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(A) STRATEGIC OVERVIEW

1. MINISTER’S STATEMENT OF POLICY AND COMMITMENT

When President Jacob Zuma ascended the highest office in the land, the President committed his administration to “...working together to speed up effective service delivery to the people” and this year, in his annual State of the Nation Address as well as in the January 8 policy statement of the ruling party, he has taken this clarion call to arms onto an even higher trajectory by declaring this, “the Year of Action’. For us, as post-apartheid energy planners, this is a theme laden with responsibility, enjoining us to focus and deliver on our core mandate of ensuring uninterrupted and secure energy supply for the nation.


That is what drives our daily operations in the department – grappling with a confluence of factors pertaining to the quest for energy security. Like all the other countries of the world, we are taking a long term view on this complex issue, including the related aspect of energy independence. South Africa is not an island on its own, we are an integral part of the greater world. Our efforts must be geared towards the fight against energy poverty whose effects are felt by communities who are facing difficulties in affording basic energy services which arise directly from poverty and underdevelopment.

As part of the global village we, too, are faced with higher and ever increasing energy costs; while experiencing the global economic crisis and its impact on the availability of components and parts for major capital projects. We are also not oblivious to the vagaries of the impact of the global economic crisis on the pace and sequencing of delivery. However, we are determined to do everything in our power to reduce the negative impact of this crisis and to service the needs of our people at an increased pace.

In considering this statement of policy and commitment, we are intimately mindful of the resolutions taken at various ANC forums, and in Cabinet, with regard to the country’s energy portfolio. The President’s decision to a dedicated energy department has imposed enormous responsibilities on us to take our mandate with the necessary dynamism and vigour.



Ms. Dipuo Peters, MP
Minister of Energy



This Strategic Plan is aligned with the government's broad Medium Term Strategic Framework, and sets out the vast challenges that we have to confront as we further diversify our energy mix. These include:

- the need to gravitate away from fossil fuels,
- introducing second generation nuclear power stations for base-load purposes;
- bringing down the price of LP Gas with specific reference to communities who rely on it for their thermal applications;
- taking advantage of our natural resources such as the sun and gale force winds that are blowing in some parts of our country in order to increase the off take of renewable energy,
- this will include projects that have to do with wind, solar, hydro, biomass, as well as biogas;
- rolling out the second phase of the Integrated Resource Plan (IRP2);
- roping in Independent Power Producers and introducing energy efficiency and demand side interventions;
- enforcing electricity price determination to stabilize the South African market; finalisation of decisions with regard to both the Independent Systems and Market Operator (ISMO) and;
- encouraging investments and maintenance of the coal face of electricity represented by the distribution industry; ensuring universal access to electricity; and the finalisation of clean fuels specifications as well as the national strategic stocks policy.

We have to play our part in helping to reduce the impact of greenhouse gas emissions and finally deal with the negative consequences represented by the vagaries of climate change. We have an obligation to implement and live by the declaration of our government as contained in the Long Term Mitigation Scenarios. The consequences of wilfully doing little or nothing in reducing the negative impact of carbon emissions are too ghastly to contemplate. Ours is a call to action.

There is no doubt that nuclear will play a key role in the base-load generating capacity in the next few years. We are finalizing all the preparatory work in this regard. The public consultation process that we shall embark upon will inevitably set us on an irreversible path of the finalization of the Integrated Resource Plan (IRP2). This should then lead us to a projected presence of the next generation base-load nuclear power plants in the period beyond 2020.

In setting out to achieve the prescripts of this document, it is of paramount importance that we quickly establish our department as a stand-alone, fully-fledged entity, able effectively to discharge the responsibilities that our government and the ruling party have delineated for us. We need to invest in and build a formidable Team Energy. We are presented with an opportunity to structure the department in a manner that combines new ideas with those of our pioneers – both political and administrative.

Our planning framework has to be consolidated and take a form akin to that of the cabinet approved National Integrated Strategic Plan – with clear outcomes and targets. We need to subject the entire department, and its associated State-Owned-Entities (SOEs), to rigorous reviews measuring them against government's and the nation's broader developmental objectives.

In pursuing all these nation-building ideals we are committed to putting our shoulders to the wheel, including, most significantly, playing our part in ensuring that there are no energy related supply disruptions during the FIFA World Cup this year.

The focus of our bilateral relations in our sector will be on sub-Saharan Africa, the continent of Africa as well as countries of the South. Quite positively, however, we can also benefit from the great potential for multilateral corporation in the field of energy, and from the opportunity that sub-Saharan Africa has to fully exploit to become an energy self-sufficient sub-region. This is part of the government's broad agenda to achieve South-South cooperation which is the cornerstone of our foreign policy. We have an unflinching obligation to discharge to the peoples of the world who are finding themselves trapped in the never ending cycle of poverty and underdevelopment.

The foundation has been laid for the Department of Energy to play its part in the implementation of the commitments made in the covenant of 1994. We have to ensure that the noble declarations contained in policy documents such as "Ready to Govern", the RDP and various conference resolutions of the ANC are implemented without delay. In fulfilling the dreams and hopes of our forebears, we have to take the side of the vulnerable in our society, including our venerable women, children, the elderly, and people with disabilities.

Despite the magnitude of the challenges facing us, we certainly live in interesting and challenging times; and indeed, as the ruling party says, working together with all sectors of our society we can accelerate service delivery.

We have an abiding commitment to serve the masses of our people with diligence as well as manage the resources that they have placed at our disposal in a manner that genuinely serves their interests.



Ms. Dipuo Peters, MP
Minister of Energy

2. ACCOUNTING OFFICER'S OVERVIEW

This is the first strategic plan of the newly established Department of Energy (DoE), which was created as a result of the split of the mining and energy portfolios within the Department of Minerals and Energy, in 2009, in order to allow greater focus on energy issues. The Department has been mandated with the responsibility of ensuring secure and sustainable provision of energy for socio-economic development in our country. As the regulator of the energy sector, the Department will play a pivotal role in the development and promotion of this sector of the economy.



Ms. N. Magubane
Director General

As the Department of Energy, we have recognised the need to integrate various energy planning efforts, taking a holistic view (of the energy sector) that moves away from isolating electricity and liquid fuels, thereby recognising their inter-dependence. Our new integrated energy planning strategy will detail the shape and form of our planning process. The medium term strategic objectives are to prioritise interventions that will result in the improvement of energy security through the strengthening of the regulatory framework within the sector.

Creating and maintaining a balance between energy supply and energy demand will form the basis of our short, medium and long term intervention plans. This will require the development of strategic partnerships between government, private sector and communities. These partnerships will result in improved coordination within the sector and ensure reliable delivery and logistics.

The previous strategic plans put more emphasis on developing and strengthening the legislative and regulatory framework governing the energy sector. During this Medium Term Expenditure Framework (MTEF) period, DoE will fast-track the implementation of legislation and frameworks as adopted. Energy efficiency, demand side management, and renewable energy options will form part of key programmes which will be implemented. In this regard the DoE will continue to invest in wind, solar technologies, carbon capture and other clean coal technologies. The DoE will accelerate the diversification of energy sources. With rising energy prices, we will seek to diversify households fuels. While we remain a coal-based economy and continue to observe international efforts to reduce green house emissions and other pollutants, we will continue to collaborate with our international partners in seeking environmentally friendly solutions in securing energy for the Republic.

Energy efficiency programmes will be initiated based on the understanding that Demand Side Management (DSM) is generally less costly than supply side interventions within the electricity industry. The Department has developed a solar water heating framework, which consolidates all solar water heating programmes currently run by various municipalities, public entities and the private sector. This framework also proposes a viable funding mechanism that will allow for the accelerated installation of 1 million solar water heaters by 2014. A standard framework that will provide the incentives for interventions to improve energy efficiency in the domestic, industrial as well as the commercial sectors will be published in the first quarter.

Electricity

The Department will continue with the implementation of the Electricity Regulation Act (2006) by drafting regulations on the new generation capacity. These regulations are aimed at creating an enabling environment for entry into the electricity market by the Independent Power Producers (IPPs) which are targeted to contribute 30% to the overall power generation mix over the MTEF period.

The electrification programme will be strengthened in order to continue its contribution to socio-economic development, job creation, poverty alleviation as well as addressing past imbalances. Accordingly, this project will assist the Department to fulfil its goal of achieving universal access in formal households by 2014.

During the course of the 2010/11 financial year, the Department will be drafting an Integrated Energy Planning Strategy that is expected to outline the requisite processes, systems and structures that will lead to the development of the envisaged comprehensive Integrated Energy Plan (IEP). We are determined to consign to the past experiences such as blackouts, brownouts as well as fuel supply shortages. The IEP is being driven in the main by the reality that energy is the engine of our economy, therefore we need certainty with regard to intervention to meet future energy needs.


Nuclear and Clean Energy

We are committed to ensuring that there is an increase in the supply and use of cleaner energy sources. This can be done through the use of renewable energy, energy efficiency as well as the promotion of environmentally friendly energy policies and technologies. This is in line with the government's sustainable development objectives. As part of the diversification of the energy mix, the department remains committed to expanding the use of nuclear energy for electricity generation. The Department is committed to the expansion of the nuclear energy programme as it is one of the low carbon emission energy solutions. Our plans going forward are to expand the use of nuclear energy for electricity generation.

We will continue with the implementation of the Radioactive Waste Management Policy and Strategy through which we will ensure that proper institutional framework is in place to achieve the safe management and disposal of radioactive waste. Structures associated with the implementation of the nuclear energy policy will be put in place to ensure a coordinated approach.

Hydrocarbons – liquid fuels

The Energy Security Master Plan identified a number of capacity constraints and challenges faced by the petroleum sector in meeting the energy demand. In responding to these challenges, the department plans to publish the National Strategic Fuel Stocks Policy for public comment before the end of 2010. This policy sets out the framework for the storage of fuel stocks by government as well as industry. This is being done in order to guide investment decisions that will be made within the liquid fuels sector. The Department will continue to promote the expansion of refining capacity within the petroleum sector by engaging with relevant stakeholders. There is an urgent need to invest in new refining capacity.



Our country faces significant liquid fuel supply infrastructure constraints. Our inland infrastructure can no longer meet the demand. To this end the Department will work together with Transnet to ensure that the new Multi Product Pipeline is implemented as per schedule. It is in this respect that we will actively promote development in this area.

We will also finalise the South African Fuel Specification and Standards to align them with global vehicle technology trends and environmental requirements. This will enable vehicle manufacturers to introduce engine technologies that are more fuel efficient and result in lower carbon emissions. The certainty will also enable owners of refineries in the country to make the necessary investments in refineries.

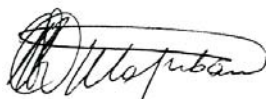
International Relations and Communications

The Department has started with the process of reviewing all the international agreements that have been signed to-date. The purpose and objective of the review exercise is to ensure that these agreements are aligned with our country's national strategic objectives. These will be evaluated to determine their status and validity as well as to provide guidance for agreements that are to be forged and signed in the future. The issue of forging relations with different countries is dynamic and has evolved since the attainment of democracy in 1994. National interests will always determine the social, political and economic developmental strategic milieu within which our interaction with foreign nations is based.

Within the first quarter of the current year, we will finalise this process and make sure that our plans of engagement are biased towards our country needs. Included in our plans is the conclusion of a number of bilateral agreements in the nuclear industry as well as establishing new strategic relationships.

We will be reviewing our communication strategy to ensure that the Department is able to establish its profile as a custodian of the country's energy security. We will also implement an integrated corporate branding and marketing campaigns to profile the work of the Department. This will be buttressed by a sustained media campaign to inculcate, in the national psyche, the challenges that are facing this sector.

All of us at the Department of Energy are committed to making a difference in the lives of South Africans. We are determined to discharge our responsibilities in a manner that ensures that we achieve all the targets which are outlined by the President and our Minister.



Ms. N. Magubane
Director General

3. MANDATE, MISSION, VISION AND VALUES

MANDATE

Ensure secure and sustainable provision of energy for socio-economic development.

MISSION

To regulate and transform the sector for the provision of secure, sustainable and affordable energy.

VISION 2014

A transformed and sustainable energy sector with universal access to modern energy carriers for all by 2014.

VISION 2025

Improving our energy mix by having 30% of clean energy by 2025.

VALUES

Batho-Pele
Ethics
Honesty
Integrity
Accountability
Professionalism
Ubuntu

4. STRATEGIC OBJECTIVES

The Department's strategic plan seeks to deliver results along eight strategic objectives that include promoting energy security through reliable, clean, and affordable sources; universal access to energy sources, transformation of the energy sector, and strengthening the operations and management of the Department.

1. **Ensure energy security** – creating and maintaining a balance between energy supply and energy demand, develop strategic partnerships, improve co-ordination in the sector and ensure reliable delivery and logistics.
2. **Achieve universal access and transform the energy sector** – diversify energy mix, improve access and connectivity, provision of quality and affordable energy, promote safe use of energy and transform the energy sector.
3. **Regulate the energy sector** – develop effective legislation, policies and guidelines, encourage investment in the energy sector, ensure compliance with legislation.
4. **Effective and efficient service delivery** – understand stakeholder needs and improve turn - around times.
5. **Optimal utilisation of energy resources** – develop enabling policies, encourage energy efficient technologies .
6. **Ensure sustainable development** – promote clean energy alternatives, encourage economic development, promote job creation.
7. **Enhance DoE culture systems and people** – attract, develop and retain appropriate skills, promote good organizational culture, make the Department an employer of choice.
8. **Promote corporate governance** – optimal utilisation of resources, manage budget effectively, implement fraud and risk management, and ensure compliance with relevant prescripts.

5. PROGRAMME OVERVIEW

There are currently four programmes that fall under Vote 28: Department of Energy. Broadly, as we are at the early stages of establishing the new department, the strategic objectives of these programmes reflect the Energy component of the former Department. Below is the synopsis of the programmes explaining and detailing work to be undertaken over the next three financial years. This synopsis is not conclusive as more work will still have to be undertaken on the exact structure and configuration of the new Energy Department.

