. One of the most important aspects of nuclear power is safety. With most of the reactors in the world still being Generation II types, South Africa has taken a decision to deploy only Generation III or above type technology going forward. Nuclear power continues to be the safest source of electricity.

Currently evolutionary new design NPPs are being deployed and, through its participation in the Generation IV International Forum, South Africa is keeping abreast of these developments. Lessons learned from first-of-a-kind deployments are expected to drive construction costs down and shorten construction schedules. The first small modular reactors are under construction and several have clear deployment roadmaps for the next decade.

In terms of the nuclear waste management, there has been progress, as several countries are about to construct final disposal facilities for spent fuel and high-level radioactive waste, which will help address one of the long-standing public concerns about radioactive waste.

Following the 2017 Clean Energy Ministerial Conference in Beijing, China, countries proposed that nuclear should be included in the Clean Energy Ministerial Forum, as one of the clean energy sources. South Africa welcomes this proposal,



since we recognise that nuclear energy has the potential to make a substantial contribution to the objectives of the Clean Energy Ministerial and has committed itself to participating in the proposed nuclear work-stream of this global initiative.

Access to Electricity

In line with the National Development Plan (NDP) the Department remains committed to reaching universal access to electrify households by 2025, through the Integrated National Electrification Programme (INEP). As at end of March 2017, the Department had connected 769 426 households to the grid; this number is expected to increase to 994 426 by end March 2018. The Department is making positive progress towards the Medium Term Strategic Framework (MTSF 2014-2019) target of 1,25 million households connected to the grid.

Most households that are still to be electrified are in deep rural areas in the 27 priority Districts in KwaZulu-Natal and the Eastern Cape. There is a need to build more bulk infrastructure in these areas to effect household connection. Where households are far from the national grid, they will be connected using off-grid home solar systems. Long-term sustainability of the off-grid solution is an area that requires focus.

Despite budget reductions, the MTSF target is still within reach. The electrification programme will be refined to ensure efficient utilization of limited resources, while continuing to

contribute to socio-economic development, job creation and poverty alleviation.

Lack of skills and resources in municipality technical departments to plan and manage large electrification projects remains a challenge that the INEP is facing. In the year 2018/19 the Department will continue to work closely with Municipal Infrastructure Support Agent (MISA) to ensure that municipalities are capacitated and able to rollout electrification projects. Integrated planning with Department of Human Settlement will also be improved.

1.2 Organisational Environment

The Department operates with an approved organisational structure consisting of 621 funded posts, with 543 posts being filled and a vacancy rate of 17.60%. The envisaged approved organisational structure to support the Department Strategy was not fully implemented due to funding restrictions.

During the 2017/18 financial year, the Department realised a deficit on Compensation of Employees, due to consecutive years of budget cuts. The Department has commenced with the process of reprioritization and identifying critical posts to be filled in the new financial year (2018/19), in line with budget realities. Additional employment currently stands at 38 posts (down from 62 in 2016/17), with 22 posts being Internship contracts that are due to conclude at 31 March 2018. Four (4) of the Deputy Director-General posts have been vacant for more than six months, with the sections being managed through

acting appointments. A process has commenced to fill these vacancies.

Training and Development

There is need for skills audits to be conducted and strategic plans to be developed to ensure that we have an adequate supply of skills required in the energy sector. The skills plan should also be linked to the energy infrastructure development plan of the country, to ensure that we focus and invest in skills that will be absorbed and utilised by the energy sector. This key strategic skills intervention programme will optimise skills in the sector. The Department should work with the Energy and Water SETA (EWSETA) to develop an energy skills plan for the country. A Workplace Skills Plan (WSP) was developed for the Department, following the skills audit conducted through the submission of Personal Development Plans (PDPs). As part of the process of implementing the WSP, fifty (50) training and development interventions were identified.

The Department also offered 37 new bursaries to serving employees, with effect from the beginning of the 2017 academic year. This brings the total number of employees studying part-time at various institutions to 59. In addition to the internal bursaries provided, the Department also has six (6) active external bursaries with previously disadvantaged young people, and twenty-one (21) sector focussed programmes, with sixteen (16) learners on learnerships and five (5) on Work Integrated Learning programmes. The latter programmes are being sponsored by the Chemical Industries Education and



Training Authority (CHIETA) and EWSETA.

Furthermore, effective management of the Skills Development Program and the Internship Programme also resulted in the Department winning two (2) awards (Silver and Bronze) from the National Skills Authority in 2017.

Regional Offices

In its quest to improve and bring service delivery closer to the people, the Department has secured permanent office space for its Regional offices in the Mpumalanga, KwaZulu-Natal, North West, Eastern Cape, Western Cape and Limpopo provinces. The procurement of permanent office space in the Gauteng, Northern Cape and Free State provinces is currently on hold, due to financial constraints; however, shared office accommodation has been identified as a viable option.



2. Revision of Legislative and Other Mandates

For the 2018 Parliamentary programme, the Department has submitted the following legislation to the Leader of Government Business, for consideration by Parliament which will either be introduced.

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 establish a National Energy Regulator, for the regulation of the electricity, piped-gas and petroleum pipelines industries	Before the end of the 2018/19 Financial Year	Dependent on the Portfolio Committee	To ensure an energy sector that promotes social equity through expanded access to electricity at affordable tariffs and through targeted sustainable subsidies for needy households
Gas Amendment Bill	To facilitate gas infrastructure development and investment. To promote Broad-Based Black Economic Empowerment, and to provide for socio-economic and environmentally sustainable development	Before the end of the 2018/19 Financial Year	Dependent on the Portfolio Committee	To provide for the construction of infrastructure to import liquified natural gas (LNG), as well as for increasing exploration to find domestic gas feedstock

3. Alignment with the Medium Term Strategic Framework and the National Development Plan

The Department has aligned its 2018/19 Annual Performance Plan with the MTSF and 2018/19 Budget Outcome:

Department Goals	Department Objectives	Linkage to the NDP Proposals	Linkage to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
1. Security of supply - To ensure that energy supply is secure and that demand is well managed	<p>SO 2.1 Improved energy security</p> <p>SO 2.2 Improved liquid fuels energy security through the development & implementation of the Liquid Fuels 20-Year Infrastructure Plan</p> <p>SO 2.11 Ensure security of supply through additional power generation capacity</p>	<p>Enable exploratory drilling to identify economically recoverable coal seams and shale gas reserves, while environmental investigations 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 coal field, upgrade the central basin coal network and expand the export capacity of the line to Richards Bay</p> <p>Ensure domestic security of coal supply for existing power stations through an industry compact, more comprehensive coal fields planning and opening up the Waterberg for coal mining</p>	<p>Outcome 10 - Annual Energy Balances provided to support the compilation of the GHG inventory;</p> <p>Outcome 6 - Publication of an approved 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 include a strategy to secure coal supply and which aligns with the mining beneficiation mandate;</p>	<p>Sub-programme 2.1 : Energy Planning Programme Performance Indicators:</p> <ul style="list-style-type: none"> Numbers 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 Developed Draft GUMP and its Implementation Plan

Department Goals	Department Objectives	Linkage to the NDP Proposals	Linkage to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
		<p>Fast-track the development of off-shore 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 the decision on a new refinery</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 - PSP Framework: Rands private investment and market share of private ownership of in baseload, renewable energy, fuels and gas</p>	<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
2. Infrastructure - To facilitate an efficient, competitive and responsive energy infrastructure network	<p>SO 2.9 Review the bulk electrical infrastructure required for the universal access to electricity</p> <p>4.3 Monitor energy infrastructure development</p> <p>SO 4.2 Enhance programmes 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;</p> <p>Outcome 6 - SIP NO. 6 Integrated Municipal Infrastructure Project; SIP NO. 8 Green Energy in Support of the South African Economy; SIP NO. 9 Electricity Transmission and Distribution; SIP 10: Electricity Transmission and Distribution; SIP NO.17 Regional integration for African cooperation, over the next five years, South Africa; and Strategic Integrated Projects (SIP) 17 Number of Integrated Energy Centres (IECs)</p> <p>Number of Integrated Energy Centres (IECs)</p>	<p>Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy:</p> <ul style="list-style-type: none"> • Norms and standards for municipal electricity infrastructure asset management <p>Sub-programme 4.4: Electricity Infrastructure/Industry Transformation Programme Performance Indicator:</p> <ul style="list-style-type: none"> • Number of reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout <p>Sub-programme 4.3: Community Upliftment programmes and projects Programme Performance Indicators:</p> <ul style="list-style-type: none"> • Number of Quarterly and Annual Reports on progress made with the development of rural IECs

Department Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
3. Regulation and competition - To ensure that there is improved energy regulation and competition	<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 transformation of the South African Petroleum & Liquid Fuels Industry through issuing licences</p>	Move Eskom's system operator, planning, power procurement, power purchasing and power contracting functions to the independent system and market operator and accelerated procurement of independent power producers. (ISMO)	<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 (6)</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)
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>SO 2.9 Review the bulk electrical infrastructure required for universal access to electricity</p> <p>SO 2.10 Establish mechanisms to prefund 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 percent coverage</p> <p><i>"... 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"</i></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 - 1.25 million additional households connected to the grid by 2019; 105 000 additional households connected on 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 Programme Performance Indicators:</p> <ul style="list-style-type: none"> Number of Quarterly Reports on additional households to be electrified with grid electrification toward the 2018/19 target of 200 000 in the National Electrification Plan Number of quarterly reports on additional households electrified with non-grid electrification towards the 2018/19 target of 20 000 in the National Electrification Plan

Department Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
5. Environmental assets - To ensure that environmental assets and natural resources are protected and continually enhanced by cleaner energy technologies	SO 4.4 Renewable energy SO 6.2 Coordinate & monitored implementation of the EEDSM measures across all sectors	Move to less carbon-intensive electricity production through procuring up to 20 000 MW of renewable energy, increased hydro imports from the region and increased demand-side measures, including solar water heating	Outcome 10 - Percentage of new build that is renewable power generation (42.9 or 17 800 MW) by 2030 for renewable energy developed Outcome 6 - Measure demand savings in MW in line with the National Energy Efficiency Strategy and Action Plan (6)	Sub-Programme 6.2: Renewable Energy Programme Performance Indicators: • Number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities
6. Climate change - To implement policies that adapt to and mitigate the effects of climate change	SO 5.3 Improved Security of Energy Supply SO 6.1 Coordinate & monitored implementation of energy-related climate change response measures & environmental compliance	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 weapons proliferation	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) Outcome 10 - Percentage of new build that is renewable power generation (to incorporate off-grid energy with a target of 42 (or 17 800 MW) by 2030 for renewable energy developed 6% (or 2 600 MW) by 2030 for import of hydro power developed	Sub-programme 5.1 Nuclear Safety and Technology: Programme Performance Indicator: • Number of quarterly monitoring reports on the localisation & industrialisation strategy that are implemented Sub-programme 4.1: Integrated National Electrification Programme Programme Performance Indicators: • Number of quarterly reports on allocation of funding and monitoring of the progress on the number of additional households electrified with non-grid electrification of households projects per year in comparison to the electrification plan

3.1. Overview of the 2018/19 Budget and Medium Term Expenditure Framework

PROGRAMMES	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	257 168	277 768	282 762	239 541	263 561	282 638	299 108	314 794
Energy Policy and Planning	41 749	38 095	39 878	46 668	46 668	53 078	56 232	60 258
Petroleum and Petroleum Products Regulation	64 548	68 958	78 991	81 828	81 828	87 132	92 697	99 305
Electrification and Energy Programme and Project Management	4 180 973	5 820 485	5 678 659	6 184 028	6 219 980	5 435 400	5 845 439	6 168 407
Nuclear Energy	845 418	655 028	872 451	786 875	790 875	816 586	870 269	912 140
Clean Energy	830 257	281 783	560 101	774 510	742 510	370 183	409 901	442 701
Total for Programmes	6 220 113	7 142 117	7 512 842	8 113 450	8 145 422	7 045 017	7 573 646	7 997 605

Expenditure Estimates

ECONOMIC CLASSIFICATION	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	473 607	509 308	681 997	557 923	572 647	612 823	656 376	706 128
Compensation of employees	264 266	296 009	321 466	318 247	333 247	360 517	384 278	409 249
Salaries and wages	234 156	261 009	283 260	273 673	287 208	309 988	330 410	351 866
Social contributions	30 110	35 000	38 206	44 574	46 039	50 529	53 868	57 383
Goods and services	209 341	213 299	360 531	239 676	239 400	252 306	272 098	296 879
Administrative fees	4 453	5 663	4 650	3 635	3 771	3 764	3 975	4 192
Advertising	8 652	13 785	8 362	7 299	8 525	6 774	7 298	7 645
Minor assets	367	1 036	833	3 367	2 177	451	486	524

Expenditure Estimates (continued)

ECONOMIC CLASSIFICATION	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Audit costs: External	3 578	4 233	3 805	4 472	4 472	3 909	4 129	4 356
Bursaries: Employees	761	610	555	785	785	821	867	915
Catering: Departmental activities	1 032	1 961	2 546	2 042	1 992	1 630	1 721	1 819
Communication (G&S)	7 846	7 613	8 517	5 836	6 307	6 155	6 499	6 859
Computer services	10 264	9 839	10 658	6 115	6 523	7 795	8 221	8 658
Consultants: Business and advisory services	43 780	25 828	189 849	97 719	83 681	93 799	106 366	122 022
Legal services (G&S)	846	924	2 451	458	458	2 190	517	545
Contractors	1 743	2 560	2 206	1 451	1 871	1 547	1 634	1 723
Agency and support/outsourced services	270	3 305	1 096	9 909	8 763	10 308	10 886	11 484
Entertainment	22	1	8	197	173	184	195	206
Fleet services (including government motor transport)	1 130	1 586	1 275	689	706	571	605	639
Consumable supplies	1 582	1 042	1 032	2 563	2 357	2 125	2 246	2 371
Consumables: Stationery, printing and office supplies	4 119	4 653	4 722	3 520	4 260	3 939	4 160	4 385
Operating leases	27 145	34 063	38 955	34 080	35 348	45 097	47 538	50 152
Rental and hiring	15	93	-	395	349	-	-	-
Property payments	3 849	4 082	8 851	779	2 718	4 934	5 210	5 497
Transport provided: Departmental activity	1	238	294	-	-	-	-	-
Travel and subsistence	56 344	65 249	52 019	37 004	42 158	39 226	41 485	43 779
Training and development	5 665	4 664	4 041	4 049	3 973	4 086	4 315	4 552
Operating payments	6 171	4 898	3 988	5 239	6 721	3 844	4 059	4 282

Expenditure Estimates (continued)

ECONOMIC CLASSIFICATION	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Venues and facilities	19 706	15 373	9 818	8 073	11 312	9 157	9 686	10 274
Transfers and subsidies	5 742 710	6 628 380	6 816 117	7 551 241	7 568 489	6 427 655	6 912 485	7 286 429
Municipalities	1 241 563	2 158 239	2 131 871	2 290 284	2 290 284	2 119 501	2 354 993	2 484 518
Departmental agencies and accounts	197 194	87 140	72 546	129 394	129 394	133 391	161 916	164 313
Foreign governments & international organisations	21 275	29 565	25 003	17 907	17 907	27 915	29 478	31 099
Public corporations	3 708 715	4 193 601	4 125 672	4 510 325	4 510 325	3 944 745	4 152 677	4 381 339
Private enterprises	570 000	156 179	458 047	600 919	615 891	201 649	212 941	224 653
Households	3 963	3 656	2 978	2 412	4 688	454	480	507
Payments for capital assets	3 763	4 424	14 700	4 286	4 286	4 539	4 785	5 048
Transport equipment	-	-	-	-	1 300	-	-	-
Other machinery and equipment	3 763	4 424	14 700	4 286	2 986	4 539	4 785	5 048
Payments for financial assets	33	5	28	-	-	-	-	-
Total economic classification	6 220 113	7 142 117	7 512 842	8 113 450	8 145 422	7 045 017	7 573 646	7 997 605

DIVISION OF REVENUE	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
National	4 978 550	4 983 878	5 380 971	5 823 166	5 855 138	4 925 516	5 218 653	5 513 087
Local	1 241 563	2 158 239	2 131 871	2 290 284	2 290 284	2 119 501	2 354 993	2 484 518
TOTAL	6 220 113	7 142 117	7 512 842	8 113 450	8 145 422	7 045 017	7 573 646	7 997 605



3.2 Relating Expenditure Trends to Strategic Outcome-Oriented Goals

Expenditure analysis

The NDP envisages that, by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent any economic disruption. This is given expression in outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient developmental local government) of government's 2014-2019 medium-term strategic framework, which are closely aligned with the work of the Department. Over the medium term, the Department intends to focus on securing energy resources and energy supply, increasing household access to electricity, enhancing energy efficiency, diversifying the energy generation mix, and improving the quality and security of petroleum fuels.

