

**REMARKS OF THE MINISTER OF ENERGY OF SOUTH AFRICA, Ms DIPUO PETERS,  
MP, AT THE PRESS BRIEFING AHEAD OF THE ENERGY BUDGET VOTE: IMBIZO  
MEDIA CENTRE, 120 PLEIN STREET, CAPE TOWN, 20 APRIL 2010**

Chairperson

Members of the media

Later this afternoon we are tabling our 2010/11 energy budget vote. We are doing this at the time when energy shortages and sustained high energy prices are causing concerns globally about both the sustainability of supply and the affordability of energy for economic development and poverty eradication.

We are also doing this at the time when, as a country, we are acknowledging challenges facing us in the areas of both liquid fuels and electricity. These concerns have resulted in the re-emergence of energy security as a major policy imperative of almost all economies, developed and developing.

Our movement, the ANC, has taken a decision to operate within the context of a developmental state. In this regard, the fundamental feature of any developmental state is its ability to plan and lead developmental efforts in its midst. It is within this context that we have seen a gradual shift in the political economy of energy in South Africa, with government taking a centre stage in the development of plans that will constitute our energy future. The ANC government believes that energy security is a major issue given the volatility of crude oil prices, its availability as well as the paucity of oil and gas coupled with that of electricity.

That is why, this year, we have chosen the theme: working together to usher in a new era for energy planning, modeling, forecasting and delivery.

We can now say with conviction that we are alive to the extent and the nature of the obstacles we have to overcome to deliver on our mandate. We do accept also that there has been a mosaic of initiatives taken by the ANC governments, since 1994, to fix this important area of energy. However, despite the strides expressed in the energy white paper of 1998, there is a constant refrain: where is the comprehensive and coherent energy policy?

When one reads all the conference resolutions and policy documents produced to date, one will find that these energy policies are expressed in different and varied forms. These would relate to areas such as electricity restructuring, security of supply, renewable energy, and more recently climate change and reduction of greenhouse gas emissions.

These developments have compelled us to revisit the primary constructs of our energy architecture and the political economy that informs them. Hence it is now the opportune time to usher in a new era in the political economy of energy in our country. This year we will draft and publish an Integrated Energy Planning Strategy that will outline the requisite processes, systems and structures, leading to the development of an umbrella policy or plan that will act as a guide for the entire energy sector, taking into consideration supply and demand within the gas and oil industries as well as the electricity sector.

As the government department mandated with the responsibility of ensuring security of energy supply, we intend to mobilize all affected stakeholders to take

part in the construction and development of energy plans that will constitute the blueprint of our energy future. As we embrace a new paradigm in South Africa's political economy of energy, we should all acknowledge the necessity of radical transformation in the energy space for the benefit of all citizens of our country.

The President's decision to establish the Inter Ministerial Committee (IMC) on energy is a groundbreaking development in post apartheid energy policy making. Already there is a lot of work that is being undertaken by the various working groups that are working around the clock to ensure that we indeed coordinate the work of government in a manner that ensures we achieve the objectives within our theme of ushering in a new era for energy planning, modeling, forecasting and delivery.

The IMC on energy has set itself a number of goals that include:

- conclude the integrated resource plan by the end of quarter 2 of 2010;
- intensify the energy efficiency and demand side management program, including the introduction of a massified solar water heater program;
- conclude the regulatory framework for introducing independent power producers;
  - conclude the process of EDI restructuring

As the Department of Energy, we are placing energy planning at the centre of all our work. This has to relate to the work of the National Planning Commission. We are also indicating that energy is not just electricity – it is made up of electricity (with its constituent parts such as nuclear and renewable energy) and

hydrocarbons, all these will be dealt with in equal measure as one cannot survive without the other.

With regard to electricity we are making a firm announcement in the following areas:

- ✓ IPR2 (the country's electricity plan)
- ✓ Impact of NERSA determination on the poor
- ✓ Nuclear build and our role as a champion of non proliferation and peaceful use of nuclear to produce radio isotopes to heal the nation
- ✓ INEPs electrification projects and the manner in which we are tackling the backlogs in electrifying our country
- ✓ EEDSM
- ✓ Private Sector Participation in electricity generation
- ✓ Independent Systems Operator (ISMO)
- ✓ Renewable energy and the introduction of working for energy programme

With regard to hydrocarbons, we are announcing, amongst others, concrete steps in the following areas:

- ✓ 20 year liquid fuels Infrastructure Plan

- ✓ PetroSA and its role in our country including the proposed project Mthombo
- ✓ Multi-product Pipeline and the country's strategic stocks
- ✓ Liquid fuels charter review

Finally, we are determined to do everything in our power to ensure that we execute our tasks with the requisite energy and drive and do the kind of things that we are committing to members of parliament and to our people later today.

I thank you!