Programme 1: Administration

This programme provides strategic support and management services to the Ministry and the Department of Energy. This programme comprises: (in the Director General's Office) Audit Services Chief Directorate, Strategy, Risk and Monitoring Chief Directorate, Special Programmes and Projects Directorate; Corporate Services Branch (Human Resources, Communication and International Relations, Legal Services, and Auxiliary Support Services); CFO's office-Branch (Finance, Information Technology, and Supply Chain Management).

As of April 1, 2010 the Department of Energy will be a stand alone organisation independent from the mining functions as shared under the Department of Minerals and Energy umbrella. The establishment of a new administration for the DoE with capacity and expertise to discharge the new mandate will be at the centre

stage of work that needs to be done during this MTEF period. We have identified crucial functions needed in the establishment of a new organisation and will, within the first quarter of the year ensure that appropriate capacity is built around these areas using human resources transferred from the Department of Minerals and Energy and newly recruited employees. Like any other new organisation, we will be working tirelessly to refine and adapt systems, processes, procedures including redefining a new culture, values, standard and norms. Sound administration is central to the implementation of a legislative framework; hence this area of work will be treated with strict sensitivity.

In terms of the PFMA, section 38 (1) the Accounting Officer for a department must ensure that his/her department has and maintains effective, efficient and transparent systems of financial and risk management and internal control, a system of internal audit under the control and direction of an audit committee as well as ensuring the effective, efficient, economical and transparent use of the department resources. As a new department we will be implementing and establishing all governance structures, e.g the internal audit function, audit committee, procurement committee (BAC), HR function related committees, e.t.c within the first quarter of the year.

State owned entities are established as instruments of socio-economic advancement. Government's vision is for these entities to have the means to contribute to the improvement in the standard of living of the population by creating sustainable economic and social benefits. The Minister of Energy, as the sole shareholder in the entities within the energy portfolio, has the responsibility of ensuring that the work of each entity is aligned to the departmental and government priorities, the monitoring of the performance of these entities through the review and approval of their annual budgets and business plans, as well as conducting the quarterly performance reviews. Annual strategic workshops/meetings will be held around July/August between the shareholder and the entities, to give strategic direction and ensure the alignment of all strategic plans later in the year. These will be followed by the Ministerial approval of budgets and business plans, and the quarterly performance reviews.


Programme 2: Hydrocarbons and Energy Planning

This programme comprises of two sub programmes; namely Hydrocarbons and Energy Planning. Hydrocarbons, develops policy and regulation to manage petroleum, coal and natural gas. The Petroleum Controller is included in this sub-programme and is responsible for the implementation of the Petroleum Product Amendments Act (Act no 58 of 2003). Energy planning in particular focuses on promoting the sustainable use of energy resources through integrated energy planning.

Programme focus areas:

During the first half of the 2010/11 financial year, the department will be drafting an Integrated Energy Planning Strategy which is expected to outline the requisite processes, systems and structures that will lead to the development, during the latter part of the year, of the envisaged comprehensive Integrated Energy Plan (IEP). The IEP is being driven in the main by the reality that energy is effectively all over and it is driven by the convergence of energy sources and one cannot talk about electricity without referring to liquid fuels including liquefied petroleum gas and vice versa.

This programme will also focus on strengthening the regulatory framework in the petroleum products industry by implementing the regulatory accounting system before March 2011. The national strategic fuel stocks policy



will be revised to include the holding of commercial stock as well as emergency stock. The policy will outline a framework for the storage of fuel stocks by government as well as industry in order to improve the security of supply.

This year will mark ten years since the Liquid Fuels Charter was agreed, and the branch will deal with the issue of whether this charter has achieved what it was originally intended to achieve and what improvements need to be made through the review process to be undertaken this year. The results of the review should redefine the parameters within which the continuation of the transformation of the sector will take place.

The Department is also planning to embark on the process to promote the greater use of LPG for thermal purposes. This will among other things advance the diversification use of energy sources as well as to relieve the burden on the use of electricity. This will involve the development of the LPG strategy that will also outline the licensing framework by the end of 2010/11.

Biofuels pricing framework will be developed in order to guide investment decisions and expand the Biofuels market as envisaged in the Biofuels Strategy.

Programme 3: Electricity, Nuclear and Clean Energy

Electricity and Nuclear management provides the platform for the overall management of the programme. The *Electricity* sub-programmes develop, implement and monitor electricity policy and programmes. The Integrated National Electrification programme (INEP) Business Planning Unit manages the electrification planning, funding and implementation process, including addressing electrification backlogs in the quest to achieve universal access to electricity.

The *Nuclear* sub-programme aims to improve the governance of the nuclear sector, specifically in relation to nuclear safety, non-proliferation, as well as nuclear technology.

The *Clean Energy* sub-programme facilitates the implementation of renewable energy and Energy Efficiency Technologies and also promotes and regulates the Clean Development Mechanism (CDM) activities.

Programme focus areas

(Electricity) Integrated Resource Plan (IRP)

Since the promulgation of the interim Integrated Resource Plan, commonly known as IRP 1, to cover the period from 2010-2012, the Department has subsequently embarked upon a process to conclude the updated IRP2 to cover the 20-year period from 2013. IRP2 will be based on an extensive stakeholder consultation process to ensure that all interested and affected parties are given ample opportunity to contribute to its finalisation. The aim of the plan is to develop an electricity generation plan that will meet the projected demand, through a combination of diverse technologies and primary energy sources. The plan takes into account government policy objectives for the electricity sector, this include mitigating carbon emissions, ensuring supply adequacy, diversifying the generation options, as well as imports from neighbouring countries etc.

These “risk adjustment” measures will be introduced into the plan in a manner that makes the IRP deviate from the traditional business-as-usual approach common in the South African electricity sector. The IRP will also be linked with a funding plan to ensure that it is practical and executable.

Once promulgated, a key outcome is that the IRP forms the basis for electricity licences which NERSA is required to issue. The IRP will not pronounce on who will make the respective capital investments, as this will be the prerogative of the Minister of Energy in line with regulations under the Electricity Regulation Act.

In implementing the decision to introduce additional nuclear power generation capacity to the country’s base-load generating capacity as well as to diversify the electricity generation mix away from its almost exclusive reliance on coal, the country will pursue nuclear energy as envisioned by the Nuclear Energy Policy of 2008. The Department will develop the nuclear energy implementation strategy in order to achieve these objectives. The strategy will address matters such as legal and regulatory framework, skills development, stakeholder engagement and communication, nuclear fuel cycle, industrialisation and localisation, funding and procurement.

Energy efficiency and demand side management (EEDSM)

A financial incentive scheme will be introduced (the standard offer), in terms of which project developers can claim a rebate in respect of the number of kilowatt-hours they have abated from the electricity system. This “standard offer” will be outcomes based (energy saved) and is independent of the technology that is deployed to achieve the energy saving. It is expected that interventions will emanate from the residential sector (e.g. the replacement of incandescent lighting with energy saving bulbs), the industrial sector (e.g. the power conservation program in terms of which key industrial customers can claim incentives due from less energy intensive production methods) or the commercial sector (e.g. energy efficiency interventions like improved insulation in buildings).

One of the key interventions in EEDSM is the Solar Water Heater (SWH) programme, in terms of which a commitment has been made to progressively deploy the SWH for water heating in all residential dwellings (approximately six million households). The outcomes of this programme include electricity demand reduction (3 600MW), localisation of SWH technology (design and production), climate change abatement, job creation and skills development.

The extent of electricity penetration in the domestic sector is currently about 75% on aggregate. The target date to reach universal access for all formal households is 2012, with informal dwellings to follow by 2014 in line with the Department of Human Settlements target.

All schools identified by the Department Basic of Education as functional centres of learning will be electrified by June 2010 and all clinics have been electrified. Approximately 150 000 new households will be connected to the grid, plus six new bulk substations.

The off-grid electricity program will connect another 10 000 households utilising Solar Home Systems (SHS), in terms of which a photovoltaic technology is used to generate enough power to provide for lighting and running a few electronic appliances.

Programme 4: Associated Services

The programme is made up of five State Owned Entities reporting to the Minister of Energy, namely: **Regulators** – the National Nuclear Regulator (NNR) and the National Energy Regulator (NERSA), **Research and Development** – the Central Energy Fund (FEC), South African Nuclear Energy Corporation (NECSA), and **other** – the Electricity Distribution Industry Holdings (EDIH).

(the summary of the State Owned Entities' objectives is included in the latter part of the document)

6. ORGANISATIONAL ENVIRONMENT

The Department of Energy was established in May 2009 as a result of the decision of the President to separate the Department of Minerals and Energy into two independent departments. This restructuring was informed by the increasing recognition of the importance of achieving energy security in a world dominated by varying and different interests. The aim of the Department of Energy is to formulate and exercise oversight on the implementation of overall energy policies and to ensure access to affordable and reliable energy by all South Africans and to promote environmental friendly carriers.

Between 2006/07 and 2009/10 emphasis was placed in developing and strengthening the legislative and regulatory framework. In 2008/9, first steps were taken to introduce the integration of energy through the energy act, which basically allow greater integration of various energy planning initiatives in this sector.

In view of the lesson learned, the proposed new configuration will include the following programmes: Policy Development, Energy Operational Services, Nuclear Energy, Integrated Energy Planning and Support Services. The process of setting up the Department of Energy is a complex and varied process which should not be under estimated. We will be implementing the new DoE structure over the MTEF period with the aim of a fully capacitated structure within the first two years. The new structure has taken into account, amongst others, the crucial point of positioning the HR function within government departments as directed by the DPSA. During this year, we will develop and start the implementation of the department's Integrated Human Resource Plan that will cover areas like the HR capital needs of the department (going forward), individual strategies on human resource development, talent management, knowledge management, etc.

We have given careful consideration to the envisaged Department and its strategic direction. Greater attention in improving project management capacity within the Department will be enhanced. Equally, we will ensure that the Department workforce is better prepared for the task ahead.

People are the DoE's most important resource. The Department's human capital management efforts are focused on an integrated approach which ensures that human capital programmes and policies are linked to our mission, strategies, and goals, while providing for continuous improvement in efficiency and effectiveness. Within the Department, senior managers of the individual programmes are responsible for successfully accomplishing their organisation's mission as well as creating a challenging and productive workplace environment.

We will strive to create a Department-wide performance culture that is focused on individual and organisational accountability which is aligned to realise the achievement of the DoE's programmatic goals and priorities. The Department will move with fortitude and speed to recruit, develop, and retain a qualified as well as diverse workforce suited for the demands of the 21st century.

7. POLICY DEVELOPMENT AND LEGISLATIVE CHANGES

The legislative focus of the department during 2010/11 will be on the following:

- **The Seventeenth Constitutional Amendment Bill:** the aim of the Bill will be to amend the Constitution of the Republic of South Africa, 1996, so as to empower the national government to further regulate the exercise by municipalities of their executive authority in respect of local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 when it is necessary to achieve regional efficiencies and economies of scale in respect of a specific municipal function and to provide for matters connected therewith.
- **REDS Establishment Bill:**
The aim is to establish efficient regional electricity distributors.
- **Electricity Regulation Amendment Bill:**
This is aimed at amongst others addressing the expropriation of land for electricity infrastructure; provision for the establishment of Independent System and Market Operator, and eventually to allow the regulator to have a discretion in imposing penalties based on the nature of the offence.
- **New Generation/IPP Regulation:**
The Independent Power Producer (IPP) meaning any undertaking by any person or entity, in which the government of South Africa does not hold a controlling ownership interest (whether direct or indirect), of new generation capacity at a generation facility following a determination made by the Minister in terms of section 34(1) of the Electricity Regulation Act of 2006. This will address the anomaly where there is a need for more regulatory intervention to level the playing field in the electricity generation sector.
- **The Petroleum Products Amendment Act, 2003 (No 58 of 2003)** will be reviewed to empower the Minister of Energy to act against non-compliance in the liquid fuel sector.
- **The National Energy Act, 2008 (No 34 of 2008)** is a framework legislation which empowers the Minister to adequately execute certain initiatives to achieve the security of supply. One of the most critical aspects of ensuring the security of supply is to have an Integrated Energy Plan which is informed by factual and evidence-driven data and information. Data with respect to energy is currently collected and provided to the Department on a voluntary basis. This in effect has led to insufficient data being readily available for effective planning and usage by the Department. The National Energy Act empowers the Minister of Energy to, amongst other, develop Regulations for the Provision of Energy Data. These Regulations are aimed at making it mandatory for certain stakeholders to provide the Department with energy and energy related data on a periodic basis. The Regulations are currently being drafted within the Department and the first draft for public comments will be published by the beginning of the 2010/2011 financial year with the final Regulations being published towards the end of September.
- The review of the **fuel specification regulations** will also be initiated to advance to higher and cleaner fuels that would enable vehicle technology of higher emission standard.