The Department's total spending is expected to decrease at an average annual rate of 0.6 per cent over the MTEF period, from R8.1 billion in 2017/18 to R8 billion in 2020/21. This decrease is largely due to Cabinet approved reductions of R1.4 billion in 2018/19, R2.4 billion in 2019/20 and R2.5 billion in 2020/21. These reductions are mostly to the Electrification and Energy Programme and the Project Management Programme, the Department's largest programmes, which account for 76.9 per cent (R17.4 billion) of total projected expenditure over the medium term.

Spending on compensation of employees is expected to increase at an average annual rate of 7.1 per cent over the MTEF period, from R333.2 million in 2017/18 to R409.2 million in 2020/21, in line with adjustments related to cost of living. The Department's staff complement is expected to decrease by 28 over the medium term, from 595 in 2017/18 to 567 in 2020/21. However,

the Department expects to fill some critical posts at the senior management level in the Energy Policy and Planning, Petroleum and Petroleum Products Regulation and Electrification and Energy Programme and the Project Management Programme.

The Department's total spending on goods and services is expected to increase at an average annual rate of 7.4 per cent over the MTEF period, from R239.4 million in 2017/18 to R296.9 million in 2020/21. Expenditure in this regard mainly comprises servicing operating leases, as the Department's regional offices are relocated, as well as costs related to the inspection of 4 500 petroleum retail sites and the establishment of 3 integrated energy centres over the medium term.

Extending access to electricity and enhancing energy efficiency

Despite reductions to the Department's budget, it is expected that an additional 625 000 households will be connected to the electricity grid and an 9 additional sub-stations built over the MTEF period. A further 20 000 households per year will be provided with non-grid (mainly solar) electrification. Transfers to municipalities for the Integrated National Electrification Programme are expected to increase at an average annual rate of 2.5 per cent over the medium term, from R2.1 billion in 2017/18 to R2.2 billion in 2020/21.

Transfers to Eskom for the indirect component of the Integrated National Electrification Programme are expected to decrease at an average annual rate of 2 per cent over the MTEF period, from R3.8 billion in 2017/18 to R3.6 billion in 2020/21, as a result of Cabinet approved reductions of R2.2 billion over the medium term.

As a result of reductions effected on allocations for the Solar Water Heater Programme, expenditure in the Clean Energy Programme is expected to decrease at an average annual rate of 15.9 per cent over the MTEF period, from R743.2 million in

2017/18 to R442.7 million in 2020/21. Despite this decrease, 57 000 solar water heaters are expected to be manufactured over the medium term.

To realise 1.5 terawatt hours of energy savings over the medium term, allocations to the energy efficiency and demand side management grant increased at an average annual rate of 5.6 per cent, from R203.2 million in 2017/18 to R239.6 million in 2020/21. This will enable municipalities to undertake initiatives such as replacing street and traffic signal lights with energy efficient technology, and to retrofit and replace municipal infrastructure that is energy inefficient.

Creating an enabling policy environment for a sustainable and diversified energy mix

Although spending in the Energy Policy and Planning programme accounts for 0.7 per cent of the Department's total estimated spending over the MTEF period, it is the fastest growing programme, increasing at an average annual rate of 8.4 per cent, from R47.3 million in 2017/18 to R60.3 million in 2020/21. This increase in expenditure is expected to enable the Department to focus on finalising and implementing legislation and policy frameworks over the medium term, including the drafting of the National Energy Regulator Amendment Bill, the Electricity Regulation Second Amendment Bill and the biofuels strategy. In addition, the Gas Amendment Bill is expected to be processed and published for public comment in 2018/19. This legislation will assist in defining the policy and regulatory framework to support the rollout of gas infrastructure and the development of a gas industry.

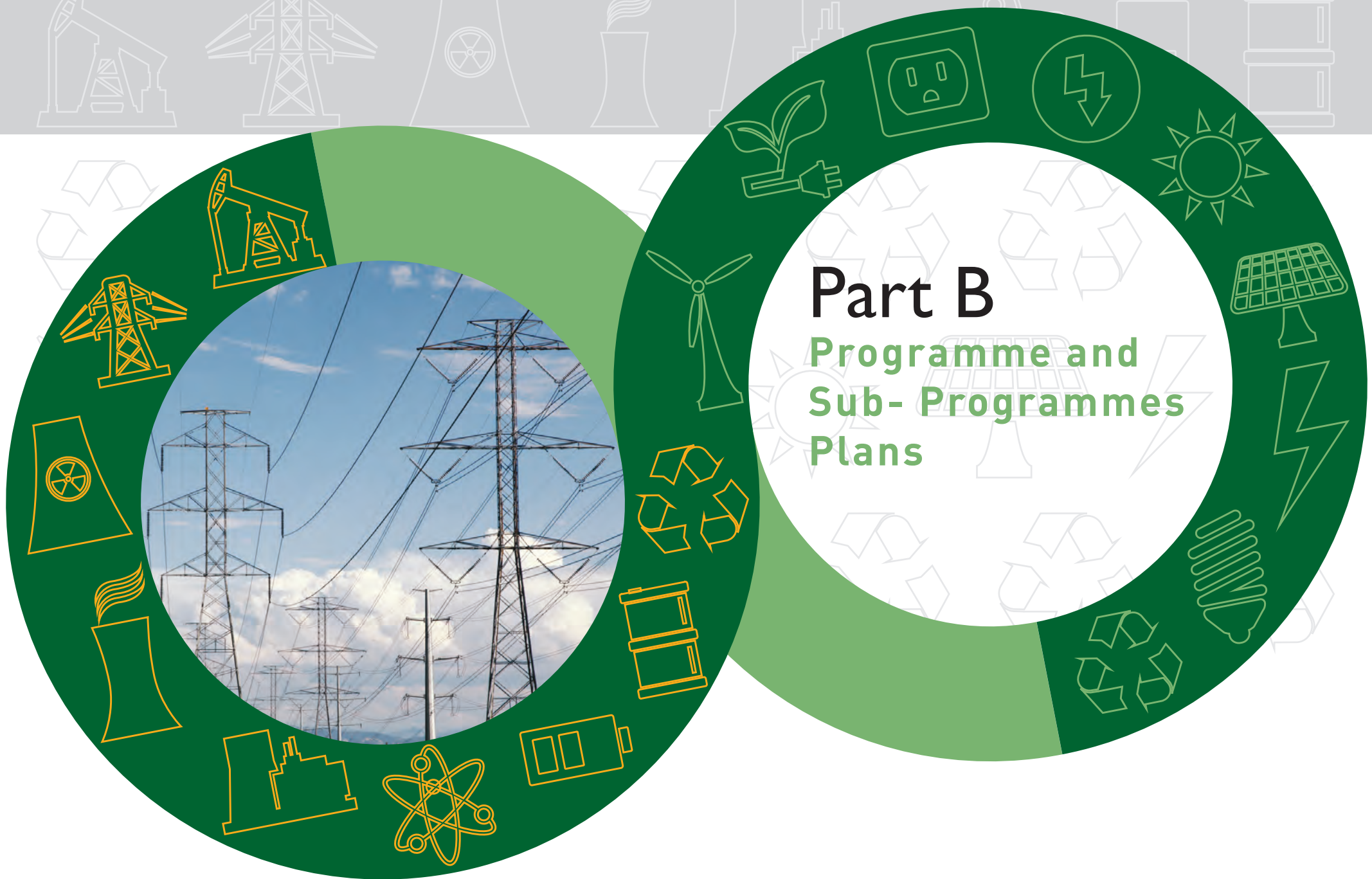
Nuclear energy

To subsidise the operational costs of the South African Nuclear Energy Corporation and for the decommissioning and decontamination of past nuclear assets, transfers to

entities form the bulk of expenditure in the Nuclear Energy programme. Spending in this programme is expected to increase at an average annual rate of 4.9 per cent over the MTEF period, from R790 million in 2017/18 to R912.1 million in 2020/21. The increase in transfers to Departmental agencies and accounts, from R68.6 million in 2017/18 to R84.9 million

in 2020/21, is mainly driven by increased allocations to the National Radioactive Waste Disposal Institute to operationalise the public entity. The National Radioactive Waste Disposal Fund Bill, which is expected to be approved in 2018/19, provides for a sustainable funding mechanism for the Institute.





Part B

Programme and Sub- Programmes Plans

Programme 1: Administration



1.1 Programme Purpose

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

1.2 Budget Sub-Programmes

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

Cross cutting Programme 1: Strategic Objective and Annual Targets for 2018/19

Strategic Objectives	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.1 Sound Corporate Governance Practices	Average MPAT score of at least 3.75 achieved for moderated assessment of 2018/19	Average MPAT score of at least 3.1 achieved for moderated assessment of 2013/14, with at least the following sub- scores: - 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: - 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	MPAT average score of at least 3.0 achieved during moderated assessment of 2017/18 by DPME	MPAT average score of at least 3.75 achieved during moderated assessment of 2018/19 by DPME	MPAT average score of at least 3.0 achieved during moderated assessment of 2019/20 by DPME
SO 1.2 Sound Financial Resource Management								

Cross-cutting Programme 1: Strategic Objective and Annual Targets for 2018/19 (continued)

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.3 Sound Corporate Resource Management	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval	N/A	N/A	N/A	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	Approved SOE's Strategic Plans, Corporate Plans & Shareholder Compacts aligned to DOE and overall government priorities
	Unqualified audit outcome for the Department	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

Cross-cutting Programme 1: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.1 Sound Corporate Governance Practices	Final MPAT report on scores of 3.0 compiled by DPME	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	MPAT average score of at least 3.0 achieved during moderated assessment of 2017/18 by DPME	MPAT average score of at least 3.75 achieved during moderated assessment of 2018/19 by DPME	MPAT average score of at least 3.0 achieved during moderated assessment of 2019/20 by DPME
SO 1.2 Sound Financial Resource Management		- KPA 1-3.3 - KPA 2-3.2 - KPA 3-3.1 - KPA 4-2.9	- KPA 1-3.5 - KPA 2-3.5 - KPA 3-3.5 - KPA 4-3.5					

Cross-cutting Programme 1: Performance Indicators and Annual Targets for 2018/19 MTEF (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.3 Sound Corporate Resource Management	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts approved	N/A	N/A	N/A	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March 2018	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually
	Results of the Annual Audit	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

Cross-cutting Programme 1: Quarterly Target for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.1 Sound Corporate Governance Practices	Final MPAT report on scores of 3.0 compiled by DPME	Annually (end of the 3rd quarter)	MPAT average score of at least 3.0 achieved during moderated assessment of 2017/18	N/A	N/A	MPAT average score of at least 3.0 achieved during moderated assessment of 2017/18 by DPME	N/A
SO 1.2 Sound Financial Resource Management	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts approved	Annually	SOE's Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March 2019	N/A	Schedule 3A SOE's 1st draft APPs reviewed and submitted to the NT and DPME by 31 August 2018 2. Annual Reports of SOE's tabled in Parliament by 30 September 2018	chedule 3A SOE's 2nd draft APP's submitted to DPME & NT by 30 November 2018	1. Final draft of schedule 3A SOE's APPs submitted to the Minister for approval by 28 February 2015 2. Corporate Plans and Shareholder compacts of Schedule 2 SOE's submitted to the Minister for approval by 31 March 2018
SO 1.3 Corporate Resource Management	Results of the Annual Audit	Annually (end of the 3rd quarter)	Unqualified audit report by the AG achieved for 2017/18	N/A	Unqualified audit report by the AG achieved for 2017/18	N/A	N/A

Sub-Programme 1.1: Ministry

This sub-programme provides overall management and administration of the Department and ensures that SOE's that report to the Department comply with good governance principles, norms and standards, and that their corporate plans are aligned with the strategic objectives of the Department.

This sub-programme is also geared to support high-level policy prioritisation of the Department through the following:

- Conduct political oversight and accountability to Parliament.
- Providing guidance and direction for the development of strategic plans and annual performance plans for the Department and its public entities.

- Supporting and ensuring good corporate governance practices by entities reporting to the Department.
- Coordinating engagement programmes with entities through the established management structures.
- Monitoring and evaluating the performance of the Department and its public entities.
- Submitting /tabling strategic plans, annual performance plans and annual reports for the Department and its public entities in Parliament.
- Ensuring effective communication between the Department and its key stakeholders, and creating awareness of the Department's key objectives and activities through community engagement.

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 the Department's mandate and contributes to critical government programmes.

Sub-Programme 1.2: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
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	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the the Department 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 the Department Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 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 Community engagements conducted	20 Community engagements conducted	20 Community engagements conducted

Sub-Programme 1.2: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
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	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8,9 & 10 signed by the Department Minister	Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by the Department Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters
	Number of Community engagements conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Community engagements conducted	20 Community engagements conducted	20 Community engagements conducted

Sub-Programme 1.2: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	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 Cluster	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to the Clusters (Q4) 2017/18	Q2 1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to the Clusters (Q1) 2018/19	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to the Clusters (Q2) 2018/19	1 Quarterly Progress Report which details the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to the Clusters (Q3) 2018/19
	Number of Community engagements conducted	20 Community engagements conducted	20 Community engagements conducted	5 Community engagements conducted	5 Community engagements conducted	5 Community engagements conducted	5 Community engagements 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, SOE oversight, as well as international co-ordination.

Sub-Programme 1.3: Strategic Objective Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.4 Strategic support of energy security (re-establish new partnership/bi-lateral agreements)	50 10 Bi-lateral (Botswana, DRC, Zimbabwe, Zambia/ Ghana/ Mozambique, Nigeria/ Namibia/ Angola/ Botswana/ Tanzania) intergovernmental engagements/visits hosted in the Energy sector, with African states (Inbound and outbound)	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, knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Bi-lateral (Botswana, DRC, Zimbabwe, Zambia/ Ghana/ Mozambique, Nigeria/ Namibia/ Angola/ Botswana/ Tanzania) intergovernmental engagements/visits hosted in the Energy sector, with African states (Inbound and outbound)	1 SADC Energy Ministers Meeting by 30 June 2018 facilitated , coordinated and hosted	N/A	N/A
	60 12 multilateral engagements and visits hosted in the Energy sector, targeting EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	N/A	N/A	N/A	12 multilateral engagements and visits hosted in the Energy sector, targeting EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	1 BRICS Energy Ministers Meeting by 30 August 2018 facilitated ,coordinated and hosted	N/A	N/A

Sub-Programme 1.3: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.4 Strategic support of energy security (Re-establish new partnerships /Bi-lateral 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, knowledge transfer and enhanced energy sector as agreed with foreign partners	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, knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Bi-lateral (Botswana, DRC, Zimbabwe, Zambia/ Ghana/ Mozambique, Nigeria/ Namibia/ Angola/ Botswana/ Tanzania) intergovernmental engagements/ visits hosted in the Energy sector, with African states (Inbound and outbound)	1 SADC Energy Ministers Meeting by 30 June 2018 facilitated , coordinated and hosted	N/A	N/A
	Number of multilateral engagements hosted in the Energy sector, in Africa & globally (Inbound and outbound) aimed at EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	N/A	N/A	N/A	12 multilateral engagements and visits hosted in the Energy sector, targeting EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	1 BRICS Energy Ministers Meeting by 30 August 2018 facilitated, coordinated and hosted	N/A	N/A

Sub-Programme 1.3: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	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, knowledge transfer and enhanced energy sector as agreed with foreign partners	Quarterly	1 SADC Energy Ministers Meeting facilitated, coordinated and hosted by 30 June 2018	SADC Energy Ministers Meeting held by 30 June 2018	N/A	N/A	N/A
	Number of multilateral engagements hosted in the Energy sector, in Africa and globally (inbound and outbound) aimed at EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	Quarterly	1 BRICS Energy Ministers Meeting facilitated, coordinated and hosted by 30 August 2018	N/A	Host the BRICS Energy Ministers Meeting by 30 August 2018	N/A	N/A

Sub-Programme 1.4: Finance Administration

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

Sub-Programme 1.4: Finance Administration Strategic Objective Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.2 Sound financial resource management	100% approved invoices from service providers 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 from service providers paid within 30 days of receipt	100% approved Invoices from service providers paid within 30 days of receipt	100% approved Invoices from service providers paid within 30 days of receipt

Sub-Programme 1.4: Finance Administration Performance Indicators and Annual Targets for 2018/19 MTEF

Links to strategic Objectives in above table	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.2 Sound financial resource management	Percentage of approved invoices from service providers 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 from service providers paid within 30 days of receipt	100% approved Invoices from service providers paid within 30 days of receipt	100% approved Invoices from service providers paid within 30 days of receipt

Sub-Programme 1.4: Finance Administration Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.2 Sound financial resource management	Percentage of approved invoices from service providers paid within 30 days of receipt	Monthly	100% approved invoices from service providers paid within 30 days of receipt	100% approved invoices from service providers paid within 30 days of receipt	100% approved invoices from service providers paid within 30 days of receipt	100% approved invoices from service providers paid within 30 days of receipt	100% approved invoices from service providers paid within 30 days of receipt

Sub-Programme 1.5: Audit Services

This sub-programme provides an audit and support service to the the Department. 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 the Department and ensures good corporate governance and compliance by the the Department and SOE's.

Sub-Programme 1.6: Strategic Objective Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.3 Sound corporate resource management	20 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%

Sub-Programme 1.6: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 1.3 Sound corporate resource management	Number of Quarterly Reports on vacancy rate not exceeding threshold of 10%	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	Vacancy rate below 10% maintained	4 Quarterly Reports – Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports – Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports – Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports – Vacancy rate not exceeding threshold of 10%

Sub-Programme 1.6: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.3 Sound corporate resource management	Number of Quarterly Reports on vacancy rate not exceeding threshold of 10%	Quarterly	4 Quarterly Reports – Vacancy rate not exceeding threshold of 10%	1 Quarterly Progress Report on vacancy rate	1 Quarterly Progress Report on vacancy rate	1 Quarterly Progress Report on vacancy rate	1 Quarterly Progress Report on vacancy rate

Sub-Programme 1.7: Office Accommodation

This sub-programme provides office accommodation and related support to the the Department. No strategic objectives, performance indicators or targets were set for this sub-programme. See the Departmental 2018/19 Operational Plan.

Resource Consideration

Programme 1: Administration (Sub-Programmes)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	41 767	42 298	39 314	25 250	39 294	33 272	35 359	37 326
Departmental Management	45 787	52 619	72 710	58 100	63 576	73 165	77 825	82 080
Finance Administration	29 390	33 294	34 695	36 051	36 051	39 338	41 809	44 138
Audit Services	6 754	6 698	6 934	6 076	6 076	8 454	8 982	9 482
Corporate Services	109 053	110 759	98 508	80 753	82 753	79 232	83 286	87 069
Office Accommodation	24 417	32 100	30 601	33 311	35 811	49 177	51 847	54 699
Total for Programmes	257 168	277 768	282 762	239 541	263 561	282 638	299 108	314 794

Programme 1: Administration (Economic Classification)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	248 394	268 555	272 282	231 796	253 640	276 537	292 673	308 005
Compensation of employees	131 521	138 750	149 826	138 899	152 919	164 202	174 155	182 972
Salaries and wages	116 920	122 581	132 332	119 454	131 892	140 838	149 280	156 699
Social contributions	14 601	16 169	17 494	19 445	21 027	23 364	24 875	26 273
Goods and services	116 873	129 805	122 456	92 897	100 721	112 335	118 518	125 033
Administrative fees	2 111	2 956	1 997	1 768	1 762	1 821	1 923	2 027
Advertising	6 062	6 212	3 455	3 087	3 037	3 219	3 400	3 588
Minor assets	360	1 006	828	1 941	869	451	486	524

Programme 1: Administration (Economic Classification) (continued)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Audit costs: External	3 578	4 233	3 805	3 740	3 740	3 909	4 129	4 356
Bursaries: Employees	761	610	555	785	785	821	867	915
Catering: Departmental activities	392	288	231	564	579	511	539	570
Communication (G&S)	6 352	5 851	6 672	3 475	4 097	3 835	4 050	4 273
Computer services	10 204	9 807	10 658	5 690	6 380	7 795	8 221	8 658
Consultants: Business and advisory services	5 103	4 025	4 722	4 215	4 301	5 281	5 573	5 879
Legal services (G&S)	647	824	2 261	458	458	490	517	545
Contractors	1 461	2 514	1 538	1 333	1 732	1 423	1 503	1 585
Agency and support/outsourced services	270	2 201	-4	751	731	779	823	868
Entertainment	22	1	8	174	154	184	195	206
Fleet services (including government motor transport)	951	1 277	991	489	506	514	544	574
Consumable supplies	1 219	853	685	1 819	1 597	1 896	2 003	2 114
Consumables: Stationery, printing and office supplies	3 542	4 370	3 828	2 324	3 179	2 697	2 850	3 003
Operating leases	26 737	33 165	38 093	34 080	35 302	45 097	47 538	50 152
Rental and hiring	-	72	-	328	317	-	-	-
Property payments	3 849	4 050	8 827	-	2 020	4 934	5 210	5 497
Transport provided: Departmental activity	1	-	-	-	-	-	-	-
Travel and subsistence	27 842	32 467	26 072	17 196	20 584	17 323	18 269	19 277
Training and development	5 636	4 643	4 030	3 925	3 849	4 086	4 315	4 552
Operating payments	2 212	3 277	1 818	2 424	2 635	2 564	2 708	2 857
Venues and facilities	7 561	5 103	1 386	2 331	2 107	2 705	2 855	3 013
Transfers and subsidies	5 007	4 789	6 833	3 459	5 635	1 562	1 650	1 741
Departmental agencies and accounts	812	792	985	1 047	1 047	1 108	1 170	1 234
Foreign governments and international organisations	282	366	3 034	-	-	-	-	-
Households	3 913	3 631	2 814	2 412	4 588	454	480	507
Payments for capital assets	3 763	4 424	3 634	4 286	4 286	4 539	4 785	5 048
Transport equipment	-	-	-	-	1 300	-	-	-
Other machinery and equipment	3 763	4 424	3 634	4 286	2 986	4 539	4 785	5 048
Payments for financial assets	4	-	13	-	-	-	-	-
Total economic classification	257 168	277 768	282 762	239 541	263 561	282 638	299 108	314 794

Programme 1: Administration (Transfer Payments)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee Social Benefits	3 212	2 920	2 001	368	2 468	389	411	434
Employee Ex-Gratia payments	701	711	58	61	61	65	69	73
Energy and Water Sector Education and Training Authority	812	792	985	1 047	1 047	1 108	1 170	1 234
International Energy Forum	282	366	3 034	-	-	-	-	-
Bursaries for Non-employees	-	-	755	1 983	2 059	-	-	-
TOTAL	5 007	4 789	6 833	3 459	5 635	1 562	1 650	1 741

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.

Risk Exposure for Programme 1

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 1.2 Sound Financial Resource Management	Valid invoices not paid within 30 days	Adverse audit findings Negative impact of socio economic growth in SMMEs Underspending of the budget	Regular monitoring of invoice register and follow up on outstanding invoices from project managers for certification process Expediting process done regular and follow up on long outstanding transactions
SO 1.2 Sound Financial Resource Management	Non-compliance with SCM prescripts and procedures	Adverse audit opinion Incur irregular expenditures Departmental reputational damage	Strict enforcement of prescripts All deviations from SCM procedures applied correctly and duly approved
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



Programme 2: Energy Policy and Planning

Programme 2: Energy Policy and Planning



2.1 Programme Purpose

To ensure evidence-based planning, policy setting and investment decisions in the energy sector, in order 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. Currently, this sub-programme has no financial and human resource capability allocated to it to perform its responsibilities.

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 IEP; manages the overall collection, collation, validation, integrity and quality of energy data; and manages 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 Objective Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 2.1 Improved energy security	Finalised IEP	Study of the socio-economic impact of technologies in the electricity sector completed	Study on the macroeconomic impact of the IEP completed	Cabinet approved draft IEP issued for final public consultation	2017/18 Table the Cabinet Memo on the IEP, taking into account the public comments	Gas demand/supply analysis including Gas-to-Power	Gas Import Strategy (including strategic location of import terminals)	Gas-to-power Master Plan
		Study on the externality costs of different electricity technologies completed	Final IEP published			Gas Infrastructure Master Plan (including bulk transportation)	N/A	N/A
						Regional Gas Master Plan	N/A	N/A

Sub-Programme 2.2: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 2.1 Improved energy security	Study of the socio-economic impact of technologies in the electricity sector completed	Study on the macroeconomic impact of the IEP completed	Cabinet approved draft IEP issued for final public consultation	Table the Cabinet Memo on the IEP, taking into account the public comments	Table the Cabinet Memo on the IEP, taking into account the public comments	Gas demand/supply analysis including Gas-to-Power	Gas Import Strategy (including strategic location of import terminals)	Gas-to-power Master Plan
	Study on the externality costs of different electricity technologies completed	Final IEP published						
	Gas Infrastructure Master plan report					Gas Infrastructure Master Plan (including bulk transportation)	N/A	N/A
	Regional Gas Master Plan report					Regional Gas Master Plan	N/A	N/A

Sub-Programme 2.2: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.1 Improved energy security	Gas demand/supply analysis report	Quarterly	Gas demand/supply analysis including Gas-to-Power	Collate gas supply data Collate gas consumption data	Develop a report on gas supply (including Gas-to-Power) Develop a report on gas consumption (including Gas-to-Power)	Draft Gas Infrastructure baseline report for consultation	Gas Infrastructure Master Plan
	Gas Infrastructure Master plan report	Quarterly	Gas Infrastructure Master Plan (including bulk transportation)	Collate input assumption	Collate input assumption	Draft Gas Infrastructure baseline report for consultation	Gas Infrastructure Master Plan
	Regional Gas Master Plan report	Quarterly	Regional Gas Master Plan	Collate input assumption	Collate input assumption	Draft Regional Gas Infrastructure baseline report for consultation	Regional Gas Infrastructure Master 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 Objective and Annual Targets for 2018/19

Strategic Objectives	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 2.1 Improved energy security	Gas Amendment Bill	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 on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	Regulations to support implementation of Gas Amendment Act developed	Develop Regulations to support implementation of Gas Amendment Act	N/A
SO 2.2 Improved liquid fuels energy security	Incorporate the 20-Year Liquid Fuels Infrastructure Roadmap (20 YRLFIR) into the IEP to determine the new refinery capacity	Draft 20-Year Liquid Fuels Master Plan (20YRLFMP) submitted to Cabinet for approval	Publish 20YLFIRM for external consultation	Incorporate 20YLFIRM into the IEP	Submit Cabinet Memo with a decision on the need for a new oil refinery	Proposal on new oil refinery implementation framework developed	Implementation of the Cabinet decision relating to a New Oil refinery	Implementation of the Cabinet decision relating to a New Oil refinery
					Submit Cabinet Memo with a recommendation on Clean Fuels 2	Proposal on Clean Fuels 2 implementation framework developed	Develop refinery upgrade implementation plan for Clean Fuels 2	Develop refinery upgrade implementation plan for Clean Fuels 2
	Introduce biofuels into the liquid fuels industry through mandatory blending	South African Biofuels Regulatory Framework finalised	Biofuels Regulatory Framework implemented	Submission of draft Biofuels Regulatory Framework for Ministerial approval	Resubmit Biofuels Cabinet Memo, taking into consideration comments about the extent of fiscal incentives	Pilot Biofuels Programme implemented in line with Cabinet approval	Pilot Biofuels Programme implemented in line with Cabinet approval	Pilot Biofuels Programme implemented in line with Cabinet approval