8. RESOURCE PLAN

| Energy Programme | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|--|-----------------|----------------|----------------|------------------------|------------------|----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | | | 2010/11 | 2011/12 | 2012/13 |
| 1. Administration | 34.8 | 40.1 | 53.4 | 68.2 | 68.2 | 104.2 | 127.7 | 106.9 |
| 2. Hydrocarbons and Energy Planning | 31.2 | 35.6 | 44.2 | 55.3 | 54.4 | 1 558.6 | 1 564.6 | 1 571.2 |
| 3. Electricity, Nuclear and Clean Energy | 65.0 | 86.7 | 262.6 | 340.0 | 327.5 | 408.8 | 513.7 | 116.5 |
| 4. Associated Services | 1 799.8 | 2 026.7 | 2 558.2 | 3 293.4 | 3 290.1 | 3 463.8 | 3 533.6 | 3 744.0 |
| Total | 1 930.8 | 2 189.1 | 2 918.4 | 3 756.9 | 3 740.2 | 5 535.4 | 5 739.6 | 5 538.7 |
| Change to 2009 Budget estimate | | | | (14.6) | (2.1) | 1400.2 | 1279.1 | 1 400.7 |

| Economic classification | 128.5 | 157.3 | 170.6 | 195.4 | 194.5 | 202.1 | 235.6 | 220.7 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Current payments | 128.5 | 157.3 | 170.6 | 195.4 | 194.5 | 202.1 | 235.6 | 220.7 |
| Compensation of employees | 49.7 | 68.2 | 84.6 | 113.1 | 112.1 | 133.0 | 140.4 | 142.8 |
| Goods and services | 78.8 | 89.0 | 86.0 | 82.4 | 82.4 | 69.1 | 95.1 | 77.9 |
| of which: | | | | | | | | |
| Administrative fees | 1.0 | 0.6 | 0.7 | 13.7 | 13.7 | 3.7 | 4.6 | 4.5 |
| Advertising | 1.9 | 2.3 | 2.6 | 1.7 | 1.7 | 3.4 | 3.9 | 3.6 |
| Assets less than the capitalisation threshold | 0.6 | 0.5 | 0.6 | 0.7 | 0.7 | 1.6 | 6.8 | 2.0 |
| Audit cost: External | 0.5 | 0.5 | 0.8 | 0.6 | 0.6 | 1.8 | 2.0 | 2.0 |
| Bursaries: Employees | 0.2 | 0.3 | 0.3 | 0.5 | 0.5 | 2.1 | 2.7 | 2.5 |
| Catering: Departmental activities | 0.9 | 0.9 | 1.2 | 1.3 | 1.3 | 3.2 | 3.5 | 3.4 |
| Communication | 1.9 | 2.0 | 3.2 | 2.5 | 2.5 | 5.2 | 5.5 | 5.2 |
| Computer services | 2.3 | 2.0 | 4.8 | 9.3 | 9.3 | 7.0 | 13.3 | 10.0 |
| Consultants and professional service: Business and advisory services | 32.8 | 29.4 | 8.2 | 1.7 | 1.7 | 7.3 | 7.2 | 6.4 |

| | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Consultants and professional service: Infrastructure and planning | – | 0.9 | 7.6 | 6.0 | 6.0 | 1.1 | 1.4 | 1.7 |
| Consultants and professional service: Legal costs | 0.2 | 0.4 | 0.8 | 1.1 | 1.1 | 1.2 | 1.5 | 1.9 |
| Contractors | 0.6 | 1.6 | 2.9 | 1.7 | 1.7 | 0.8 | 1.7 | 0.8 |
| Agency and support / outsourced services | 0.1 | 0.2 | 7.3 | 9.0 | 9.0 | 4.4 | 5.1 | 5.2 |
| Entertainment | 0.1 | – | 0.0 | 0.1 | 0.1 | 0.5 | 0.6 | 0.7 |
| Inventory: Food and food supplies | 0.0 | – | – | – | – | 0.2 | 0.5 | 0.2 |
| Inventory: Fuel, oil and gas | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.3 | 0.3 |
| Inventory: Learner and teacher support material | – | – | 0.4 | 0.4 | 0.4 | 0.2 | 0.5 | 0.6 |
| Inventory: Materials and supplies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.4 | 0.5 |
| Inventory: Medical supplies | – | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 |
| Inventory: Other consumables | 0.0 | 0.0 | 0.3 | 0.2 | 0.2 | 0.6 | 0.4 | 0.4 |
| Inventory: Stationery and printing | 1.1 | 1.1 | 2.1 | 2.1 | 2.1 | 1.4 | 1.0 | 1.5 |
| Lease payments | 5.6 | 5.0 | 4.5 | 0.7 | 0.7 | 7.2 | 10.7 | 6.1 |
| Property payments | 0.2 | 0.7 | 0.8 | 0.2 | 0.2 | 0.8 | 0.9 | 1.0 |
| Transport provided: Departmental activity | – | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.2 |
| Travel and subsistence | 19.9 | 22.5 | 20.6 | 13.0 | 13.0 | 9.0 | 11.2 | 8.7 |
| Training and development | 0.5 | 1.0 | 1.1 | 1.7 | 1.7 | 2.1 | 4.3 | 2.5 |
| Operating expenditure | 6.9 | 11.9 | 10.7 | 10.6 | 10.6 | 2.5 | 2.9 | 3.4 |
| Venues and facilities | 1.3 | 5.1 | 4.3 | 3.4 | 3.4 | 1.4 | 1.7 | 2.3 |
| Transfers and subsidies | 1 800.4 | 2 030.3 | 2 744.1 | 3 543.1 | 3 558.9 | 5 328.7 | 5 499.1 | 5 312.8 |
| Provinces and municipalities | 390.8 | 462.5 | 589.1 | 1 092.2 | 1 108.0 | 1 240.1 | 1 376.6 | 1 151.4 |
| Departmental agencies and accounts | 77.5 | 84.0 | 99.6 | 96.0 | 96.0 | 81.5 | 26.4 | 34.4 |
| Public corporations and private enterprises | 1 331.8 | 1 483.6 | 2 054.9 | 2 354.6 | 2 354.6 | 4 006.7 | 4 095.7 | 4 126.6 |

| | 1.9 | 1.6 | 3.4 | 2.6 | 2.6 | 4.6 | 5.0 | 5.3 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Payments for capital assets | | | | | | | | |
| Machinery and equipment | 1.8 | 1.1 | 2.9 | 2.2 | 2.2 | 4.6 | 5.0 | 5.3 |
| Land and sub-soil assets | 0.1 | – | – | – | – | – | – | – |
| Software and other intangible assets | 0.0 | 0.5 | 0.6 | 0.4 | 0.4 | – | – | – |
| Payments for financial assets | 0.0 | – | 0.2 | – | – | – | – | – |
| Total | 1 930.8 | 2 189.1 | 2 918.4 | 3 756.9 | 3 740.2 | 5 535.4 | 5 739.6 | 5 538.7 |

Associated Services

| Sub-programme | Audited outcome | | | Adjusted appropriation | | Medium-term expenditure estimate | | |
|--|-----------------|----------------|----------------|------------------------|----------------|----------------------------------|----------------|--|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | |
| R million | | | | | | | | |
| South African Nuclear Energy Corporation | 356.4 | 388.3 | 554.7 | 564.1 | 574.1 | 601.9 | 589.7 | |
| National Nuclear Regulator | 14.7 | 18.0 | 20.3 | 23.8 | 20.0 | 14.6 | 11.4 | |
| Electricity Distribution Industry Holdings Company | 62.8 | 65.9 | 69.3 | 72.2 | 61.6 | 11.8 | 23.0 | |
| National Electrification Programme | 1 365.9 | 1 554.5 | 1 913.9 | 2 633.3 | 2 808.1 | 2 905.3 | 3 119.9 | |
| Total | 1 799.8 | 2 026.7 | 2 558.2 | 3 293.4 | 3 463.8 | 3 533.6 | 3 744.0 | |
| Change to 2009 Budget estimate | | | | | (92.2) | (234.6) | 70.5 | |

Economic classification

| | 1 799.8 | 2 026.7 | 2 558.2 | 3 293.4 | 3 463.8 | 3 533.6 | 3 744.0 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transfers and subsidies | | | | | | | |
| Provinces and municipalities | 390.7 | 462.5 | 589.1 | 933.0 | 1 020.1 | 1 096.6 | 1 151.4 |
| Departmental agencies and accounts | 77.5 | 84.0 | 89.6 | 96.0 | 81.5 | 26.4 | 34.4 |
| Public corporations and private enterprises | 1 331.5 | 1 480.3 | 1 879.5 | 2 264.5 | 2 362.1 | 2 410.6 | 2 558.2 |
| Total | 1 799.8 | 2 026.7 | 2 558.2 | 3 293.4 | 3 463.8 | 3 533.6 | 3 744.0 |

**(B) PROGRAMME BUSINESS PLANS
PROGRAMME 1: CORPORATE SERVICES**

Purpose: Provide strategic support and management services to the Ministry and the Department

STAKEHOLDER / CUSTOMER PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|--|---|--|------------------------------|------------------------------|------------------------------|--|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Ensure Energy Security | Strategic partnerships | Number of bilateral and multilateral agreements implemented | 3 | 5 | 7 | Review signed international agreements |
| | | | 40% | 70% | 100% | Evaluate and review existing MOU and agreements of SOEs |
| | | Annual submission of Energy priorities to Dept of International Affairs and Co-operation | November | November | November | Prepare and submit annual submission of priority countries to DICO |
| Achieve Universal Access and Transform the Energy Sector | Safe use of energy | Number of public safety campaigns | 1 Quarterly | 1 Quarterly | 1 Quarterly | Public awareness campaigns and information session |
| | | | | | | Create partnerships with other Government Department, Provincial Governments, Municipalities and SOEs |
| | Greater public appreciation in ensuring universal access to energy | Number of public events to profile the work of INEP | As per INEP programme | As per INEP programme | As per INEP programme | Profile INEP as the flagship program of DoE |
| | Mainstreaming gender and youth programmes within the operations of the department | Reduction of unequal treatment of employees/public on the basis of gender and age | Approval | Implement | Review | Develop and implement gender and youth empowerment strategy |
| | | | 3 | 5 | 5 | Conduct workshops |
| | | | 3 | 5 | 5 | Conduct roadshows |
| | | | As per government programmes | As per government programmes | As per government programmes | Participate in multilateral committees and Inter Governmental structures dealing with mainstreaming of vulnerable groups |
| | | | Annually | Annually | Annually | Co-ordinate and report the department's progress on gender, youth and disabled persons |

INTERNAL SYSTEMS & PROCESSES PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|--|--------------------------------------|--|-------------|-------------|-------------|--|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Effective and Efficient Service Delivery | Stakeholder Needs understood | Number of queries dealt with from the Presidential Hotline | 90% | 95% | 100% | Establish and capacitate the Public Liaison desk/ office |
| | Enhanced awareness of DoE programmes | Number of stakeholder engagements held | 4 per annum | 4 per annum | 4 per annum | Setting up of the stakeholder fora |
| | | | | Quarterly | Quarterly | Media conferences |
| | | | | Quarterly | Quarterly | Civil society engagement |
| | | | | 6 | 6 | 6 |
| | | | 100 monthly | 100 monthly | 100 monthly | Effective media monitoring service |
| | | | 1 | 1 | 1 | Conducting of customer satisfaction survey |

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|---|--|--|-------------|-------------|-------------|----------------------|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Optimal Utilisation of Energy Resources | Enhanced awareness of energy efficiency and demand side management | Number of campaigns conducted, developed and implemented | 2 per annum | 2 per annum | 2 per annum | Marketing campaigns |

LEARNING & GROWTH PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | |
|----------------------------|---|---|--|---------|---------|---|--|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Culture Systems and People | Attract and Retain Staff | % Reduction Staff Turnover rate | N/A | 1% | 1% | Development and implementation of the HR Plan and retention strategy | |
| | | % Reduction in vacancy rate | 1% | 1% | 1% | Development and implementation of the HR Plan and retention strategy | |
| | | % Implementation of HRD strategy | 50% | 50% | 50% | Implementation of identified training programmes | |
| | Promote Core Values | Number of career / development initiatives (career opportunities, skills initiatives, etc.) implemented | 6 | 6 | 6 | Marketing of DoE skills initiatives at educational institutions. | |
| | | % implementation of Talent Management Strategy | Approval | 40% | 60% | Develop and Implement talent management plan Develop and implement framework for succession planning | |
| | | Number of Service Delivery Improvement Plans Developed | 1 | 1 | 1 | Development and implementation of Corporate Services SDIPs annual plans | |
| | Improved Leadership and Management Capability | Attract and Retain Staff | Number of Core Values Workshops Conducted | 2 | 2 | 2 | Facilitate and conduct Core values workshops |
| | | | Number of climate surveys / client satisfaction survey (focusing on core values) conducted (Internal and External) | 0 | 1 | 1 | Conduct climate surveys |
| | | Promote Core Values | % Management completed the leadership/management courses | 50% | 70% | 100% | Implementation of the management development training programme |
| | | | % Return on investment on training and development | 0% | 50% | 70% | Implementation of monitoring and evaluation of training programmes |

FINANCIAL PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|------------------------------|--------------------------|--|---------|---------|---------|---|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Promote Corporate Governance | Ensure Compliance | Comply with PFMA and Treasury Regulation | 100% | 100% | 100% | Establish Internal Audit function and Audit committee |
| | | % Execution of | 60% | 80% | 100% | Establishment of the Risk and Fraud Management function |
| | Align Budget to Strategy | % Budget Aligned to Strategy | 95% | 95% | 95% | Implement Risk Management and Fraud Prevention annual plans |
| | Manage Costs Effectively | % Variance on Allocated Budget for goods and Services | 5% | 5% | 5% | Compile and monitor spending plans |
| | | Reduction in wasteful, fruitless and irregular expenditure | 0% | 60% | 80% | Monitoring actual expenditure to budget and take corrective action |
| | | | | | | Take necessary corrective measures on identification of wasteful, fruitless and irregular expenditure |

SUB-PROGRAMME 1.1: CHIEF FINANCIAL OFFICER

STAKEHOLDER / CUSTOMER PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|---|-------------------------------|--|---------|---------|---------|--|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Promote and Transform the Energy Sector / HDSA and Equity | Drive Transformation Policies | % Procurement spend on targeted groups | 40% | 50% | 60% | Develop and implement sourcing strategy |
| | | % Compliance with Employment Equity Targets | 90% | 95% | 100% | Instil a culture of recruiting inline with the departmental EE plan |
| Educate and Communicate with Stakeholders | | % Increase in the Number of HDSA participating in Departmental Procurement | 10% | 15% | 20% | Conduct supplier information session |
| | | | | | | Establish Direct publication line of procurement opportunities to HDSA |

INTERNAL SYSTEMS & PROCESSES PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|--|---------------------------------------|--|---------|---------|---------|---|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Regulate the Energy Sector | Implement Policies and Guidelines | Number of Policies Developed | 4 | 0 | 0 | Develop identified policies |
| | | Number of Guidelines / Procedures Developed | 4 | 0 | 0 | Develop & publish procedure manuals for approved policies |
| | | Number of Policies Reviewed | 10 | 4 | 0 | Review identified policies |
| | Develop and Review Internal Processes | Number of Internal Processes Identified for Review | 5 | 4 | 0 | Conduct Gap analysis on existing processes/procedures |
| | | Number of Internal Processes Reviewed | 5 | 4 | 0 | Review all identified processes/procedures |
| | | Number of Internal Processes Implemented | 5 | 4 | 0 | Align forms to identified processes/procedures |
| | | Number of Guidelines Reviewed | 0 | 0 | 15 | Review and publish procedure manuals |
| | Improve Turnaround Time | % Adherence to Prescribed Time Frames | | 100% | | Review existing turnaround times |
| | | | | | | Monitor adherence to defined turnaround times |
| | | | | | | Sign and register all identified SLA's |
| Effective and Efficient Service Delivery | Implement Service Level Agreements | Number of SLA Implemented | 12 | 12 | 12 | Monthly report on adherence to signed SLA's |
| | | % Adherence to SLA's | 100% | 100% | | |

LEARNING & GROWTH PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|-----------------------------|---|---|----------------|----------------|---|--|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Culture, Systems and People | Improve Management and Leadership Capabilities | % Management Completed the Management Courses | 80% | 90% | 100% | Create the culture for managers to successfully complete courses |
| | | Number of 360 degree Assessments Completed | 1 | - | 1 | Conduct 360 degree assessment in line with HRD template |
| | | % of PDP's Aligned to Management Requirements | 80% | 100% | 100% | Develop PDPs for all managers |
| | Attract, Develop and retain Skills | % Staff Turnover from level 7 | 20% | 20% | 20% | Create a conducive working environment |
| | | Turnaround times on filling Vacant posts | 3 Months | 3 Months | 3 Months | Submit advertisement within 1 week of resignation |
| | | % of Staff with PDPs' | 80% | 100% | 100% | Develop PDPs for all employees |
| | Implement Effective Systems | Average length of Time to Fill Vacancies | Refer to above | Refer to above | Refer to above | Refer to above |
| | | Increase the Availability of Systems | 90% | 95% | 95% | Monitor and take remedial action on all exceptions |
| | | Number of Awareness Initiatives Introduced | 3 | 2 | 2 | Develop an ICT user awareness strategy |
| | | % Reduction in the Number of ICT Related Complaints | 30% | 60% | 80% | Monitor and take remedial action on all reported cases |
| Promote Core Values | % of Service Delivery Improvement Initiatives Implemented | 50% | 80% | 100% | Implement and Monitor achievement of Service Delivery Improvement initiatives | |
| | % of identified critical positions security cleared | 100% | 100% | 100% | Identify and vet all key personnel | |
| Drive Innovation | Number of Core Values Workshops Conducted | 2 | 2 | 2 | Conduct workshops | |
| | Value of Cost Savings | 5% | 5% | 5% | Quantify the monetary value associated with the new innovation | |
| | Number of Processes Improved | 6 | 6 | 6 | Create an environment that is conducive to innovative thinking | |

FINANCIAL PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|------------------------------|-----------------------------------|--|--------------------|----------|----------|---|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Promote Corporate Governance | Align Budget to Strategy | % Budget Aligned to Strategy | 80% | 90% | 90% | Cost all strategy initiatives |
| | Maximize Utilisation of Resources | % Reduction in the Number of Assets Disposed prior to the End Lifespan | establish baseline | 5% | 10% | Develop and implement a loss management strategy |
| | Implement Risk Management | % Execution of fraud prevention and ERM implementation plans | 60% | 80% | 100% | Implement Risk Management and Fraud Prevention annual plans |
| | Manage Costs Effectively | % Variance on allocated budget for goods and Services | | 5% | 5% | Monitoring actual expenditure to budget and take corrective action |
| | | Reduction in wasteful, fruitless and irregular expenditure | | 60% | 80% | Take necessary corrective measures on identification of wasteful, fruitless and irregular expenditure |
| | Ensure Compliance | Number of repeat findings on internal audit follow up report | | 0 | 0 | Develop a monitoring mechanism for internal audit findings |
| | | Comply with PFMA | | 100% | 100% | Monitor compliance and take corrective measures |
| | | Comply with PSA | | 100% | 100% | Implement compliance frameworks |
| | | Unqualified Audit Report | | Annually | Annually | Implement management representation measures for all processes |

Programme 2: Hydrocarbons and Energy Planning

Purpose: Undertake integrated energy planning to promote the sustainable use of energy resources by developing appropriate policies and regulations that promote efficient use of petroleum products, coal, gas and renewable energy sources.

CUSTOMER / STAKEHOLDER PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost | |
|------------------------|-----------------------------------|---|--|--|---|--|--|------------------------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | | |
| Ensure Energy Security | Balanced Energy Supply and Demand | Develop Integrated Energy Plan for the country | Phase 1&2 | Phase 3 | Implementation | <ul style="list-style-type: none"> Development of an IEP Strategy Put in place structures and capacitate Department to develop IEP Development of an IEP (<i>Develop energy supply and demand forecast model</i>) Address supply-demand gaps | R3 million over two-year period | |
| | | Implement analytical capability to guide the planning process | Phase 1&2 | Phase 3 | Maintenance | Implementation of an energy modelling system | Included in R3m stated above | |
| | | Centralised, well maintained and high quality energy data | Development of Data Collection Regulations | Development of a centralised data repository | Enhancement of centralised energy data repository | Develop regulatory instrument for data collection | Development of a central national energy database (<i>Clear energy statistics methodology</i>) | Included in R3m stated above |
| | | Gazetted data collection regulations | Development of Data Collection Regulations | Gazetting and implementation of regulation | Ongoing implementation of regulation | Develop regulatory instrument for data collection | | No cost implications |

CUSTOMER / STAKEHOLDER PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|------------------------|-------------------------------------|--|--|--------------------|-----------------------|--|--|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Ensure Energy Security | Improve Co-ordination in the Sector | Stakeholder Database | 90% of stakeholders captured | 95% | 100% | Develop a stakeholder data base | |
| | | Number of international engagements | 5 per annum | 5 per annum | 7 per annum | Identify countries of strategic importance and initiate bilateral and multilateral negotiations Maintain existing relations | R350k |
| | | No. of regular and ad-hoc meetings with stakeholders | six | six | six | Establish Energy Stakeholder Forums | R250k |
| | | A major workshop / Summit per annum | one | one | one | Host regular workshops and summits | R500k |
| | | No. of Energy SOE engagements | four per annum | four per annum | four per annum | Manage/Exercise oversight over DoE's SOEs through engagement in Board activities and strategic planning | R100k |
| | | Integrated Energy Plan | Intergrated Energy Strategy Intergovernmental Energy Planning Committee established | Development of IEP | Implementation of IEP | Establish inter-governmental coordination structures at operation level to oversee the development of the IE strategy and Plan | No cost implications (Inherent costs included in R3m for development of IEP) |

CUSTOMER / STAKEHOLDER PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|------------------------|---|---|---|---|---|--|--|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Ensure Energy Security | Reliable Transmission and Distribution Networks | Distribution infrastructure database developed | 90% | 95% | 100% | Develop database regarding the state of the distribution infrastructure | |
| | | Amended regulations on licensing conditions as prescribed in the PPAA | Drafting of the regulations and stakeholders consultation | Promulgation of amended licensing conditions | | Enforce Regulatory principles through licensing conditions (rules, regulations etc) | N/A |
| | | Managed and funded security of supply component of New Multi-Products Pipeline (NMPP) | Zero underspending for installation of 24-inch trunkline Funding mechanism and acquisition of line-fill | Zero underspending for installation of 24-inch trunkline Funding mechanism and acquisition of line-fill | Zero underspending for construction of all related assets and commissioning of complete network | Manage the funding of the security of supply component of the New Multi-Products Pipeline (NMPP) and its line-fill | R 1.5 billion p.a. over 3 years for security of supply component of NMPP |
| | | % Filled regulatory gaps | 50% | 70% | 90% | Identification and rectification of regulatory gaps | |
| | | Monthly Shutdown Schedule Reports | 12 Reports per annum | 12 Reports per annum | 12 Reports per annum | Effective shutdown management | |
| | | Implement Fuel Strategic Stocks Policy | Approval of the strategic stocks policy and development of relevant Regulations | Oil companies to keep 14 days of emergency stocks in finished products | Government to start by keeping 21 days of stocks in finished products | Development of Fuel Strategic Stocks Policy | |
| | | No. of multilateral and bilateral agreements concluded | two | two | two | Identify countries of strategic importance and initiate bilateral and multilateral negotiations | |
| | | Formalised cooperative arrangements | three | three | three | Form and operationalise Commissions and MOUs | None anticipated for Year 1 |

CUSTOMER / STAKEHOLDER PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|--|--------------------------------------|---|---|--|--|---|-----------------------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Achieve Universal Access and Transform the Energy Sector | Diversified Energy Mix | Bio-fuels Pricing Framework | CEF/IDC pilot project oversight Cabinet Update Report | Promulgated Pricing Framework | Implementation and monitoring | Improve bio-fuels production and uptake | R60k |
| | | % Increase in the use of LPGGas for thermal purposes | 20% increase of LPG usage in households | 40% Increase of LPG usage in households | 60% increase in LPG usage in households | Promote uptake of alternative energy sources with focus on LPG Promulgation of the LPG regulations | |
| | Improved Access and Connectivity | No. of proposed new leCs with new partners | 2leC | 2 leCs | 2 leCs | Increase the number of Integrated Energy Centres by getting more oil companies to participate | R 100k |
| | | Percentage of functional leCs | 1 Cooperative | 1 Cooperative | 1 Cooperative | Facilitate Development of Energy Cooperatives | |
| | Affordable and Quality Energy Supply | Regulatory Accounting System | Completion of the regulatory accounting system | Implementation of the regulatory accounting system | Implementation of the regulatory accounting system | Regulate petroleum prices | R2.5M (10/11) R200k p.a. |
| | | Revised fuel specifications and standards (Regulation Roadmap)s | Stakeholder consultation workshops and draft Roadmap | Promulgation of Roadmap | Monitoring of progress in line with Roadmap | Review fuel specifications and standards (clean fuels 2) | R50k |
| | | Number of fuel samples tested for specification | 16 tests per annum | 17 Tests per annum | 18 Tests per annum | Enhance compliance monitoring and enforcement | R30000K |
| | Promoted Safe Energy Use | Review of LPG prices at a household level | Promulgated Regulations | Promulgated Licensing regulation | Holistic review and supply improvements | Development of LPG Pricing regulations and review of LPG licensing framework | R150k |
| | | One campaign per region | 9 Campaigns per annum | 9 campaigns per annum | 9 Campaigns per annum | Educate the public on energy safety through extensive awareness campaigns | |
| | | IP Safe Appliances Programme | Pilot project | Rollout | Rollout | Promote use of safe appliances | |

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|--|---------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|---|----------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Achieve Universal Access and Transform the Energy Sector | Transformed Energy Sector | Monitoring and evaluation report | 1 Report per annum | 1 Report per annum | 1 Report per annum | Annually monitor the implementation of the Liquid Fuels Charter | |
| | | Petroleum Products Amendment Act | Stakeholder consultation | Promulgation of Regulations | | Review of the Petroleum Products Act | R500k |

INTERNAL PROCESSES / SYSTEMS

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|----------------------------|--|-------------------------------|---------------------------------------|---|--|---|----------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Regulate the Energy Sector | Effective Legislation, Policies and Guidelines | Empowerment Framework | Stakeholder consultation and drafting | Approval of the reviewed framework and implementation | Implementation of the new framework and monitoring | Review the Liquid Fuels Charter | R700K |
| | | Upstream oil and gas strategy | Formulation of strategy | Develop an Implementation Plan | Execution of the plan | Develop upstream oil and gas strategy Research and Benchmarking studies | |
| | | Gas Amendment Act | Review of the Gas Act | Amendment | Promulgation | Review Gas Act (No. 48 of 2001) to include all methane gases from all sources. Currently only piped gas falls within the Act. | |

INTERNAL PROCESSES / SYSTEMS

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|--|------------------------------|--|--|--|--|---|----------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Regulate the Energy Sector | Compliance with Legislation | Number of licence inspection | 3660 inspections per annum. | 3660 inspections per annum. | 3660 inspections per annum. | Increase the number of Inspections conducted | R62000k |
| | | Facilitate the legal process | 21 working days turn around time per arbitration request | 14 working days turn around time per arbitration request | 14 working days turn around time per arbitration request | Develop an Environmental Management Plan and compliance reports for DOE | R3000k |
| | | Amendment of the PPAA to accommodate spot fines | Inputs submitted to policy | | | Enforce penalties for non-compliance | |
| Effective and Efficient Service Delivery | Understand Stakeholder Needs | Strategy for enhanced operational activity(already developed) | Develop and implement the strategy | Implement the strategy | Implement the strategy | Develop implementation and operational plans for all compliance | N/A |
| | | Increase in stakeholder engagement to include compliance issues | 1 per province | 1 per province | 1 per province | Continuous consultations with stakeholders on licensing and compliance issues | 1500K |
| | | % Decrease in applications that go over the 90 day period | 30% decrease | 50% decrease | 100% decrease | Review of the application and business processes for Petroleum Licensing/CDM Implementation of an application tracking process (PPALS 2) | R800k |
| Improved Turnaround Times | | Decrease in inaccuracies contrasted to the previous financial year | Implement system checks to improve human error | Implement system checks to improve human error | Implement system checks to improve human error | Improve system integrity | |