Sub-Programme 2.3: Performance Indicators and Annual Targets for the 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 2.1 Improved energy security	Finalized Gas Regulations to support implementation of Gas Amendment Act	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 on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	Develop regulations to support implementation of Gas Amendment Act	Develop regulations to support implementation of Gas Amendment Act	N/A
SO 2.2 Improved Liquid Fuels Energy Security	Finalized proposal reports on new oil refinery implementation framework	Draft 20YRLFMP submitted to Cabinet for approval	Publish 20YLFIRM for external consultation	Incorporate the 20YLFIRM into the IEP	Submit Cabinet Memo with a decision on the need for a new oil refinery	Proposal on a new oil refinery implementation framework developed	Implementation of the Cabinet decision relating to a New Oil refinery	Implementation of the Cabinet decision relating to a New Oil refinery
	Finalized proposal report on Clean Fuels 2 implementation plan				Submit Cabinet Memo with a recommendation on Clean Fuels 2	Proposal on Clean Fuels 2 implementation framework developed	Develop refinery upgrade implementation plan for Clean Fuels 2	Develop refinery upgrade implementation plan for Clean Fuels 2
	Finalized Pilot Biofuel Programme implementation plant	South African Biofuels Regulatory Framework finalised	Biofuels Regulatory Framework implemented	Submission of draft Biofuels Regulatory Framework for Ministerial approval	Resubmit Biofuels Cabinet Memo, taking into consideration comments about the extent of fiscal incentives	Pilot Biofuels Programme implemented in line with Cabinet approval	Pilot Biofuels Programme implemented in line with Cabinet approval	Pilot Biofuels Programme implemented in line with Cabinet approval

Sub-Programme 2.3: Quarterly Targets for 2018/19

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.1 Improved Energy Security	Finalized Gas Regulations to support implementation of Gas Amendment Act	Quarterly	Regulations to support implementation of Gas Amendment Act developed	N/A	Draft Gas Regulations prepared	Final Draft Gas Regulations concluded for stakeholder consultation	Developed final Gas Regulations consolidated and
	Finalized proposal reports on new oil refinery implementation framework	Quarterly	Proposal on new oil refinery implementation framework developed	N/A	Draft new oil refinery implementation framework prepared	Consult stakeholders on draft new oil refinery framework	Consolidated and developed the Proposal report on new oil refinery implementation framework
	Finalized proposal report on Clean Fuels 2 implementation plan		Proposal on Clean Fuels 2 implementation framework developed	N/A	Draft Clean Fuels 2 implementation plan for stakeholder consultation	Draft Clean Fuels 2 implementation plan incorporate stakeholder inputs	Developed Proposal report on Clean Fuels 2 Implementation Framework
	Finalized Pilot Biofuel Programme implementation plant	Annual	Pilot Biofuels Programme implemented in line with Cabinet approval	N/A	Develop Biofuels Implementation Plan for Stakeholder consultation	Finalize Biofuels Implementation Plan	Implement the Biofuels Programme

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

This sub-programme ensures a secure energy supply, well-managed demand, 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 IPPs in support of electricity security.

Sub-Programme 2.4: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 2.3 Policy and regulations to ensure security of supply	Electricity Regulation Amendment Bill introduced for consideration and support for its promulgation, if approved by Cabinet	N/A	N/A	Proposals regarding industry end-state developed and tabled	Submit proposals regarding the 'end-state' electricity sector	Final proposals regarding the 'end-state' electricity sector approved	Electricity Regulation Amendment Bill amended to reflect end state	Amended Electricity Amendment Bill published
	The National Energy Regulator Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet	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 regarding the National Energy Regulator Bill, taking into account comments by Cabinet	Electricity Pricing Policy Review	Implement the revised EPP	Implement the revised EPP
						Proposal on the National Energy Regulator Bill, taking into account comments by Cabinet	The National Energy Regulator Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet	Continue with stakeholder engagement on the proposed amendments

Sub-Programme 2.4: Strategic Objectives and Annual Targets for 2018/19 (continued)

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 2.4 Bulk electrical infrastructure required for universal access to electricity	Review the bulk electrical infrastructure required for universal access to electricity	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 phased Municipal Asset Management Programme, focusing on revenue management, energy efficiency, or asset rehabilitation as applicable	Municipal Asset Management Programme rollout framework developed	Municipal Asset Management Programme rolled out	Municipal Asset Management Programme rolled out
	Prepare an implementation plan & implement it (submission of the implementation plan to cabinet)		Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator					
	Procurement of power from Inga supported by March 2017, March 2018, March 2019	Bilateral Energy Agreement signed with the government of the DRC	Negotiate PPA and resolve transmission solution associated with power delivery from Inga	RSA has committed to procure 2500MW from the first phase of the project (NOTE: RSA will 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 transfer power from the DRC over Zambia/ Zimbabwe/ Botswana into RSA	Inter-governmental agreements with transmission line transit countries concluded	Conclude negotiations on the PPA	Implement project agreements on Inga Project Agreement

Sub-Programme 2.4: Performance Indicators and Annual Targets for 2018/19

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 2.3 Policy and Regulations to Ensure Security of Supply	Proposals regarding the 'end-state' of the electricity sector	N/A	N/A	Tabling of the End-state Proposal in Cabinet	Submit proposals regarding the 'end-state' electricity sector	Final proposals regarding the 'end-state' electricity sector approved	Electricity Regulation Amendment Bill amended to reflect end state	Amended Electricity Amendment Bill published
						Electricity Pricing Policy Review	Implement the revised EPP	Implement the revised EPP
	The National Energy Regulator Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet	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 regarding the National Energy Regulator Bill, taking into account comments by Cabinet	Proposal on the National Energy Regulator Bill, taking into account comments by Cabinet	The National Energy Regulator Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet	Continue with stakeholder engagement on the proposed amendments
SO 2.4 Bulk Electrical Infrastructure required for the universal access to electricity	Report on Municipal Asset Management Programme	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	Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Undertake a phased Municipal Asset Management Programme, focusing on revenue management, energy efficiency, or asset rehabilitation as applicable	Municipal Asset Management Programme rollout framework developed	Municipal Asset Management Programme rolled out	Municipal Asset Management Programme rolled out

Sub-Programme 2.4: Performance Indicators and Annual Targets for 2018/19 (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Transmission infrastructure solution report	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 will 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 transfer power from the DRC over Zambia/ Zimbabwe/ Botswana into RSA	Inter-governmental agreements with transmission line transit countries concluded transmission line transit countries	Conclude negotiations on the PPA	Implement project agreements on Inga Project Agreement

Sub-Programme 2.4: Quarterly targets for 2018/19

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.3 Policy and regulations to ensure security of supply	Final Proposals regarding the 'end-state' of the electricity sector	Bi-annual	Final proposals regarding the 'end-state' electricity sector approved	1st Draft Electricity Industry End State Report prepared	2nd Draft Electricity Industry End State Report following inter-departmental consultations	3rd Draft Electricity Industry End State Report following Industry Consultations	Final Draft Report on End State decisions in the Electricity Regulation Amendment Bill
		Bi-annual	Electricity Pricing Policy Review	Refined problem statement (framework) with stakeholder input incorporated	N/A	Draft Reviewed Electricity Pricing Policy Issued for consultation	Updated Electricity Pricing Policy submitted for Cabinet approval
	Bi-annual	The National Energy Regulator Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet	Proposal on the National Energy Regulator Bill, taking into account comments by Cabinet	N/A	Finalise stakeholder consultations	Submit to Cabinet	N/A
SO 2.4 Bulk electrical infrastructure required for the universal access to electricity	Final Report on Municipal Asset Management Programme	Bi-annual	Municipal Asset Management Programme rollout framework developed	Consultation on draft rollout framework with industry stakeholders	Framework that includes stakeholder input is incorporated	Inter-departmental consultation on draft framework	Framework submitted for Cabinet approval
SO 2.5 Security of supply through additional power generation capacity	Final MoU on Transmission infrastructure solution	Quarterly	Conclude inter-governmental agreements with transmission line transit countries	Finalize transmission solution	Conclude MoU discussions with transit countries	N/A	Signing of MoU between transit countries

Resource Consideration

Programme 2: Energy Policy and Planning (Sub-Programmes)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Policy Analysis and Research	475	1 570	2 056	2 531	2 531	2 623	2 791	2 970
Energy Planning	23 134	18 429	18 822	22 718	22 718	25 574	27 014	28 993
Hydrocarbon Policy	11 695	11 428	11 486	12 770	12 770	15 224	16 133	17 314
Electricity, Energy Efficiency and Environmental Policy	6 445	6 668	7 514	8 649	8 649	9 657	10 294	10 981
Total for Programmes	41 749	38 095	39 878	46 668	46 668	53 078	56 232	60 258

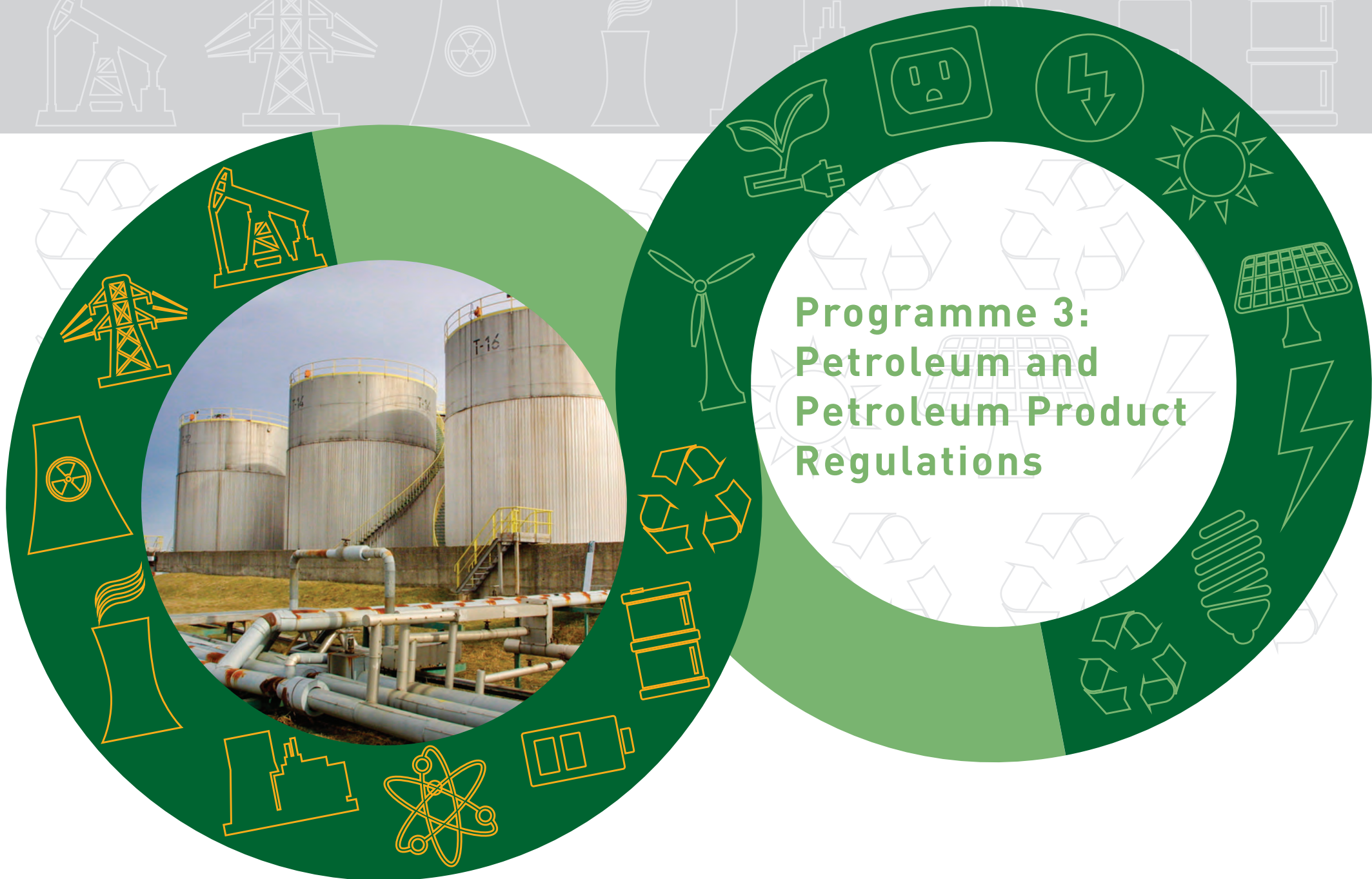
Programme 2: Energy Policy and Planning (Economic Classification)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	41 708	38 095	39 878	46 668	46 668	53 078	56 232	60 258
Compensation of employees	28 754	31 521	32 805	35 283	35 283	41 632	44 183	47 557
Salaries and wages	25 523	27 959	29 023	30 343	30 379	36 127	38 282	41 228
Social contributions	3 231	3 562	3 782	4 940	4 904	5 505	5 901	6 329
Goods and services	12 954	6 574	7 073	11 385	11 385	11 446	12 049	12 701
Administrative fees	233	222	365	469	458	489	516	546
Advertising	111	147	138	227	354	236	249	263
Minor assets	-	-	-	30	24	-	-	-
Catering: Departmental activities	30	38	137	173	124	43	45	47
Communication (G&S)	408	265	330	514	489	537	567	597
Computer services	-	-	-	63	50	-	-	-
Consultants: Business and advisory services	8 144	342	1 065	4 377	4 442	4 274	4 479	4 714
Contractors	15	-	-	97	117	102	108	114
Fleet services (including government motor transport)	-	-	4	-	9	-	-	-
Consumable supplies	19	39	59	29	43	30	32	34
Consumables: Stationery, printing and office supplies	8	24	14	304	254	317	334	353
Operating leases	-	-	7	-	17	-	-	-

Programme 2: Energy Policy and Planning (Economic Classification) (continued)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Property payments	-	-	-	41	24	-	-	-
Transport provided: Departmental activity	-	-	180	-	-	-	-	-
Travel and subsistence	2 941	4 062	3 234	3 661	3 761	3 816	4 030	4 251
Training and development	-	-	-	124	124	-	-	-
Operating payments	833	742	707	236	455	514	542	572
Venues and facilities	212	693	833	1 040	640	1 088	1 147	1 210
Transfers and subsidies	41	-	-	-	-	-	-	-
Households	41	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	41 749	38 095	39 878	46 668	46 668	53 078	56 232	60 258