INTERNAL PROCESSES / SYSTEMS

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|--------------------------------|--|--|---|---|---|---|--|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Ensure Sustainable Development | Provide Reliable Energy Research and Information | Establishment of SANEDI | Institutionalise SANEDI | Operationalise SANEDI | Full established and sustainable entity | Establish the SA National Energy Development Institute | Y1 - R200m; Y2 - R426, Y3 - R484 |
| | | Provide credible and accessible energy information | 2 Publications produced | 2 publications produced with more relevant and current content | 3 publications produced | Relevant and current energy publications | None - in house |
| | | All data and statistics provided to stakeholders on time | <ul style="list-style-type: none"> • Training of all data providers (oil companies) • Training of internal staff in the directorate on data collection and completion of data request forms • Drafting of regulations for the provision of energy data | <ul style="list-style-type: none"> • Training of all data providers (oil companies) • Training of staff in the directorate • Implementation of regulations for the provision of data | Implementation of regulations for the provision of data | Timeous provision of high quality energy data through relevant training for staff as well as stakeholders (oil companies) | None - in house |
| | | Annual publication of energy demand and supply forecasts | None (dependent on dev of energy model) | None (dependent on dev of energy model) | Publication of energy demand and supply forecasts (dependent on working energy model) | Publish energy demand and supply forecasts | None - in house |

Hydrocarbons and Energy Planning

LEARNING & GROWTH PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost | |
|---|--|---|---|---------------|---------------|------------------------------------|---|--|
| | | | 2010/11 | 2011/12 | 2012/13 | | | |
| Culture Systems and People | Attract and Retain Staff | % Implementation of PDPs that are aligned to departmental needs | 100% | 100% | 100% | Implement HRD plan, including PMDS | | |
| | | % Reduction in staff turnover rate | 2% | 2% | 2% | Implementation of HR Plan | | |
| | | % Reduction in vacancies | 5% | 5% | 5% | Implementation of HR Plan | | |
| | | % Of trainees successfully completed sector specific programs | 70% | 80% | 90% | Mentor trainees regularly | | |
| | Promote Core Values | Number of employees on mentorship/learnership programs | | 10 | 10 | 10 | 1. Ensure transfer of skills from senior and well experienced staff members to junior staff members with limited experience 2. Work with employees to transfer knowledge | |
| | | | % Of attendance of the induction programme by new staff members | 100% | 100% | 100% | Monitor the attendance of induction process by new staff members | |
| | | | Number of Core Values awareness sessions | 2 per quarter | 1 per quarter | 1 per quarter | As per Corporate Services plans | |
| | | | % Decrease in transgressions of the code of conduct | 5% | 2% | 2% | As per Corporate Services plans | |
| | | | % Increase in nominations for the Batho Pele & Ubuntu | 50% | 10% | 10% | As per Corporate Services plans | |
| | | | % Of managers attending recommended courses | 80% | 80% | 80% | Implement HRD plan | |
| Improved Leadership and Management Capability | % Implementation of succession programme | | 10% | 40% | 40% | Develop successions programme | | |
| | | % Implementation of mentoring programme | 10% | 20% | 40% | Implement mentoring programme | | |

Hydrocarbons and Energy Planning

FINANCIAL PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|------------------------------|----------------------------|---|---------|---------|---------|--|----------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Promote Corporate Governance | Ensure Compliance | % Implementation of risk mitigation recommendations | 60% | 60% | 60% | Compliance with departmental risk management and fraud prevention policies and annual plans | |
| | | % Implementation of mitigation recommendations by internal audit | 60% | 60% | 60% | Implement internal audit recommendations | |
| | | Compliance with PFMA | 100% | 100% | 100% | Implement compliance framework | |
| | Align Budgets to Strategy | % Of budget aligned to strategic priorities | 100% | 100% | 100% | 1. Costing of all strategic initiatives and project plans 2. Develop spending plans in conjunction with finance | |
| | Manage Budgets Effectively | % Budget variance | 5% | 3% | 2% | 1. Monitor actual expenditure against budget (spending plans) 2. adequate project planning | |
| | | % Increase on license fee revenue collection | 70% | 80% | 90% | Develop and implement a petroleum license monitoring and evaluation revenue collection framework | |
| | | Reduction in confirmed fruitless, wasteful and unauthorised expenditure | 75% | 85% | 95% | 1. Regularly compare expenditures to budget 2. Cut down on unnecessary expenditure | |

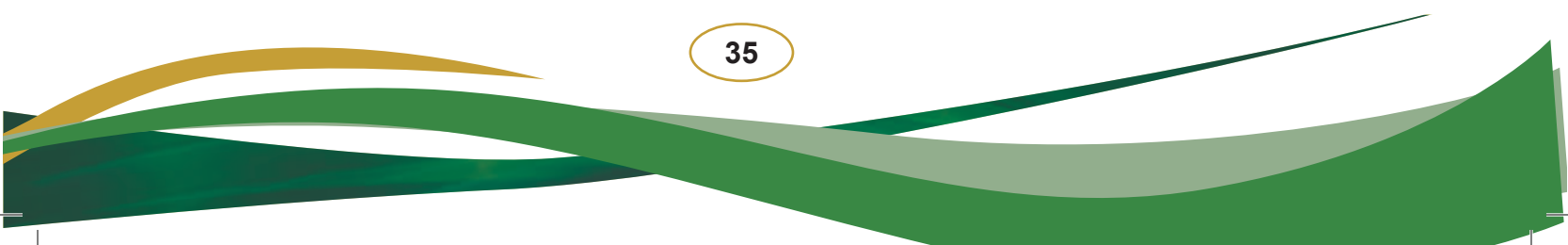
Programme 3: Electricity, Nuclear and Clean Energy

Purpose: Provide the policy and regulatory framework for the electricity, nuclear and clean energy sectors in a manner that ensures energy security, universal access to electricity, diversification of primary energy sources and the promotion of clean and efficient technologies.

CUSTOMER / STAKEHOLDER PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|------------------------|---|--|------------|------------------|------------------------|---|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Ensure Energy Security | Balance Energy Supply and Demand | IRP promulgated | June-10 | | June-13 | Develop integrated resource plan |
| | | EEDSM incentive scheme (standard offer) promulgated | Sep-10 | N/A | N/A | Implement energy efficiency and demand side management financial incentive scheme |
| | | Number of Solar Water Heaters installed (EEDSM intervention) | 200,000 | 300,000 | 500,000 | Install solar water heaters in residential dwellings |
| | | ISMO ringfenced into legal entity as interim measure | Jun-10 | N/A | N/A | Establish interim arrangement for ISMO |
| | | ISMO establishment legislation promulgated | Mar-11 | N/A | N/A | Establish ISMO through legislation |
| | | Nuclear transaction proposal submitted to Cabinet | Jun-10 | N/A | N/A | Development and approval of the Nuclear Energy Implementation Plan |
| | | Mapping of electricity distribution networks under stress | All Metros | Secondary Cities | Rest of Municipalities | identification of critical infrastructure that needs urgent rehabilitation |
| | | Maintenance funding plan concluded | Jun-10 | N/A | N/A | Develop and review infrastructure maintenance strategies |
| | | MW of renewable energy introduced | 200 | 200 | 200 | MW of renewable energy introduced through the feed-in tariff scheme |
| | | MW of non-renewable energy introduced | | | | |
| | Introduce Private Sector Generation - Renewable Energy, Base Load and Peaking Power | MW of renewable energy introduced | 200 | 200 | 200 | MW of renewable energy introduced through the feed-in tariff scheme |

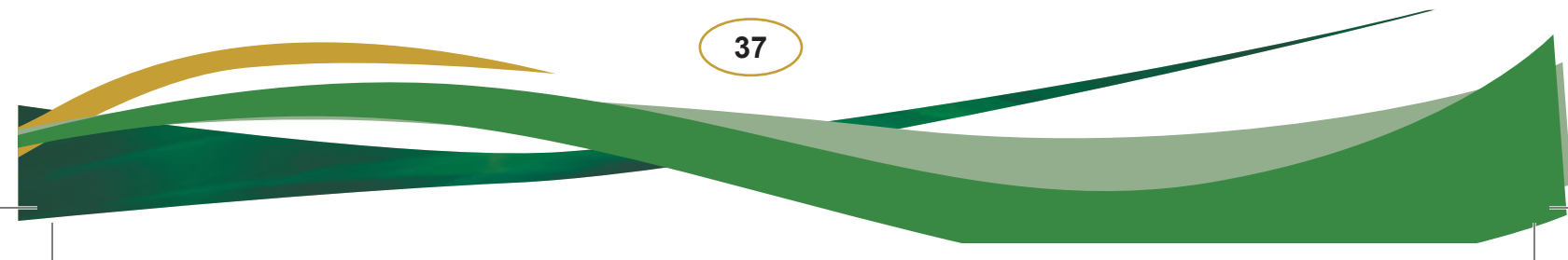
| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|--------------------------|---------------------------------|--|---------|---------|---------|---|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Achieve Universal Access | Improve Access and Connectivity | Electrification strategy for informal settlements finalized | Jun-10 | N/A | N/A | Develop Electrification strategy for informal settlements |
| | | Regional universal access plan for identified municipalities | Jun-10 | N/A | N/A | Develop database on backlogs |
| | | Metro universal access plan documented | Jun-10 | N/A | N/A | Integrated electricity plan for informal settlements |
| | | Number of households electrified | 150,000 | 150,000 | 150,000 | Electrification of households |
| | | Number of substations built | 10 | 10 | 10 | Building of sub-transmission substations |



**Electricity, Nuclear and Clean Energy
INTERNAL PROCESSES & SYSTEMS**

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|----------------------------|---|---|---------|---------|---------|--|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Regulate the Energy Sector | Implement Policies, Legislation and Regulations | Adoption of the Electricity Regulation Second Amendment Bill by Cabinet | Apr-10 | N/A | N/A | Drafting of the Electricity Regulation Amendment Bill |
| | | Adoption of the ISMO Establishment Bill by Cabinet | Jun-10 | N/A | N/A | Drafting of the ISMO Establishment Bill |
| | | Regulations approved under the NNR Act | Mar-11 | Mar-12 | Mar-13 | National Nuclear Regulator Act: Annual Regulations on Fees for Nuclear Authorisation, Regulations on the Categorisation of Nuclear Installations and Level of Financial Security, Regulations on Sitting, Regulations on Control of Developments surrounding nuclear installations. |
| | | Approved Regulations | Mar-11 | Mar-12 | Mar-13 | Nuclear Act - Regulations on nuclear non-proliferation: (a) Prescribe the records that must be kept (b) Prescribe the reports that must be submitted to the Minister at the times or intervals or on the occurrence of any event (c) Prescribe the measurements that must be performed on nuclear material and maintenance of the measuring control programmes (d) Prescribe the information that must be provided to the Minister regarding the design of any nuclear installation and site concerned and all changes effected to the design thereof (e) Prescribe the manner and times for periodical physical stocktaking of nuclear material (f) Prescribe the manner for giving prior notice of importation or exportation of nuclear material and nuclear-related equipment and material (g) Prescribe the physical protective measures in respect of nuclear material that must be implemented and maintained (h) Prescribe the limits for loss of nuclear material that must be reported to the Minister without delay (i) Prescribe the manner and times for schedules of planned activities that must be provided to the Minister |

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects |
|---|---|---|---------|---------|---------|---------------------------------------|
| | | | 2010/11 | 2011/12 | 2012/13 | |
| Optimal Utilisation of Energy Resources | Encourage Energy Efficient Technologies | Introduce the EE incentive scheme for industry (power conservation scheme) and set target for savings level | Sep-10 | Sep-11 | Sep-12 | Promote energy efficient technologies |
| Ensure Sustainable Development | Promote Job Creation | Socio-economic impact trends due to Integrated National Electrification Programme (INEP) | Mar-11 | Mar-12 | Mar-13 | Monitor number of jobs created |



LEARNING & GROWTH PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|----------------------------|---|---|---------------|---------------|---------------|---|----------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Culture Systems and People | Attract and Retain Staff | % Implementation of PDPs that are aligned to departmental needs | 100% | 100% | 100% | Implement HRD plan, including PMDS | |
| | | % Reduction in staff turnover rate | 2% | 2% | 2% | Implementation of HR Plan | |
| | | % Reduction in vacancies | 5% | 5% | 5% | Implementation of HR Plan | |
| | Promote Core Values | % Of trainees successfully completed sector specific programs | 70% | 80% | 90% | Mentor trainees regularly | |
| | | Number of employees on mentorship/learnership programs | 10 | 10 | 10 | 1. Ensure transfer of skills from senior and well experienced staff members to junior staff members with limited experience 2. Work with employees to transfer knowledge | |
| | | % Of attendance of the induction programme by new staff members | 100% | 100% | 100% | Monitor the attendance of induction process by new staff members | |
| | | Number of Core Values awareness sessions | 2 per quarter | 1 per quarter | 1 per quarter | As per Corporate Services plans | |
| | Improved Leadership and Management Capability | % Decrease in transgressions of the code of conduct | 5% | 2% | 2% | As per Corporate Services plans | |
| | | % Increase in nominations for the Batho Pele & Ubuntu | 50% | 10% | 10% | As per Corporate Services plans | |
| | | % Of managers attending recommended courses | 80% | 80% | 80% | Implement HRD plan | |
| | | % Implementation of succession programme | 10% | 20% | 40% | Develop successions programme | |
| | | % Implementation of mentoring programme | 10% | 20% | 40% | Implement mentoring programme | |

FINANCIAL PERSPECTIVE

| Objective | Outcome | Measures | Targets | | | Initiatives/Projects | Estimated Cost |
|------------------------------|----------------------------|---|---------|---------|---------|--|----------------|
| | | | 2010/11 | 2011/12 | 2012/13 | | |
| Promote Corporate Governance | Ensure Compliance | % Implementation of risk mitigation recommendations | 60% | 60% | 60% | Compliance with departmental risk management and fraud prevention policies and annual plans | |
| | | % Implementation of mitigation recommendations by internal audit | 60% | 60% | 60% | Implement Internal audit recommendations | |
| | | Compliance with PFMA | 100% | 100% | 100% | Implement compliance framework | |
| | Align Budgets to Strategy | % Of budget aligned to strategic priorities | 100% | 100% | 100% | 1. Costing of all strategic initiatives and project plans 2. Develop spending plans in conjunction with finance | |
| | Manage Budgets Effectively | % Budget variance | 5% | 3% | 2% | 1. Monitor actual expenditure against budget (spending plans) 2. adequate project planning | |
| | | % Increase on license fee revenue collection | 70% | 80% | 90% | Develop and implement a petroleum license monitoring and evaluation revenue collection framework | |
| | | Reduction in confirmed fruitless, wasteful and unauthorised expenditure | 75% | 85% | 95% | 1. Regularly compare expenditures to budget 2. Cut down on unnecessary expenditure | |

**(C) SERVICE DELIVERY IMPROVEMENT PLANS
CORPORATE SERVICES BRANCH:**

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|---|----------------------------|---|---|
| SECURITY RISK MANAGEMENT | | | |
| Develop and Implement Physical and Intellectual Risk Plan | DoE Personnel and Visitors | Quantity: Ensure implementation of Minimum Information Security Standards (MISS) <ul style="list-style-type: none"> • Physical Security • Information Security • Personnel Security • Communication Security | Quantity: Standardised security as per SAPS and NIA security recommendations |
| | | Quality: High level of uncertainty | Quality: Reduction of risk |
| | | Consultation National Intelligence Agency and South African Police Services | Consultation National Intelligence Agency and South African Police Services. |
| | | Access Presentations of security awareness | Access Officials taking security as their responsibility |
| | | Courtesy Orientation of new employees and security report at EXCO | Courtesy Senior managers attending Orientation programmes |
| | | Open & Transparent Most officials understand security only at access control measures | Open & Transparent Total understanding of MISS |
| | | Information Security policy on the intranet | Information Security guide lines and procedures on the intranet |
| | | Redress Chief Directorate give EXCO reports during directorate meetings | Redress Market security at EXCO and Chief Directorate meetings |
| | | Val for Mon Less security breaches | Val for Mon Protection of information |
| | | Time: End march 2010 | Time: 12 months |
| | | Cost Compensation of employee as per budget | Cost Compensation of employee as per budget |
| | | HR: Existing personnel | HR: Existing personnel |

CORPORATE SERVICES BRANCH:

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) | | |
|---|---|--------------------------------|---|------------------|---|
| SPECIAL PROJECTS / PROGRAMMES | | | | | |
| Redress the past imbalances and create access for the vulnerable groups to benefit from the energy sector | All designated vulnerable groups resident in areas in and around energy industry operations i.e. Women youth disabled children and the aged | Quantity: | According to South African demographics | | |
| | | Quality: | Give high standards of service delivery as per demographics (equity) | | |
| | | Consultation | All stakeholder organizations and vulnerable groups | | |
| | | Access | Create access to the opportunities in the minerals and energy sectors | | |
| | | Courtesy | Respect and value all our clients | | |
| | | Open & Transparency | Ensure openness in dealing with legislation and all opportunities | | |
| | | Information | Reach out to all the vulnerable groups through advocacy work | | |
| | | Redress | Ensure equity in line with targets | | |
| | | Value for Money | Use all resources provided to benefit the vulnerable groups equally | | |
| | | Time: | March 2010 | | |
| | | Cost: | Within budget | | |
| | | | | Quantity: | According to South African demographics, as contained in the policy |
| | | | | Quality: | As per policy |
| | | Consultation | All provinces to be reached | | |
| | | Access | Ensure information dissemination to all vulnerable groups through workshops, information sessions and consultations | | |
| | | Courtesy | Ensure no discrimination on the basis of age, race, gender and disability | | |
| | | Open & Transparency | Interpret all enquiries sent to the department in a fair and transparent manner | | |
| | | Information | Continue with information sessions as per plan of action. | | |
| | | Redress | Monitor equity through surveys and data collection. | | |
| | | Value for Money | Use all resources provided to benefit the vulnerable groups equally and efficiently | | |
| | | Time: | March 2012 | | |
| | | Cost: | Allocated budget | | |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|---|--|--|--|
| <p>COMMUNICATIONS CHIEF DIRECTORATE</p> <p>Provide an Efficient External and Internal Communication Service to the DoE Department and the Ministry of Energy</p> | <p>South African Public, DoE Stakeholders and Internal Staff</p> | <p>Quantity:</p> <p>Ensure implementation of the Media/Marketing Plans within the communication strategy.</p> <p>Quality:</p> <ul style="list-style-type: none"> Public liaison and media engagement is being done but not extremely content driven Publications available but outdated <p>Consultation</p> | <p>Quantity:</p> <ul style="list-style-type: none"> Streamline all DoE External events Revamp all service related publications Strengthen internal communications Embark on at least three marketing campaigns Host more content driven izimbizo / public liaison events <p>Quality:</p> <ul style="list-style-type: none"> Updated and new publications developed More stakeholder and public liaison events to be hosted. Internal communications events held more frequently Marketing campaigns rolled out <p>Consultation</p> <p>Office the Director-General and Ministry</p> <ul style="list-style-type: none"> Engage media players Line function branches for strategic communications on internal matters Engage HR and CFO's office more especially those that provide a service to internal DoE staff <p>Access</p> <p>Update information on all DoE service related programmes available on the website and intranet, quarterly staff newsletter, monthly bulletin from the Minister, monthly meetings with DDG's</p> <p>Courtesy</p> <p>Proactive line function submission of their plans/programmes each year by November</p> |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--|---|---|--|
| COMMUNICATIONS CHIEF DIRECTORATE | | Open & Transparent | Open & Transparent |
| | | Information | Information |
| | | Redress | Redress |
| | | Val for Mon | Val for Mon |
| | | Time: | Time: |
| | | Cost | Cost |
| | | HR: | HR: |
| | | Communication Strategy is available to all EXCO and other staff members | Continuous interaction and consultations on the changing needs of line function branches |
| | | Security policy on the intranet | Intranet updated with information from all branches |
| | | Chief Directorate give EXCO reports during directorate meetings | Media Analysis report to EXCO on weekly basis |
| All communications services are being offered within the 'value for money' concept, but this is not always possible as requests come in very late, reducing time on getting value for the money used | Properly procured services to ensure value for money | | |
| End March 2010 | 12 months | | |
| As per budget allocation | More proactive involvement in the budgeting process to ensure allocation is streamlined with priorities | | |
| Existing personnel | Existing personnel | | |

CHIEF FINANCIAL OFFICE BRANCH:

| KEY SERVICE | | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | | DESIRED STANDARD(2011/12) | |
|---|------------------------------------|---------------------|---------------------------|--|---------------------------|---|
| EXPENDITURE MANAGEMENT | | | | | | |
| Pay Creditors Invoices within 30 Days on Receipt of Invoice | External and Internal Stakeholders | | Quantity: | 30 days | Quantity: | 21 days |
| | | | Quality: | <7% Rejection due to incorrectly loaded bank details | Quality: | <3% Rejection due to incorrectly loaded bank details |
| | | | Consultation | Reactive: telephone and e-mail | Consultation | Informative: circulars, memos, letters, telephones and e-mails |
| | | | Access | Manual and electronic Invoice and book-out registers | Access | Integrated registers on S: DRIVE |
| | | | Courtesy | Reasons for delayed payment provided inconsistently | Courtesy | Reasons for delayed payment provided consistently |
| | | | Open & Transparency | Reactive: delays explained on enquiry | Open & Transparency | Proactive: delays explained immediately on identification |
| | | | Information | Remittance advice/payment stubs | Information | Policy and Procedures, templates, remittance advice/payment stubs |
| | | | Redress | Complaints made in an ad hoc manner | Redress | Established complaints centre |
| | | | Value for Money | Timely payments that do not attract finance charges | Value for Money | Timely payments that do not attract finance charges |
| | | | Time: | By March 2010 | Time: | By March 2011 |
| | | | Cost: | None | Cost: | Remuneration for additional staff |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | | DESIRED STANDARD(2011/12) | |
|-------------|---------------------|---------------------------|------------------------------------|--|---|
| | | Reconcile Payments | External and Internal Stakeholders | Quantity: 90% of payments reconciled Quality: Origin of all payments is verified Consultation Reactive: anomalies picked up upon enquiry Access Ticked disbursement list Courtesy Reasons for un-reconciled items is provided regularly Open & Transparency Information Report on exceptions only Disbursement report Redress Invalid transaction identified after disbursement Value for Money Portion of money is recoverable Time: Within the same month of payment and ongoing Cost: Cost of investigating fraudulent cases | Quantity: 100% of payments reconciled Quality: Payment to fraudulent beneficiaries is prevented Consultation Proactive: daily reconciliation enable anomalies to be picked up before EFT is effected Access Reconciliation statement on S: Drive Courtesy Reasons for un-reconciled items is provided daily upon reconciliation Open & Transparency Information Inclusive and compulsory reporting Disbursement report and Reconciliation statement Redress Invalid transaction identified and intercepted before funds are disbursed Value for Money Funds transferred to valid beneficiaries only Time: Within a day of payment run and ongoing Cost: Remuneration of dedicated official to implement control measures |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|-------------------------|------------------------------------|--|--|
| Improve Turnaround Time | External and internal Stakeholders | <p>Quantity: All processes</p> <p>Quality: Average turnaround time per month is exceeded by not more than 7%</p> <p>Consultation Reactive: on enquiry and on compilation of monthly reports</p> <p>Access SMS, e-mail, standard letters, telephone</p> <p>Courtesy Reasons for delayed responses are provided inconsistently</p> <p>Open & Transparency Stubs, reports, statistics and SMS</p> <p>Information Monthly report, statistics</p> <p>Redress Poor response time to clients queries</p> <p>Value for Money More time spent on responding to queries</p> <p>Time: By 31 March 2010</p> <p>Cost: None</p> | <p>Quantity: All processes</p> <p>Quality: Average turnaround time per month is exceeded by not more than 5%</p> <p>Consultation Proactive: weekly review and feedback sessions, road shows and workshops</p> <p>Access SMS, e-mail, standard letters, telephone</p> <p>Courtesy Reasons for delayed responses are provided consistently</p> <p>Open & Transparency Stubs, reports, statistics and SMS</p> <p>Information Monthly reports, statistics, integrated reports and registers on S: Drive</p> <p>Redress prompt feedback to clients is provided</p> <p>Value for Money Increased production and lesser queries</p> <p>Time: By 31 March 2011</p> <p>Cost: Remuneration for additional staff</p> |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) | | |
|---|--|--------------------------------|---|------------------|-----------------------------|
| FINANCIAL PLANNING AND MANAGEMENT ACCOUNTING | | | | | |
| Process Cash/ Cheque for DoE Services | Applicants (Information, Petroleum Licences) Debtors | Quantity: | Process all monies received | | |
| | | Quality: | Average is 76 receipts per month System generated receipts | | |
| | | Consultation | Issue receipt | | |
| | | Access | Offices open during week days between 7:30- 16:30 | | |
| | | Courtesy | Send statement of balances | | |
| | | Open & Transparency | Annual Financial Statements | | |
| | | Information | Annual Financial Statements | | |
| | | Redress | None | | |
| | | Value for Money | None | | |
| | | Time: | Issue receipt within 5 minutes of cash/ cheque receipt | | |
| | | Cost: | Monthly salary of staff | | |
| | | | | Quantity: | Process all monies received |
| | | | | Quality: | System generated receipts |
| | | Consultation | Issue receipt | | |
| | | Access | Offices open during week days between 7:30- 16:30 | | |
| | | Courtesy | Send statement of balances | | |
| | | Open & Transparency | Annual Financial Statements | | |
| | | Information | Annual Financial Statements | | |
| | | Redress | Provide client feedback for unfavourable applications | | |
| | | Value for Money | None | | |
| | | Time: | Issue receipt within 5 minutes of cash/ cheque receipt | | |
| | | Cost: | Monthly salary of staff | | |