Programme 2: Energy Policy and Planning (Transfer Payments)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee Social Benefits	41	-	-	-	-	-	-	-
Total	41	-	-	-	-	-	-	-

Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 2.2 Improved liquid fuels energy security	Inadequate regulation of the Liquid fuels industry (LFI)	Inability of the department to perform its mandate effectively	Review the Petroleum Pipelines Act



Programme 3: Petroleum and Petroleum Product Regulations

Programme 3: Petroleum and Petroleum Product Regulations



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 Objective and Annual Targets for 2017/18

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 3.1 Compliance monitoring and enforcement in the petroleum sector	7500 Retail site compliance inspections conducted	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 1500 retail site compliance inspections conducted)	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	At least 1 500 Retail site compliance inspections conducted	At least 1 500 Retail site compliance inspections conducted	At least 1 500 Retail site compliance inspections conducted
	6212 fuel samples tested	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	At least 1 080 fuel samples tested	At least 1 080 fuel samples tested	At least 1 080 fuel samples tested

Sub-Programme 3.1: Strategic Objective and Annual Targets for 2017/18 (continued)

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 3.1 Compliance monitoring and enforcement in the petroleum sector	Audit report of B-BBEE in the Petroleum Retail Sector published	N/A	N/A	N/A	N/A	Publication of the Audit report of B-BBEE in the Petroleum Retail Sector	Annual Report on petroleum retail transformation	Annual Report on petroleum retail transformation
	Petroleum and Liquid Fuel Sector Code published	N/A	N/A	N/A	N/A	Publication of Petroleum and Liquid Fuel Sector Code	Annual Report on Compliance to the Petroleum and Liquid Fuel Sector Code	Annual Report on Compliance to the Petroleum and Liquid Fuel Sector Code

Sub-Programme 3.1: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 3.1 Compliance monitoring and enforcement in the petroleum sector	Number of retail site compliance inspections conducted per year	Enforcement notices issued in 85% of cases where non-compliance was identified during routine compliance inspections (baseline 2000 retail site compliance inspections conducted)	Enforcement notices issued in 90% of cases where non-compliance was identified during routine compliance inspections (baseline 1500 retail site compliance inspections conducted)	1 500 retail site compliance inspections conducted	1 500 retail site compliance inspections conducted	At least 1 500 retail site compliance inspections conducted	At least 1 500 retail site compliance inspections conducted	At least 1 500 retail site compliance inspections conducted

Sub-Programme 3.1: Performance Indicators and Annual Targets for 2018/19 MTEF (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Number of fuel samples tested	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	1 080 fuel samples tested
SO 3.1 Compliance monitoring and enforcement in the petroleum sector	Baseline information in the Published Audit report of B-BBEE in the Petroleum Retail Sector	N/A	N/A	N/A	N/A	Publication of the Audit report of B-BBEE on the Petroleum Retail Sector	Annual Report on petroleum retail transformation	Annual Report on petroleum retail transformation
	Petroleum and Liquid Fuel Sector Code	N/A	N/A	N/A	N/A	Publication of the Petroleum and Liquid Fuel Sector Code	Annual Report on Compliance with the Petroleum and Liquid Fuel Sector Code	Annual Report on Compliance with the Petroleum and Liquid Fuel Sector Code

Sub-Programme 3.1 Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 3.1 Compliance Monitoring & Enforcement in the Petroleum Sector	Number of petroleum retail site inspections conducted per year	Quarterly	At least 1 500 retail site compliance inspections conducted	At least 300 retail site compliance Inspections conducted	At least 500 retail site compliance inspections conducted	300 retail site compliance inspections conducted	At least 400 retail site Compliance inspections conducted
	Number of fuel samples tested	Quarterly	At least 1 080 fuel samples tested	At least 250 fuel samples tested	At least 290 fuel samples tested	At least 290 fuel samples tested	At least 250 fuel samples tested
Petroleum and Liquid Fuel Sector Transformation	Baseline information in the published audit report of B-BBEE on the Petroleum Retail Sector	Quarterly	Publication of the Audit report on B-BBEE in the Petroleum Retail Sector	Consultation with affected stakeholders on the published report	Consultation with affected stakeholders on the published report	Consultation with affected stakeholders on the published report	Audit report on B-BBEE in the Petroleum Retail Sector published
	Finalise the Petroleum and Liquid Fuel Sector Code	Quarterly	Publication of the Petroleum and Liquid Fuel Sector Code	Consultation with affected stakeholders on the Petroleum and Liquid Fuel Sector Code	Consultation with affected stakeholders on the Petroleum and Liquid Fuel Sector Code	Consultation with affected stakeholders on the Petroleum and Liquid Fuel Sector Code	Petroleum and Liquid Fuel Sector Code published

Sub-Programme 3.2: Petroleum Licensing and Fuel Supply

This sub-programme manages the adjudication of petroleum license applications, regulates the permitting of the export and import of petroleum products, monitors fuel stock levels, and coordinates corrective actions to avoid fuel shortages. This entails

conducting license analyses and ensuring permit and charter compliance and fuel supply. It also includes the adjudication of different license types in accordance with the Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended.

Sub-Programme 3.2: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 3.2 Promote petroleum licensing	At least 50% of licence applications approved have a minimum of 50% HDSA ownership	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	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA 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		
		2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
SO 3.2 Promote petroleum licensing	% of licence applications approved where HDSA ownership is at least 50%	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	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership

Sub-Programme 3.2: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 3.2 Promote petroleum licensing	% of licence applications approved where HDSA ownership is at least 50%	Quarterly	At least 50% of licence applications approved have a minimum of 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA 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, updating 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 3.4: 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.

Resource Consideration

Programme 3: Petroleum & Petroleum Products Regulation (Sub-Programmes)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Petroleum Compliance, Monitoring and Enforcement	13 541	13 847	14 189	12 728	12 728	18 574	19 655	20 800
Petroleum Licensing and Fuel Supply	19 400	20 740	24 152	26 946	26 946	27 388	29 164	31 129
Fuel Pricing	9 158	6 839	7 367	8 465	8 465	6 169	6 554	6 980
Regional Petroleum Regulation Offices	22 449	27 532	33 283	33 689	33 689	35 001	37 324	40 396
Total for Programmes	64 548	68 958	78 991	81 828	81 828	87 132	92 697	99 305

Programme 3: Petroleum & Petroleum Products Regulation (Economic Classification)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	62 236	68 958	78 819	81 828	81 828	84 254	89 659	96 100
Compensation of employees	41 927	52 566	58 939	60 917	60 917	63 363	67 599	72 825
Salaries and wages	36 605	45 620	51 163	52 388	52 432	54 542	58 193	62 728
Social contributions	5 322	6 946	7 776	8 529	8 485	8 821	9 406	10 097
Goods and services	20 309	16 392	19 880	20 911	20 911	20 891	22 060	23 275
Administrative fees	479	297	553	346	470	363	383	405
Advertising	468	432	756	995	783	1 040	1 099	1 159

Programme 3: Petroleum & Petroleum Products Regulation (Economic Classification) (continued)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Minor assets	-	-	1	177	114	-	-	-
Catering: Departmental activities	85	64	136	420	365	151	160	169
Communication (G&S)	286	675	404	610	496	637	673	711
Computer services	60	9	-	180	40	-	-	-
Consultants: Business and advisory services	9 056	10 023	10 415	9 965	10 056	12 601	13 308	14 041
Legal services (G&S)	199	-	119	-	-	-	-	-
Contractors	41	7	12	21	22	22	23	24
Agency and support/outsourced services	-	-	-	6	-	-	-	-
Entertainment	-	-	-	4	-	-	-	-
Fleet services (including government motor transport)	22	32	27	174	138	29	31	33
Consumable supplies	151	23	53	358	357	59	63	66
Consumables: Stationery, printing and office supplies	98	62	47	83	84	87	92	97
Operating leases	221	26	20	-	10	-	-	-
Rental and hiring	15	-	-	67	32	-	-	-
Property payments	-	-	-	27	22	-	-	-
Travel and subsistence	5 714	4 270	6 200	3 895	4 331	4 082	4 307	4 544
Training and development	11	-	11	-	-	-	-	-
Operating payments	3 036	254	481	2 362	2 258	540	570	601
Venues and facilities	367	218	645	1 221	1 333	1 280	1 351	1 425
Transfers and subsidies	2 312	-	122	-	-	2 878	3 038	3 205
Foreign governments and international organisations	2 312	-	-	-	-	2 878	3 038	3 205
Households	-	-	122	-	-	-	-	-
Payments for capital assets	-	-	35	-	-	-	-	-
Other machinery and equipment	-	-	35	-	-	-	-	-
Payments for financial assets	-	-	15	-	-	-	-	-
Total economic classification	64 548	68 958	78 991	81 828	81 828	87 132	92 697	99 305

Programme 3: Petroleum & Petroleum Products Regulation (Transfer Payments)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee Social Benefits	-	-	122	-	-	-	-	-
African Petroleum Producers Association	2 312	-	-	-	-	2 878	3 038	3 205
TOTAL	2 312	-	122	-	-	2 878	3 038	3 205

Risk Management

Strategic Objective	Strategic Risk	Root Cause	Risk Consequence	Mitigation Strategy
SO 3.1 Compliance Monitoring & Enforcement in the Petroleum Sector	Non-compliance to licence conditions (display of site and retail & manufacturing licences)	No consequences for retailers for non-compliance or breach of regulations.	Possible trend setting non-compliance across retailers.	Finalisation of the amendment to the PPA (Petroleum Product Act)
SO 3.2 Promote Petroleum Licensing	Perpetuated exclusion of BEE in the liquid fuels sector	Barriers to entry (access to market, funding and infrastructure)	Illegal operations. Possible uprising by the public.	Finalisation of the alignment of the liquid fuels charter and BEE charter



**Programme 4:
Electrification and
Energy Programme
and Project
Management**

Programme 4: Electrification and Energy Programme and Project Management

4.1 Programme Purpose

To manage, coordinate 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/Industry Transformation/Community Upliftment Programmes and Projects

Sub-Programme 4.1: Integrated National Electrification Programme

The Integrated National Electrification Programme (INEP) oversees and manages the finance and implementation processes for the electrification programme; manages the annual planning processes, including electrification infrastructure plans; and manages and coordinates technical audits for the programme. This sub-programme aims to deliver on the MTSF target for electrification of 1.25 million households through grid and non-grid technologies.

Sub-Programme 4.1 Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 4.1 Access to electricity by households	0 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	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 200 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2019/20 target of 210 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2020/21 target of 215 000 in the National Electrification Plan

Sub-Programme 4.1 Strategic Objective and Annual Targets for 2018/19 (continued)

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	20 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2019/20 target of: - 17 new bulk substations built - 24 additional substations upgraded - 545 km new MV power lines constructed - 450 km of existing MV power lines upgraded	Building/upgrading of electrification infrastructure projects toward the 2014/15 target of: - 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	4 Quarterly Reports on the building/upgrading of electrification infrastructure projects toward the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 110 km new MV power lines constructed - 95 km of existing MV power lines upgraded	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: - 3 new bulk substations built - 3 additional substations upgraded - 90 km new MV power lines constructed - 90 km of existing MV power lines upgraded	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2017/18 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2018/19 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2019/20 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2020/21 targets, as contracted with Eskom and municipalities
	20 Quarterly Reports on additional households electrified with non-grid connection of 115 000 households by March 2019 of which 86 250 (75%) are in the rural areas	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 additional households electrified with non-grid electrification towards the 2018/19 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2019/20 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2020/21 target of 20 000 in the National Electrification Plan

Sub-Programme 4.1: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 4.1 Access to electricity by households	Number of Quarterly Reports of additional households to be electrified with grid electrification toward the 2018/19 target of 200 000 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 200 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the 2019/20 target of 210 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the 2019/20 target of 215 000 in the National Electrification Plan
	Number of quarterly progress reports on building/upgrading of electrification infrastructure projects toward the 2018/19 target	Building/upgrading of electrification infrastructure projects toward the 2014/15 target of: - 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	4 Quarterly Reports on the building/upgrading of electrification infrastructure projects toward the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 110 km new MV power lines constructed - 95 km of existing MV power lines upgraded	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: - 3 new bulk substations built - 3 additional substations upgraded - 90 km new MV power lines constructed - 90 km of existing MV power lines upgraded	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2017/18 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2018/19 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2019/20 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the 2020/21 targets, as contracted with Eskom and municipalities

Sub-Programme 4.1: Performance Indicators and Annual Targets for 2018/19 MTEF (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Number of quarterly reports on additional households electrified with non-grid electrification towards the 2018/19 target of 20 000 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 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2019/20 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2020/21 target of 20 000 in the National Electrification Plan

Sub-Programme 4.1: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	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 2018/19 target of 200 000 in the National Electrification Plan	Quarterly	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	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2018/19 target of 20 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2018/19 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 2018/19 target of 55 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2018/19 target of 80 000

Sub-Programme 4.1: Quarterly Targets for 2018/19 (continued)

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
	Number of quarterly progress reports on building/upgrading of electrification infrastructure projects toward the 2018/19 target	Quarterly	4 Quarterly reports on building/upgrading of electrification infrastructure projects toward the 2018/19 targets as contracted with Eskom and municipalities	1 Quarterly report on building/upgrading of electrification infrastructure projects toward the 2018/19 targets as contracted with Eskom and municipalities	1 Quarterly report on building/upgrading of electrification infrastructure projects toward the 2018/19 targets as contracted with Eskom and municipalities	1 Quarterly report on building/upgrading of electrification infrastructure projects toward the 2018/19 targets as contracted with Eskom and municipalities	1 Quarterly report on building/upgrading of electrification infrastructure projects toward the 2018/19 targets as contracted with Eskom and municipalities
	Number of quarterly reports on additional households electrified with non-grid electrification towards the 2018/19 target of 20 000 in the National Electrification Plan	Quarterly	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2018/19 target of 20 000 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 2018/19 target of 2 500	1 Quarterly Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2018/19 target of 4000	1 Quarterly Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2018/19 target of 6750	1 Quarterly Report on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification toward the 2018/19 target of 6750

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: Programme and Project Management Office

This sub-programme provides specialised assistance to programme and project managers, and management in general, to apply management principles, coordinate project information and report on projects. The sub-programme aims

to develop Integrated Energy Centers (leC) with the support of major oil companies to ensure access to various forms of energy in communities where volumes do not justify such but there is a need.