| KEY SERVICE | | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | | DESIRED STANDARD(2011/12) | |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|--|--------------------------------|--|
| SUPPLY CHAIN MANAGEMENT | | | | | | |
| Supplier Management | Service Providers DoE Users | Quantity: | | | Quantity: | |
| | | Quality: | | Credible/prequalified service providers readily available per strategic commodity | Quality: | Increase number of credible / prequalified service providers readily available per strategic commodity |
| | | Consultation | | Commodities identified from procurement plans | Consultation | Commodities identified from Procurement plans |
| | | Access | | Forms on internet, intranet and reception | Access | Forms on internet, intranet and reception |
| | | Courtesy | | Users and service providers treated with respect | Courtesy | Users and service providers treated with respect (Batho-Pele) |
| | | Open & Transparency | | Advert placed on newspapers, Tender Bulletin and internet | Open & Transparency | Advert placed on newspapers, Tender Bulletin and internet |
| | | Information | | Structured template for feedback to users and Service providers | Information | Structured template for feedback to users and service providers |
| | | Redress | | Vetted supplier available | Redress | Vetted supplier available |
| | | Value for Money | | Enough suppliers to promote cost effectiveness and transparency through quote comparison | Value for Money | Enough suppliers to promote cost effectiveness and transparency through quote comparison |
| | | Time: | | End of March 2010 | Time: | End of June 2011 |
| | | Cost: | | Allocated budget | Cost: | Within allocated budget |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--------------------------------|--|--------------------------------|--------------------------------|
| SUPPLY CHAIN MANAGEMENT | | | |
| Bid & Contract Administration | Service Providers, DoE Users, DoE Management and National Treasury | Quantity: | Quantity: |
| | | Quality: | Quality: |
| | | Consultation | Consultation |
| | | Access | Access |
| | | Courtesy | Courtesy |
| | | Open & Transparency | Open & Transparency |
| | | Information | Information |
| | | Redress | Redress |
| | | Value for Money | Value for Money |
| | | Time: | Time: |
| Cost: | Cost: | | |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|---|------------------------------------|--|---|
| SUPPLY CHAIN MANAGEMENT | | | |
| Logistics Management: Prompt Delivery of Goods and Service | Service Providers DoE Users | Quantity: Quality: Re-active process in order management and non adherence to timelines for delivery of inventory items | Quantity: Quality: Orders expedited upon placing to ensure prompt delivery Strict adherence to the turnaround times for delivery of inventory items |
| | | Consultation Minimal consultation with Service Provider for delivery | Consultation Constant follow up on outstanding orders |
| | | Access No clear defined contact centres | Access Clearly defined contact centres for users and service provides |
| | | Courtesy Attend to queries upon request | Courtesy Avoid queries |
| | | Open & Transparency Users unaware of the turnaround times | Open & Transparency Turnaround times published Inventory items published |
| | | Information Insufficient description on orders. | Information Description on orders linked to quotation |
| | | Redress Late delivery | Redress Delivery according to agreed lead time |
| | | Value for Money Unavailability of goods and services decreasing productivity | Value for Money Increased productivity |
| | | Time: Throughout 2009/10 Financial year | Time: Throughout 2010/11 Financial Year |
| | | Cost: Budget | Cost: Within allocated budget |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|-------------------------------|------------------------------------|--|--|
| INFORMATION TECHNOLOGY | | | |
| Network Optimisation | External and Internal Stakeholders | <p>Quantity: 50% Uptime</p> <p>Quality: Slow response time</p> <p>Consultation Unstructured</p> <p>Access Ad hoc</p> <p>Courtesy Ad hoc</p> <p>Open & Transparency Communicate highlighted issues</p> <p>Information Communicate Policies and Procedures</p> <p>Redress None</p> <p>Value for Money None</p> <p>Time: Financial Year 2000/ 2010</p> <p>Cost Within budget</p> | <p>Quantity: 95% Uptime</p> <p>Quality: Bandwidth Management</p> <p>Consultation Liaise with Change Control and Website Committees</p> <p>Access 24 X 7 accessibility</p> <p>Courtesy Advise on status and have a dedicated resource</p> <p>Open & Transparency Provide performance statistics</p> <p>Information Informative communiqué</p> <p>Redress Establish Service Evaluation Analysis</p> <p>Value for Money Within budget</p> <p>Time: Financial Year 2010 /2011</p> <p>Cost: Negotiate cost reduction</p> |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|---|------------------------------------|--|--|
| SYSTEMS DEVELOPMENT AND MAINTENANCE | | | |
| Petroleum Products Licensing System (PPALS) | External and Internal Stakeholders | Quantity: | Quantity: |
| | | Quality: | Quality: |
| | | Consultation | Consultation |
| | | Access | Access |
| | | Courtesy | Courtesy |
| | | Open & Transparency | Open & Transparency |
| | | Information | Information |
| | | Redress | Redress |
| | | Value for Money | Value for Money |
| | | Time: | Time: |
| | | Cost: | Cost: |
| | | 100% of all license types are currently issued by the system | 100% of all license types are currently issued by the system and maintain as percent system availability |
| | | There is backlog of annual returns as a consequence of module developed lately. | There should be no backlog of annual returns. |
| | | Change Control meetings for enhancements | Change Control meetings for enhancements |
| | | Electronic access | Electronic access |
| | | A patch is in place for errors that cannot be done on the system | A patch is in place for errors that cannot be done on the system |
| | | System audited from time to time and AG management report issued. | System audited from time to time and AG management report issued. |
| | | All petroleum license types, reports and system queries | All petroleum license types, reports and system queries |
| | | Patch built for correction of incorrect transaction and audit trail is available | Patch built for correction of incorrect transaction and audit trail is available. |
| | | All Petroleum license types are issued from the system | All petroleum license types are issued from the system. |
| | | March 2010 | March 2011 |
| | | As budgeted | As per available budget |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--|---|--------------------------------|--|
| SYSTEMS DEVELOPMENT AND MAINTENANCE | | | |
| Document / Parliamentary Questions Tracking System (Magic Systems) | External and Internal Stakeholders | Quantity: | Manual Systems |
| | | Quality: | Document tracking difficult and deadlines sometimes missed |
| | | Consultation | Change Control minutes |
| | | Access | Electronic access |
| | | Courtesy | Enhance are processed through change control |
| | | Open & Transparency | Reports and queries from the system |
| | | Information | Data and reports |
| | | Redress | Poor response times as a result of IT infrastructure |
| | | Value for Money | Queries, reports and levies generated from the system |
| | | Time: | As and when required |
| | | Cost: | Budget |
| | | Quantity: | 2 Systems |
| | | Quality: | Documents and parliamentary questions can be tracked real time and officials escalated where necessary |
| Consultation | Ministry, DG's Office and all DDGs | | |
| Access | Electronic access | | |
| Courtesy | Enhancements are processed through change control | | |
| Open & Transparency | Reports and queries from the system | | |
| Information | Data and reports | | |
| Redress | Improved IT infrastructure and adequate resources | | |
| Value for Money | Queries and reports generated from the system | | |
| Time: | March 2011 | | |
| Cost: | Allocated budget | | |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|---|------------------------------------|--------------------------------|---|
| TRANSPORT, FACILITIES AND RECORDS MANAGEMENT | | | |
| Applications for Access to Information | External and Internal Stakeholders | Quantity: | 70 |
| | | Quality: | Files are opened and delivered to Deputy Information Officers (DIO) |
| | | Consultation | Liaise with line functions and the public |
| | | Access | Intranet and telephone |
| | | Courtesy | Reason for delay is provided inconsistently |
| | | Open & Transparency | Monthly reports are provided |
| | | Information | Reports and statistics |
| | | Redress | Delay in response to the public |
| | | Value for Money | Less complains from the line functions and the public |
| | | Time: | Within 30 days |
| | | Cost: | Budget |
| | | | |
| | | Quality: | Files opened and delivered to Deputy Information Officers (DIO) |
| | | Consultation | Liaise with line functions and the public |
| | | Access | Electronic access |
| | | Courtesy | Reason for delay to be provided consistently and regularly |
| | | Open & Transparency | Monthly reports and statistics to be provided |
| | | Information | Reports and statistics |
| | | Redress | Prompt feedback |
| | | Value for Money | Minimise complains from the public |
| | | Time: | Within 30 days |
| | | Cost: | Allocated budget |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--|------------------------------------|---|--|
| TRANSPORT, FACILITIES AND RECORDS MANAGEMENT | | | |
| Processing of Correspondence (letters) from the Public | External and Internal Stakeholders | Quantity: | Quantity: |
| | | Quality: | Quality: |
| | | Consultation | Consultation |
| | | Access | Access |
| | | Courtesy | Courtesy |
| | | Open & Transparency | Open & Transparency |
| | | Information | Information |
| | | Redress | Redress |
| | | Value for Money | Value for Money |
| | | Time: | Time: |
| | | Cost: | Cost: |
| | | | |
| | | Letters are distributed to the users | Letters distributed daily |
| | | Liaise with users and post office | Liaise with users and post office |
| | | Telephone | Telephone and E-mail |
| | | Reason for delay in delivery of mail is provided inconsistently | Reason for delay to be provided regularly |
| | | Registers and monthly reports | Register mail regularly |
| | | Registers and reports | Provide statistics according to categories |
| | | Lost mail | Minimise lost mail |
| | | Complaints from the users | Minimise complaints from the users |
| | | Within a day | Within a day |
| | | Budget | Allocated budget |

HYDROCARBONS AND ENERGY PLANNING BRANCH

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--|---|---|---|
| HYDROCARBONS AND ENERGY PLANNING BRANCH | | | |
| Issue Licences for Petroleum Products | Petroleum Manufacturing and Retail Industry | <p>Petroleum Products Act Licensing System (PPALS) is updated daily therefore it will necessary to wait until the end of March to update the statistics</p> <p>Petroleum License statistics as at 31 December 2009:</p> <p>14 193 Licence applications captured and accepted on PPALS</p> <p>341 - licences refused</p> <p>17 - rejected</p> <p>5 348 - licences granted</p> <p>3 158 - licences issued</p> <p>Total number of all license types processed: 8 864 - 5 116 - Outstanding accepted applications to be processed</p> | <p>1 200 New licenses for all license types must be issued per annum</p> <p>N.B a site and retail license for this purpose are not accounted for as separate licenses</p> |
| | | Quantity | Quantity |
| | | <p>Consultation</p> <p>Communication to Associations, oil companies and other stakeholders. Local radio broadcasting</p> | <p>Consultation</p> <p>Road shows, advertisements, visual and audio media</p> |
| | | <p>Access</p> <p>DoE Website Regional Representation Provision of mobile services</p> | <p>Access</p> <ul style="list-style-type: none"> Regional Representation Provision of mobile services <p>DoE website</p> |
| | | <p>Courtesy</p> <p>Help desk at regional offices and User manuals. More user-friendly licence applications guidelines</p> | <p>Courtesy</p> <p>Implement regional office structure with a help desk and more user-friendly licence applications guidelines</p> |
| | | <p>Open and Transparent</p> <p>More media exposure through adverts in newspapers, radio and TV and also distribution to oil companies</p> | <p>Open and Transparent</p> <p>More media exposure through adverts in newspapers, radio and TV</p> |
| | | <p>Information</p> <p>Regional representation, more collaboration with stakeholders Pamphlets; workshops and seminars, flyers, via help desk, website</p> | <p>Information</p> <ul style="list-style-type: none"> Regional representation, more collaboration with stakeholders Pamphlets; workshops and seminars, flyers |
| | | <p>Redress</p> <p>Redress past imbalances Improve BEE participation</p> | <p>Redress</p> <ul style="list-style-type: none"> Improve technology used to speed up the issuing process, more electronic services to government Advocacy programs on Petroleum sector specific initiatives |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--|---------------------|--|--|
| HYDROCARBONS AND ENERGY PLANNING BRANCH | | | |
| | | Value for money | Value for money |
| | | Time | Time |
| | | Cost | Cost |
| | | HR | HR |
| | | Not enough client interface | Robust client interface and improved turnaround times |
| | | Planning to issue 1 200 new licenses by end of March 2010. N.B a site and retail license for this purpose are not accounted for as separate licenses. System slow and affecting turnaround times | All new licenses issued in line with prescribed timelines |
| | | As per budget | As per budget |
| | | Attract and retain staff | Improved productivity and employee satisfaction. Train people to acquire more qualitative and quantitative analysis skills |

ELECTRICITY, NUCLEAR AND CLEAN ENERGY BRANCH

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|---|-------------------------------|--|---|
| <p>ELECTRICITY, NUCLEAR AND CLEAN ENERGY BRANCH</p> <p>Alleviate Poverty Through Increased Access to Modern Energy Carries</p> | <p>Households and Schools</p> | <p>Quantity: 150 000 households, 2800 Schools and 10 bulk substations</p> | <p>Quantity: 150 000 households, 1640 Schools and 10 bulk substations</p> |
| | | <p>Quality: Audited</p> | <p>Quality: Audit</p> |
| | | <p>Consultation IDP Process, Eskom, Housing, DPLG, DoE</p> | <p>Consultation IDP Process, Eskom, Municipalities, Dept. Human Settlements, Dept. Cooperative Governance & Traditional Affairs, Dept. Basic Education</p> |
| | | <p>Access E-mail ,telephone</p> | <p>Access E-mail, telephone</p> |
| | | <p>Courtesy Implement Batho-Pele programmes</p> | <p>Courtesy Implement Batho-Pele programmes</p> |
| | | <p>Open & Transparency Provincial workshops</p> | <p>Open & Transparency Provincial workshops</p> |
| | | <p>Information Website and workshops</p> | <p>Information Website and workshops</p> |
| | | <p>Redress Client feedback and query escalation processes</p> | <p>Redress Client feedback and query escalation processes</p> |
| | | <p>Value for Money Budget spent in line with priorities as allocated</p> | <p>Value for Money Budget spent in line with priorities as allocated</p> |
| | | <p>Time: End March 2010</p> | <p>Time: End March 2011</p> |
| | | <p>Cost: As budgeted</p> | <p>Cost: As budgeted</p> |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--|---|---------------------------------|---------------------------------|
| ELECTRICITY, NUCLEAR AND CLEAN ENERGY BRANCH Facilitate Private Sector Participation in the Electricity Sector. | South African Public and industry Players | Quantity: | Quantity: |
| | | 100 MW | 1000 MW |
| | | Quality: | Quality: |
| | | Peaking Power | Peaking Power |
| | | Consultation | Consultation |
| | | Eskom, NERSA | Eskom, NERSA |
| | | Access | Access |
| | | Email, telephone, meeting | Email, telephone, meetings |
| | | Courtesy | Courtesy |
| | | Implement Batho-Pele programmes | Implement Batho Pele programmes |
| | | Open & Transparency | Open & Transparency |
| | | Meetings, Government Gazette | Meetings and publications |
| Information | Information | | |
| Website and workshops | Website and workshops | | |
| Redress | Redress | | |
| Client feedback and query escalation processes | Client feedback and query escalation processes | | |
| Value for Money | Value for Money | | |
| Budget spent in line with priorities as allocated | Budget spent in line with priorities as allocated | | |
| Time: | Time: | | |
| End March 2010 | End March 2011 | | |
| Cost: | Cost: | | |
| Budget | Budget | | |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) | |
|---|---|--|--|---|
| Providing Funding through Renewable Energy Finance and Subsidy Office (REFSO) to Entrepreneurs and BEEs | Entrepreneurs Applying for Funding to Develop and Implement Renewable Energy Projects | ELECTRICITY, NUCLEAR AND CLEAN ENERGY BRANCH | | |
| | | Quantity: | 5 Subsidized projects | 5 Subsidized projects |
| | | Quality: | Commercial viable renewable energy projects | Commercial viable renewable energy projects |
| | | Consultation | <ul style="list-style-type: none"> Intensify awareness campaign Renewable energy investor conference Workshops across the country | <ul style="list-style-type: none"> Intensify awareness campaign Workshops across the country |
| | | Access | Involve municipalities and work with DoE colleagues at the Region. | Involve municipalities and work with DoE colleagues at the Region. |
| | | Courtesy | <ul style="list-style-type: none"> Meetings Telephonically Workshops and conferences | <ul style="list-style-type: none"> Meetings Telephonically Workshops and conferences |
| | | Open & Transparency | Clear application procedure and clear appeal process for aggrieved applicants. | Clear application procedure and clear appeal process for aggrieved applicants. |
| | | Information | Project information dissemination help desk | Project information dissemination help desk |
| | | Redress | Client feedback and query escalation processes | Client feedback and query escalation processes |
| | | Value for Money | Contribution of total subsidized projects is 124 GWh | Additional 300 GWh per annum should be added to energy mix through REFSO support |
| | | Time: | March 2010 | March 2011 |
| | | Cost: | R 10 million | R 10 million |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|---|---|---|--|
| <p>ELECTRICITY, NUCLEAR AND CLEAN ENERGY BRANCH</p> <p>Regulatory Framework for Large Scale Implementation and Monitoring of Energy Efficiency.</p> | <p>The South African Public and Industry</p> | <p>Quantity: National Energy Efficiency Policy document reviewed in 2008 approved by Cabinet for public comment with disaggregated targets for industry</p> | <p>Quantity: Roll out of a million solar water heaters by 2013</p> |
| | | <p>Quality: A well drafted document with action plans for the next 3 year cycle.</p> | <p>Quality: A well drafted document with action plans until 2015 and strategic direction up to 2050</p> |
| | | <p>Consultation Continued consultation and establishment of an intergovernmental working group to ensure the implementation and coordination at different government department levels</p> | <p>Consultation Continued consultation and establishment of an intergovernmental working group to ensure the implementation and coordination at different government department levels</p> |
| | | <p>Access Making a mechanism available for individuals, companies, building owners etc. to determine their carbon footprint based on their energy consumption and measured to implement energy efficiency</p> | <p>Access Promote and encourage individuals, companies, building owners etc. to use the available mechanisms to determine their carbon footprint based on their energy consumption and implement energy efficiency programmes to reduce or offset</p> |
| | | <p>Courtesy Keeping it voluntary as far as possible but commencing with regulations on areas where the voluntary approach is not functioning. Incentives have been announced and should be implemented as soon as possible</p> | <p>Courtesy Keeping it voluntary as far as possible but commencing with regulations on areas where the voluntary approach is not functioning and implement incentives to encourage widespread use</p> |
| | | <p>Open & Transparency The Strategy has been presented at every possible occasion to workshops, exhibitions and conferences</p> | <p>Open & Transparency Strategy implementation and continued involvement of stakeholders</p> |

| KEY SERVICE | SERVICE BENEFICIARY | CURRENT STANDARD(2010/11) | DESIRED STANDARD(2011/12) |
|--|---------------------|--|--|
| ELECTRICITY, NUCLEAR AND CLEAN ENERGY BRANCH | | | |
| | | <p>Information</p> <p>The document contains all the relevant information for implementation</p> | <p>Information</p> <p>Providing more information for each sector specifically including standards, codes of practice, implementation guidelines and checklists to ensure the implementation of energy efficiency on a large scale</p> |
| | | <p>Redress</p> <p>The strategy encourages the establishment of SMMEs to undertake energy efficiency projects and the creation of jobs</p> | <p>Redress</p> <p>Provide assistance by means of low interest loans and other incentives for the SMMEs to continue and training of more operators of equipment at different levels by ensuring unit standards</p> |
| | | <p>Value for Money</p> <p>Energy efficiency is by its nature value for money as it saves the environment, the economy and will ensure social development</p> | <p>Value for Money</p> <p>Payback periods will continue to decrease as the price of energy is increasing. More and more projects will become financially viable which will have a positive impact on the economy of the country</p> |
| | | <p>Time:</p> <p>The Strategy has a target for 2015 for the medium term and a 2050 target for the long term</p> | <p>Time:</p> <p>The energy efficiency improvements in the country will have to continue and be accelerated to address global warming and climate change up to 2050</p> |
| | | <p>Cost:</p> <p>The monitoring of the targets must be done and the cost associated with that is R8million over 3 years</p> <p>The large scale implementation of projects amounts to R1.55 billion over the next 3 years</p> | <p>Cost:</p> <p>The monitoring will have to continue up to 2050 but the costs will significantly reduce once the modelling mechanism has been implemented. It will then only be the cost of data gathering and personnel to analyse the data.</p> <p>The continued funding of projects will be required to create the incentives for implementation</p> |

(D) STATE OWNED ENTITIES REPORTING TO THE MINISTER OF ENERGY

Purpose: Provide related services in support of the Department's mandate through funded and non-funded statutory bodies and organisations.

Measurable Objective: Enhance the Department's objectives through policies and directives, promoting its legislative mandate and leading to the creation of an environment conducive to investment and the improvement of the quality of life of South Africans.

Governance Arrangements

The Minister of Energy has oversight responsibilities over the following five (5) State Owned Entities (SOE) and their subsidiaries which are either classified as schedule 2 or 3 in the PFMA. The enabling legislation requires the Minister to appoint members of the boards of all state owned entities reporting to the Minister of Energy. All board members, with the exclusion of CEOs, are non-executive. The Department is represented on all of these boards, with the exception of NERSA (the independent energy regulator). Boards are ultimately accountable and responsible for the performance of the entities. They give strategic directions to the entity in line with the mandate and this is in turn implemented by management.

REGULATORS

NATIONAL NUCLEAR REGULATOR (NNR)

The National Nuclear Regulator was established in terms of the National Nuclear Regulator Act (1999), which came into effect in February 2000. The Act mandates the Regulator to regulate diverse activities in the nuclear sector, including the operation of nuclear power plants, power reactors, research reactors, nuclear fuel fabrication, nuclear technology applications, and the mining and processing of uranium and other radioactive ores.

The mandate of the Regulator encompasses the provision of protection to persons, property and the environment against nuclear damage by establishing safety standards and regulatory practices, exercising regulatory oversight and control over any action that may cause nuclear damage, and over nuclear installations including vessels propelled by nuclear power or that contain radioactive material. The Regulator issues nuclear authorisations and enforces compliance. It has to ensure that provisions for nuclear emergency planning are in place, and ensure compliance with the International Atomic Energy Agency's regulations for safe transport. The Regulator is also mandated to advise the Minister of Energy on all nuclear safety related matters.

NNR's strategic objectives include - strengthening the analytical verification capability and capacity of the regulator's laboratory, conducting research that will contribute to strengthening the regulatory regime, improve the sourcing and talent management of technical experts, establish partnerships with institutions that have credible technical expertise, improve international cooperation, and strengthen corporate governance by developing and maintaining sound policies and instituting appropriate control.

NATIONAL ENERGY REGULATOR OF SOUTH AFRICA (NERSA)

NERSA's mandate as the Energy Regulator, is anchored on four primary Acts namely the National Energy Regulator Act, 2004 (Act No. 40 of 2004); the Electricity Regulation Act, 2006 (Act No. 4 of 2006); the Gas Act, 2001 (Act No. 48 of 2001); and the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

NERSA derives its revenues by, amongst others, imposing prescribed levies on the regulated industries following a prescribed transparent procedure. The imposition of such levies are governed by the Gas Regulator Levies Act, 2002 (Act No. 75 of 2002); the Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004); and Section 5B of the Electricity Act, 1987 (Act No. 41 of 1987). In terms of the National Energy Regulator Act, NERSA is funded through money appropriated by Parliament; levies imposed by or under separate legislation.

In terms of its mandate, NERSA's responsibilities include - issuing of licences; setting and/or approving tariffs and prices; monitoring and enforcing compliance with licence conditions; dispute resolution including mediation, arbitration and handling of complaints.

NERSA's priorities include – establishing the organisation's credibility, legitimacy and sustainability as an independent and transparent energy regulator, creating an effective organisation that delivers on its mandate and purpose, and to continuously monitor and evaluate the energy regulator's effectiveness.

RESEARCH AND DEVELOPMENT


CENTRAL ENERGY FUND – CEF (PTY) LTD

CEF is a private company, incorporated in terms of the Companies Act and is governed by the CEF Act, 1997 (Act No. 38 of 1997).

The CEF group of companies operates in the energy sector and is made up of entities with commercial, strategic, licensing and development roles. The group consists of five operating subsidiaries – PetroSA, iGas, Petroleum Agency SA, OPCSA, and Strategic Fuel Fund.

CEF is involved in the search for appropriate energy solutions to meet the future energy needs of South Africa, SADC and the sub-Saharan Africa region, including oil, gas, electrical power, solar energy, low-smoke fuels, biomass, wind and renewable energy sources. CEF also manages the operation and development of the oil and gas assets and operations of the South African government.

CEF, through its integrated oil company subsidiary, PetroSA, is involved in the exploration for oil and gas onshore and offshore South Africa, as well as the rest of Africa; the production of environmentally friendly petroleum fuels and petrochemical products from gas and condensate at its synfuels refinery outside Mossel Bay; and the management of oil storage facilities. SFF manages South Africa's strategic reserves of crude oil.



CEF's Energy Development Corporation (EDC) division pursues commercially viable investments in renewable energy sources (with the exception of natural oil and other already commercialised and developed energy technologies in Southern Africa.). This division focuses on a number of niche areas, commercial projects; developmental projects, which catalyze the renewable energy sector, and social projects, which benefit previously disadvantaged communities.

CEF subsidiary company, Oil Pollution Control SA, provides oil prevention, control, and clean-up services, mainly in South Africa ports and coastal areas, in terms of South Africa's National Environmental Management Act (NEMA).

CEF, through its subsidiary Petroleum Agency South Africa, manages the promotion and licensing of oil and gas exploration, development and production in South Africa and the coastal areas offshore South Africa as part of creating a viable upstream oil industry in the country. As already indicated above, Petroleum Agency SA's main business is to act as the agent of the Republic of South Africa in promoting exploration for and exploitation of natural oil in the Republic of South Africa. In essence, PASA performs regulatory and promotional functions in respect of oil and gas exploration and production.

CEF subsidiary iGas acts as the official agent of the South African Government for the development of the hydrocarbon gas industry, comprising natural gas (LNG) and petroleum gas (LPG), in South Africa.

CEF's key priorities for the coming MTEF period include the: management of strategic energy stocks and energy infrastructure, investing (in) and development (of) alternative and clean renewable energy technologies that will improve energy efficiency and the quality of life for low income households, transformation, minimising environmental impact and maximise sustainable development.

SOUTH AFRICAN NUCLEAR ENERGY CORPORATION (NECSA)

The South African Nuclear Energy Corporation (Necsa) was incorporated in terms of the Nuclear Energy Act (NEA) no 46 of 1999. Its main functions are to undertake and promote research and development in the field of nuclear energy and radiation sciences and technology and subject to the Safeguards Agreement, to make these generally available; process source material, special nuclear material and restricted material and to reprocess and enrich source material and nuclear material; and co-operate with any person or institution in matters falling within these functions subject to the approval of the Minister. In addition to its research mandate, NECSA is also responsible for the following institutional obligations on behalf of the State: decommissioning and decontamination of past strategic nuclear facilities; management of nuclear waste disposal on a national basis; application of radiation technology for scientific and medical purposes; operation of the SAFARI-1 nuclear reactor; operation of the Pelindaba site and accompanying services; and execution of the safeguards function.

At the heart of Necsa's activities lies the obligation to adhere to its nuclear R&D mandate as iterated in section 13 of the NEA. To initiate the regeneration of its nuclear R&D activities, the organisation was reconfigured according to best international practice. Necsa also expanded its portfolio of R&D activities by re-establishing a nuclear fuel cycle development group as well as a biosciences programme.

Necsa's priorities over the MTEF period include: responding to the new build programme by establishing fuel cycle capabilities, localising nuclear manufacturing and building key partnerships, developing the corporation's nuclear facilitation capacity, including licensing, promoting safeguards, and nuclear security and collaborating more closely with the Pebble Bed Modular Reactor programme

OTHER

ELECTRICITY DISTRIBUTION INDUSTRY HOLDINGS (EDIH)

Electricity Distribution Industry Holdings Company (Pty) Ltd was created for the sole purpose of executing Government's strategic objective of restructuring the electricity distribution industry as per the requirement of the Energy White paper of 1998, the EDI Restructuring Blueprint of 2001, and as amplified by subsequent cabinet decisions. The aim of the restructuring is to provide all South Africans, including the poorest, with affordable, reliable and sustainable electricity, which will lead to an improved standard of living.

The objectives of the EDIH include: - planning, controlling and managing the process of the establishment and implementation of 6 financially viable REDs, ensuring that the REDs deliver on the national objectives of electricity distribution industry reform. The restructuring is facilitated by an interdepartmental task team comprising of the Department of Energy, Department of Public Enterprise, provincial and local government, National Treasury and the EDIH.

The objectives of EDIH include ensuring: - sustainable supply of electricity to low income consumers, that future REDs operate on a financially viable basis as independent businesses, provide secure employment to their employees, and provide skills development and training consistent with high technology modern distribution business.