Sub-Programme 4.3: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 4.2 Enhanced programme and project management SO 4.3 Enhanced Programmes & Projects Management	20 Quarterly Reports and 5 Annual Reports regarding the development of rural leC	4 Quarterly Reports on progress made in 2013/14 with regard to the establishment of 2 leC	Annual Report on progress made in 2014/15 with regard to leC	Annual Report (s) on development of rural leC	4 Quarterly Reports and one Annual Report regarding the development of rural leC	4 Quarterly Reports and one Annual Report regarding the development of rural leC	4 Quarterly Reports and one Annual Report regarding the development of rural leC	4 Quarterly Reports and one Annual Report regarding the development of rural leC

Sub-Programme 4.3: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 4.2 Enhanced programme and project management	Number of Quarterly and Annual Reports on progress made with development of rural leCs	4 Quarterly Progress Reports made in 2013/14 with regard to establishment of 2 leC's	Annual report on progress made in 2014/15 with regards to leC's	Monthly, Quarterly and Annual Reports with regard to development of leC's	4 Quarterly Reports and one Annual Report regarding the development of rural leC's	4 Quarterly Reports and one Annual Report regarding the development of rural leC's	4 Quarterly Reports and one Annual Report regarding the development of rural leC's	4 Quarterly Reports and one Annual Report regarding the development of rural leC's
SO 4.3 Enhanced Programmes & Projects Management								

Sub-Programme 4.3: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.2 Enhanced Programmes & Projects Management	Number of quarterly reports and Annual reports on progress made with regard to the development of rural leCs	Quarterly	Four quarterly & one annual reports with regard to the development of leC's	1 quarterly report with regard to the development of leC's	1 quarterly report on leCs with regard to the development of rural leC's	1 quarterly report on leCs with regard to the development of rural leC's	1 quarterly & one annual reports on leCs with regard to the development of rural leC's
SO 4.3 Enhanced Programmes & Projects Management							

Sub-Programme 4.4: Electricity Infrastructure/Industry Transformation/Community Upliftment / Programmes and Projects

This sub-programme oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and independent power producers.

Sub-Programme: Community Upliftment / Programmes and Projects

This sub-programme implements, manages and coordinates programmes and projects aimed at empowerment of disadvantaged and vulnerable groups and increases public awareness on energy issues.

Sub-Programme 4.4: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 4.2 Energy Infrastructure Development Monitored	10 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	Updated report highlighting achievements of implementation of IPP Programme	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP Generation Programme – peaker stations	1 annual report on infrastructure monitoring & compliance with implementation of non- REIPPP Generation Programme – peaker stations	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout

Sub-Programme 4.4 Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 4.3 Energy infrastructure development monitored	Number of reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	An updated report highlighting achievement on implementation of IPP Programme	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation programme – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation programme – peaker stations	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout

Sub-Programme 4.4: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.2 Energy Infrastructure Development Monitored	Number of reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	Bi-annually	2 reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	N/A	Report on interventions or support provided to municipalities struggling with electricity infrastructure rollout	N/A	Report on interventions or support provided to municipalities struggling with electricity infrastructure rollout

Resource Consideration

Programme 4: Electrification & Energy Programme & Project Management (Sub-Programmes)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Integrated National Electrification Programme	4 142 550	5 775 682	5 630 619	6 143 507	6 177 659	5 392 463	5 799 346	6 118 779
Energy Regional Offices	17 581	20 271	19 650	15 805	16 605	18 123	19 799	21 621
Programme and Project Management Office	7 245	9 095	13 491	11 338	11 338	11 353	12 024	12 788
Electricity Infrastructure/Industry Transformation	6 575	8 593	9 278	7 713	7 713	8 140	8 631	9 213
Community Upliftment Programmes and Projects	7 022	6 844	5 621	5 665	6 665	5 321	5 639	6 006
Total for Programmes	4 180 973	5 820 485	5 678 659	6 184 028	6 219 980	5 435 400	5 845 439	6 168 407

Programme 4: Electrification & Energy Programme & Project Management (Economic Classification)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	58 240	70 718	68 304	60 998	64 978	67 243	72 117	77 302
Compensation of employees	36 224	41 796	43 841	44 232	45 212	49 620	53 471	57 619
Salaries and wages	31 993	36 804	38 475	38 020	39 031	42 668	46 055	49 656
Social contributions	4 231	4 992	5 366	6 212	6 181	6 952	7 416	7 963
Goods and services	22 016	28 922	24 463	16 766	19 766	17 623	18 646	19 683

Programme 4: Electrification & Energy Programme & Project Management (Economic Classification) (continued)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administrative fees	991	1 328	1 213	833	812	863	912	962
Advertising	976	853	1 663	93	74	98	104	110
Minor assets	7	30	-	564	557	-	-	-
Audit costs: External	-	-	-	732	732	-	-	-
Catering: Departmental activities	261	1 435	1 381	641	662	669	708	748
Communication (G&S)	537	421	746	714	702	748	789	833
Computer services	-	15	-	53	53	-	-	-
Consultants: Business and advisory services	25	19	182	3 515	3 515	4 111	4 341	4 580
Contractors	14	39	561	-	-	-	-	-
Agency and support/outsourced services	-	9	6	-	-	-	-	-
Fleet services (including government motor transport)	153	276	253	26	53	28	30	32
Consumable supplies	75	104	204	125	123	133	141	149
Consumables: Stationery, printing and office supplies	1	14	155	168	127	170	179	188
Operating leases	183	871	834	-	19	-	-	-
Rental and hiring	-	21	-	-	-	-	-	-
Property payments	-	32	24	-	-	-	-	-
Transport provided: Departmental activity	-	238	114	-	-	-	-	-
Travel and subsistence	14 254	15 700	12 210	7 505	6 988	8 929	9 463	9 993
Training and development	18	21	-	-	-	-	-	-
Operating payments	74	343	325	181	217	188	199	210
Venues and facilities	4 447	7 153	4 592	1 616	5 132	1 686	1 780	1 878
Transfers and subsidies	4 122 704	5 749 762	5 610 355	6 123 030	6 155 002	5 368 157	5 773 322	6 091 105
Municipalities	1 104 658	1 980 340	1 946 246	2 087 048	2 087 048	1 904 477	2 127 928	2 244 964
Public corporations	2 948 037	3 613 243	3 526 334	3 846 154	3 846 154	3 262 031	3 432 453	3 621 488
Private enterprises	70 000	156 179	137 733	189 828	221 800	201 649	212 941	224 653
Households	9	-	42	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Payments for financial assets	29	5	-	-	-	-	-	-
Total economic classification	4 180 973	5 820 485	5 678 659	6 184 028	6 219 980	5 435 400	5 845 439	6 168 407

Programme 4: Electrification & Energy Programme & Project Management (Transfer Payments)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Various institutions: Integrated National Electrification Programme	70 000	156 179	137 733	189 828	221 800	201 649	212 941	224 653
Eskom	2 948 037	3 613 243	3 526 334	3 846 154	3 846 154	3 262 031	3 432 453	3 621 488
Employee Social Benefits	9	-	42	-	-	-	-	-
Integrated National Electrification Programme Grant	1 104 658	1 980 340	1 946 246	2 087 048	2 087 048	1 904 477	2 127 928	2 244 964
TOTAL	4 122 704	5 749 762	5 610 355	6 123 030	6 155 002	5 368 157	5 773 322	6 091 105

Risk Management

Strategic Objective	Strategic Risk	Root Cause	Risk Consequence	Mitigation Strategy
SO 4.1 Access to electricity by households	Inability to reach universal access to electricity	Lack of capacity of implementing strategic agents (ESKOM and Municipalities) to deliver on strategic projects	Reputational damage and loss of credibility of the DOE	Allocate additional resources to improve monitoring team
S.O. 4.2. Energy Infrastructure development monitored	Lack of transformation in the energy sector (social-economic benefits not achieved)	Lack of effective policy enforcement	Social and economic inequality perpetuated	Review transformation targets to ensure inclusion of vulnerable groups and enforceable targets

Programme 5: Nuclear Energy



5.1 Programme Purpose

To manage the South African nuclear energy industry 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 is responsible for the overall coordination and oversight for the new nuclear expansion programme, together with the necessary due diligence on the proposed transaction. This sub-programme also makes transfers to the South African Nuclear Energy Corporation, the National Nuclear Regulator and the National Radioactive Waste Disposal Institute

Sub-Programme 5.1: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 5.13 To Improve Security of Energy Supply	Decommissioning and Decontamination Policy	N/A	N/A	N/A	N/A	Decommissioning and Decontamination Policy produced	Draft Decommissioning and Decontamination Policy submitted to Cabinet for public consultation with stakeholders	Draft Decommissioning and Decontamination Policy approved and promulgated

Sub-Programme 5.1: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 5.1 Improved security of energy supply	Decommissioning and Decontamination Policy	N/A	N/A	N/A	N/A	Decommissioning and Decontamination Policy produced	Draft Decommissioning and Decontamination Policy submitted to Cabinet for public consultation with stakeholders	Draft Decommissioning and Decontamination Policy approved and promulgated

Sub-Programme 5.1: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.1 Improved Security of Energy Supply	Decommissioning and Decontamination Policy finalised	Quarterly	Decommissioning and Decontamination Policy developed and produced	Decommissioning and Decontaminations Policy draft prepared	Consultation with stakeholder on Draft Decommissioning and Decontamination Policy	Consolidated Stakeholder inputs on Draft Decommissioning and Decontamination Policy	Decommissioning and Decontamination Policy produced

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 entails accounting for and controlling of nuclear material through issuing of nuclear authorisations; ensuring compliance by conducting inspections, and audits, and regulating the security of nuclear material and related facilities.

Sub-Programme 5.2: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 5.2 To Strengthen the Control of Nuclear Material and Equipment	Accounting and control of possession, acquisition, transportation, importation and exportation of nuclear material and related equipment through consideration of 70% of authorisation applications within 8 weeks	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period

Sub-Programme 5.2: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 5.2 To Strengthen the Control of Nuclear Material and Equipment	Percentage of processed authorisation applications within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period

Sub-Programme 5.2: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.2 Strengthened Control of Nuclear Material and Equipment	Percentage of processed authorisation applications within the 8-week time period	Quarterly	70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period

Sub-Programme 5.3: Nuclear Policy

This sub-programme develops and reviews policies and legislation, as required by international agreements and the governance principles of the nuclear energy sector in South Africa; undertakes research and development on matters related to nuclear policy and legislation; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies and legislation, and provides advice accordingly.

Sub-Programme 5.3: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 5.3 Improved nuclear safety and security	Promulgation of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) amendment completed	Consultation with and presentation to FOSAD Cluster	Submission to Cabinet for public consultation	Submission to Cabinet for public consultation consideration	4 Workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the Draft NNR Amendment Bill	Submit the National Nuclear Regulator Amendment Bill to obtain cabinet approval for public consultation	National Nuclear Regulator Amendment Bill submitted to Parliament for approval	N/A
	Promulgation of Radioactive Waste Management Fund Bill completed	N/A	N/A	N/A	N/A	Draft Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor	Radioactive Waste Management Fund Bill Submission to Cabinet to obtain approval for Public Consultation	N/A

Sub-Programme 5.3: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 5.3 Improved nuclear safety and security	Draft Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor	Consultation with and presentation to FOSAD Cluster	Submission to Cabinet for public consultation	Submission to Cabinet for public consultation consideration	4 Workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the Draft NNR Amendment Bill	Submit the National Nuclear Regulator Amendment Bill to obtain cabinet approval for public consultation	National Nuclear Regulator Amendment Bill submitted to Parliament for approval	N/A

Sub-Programme 5.3: Performance Indicators and Annual Targets for 2018/19 MTEF (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Draft Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor	N/A	N/A	N/A	N/A	Draft Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor	Radioactive Waste Management Fund Bill Submission to Cabinet to obtain approval for Public Consultation	N/A

Sub-Programme 5.3: Quarterly Targets for 2018/19

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.3 Improved Nuclear Safety and Security	Draft National Nuclear Regulator Amendment Bill finalized for public consultation	Quarterly	Submit the National Nuclear Regulator Amendment Bill for Cabinet approval for public consultation	Compiled revised Socio Economic Impact Assessment Report for the National Nuclear Regulator Amendment Bill	Submitted the National Nuclear Regulator Amendment Bill to FOSAD	Consolidated Nuclear Regulator Amendment Bill with inputs from FOSAD	National Nuclear Regulator Amendment Bill Submitted to Cabinet
SO 5.3 Improved Nuclear Security	Draft Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor	Quarterly	Draft Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor	Radioactive Waste Management Fund Bill drafted with inputs from the financing model study	Draft Radioactive Waste Management Fund Bill Consulted with impacted stakeholders through a workshop	Compile Socio Economic Impact Assessment System Report Phase 1	Draft Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor

Resource Consideration

Programme 5: Nuclear Energy (Sub-Programmes)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Nuclear Safety and Technology	832 274	641 491	859 003	769 527	770 727	796 159	850 227	890 921
Nuclear Non-proliferation and Radiation Security	6 156	7 168	8 303	8 003	9 253	9 074	9 623	10 206
Nuclear Policy	6 988	6 369	5 145	9 345	10 895	11 353	10 419	11 013
Total for Programmes	845 418	655 028	872 451	786 875	790 875	816 586	870 269	912 140

Programme 5: Nuclear Energy (Economic Classification)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	34 040	25 272	191 393	36 224	40 124	49 540	39 912	42 593
Compensation of employees	13 446	17 040	19 791	21 181	21 181	21 794	23 445	25 221
Salaries and wages	12 085	15 322	17 790	18 216	18 216	18 555	19 996	21 525
Social contributions	1 361	1 718	2 001	2 965	2 965	3 239	3 449	3 696
Goods and services	20 594	8 232	171 602	15 043	18 943	27 746	16 467	17 372
Administrative fees	447	383	152	92	92	96	101	104
Advertising	476	1 570	486	2 091	3 241	1 344	1 575	1 606
Minor assets	-	-	4	-	-	-	-	-
Catering: Departmental activities	155	81	380	132	132	143	150	159
Communication (G&S)	146	277	237	244	244	255	269	284
Consultants: Business and advisory services	11 847	752	165 829	10 078	10 798	21 052	10 986	11 591
Legal services (G&S)	-	50	71	-	-	1 700	-	-
Contractors	212	-	-	-	-	-	-	-
Agency and support/outsourced services	-	-	-	32	32	-	-	-
Fleet services (including government motor transport)	2	1	-	-	-	-	-	-
Consumable supplies	16	19	25	-	-	-	-	-
Consumables: Stationery, printing and office supplies	468	130	595	465	465	484	511	539
Operating leases	2	-	-	-	-	-	-	-

Programme 5: Nuclear Energy (Economic Classification) (continued)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Travel and subsistence	3 386	3 177	2 181	1 368	3 128	1 591	1 678	1 771
Operating payments	-	1	8	-	-	-	-	-
Venues and facilities	3 437	1 791	1 634	541	811	1 081	1 197	1 318
Transfers and subsidies	811 378	629 756	670 027	750 651	750 751	767 046	830 357	869 547
Departmental agencies and accounts	33 697	21 487	50 936	68 573	68 573	62 042	86 595	84 864
Foreign governments and international organisations	17 003	27 886	19 753	17 907	17 907	22 290	23 538	24 832
Public corporations	760 678	580 358	599 338	664 171	664 171	682 714	720 224	759 851
Households	-	25	-	-	100	-	-	-
Payments for capital assets	-	-	11 031	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	11 031	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	845 418	655 028	872 451	786 875	790 875	816 586	870 269	912 140

Programme 5: Nuclear Energy (Transfer Payments)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
South African Nuclear Energy Corporation	760 678	580 358	599 338	664 171	664 171	682 714	720 224	759 851
National Nuclear Regulator	33 697	21 487	40 936	38 573	38 573	16 510	43 096	45 467
International Atomic Energy Agency	17 003	27 886	19 753	17 207	17 207	18 205	19 224	20 281
National Radioactive Waste Disposal Institute	-	-	10 000	30 000	30 000	45 532	43 499	39 397
Employee social benefits	-	25	-	-	-	-	-	-
Generation IV International Forum	-	-	-	700	700	741	782	825
Households: Bursaries (non-employees)	-	-	-	-	100	-	-	-
AFRA	-	-	-	-	-	3 344	3 532	3 726
TOTAL	811 378	629 756	670 027	750 651	750 751	767 046	830 357	869 547

Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 5.3 Improved Nuclear Safety and Security	Delays in the revision of the National Nuclear Regulator (NNR) Amendment Bill	NNR Amendment Bill not revised. Delays on the promulgation of the regulation	Further discussion with NNR and DoH regarding provision related to DoH radiation control



Programme 6: Clean Energy

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 coordinating initiatives and interventions that are focused on developing and improving the energy efficiency market; and ensuring the integration and coordination of energy efficiency initiatives and interventions with the relevant associated institutions.

Sub-Programme 6.1: Strategic Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 6.1 Implementation of the EEDSM Measures Across all Sectors Co-ordinated and Monitored	Develop energy consumption baselines for an additional 100 municipalities	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	0.5 TWh of energy savings realised and verified from EEDSM projects
SO 6.1 Implementation of the EEDSM Measures Across all Sectors Co-ordinated and Monitored	Develop & implement the post-2015 EE targets & strategy	Promulgation of National Energy Efficiency Strategy and Plan Document (if approved by Cabinet)	N/A	Post 2015 National Energy Efficiency Strategy drafted and submitted for approval	Post 2015 National Energy Efficiency Strategy implemented	Post 2015 National Energy Efficiency Strategy finalised and promulgated	Post 2015 National Energy Efficiency Strategy implemented	Post 2015 National Energy Efficiency Strategy Implemented

Sub-Programme 6.1: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
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	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	0.5 TWh of energy savings realised and verified from EEDSM projects
SO 6.1 Implementation of the EEDSM Measures Across all Sectors Co-ordinated and Monitored	Post-2015 National Energy Efficiency Strategy	Promulgation of National Energy Efficiency Strategy and Plan Document (if approved by Cabinet)	N/A	Post-2015 National Energy Efficiency Strategy drafted and submitted for approval	SO 6.1 Implementation of the EEDSM Measures Across all Sectors Co-ordinated and Monitored	Post-2015 National Energy Efficiency Strategy finalised and promulgated	Post 2015 National Energy Efficiency Strategy implemented	Post 2015 National Energy Efficiency Strategy Implemented

Sub-Programme 6.1: Quarterly Targets for 2018/19

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.1 Implementation of the EEDSM Measures Across all Sectors Coordinated & Monitored	Number of energy savings realised and verified from EEDSM projects	Quarterly	0.5 TWh of energy savings realised and verified from EEDSM projects	Report on the identified EEDSM Projects	Report on the identified EEDSM Projects	Report on the implementation of the identified EEDSM Projects	0.5 TWh of energy savings realised and verified from EEDSM projects
SO 6.1 Implementation of the EEDSM Measures Across all Sectors Co-ordinated and Monitored	Post-2015 National Energy Efficiency Strategy	Quarterly	Post 2015 National Energy Efficiency Strategy finalised and promulgated	N/A	N/A	N/A	Report on the post 2015 NEES implementation (subject to Cabinet approval)

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 Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 6.2 Renewable Energy	Strategy to increase the uptake of solar technologies in the energy mix	N/A	N/A	Solar Energy Technology Roadmap incorporated into the Integrated Energy Plan	Promulgation of the Solar Energy Technology Roadmap	Draft Renewable Energy Technology Roadmap (RETRM) drafted and completed	Final Renewable Energy Technology Roadmap (RETRM) approved and published	Renewable Energy Technology Roadmap (RETRM) implemented
	1 million SWHs, increased biogas uptake & use - Deployment of solar PV	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	Solar Water Heating Programme Implementation Plan finalised Solar Water Heater Programme Implemented	Solar Water Heater Programme Implemented	Solar Water Heater Programme Implemented

Sub-Programme 6.2 Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 6.2 Renewable Energy	Renewable Energy Technology Roadmap developed	N/A	N/A	Solar Energy Technology Roadmap incorporated into the Integrated Energy Plan	Promulgation of the Solar Energy Technology Roadmap	Draft Renewable Energy Technology Roadmap (RETRM) drafted and completed	Final Renewable Energy Technology Roadmap (RETRM) Completed, approved and published	Renewable Energy Technology Roadmap (RETRM) implemented
	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	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	Solar Water Heater Programme implementation monitored and 4 quarterly progress reports submitted	Solar Water Heater Programme implementation monitored and 4 quarterly progress reports submitted	Solar Water Heater Programme implementation monitored and 4 quarterly progress reports submitted

Sub-Programme 6.2: Quarterly Targets for 2018/19

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.2 Renewable Energy	Final Daft Renewable Energy Technology Roadmaps (RETRM)	Quarterly	Draft Renewable Energy Technology Roadmaps (RETRM) completed	Project Steering Committee established	Procurement of Technical support finalised	Expert workshop	Draft Renewable Energy Technology Roadmaps finalised
				Terms of Reference for the procurement of Technical Support finalised	Visioning workshop conducted	Roadmaps Document developed	
	Solar Water Heater Programme Implementation Monitored	Quarterly	Annual SWH Installation completed	Solar Water Heating Programme Implementation Plan finalised	Quarterly progress report on the implementation of the Solar Heater Programme	Quarterly progress report on the implementation of the Solar Heater Programme	Quarterly progress report on the implementation of the Solar Heater Programme
				Quarterly progress report on the implementation of the Solar Heater Programme			

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 fulfillment 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 Objective and Annual Targets for 2018/19

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 6.3 Implementation of energy-related climate change response measures and environmental compliance co-ordinated and monitored	12% by 2015 (Energy efficiency target for 2019 to be finalised as outlined by the National Energy Efficiency Strategy	N/A	N/A	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved
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	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	Carbon offsets registry for listing offsets credits linked to carbon offsets administration system developed and implemented	Carbon offset programme administered and monitored	Carbon offset programme administered and monitored

Sub-Programme 6.3: Performance Indicators and Annual Targets for 2018/19 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SO 6.3 Implementation of Energy-Related Climate Change Response Measures and Environmental Compliance Co-ordinated and Monitored	Developed Annual Compliance Report on the 3rd Environmental Management Plan	N/A	N/A	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved
SO 6.4 Measurement, Reporting and Verification System of Climate Change Parameters	Developed and implemented Carbon offsets registry for listing offsets credits to carbon offsets administration system	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	Carbon offsets registry for listing offsets credits to carbon offsets administration system developed and implemented	Carbon offset programme administered and monitored	Carbon offset programme administered and monitored

Sub-Programme 6.3: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.3 Implementation of Energy-Related Climate Change Response Measures & Environmental Compliance Coordinated & Monitored	Final Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Quarterly	Annual Compliance Report on the 3rd Environmental Management Plan Edition developed and produced	An outline of the annual compliance developed	Stakeholder consultation workshop held on the required data and outline	Report on data collection process Draft Annual Compliance Report on the 3rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition
SO 6.4 Measurement, Reporting & Verification System of Climate Change Parameters	Final Carbon offsets registry for listing offsets credits linked to carbon offsets administration system Developed framework to approve new eligible standards under the carbon offset programme implemented	Quarterly	Carbon offsets registry for listing offsets credits linked to carbon offsets administration system developed and implemented	Carbon offsets administration system and registry for gap identification and assessment conducted	Request for proposal of outsourcing hosting of registry for listing of offsets credits as part of implementation issued	Proposals received / assessed and approved for the entity to host the carbon offsets registry	Carbon offsets registry hosting implemented subject to approval

Resource Consideration

Programme 6: Clean Energy (Sub-Programmes)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Energy Efficiency	658 657	206 211	527 139	700 703	668 703	285 720	320 588	348 238
Renewable Energy	167 419	69 774	25 240	65 752	65 752	75 796	80 038	84 492
Climate Change and Designated National Authority	4 181	5 798	7 722	8 055	8 055	8 667	9 275	9 971
Total for Programmes	830 257	281 783	560 101	774 510	742 510	370 183	409 901	442 701

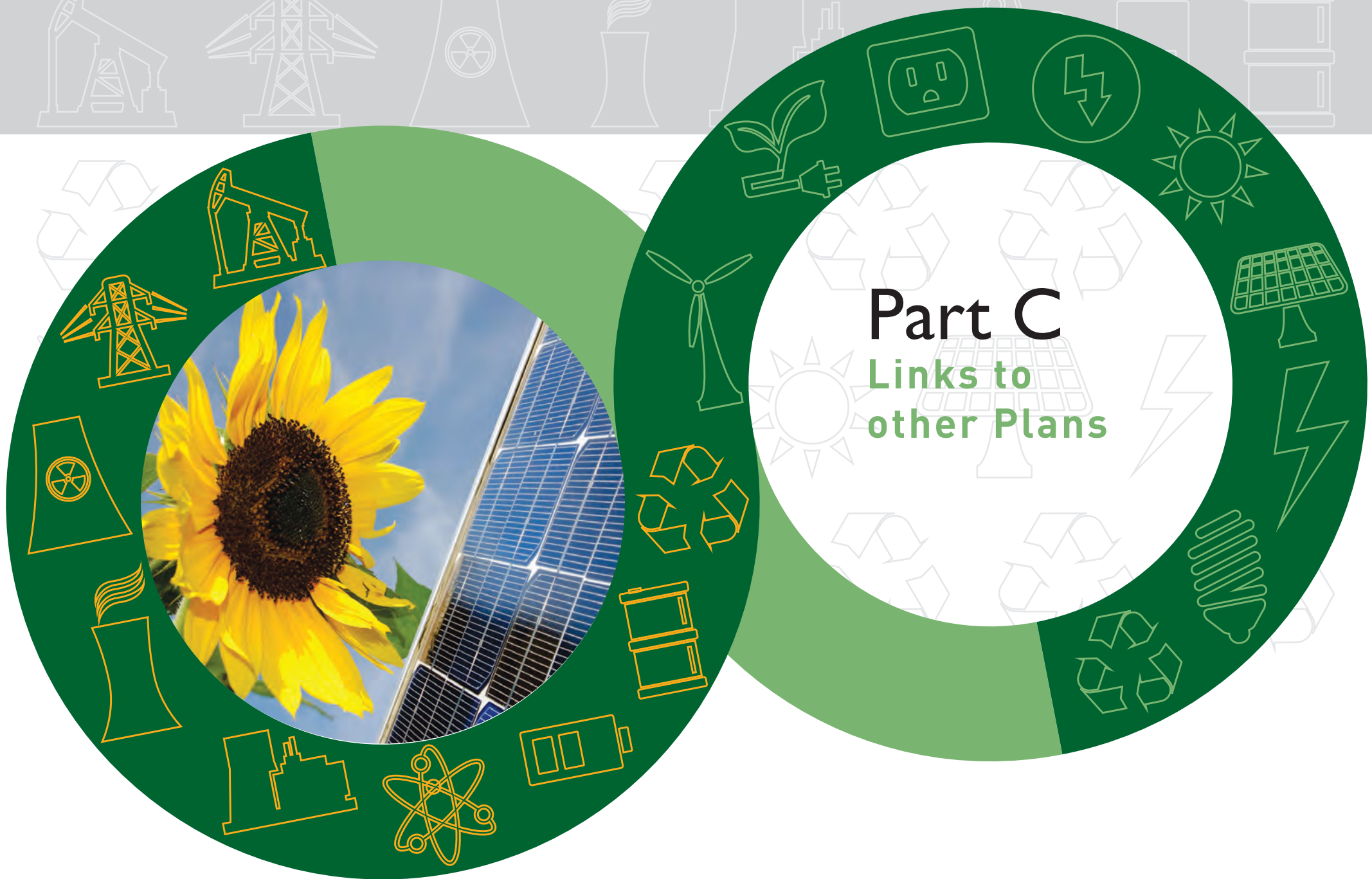
Programme 6: Clean Energy (Economic Classification)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	28 989	37 710	31 321	100 409	85 409	82 171	105 783	121 870
Compensation of employees	12 394	14 336	16 264	17 735	17 735	19 906	21 425	23 055
Salaries and wages	11 030	12 723	14 477	15 252	15 258	17 258	18 604	20 030
Social contributions	1 364	1 613	1 787	2 483	2 477	2 648	2 821	3 025
Goods and services	16 595	23 374	15 057	82 674	67 674	62 265	84 358	98 815
Administrative fees	192	477	370	127	177	132	140	148
Advertising	559	4 571	1 864	806	1 036	837	871	919
Minor assets	-	-	-	655	613	-	-	-
Catering: Departmental activities	109	55	281	112	130	113	119	126
Communication (G&S)	117	124	128	279	279	143	151	161
Computer services	-	8	-	129	-	-	-	-
Consultants: Business and advisory services	9 605	10 667	7 636	65 569	50 569	46 480	67 679	81 217
Legal services (G&S)	-	50	-	-	-	-	-	-
Contractors	-	-	95	-	-	-	-	-
Agency and support/outsourced services	-	1 095	1 094	9 120	8 000	9 529	10 063	10 616
Entertainment	-	-	-	19	19	-	-	-
Fleet services (including government motor transport)	2	-	-	-	-	-	-	-
Consumable supplies	102	4	6	232	237	7	7	8
Consumables: Stationery, printing and office supplies	2	53	83	176	151	184	194	205
Operating leases	2	1	1	-	-	-	-	-
Property payments	-	-	-	711	652	-	-	-
Travel and subsistence	2 207	5 573	2 122	3 379	3 366	3 485	3 738	3 943
Operating payments	16	281	649	36	1 156	38	40	42
Venues and facilities	3 682	415	728	1 324	1 289	1 317	1 356	1 430
Transfers and subsidies	801 268	244 073	528 780	674 101	657 101	288 012	304 118	320 831
Municipalities	136 905	177 899	185 625	203 236	203 236	215 024	227 065	239 554
Departmental agencies and accounts	162 685	64 861	20 625	59 774	59 774	70 241	74 151	78 215

Programme 6: Clean Energy (Economic Classification) (continued)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Foreign governments and international organisations	1 678	1 313	2 216	-	-	2 747	2 902	3 062
Private enterprises	500 000	-	320 314	411 091	394 091	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	830 257	281 783	560 101	774 510	742 510	370 183	409 901	442 701

Programme 6: Clean Energy (Transfer Payments)	BASELINE					MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised Baseline	Revised Baseline	Revised Baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
South African National Energy Development Institute	162 685	64 861	20 625	59 774	59 774	70 241	74 151	78 215
Various institutions: Solar water heater project	500 000	-	320 314	411 091	394 091	-	-	-
International Renewable Energy Agency	1 678	1 313	2 216	-	-	1 137	1 201	1 267
International Energy Forum	-	-	-	-	-	337	356	376
International Partnership for Energy Efficiency Cooperation	-	-	-	-	-	1 273	1 345	1 419
Energy efficiency and demand side management grant	136 905	177 899	185 625	203 236	203 236	215 024	227 065	239 554
TOTAL	801 268	244 073	528 780	674 101	657 101	288 012	304 118	320 831

Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 6.2 Renewable Energy	Failure to complete and implement the solar water heating programme plan	Slow rollout of the solar water heating programme plan Escalating storage costs for solar water heater systems	Completion of framework agreement with municipalities Follow-up on the approval of the revised implementation plan
SO 6.1 Implementation of the (Energy Efficiency Demand Side Management) EEDSM Measures Across all Sectors Coordinated & Monitored	Lack of cooperation and buy in by stakeholders e.g. industry, commerce, municipalities etc.	Energy efficiency targets not achieved Inability to meet international obligation on emissions	Promulgation of the regulations for provision of energy consumption data and energy management plans



Part C

Links to
other Plans

Links to other Plans



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

The Department 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 Department is further required to directly or indirectly participate in other SIP initiatives for coordination and reporting purposes

Expenditure on long-term infrastructure and other capital plans

Project Name	Programme	Outputs	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium Term Estimate		
			2014/15	2015/16	2016/17				2017/18		
New Assets (R thousand)			R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
INEP: Eskom	Electrification and Energy Programme and Project Management	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure & rehabilitate electrification infrastructure	2,948,037	3,613,243	3,526,334	3,846,154	-	3,846,154	3,262,031	3,432,453	3,621,488
INEP: Municipalities	Electrification and Energy Programme and Project Management	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure & rehabilitate electrification infrastructure	1,104,658	1,980,340	1,946,246	2,087,048	-	2,087,048	1,904,477	2,127,928	2,244,964
INEP: Non- grid electrification technology	Electrification and Energy Programme and Project Management	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	70,000	156,179	137,733	189,828	31,972	221,800	201,649	212,941	224,653
Total			4,122,695	5,749,762	5,610,313	6,123,030	31,972	6,123,030	5,368,157	5,773,322	6,091,105

The Department's spending focus over the medium term is set to remain largely on household's electrification. To this end, an additional R1 billion has been allocated in 2019/20 during the 2017 MTEF process to support the Integrated National Electrification Programme, which electrifies households through grid and non-grid connections, and new builds/upgrades bulk infrastructure of electricity networks to support the eradication of backlogs. Government will be reducing spending over the MTEF period to place its finances on a sustainable path and this

will consequently result in a budget reduction of R2.24 billion in respect of Eskom grants over the MTEF period. Conditional municipal grants similarly reduces by R2.77 billion over the MTEF period, reducing projected grid electricity connections made by both Eskom and Municipalities from 738 000 to 625 000 over the MTEF period.

An estimated 625 000 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. However, transfers to municipalities are expected to increase from R1.92 billion in 2018/19, to R2.2 billion in 2020/21, and transfers to Eskom from R3.3 billion in 2018/19, to R3.4 billion in 2020/21. The cost of connections is expected to increase over the medium term as the integrated national electrification programme shifts to deep rural areas where there is a historical backlogs (27 Districts), it also requires more expensive hardware and covering larger geographic areas.

2. CONDITIONAL GRANTS

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

Programme	Project name	Project description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
			Audited outcome	Audited outcome	Audited outcome	Revised baseline	Revised baseline	Revised baseline	Revised baseline
Rand thousand			R'000	R'000	R'000	R'000	R'000	R'000	R'000
Clean Energy	Energy Efficiency and Demand Side Management Programme	Implementation of energy efficiency technologies	136,905	177,899	185,625	203,236	215,024	227,065	239,554
Electrification and Energy Programme and Project Management	Integrated national electrification programme: Eskom	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	2,948,037	3,613,243	3,526,334	3,846,154	3,262,031	3,432,453	3,621,488
Electrification and Energy Programme and Project Management	Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	1,104,658	1,980,340	1,946,246	2,087,048	1,904,477	2,127,928	2,244,964
TOTALS			4,189,600	5,771,482	5,658,205	6,136,438	5,381,532	5,787,446	6,106,006

3. PUBLIC ENTITIES

The Minister of Energy is responsible for overseeing five state-owned entities (SOE's) 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 (Pty) Ltd;
- 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 SOE's 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 Department's strategy within their respective mandates and implementation is undertaken by management.

Public entities' mandate, outputs, annual budget and next evaluation date of the SOE's.

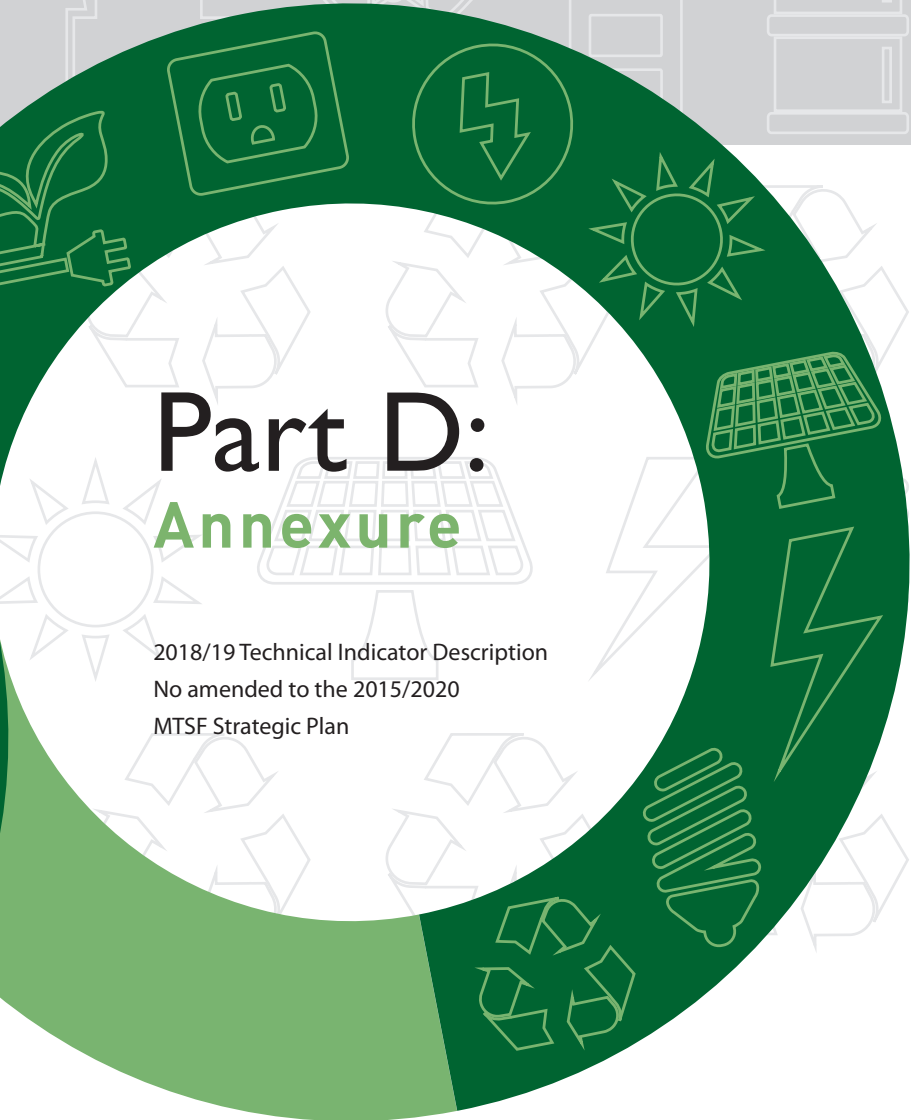
Name of Public Entity	Mandate	Outputs	Current Annual Budget 2018/19	Date of Next Evaluation
NNR	<p>The NNR is established in terms of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999)</p> <p>The act establishes the regulator as a competent authority for nuclear regulation in South Africa</p> <p>The purpose of the NNR, as outlined in Section 5 of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) is to essentially provide for the protection of persons, property & the environment against nuclear damage through the establishment of safety standards & regulatory practices</p>	Refer to the NNR's 2018/19 APP for details regarding the specific outputs planned by the NNR for the period	<p>R16 510 million</p> <p>The NNR total budgeted revenue comes from: fiscal grant allocation R21 487 million; & authorisation fees R149 255 million</p>	As needed
CEF	To finance & promote the acquisition of, research into & exploitation of oil, gas & renewable/clean energy-related products & technology	Refer to the CEF's 2018/19 APP for details regarding the specific outputs planned by the CEF for the period	<p>R19,606 billion (as per 2017/18 budget projections)</p> <p>The following companies contribute toward the total revenue for the CEF Group: CEF (SOC) Ltd; African Exploration; PetroSA; & SFF</p>	As needed

Name of Public Entity	Mandate	Outputs	Current Annual Budget 2018/19	Date of Next Evaluation
NECSA	<p>NECSA is established in terms of Section 3(1) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999)</p> <p>The act provides for the commercialisation of nuclear & related products & services, & delegates specific responsibilities to the corporation, including the implementation & execution of national safeguards & other international obligations</p> <p>The Nuclear Energy Policy of 2008 reinforced NECSA's mandate relating to R&D & NFC responsibilities</p>	Refer to the NECSA's 2018/19 APP for details regarding the specific outputs planned by NECSA for the period	<p>R682,714 billion</p> <p>NECSA's total budgeted revenue comes from: fiscal grant allocation R528,673 million; budgeted sales revenue R1,711 billion; & other income R140,034 million</p>	As needed
NRWDI	<p>NRWDI is a Nuclear Waste Disposal Institute 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 an NRWDI in order to manage radioactive waste disposal on a national basis & to provide for its functions & for how it is to be managed</p>	Refer to the NRWDI's 2018/19 APP for details regarding the specific outputs planned by NRWDI for the period	<p>R46,978 million</p> <p>The total revenue consists of government grant of R45,532 million and interest income of R1,416 million</p>	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 & 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) & the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)</p>	Refer to NERSA's 2018/19 APP for details regarding the specific outputs planned by NERSA for the period	<p>R343,509 million</p> <p>NERSA's total budgeted revenue comes from: levies of 3 regulated industries R332,164 million interest received from investments & other income R11,345 million</p>	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 2018/19 APP for details regarding the specific outputs planned by SANEDI for the period	<p>R70 241 million</p> <p>SANEDI's total budgeted revenue is: grant allocation R64,861 million (operations R29,861 million & carbon R35,000 million); & other income R23,200 million</p>	As needed

4. PUBLIC-PRIVATE PARTNERSHIPS

No public-private partnerships exist between the Department and other stakeholders due to no policy shift.





Part D: Annexure

2018/19 Technical Indicator Description
No amended to the 2015/2020
MTSF Strategic Plan

ACRONYMS AND DESCRIPTIONS

Acronym	Description
20YRLFMP	20-Year Liquid Fuels Master Plan
Amb.	Ambassador
APP	Annual Performance Plan
ADAM	Approach to Distribution Management
AG	Attorney General
BFP	Basic Fuel Price
BEE	Black Economic Empowerment
CEF	Central Energy Fund
CHIETA	Chemical Industries Education and Training Authority
CSP	Concentrated Solar Power
DRC	Democratic Republic of Congo
DoE	Department of Energy
DPME	Department of Monitoring and Evaluation
DDG	Deputy Director-General
DM	Deputy Minister
DG	Director-General
DoRA	Division of Revenue Act of South Africa
Eskom	Electricity Supply Commission
EWSETA	Energy and Water Sector Education and Training Authority
EE	Energy Efficiency
EEDSM	Energy Efficiency and Demand-Side Management
EXCO	Executive Committee
FDI	Foreign Direct Investment
FOSAD	Forum of South African Directors
FBAE	Free Basic Alternative Energy
FBE	Free Basic Electricity

Acronym	Description
GUMP	Gas Utilisation Master Plan
GTL	Gas-to-liquid
G&S	Goods and Services
GHG	Greenhouse gas
GDP	Gross Domestic Product
Hon.	Honourable
HR	Human Resource
IPP	Independent Power Producer
IPAP	Industrial Policy Action Plan
IDP	Integrated Development Plan
IEC	Integrated Energy Centre
IEP	Integrated Energy Plan
INEP	Integrated National Electrification Programme
KPA	Key Performance Area
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
MANCO	Management Committee
MPAT	Management Performance Assessment Tool
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MP	Member of Parliament
MoA	Memorandum of Agreement
NDP	National Development Plan
NECSA	South African Nuclear Energy Corporation SOC Limited
NER	National Energy Regulator
NERSA	National Energy Regulator of South Africa

ACRONYMS AND DESCRIPTIONS



Acronym	Description
NGP	National Growth Path
NIP	National Infrastructure Plan
NIEP	National Integrated Electrification Programme
NNEECC	National Nuclear Energy Executive Coordination Committee
NNR	National Nuclear Regulator
NPP	Nuclear Power Plant
NRWDI	National Radioactive Waste Disposal Institute
NSWHP	National Solar Water Heater Programme
NT	National Treasury
NFC	Nuclear Fuel Cycle
OECD	Organisation for Economic Co-operation and Development
PetroSA	Petroleum Oil and Gas Corporation of South Africa SOC Limited
PPA	Petroleum Products Act
PICC	Presidential Infrastructure Coordinating Commission

Acronym	Description
PFMA	Public Finance Management Act
PPP	Public Participation Programme
REIPPP	Renewable Energy Independent Power Producer Programme
RFP	Request for Proposal
SMME	Small, medium and micro enterprise
SEIAS	Socio-Economic Impact Assessment
SANEDI	South African National Energy Development Institute
SOE	State-owned entity
SFF	Strategic Fuel Fund
SIP	Strategic Integrated Project
SO	Strategic Objective
TWh	Terawatt hour
WSP	Workplace Skills Plan

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