



**REMARKS BY THE MINISTER OF ENERGY
Ms Tina Joemat-Pettersson, MP**

PORTFOLIO COMMITTEE ON ENERGY
Tuesday, 01st July 2014, V454, Old Assembly Building, Parliament, Cape Town

Honourable Chairperson, Comrade Fikile Majola

Honourable Members of the Portfolio Committee on Energy

Acting DG and Senior Management of the DoE

Chairpersons and CEO's of our State Owned Entities

Ladies and Gentlemen,

Allow me, on behalf of the Department of Energy and its Entities, to congratulate the Chairperson and Members of the Portfolio Committee on both your election to Parliament and deployment by your respective parties to this Committee.

We look forward to a very robust and productive engagement with this Committee as we collectively work together to put our country, region and continent on a sustainable and secure energy path.

Chairperson,

The President of the Republic addressed the nation on 17th June 2014 and I dare say that the directives and injunctions issued to the Department of Energy and indeed the sector was unambiguous and clear!

The next five years is about **Moving South Africa forward towards a Secure Energy Future!**

We have been, Honourable Members, taking the time and effort over the last few weeks to ensure that we start the process of ensuring a maximum level of alignment between the National Development Plan and the Strategic and Annual Performance Plans of the Department.

I must indicate however that I have directed the Department to immediately commence the process of strategic planning that will culminate in a new Five year strategic plan and an updated 2014/15 Annual Performance Plan for the DoE.

This new Strategic Plan, together with the updated APP, will be greatly aligned with the Medium Term Strategic Framework, and is expected to set out in detail how we will respond to the injunctions of the NDP as outlined by the President in his State of the Nation Address, also setting clear targets and the systems and processes to monitor the implementation of these during the same period.

Having said that, I wish to focus on some areas that will occupy our attention over the next few years, without delving into too much detail or covering all areas of our work – this will be provided by Acting Director-General and DDG's in the Presentation.

Chairperson,

I am determined that we bring consistency and certainty with regard to the policy and legislative environment, and the SoNA is very instructive in this regard.

We will therefore put a strong and accelerated effort into work with regard to:

- Finalising the **Integrated Energy Plan or Energy Master Plan**, together with its component parts, the **Integrated Resource Plan** and the **Gas Utilization Master Plan**

- Ensuring that the Section 34 determinations made by my predecessors been implemented to ensure security of electricity supply.
- Natural gas from the SADC region and our own shale gas resources will feature very centrally in this plan. I intend to work closely with the Department of Mineral Resources to resolve the issues that will facilitate investment in our gas sector
- Regional integration within SADC is central to our energy security, particularly as it diversifies our energy mix and complements our fossil based energy sector.
- Insofar as the nuclear programme, I intend to accelerate all the outstanding matters that lead to the commencement of a nuclear build programme.
- Addressing the problems that Eskom faces in the short to medium term, including its funding model as it plays it's rightful role in the electricity sector. In this regard we are working with the Department of Public Enterprises and National Treasury to finalize the government package
- Ensuring that our Legislation creates a conducive environment for the implementation of our energy vision, including **finalising the restructuring of the National Energy Regulator** and creating further scope and guidelines for the participation of IPP's through the **Electricity Regulation Bill**.
- We intend to **finalise the regulatory framework on pricing for bio-fuels** and I can assure this Committee that I intend to engage with the obstacles to progress on this matter, and ensure that they are removed. The potential of a Biofuels industry to contribute to economic development, particularly on job creation on the front end are massive.

- We will progressively accelerate the roll-out of electricity to reach our **universal access** targets, through our approved National Household Electrification Strategy utilizing grid and non-grid means.
- We will work with the Department of Cooperative Governance, National Treasury and SALGA to address the **maintenance and refurbishment backlogs in the electrification distribution industry**.
- Honourable members should also note that we are implementing a pilot project in this regard in **seven municipalities** and two metros and we are recording some areas of success, investing R 320 million in these projects.

In line with the SONA, my Department will also work in close co-operation with other spheres of Government to ensure the call of President Zuma to render service upliftment support to specific municipalities and District Municipalities is adhered to, not only with regard to the specific entities mentioned in his SONA, but also the 24 District Municipalities identified by Department of Rural Development and Land Reform.

We intend to ensure that we do further work with regards to the re-positioning and strengthening of our State Owned Entities, especially with regard to CEF and its subsidiaries, as well as SANEDI and the recently established Nuclear Radio Active Waste Disposal Institute.

I am not willing to yield or compromise on this, as our State Owned Entities is central to attaining our goals as a developmental state.

The presentation of my Department today is to give the committee a bird's eye view of the energy department, but also to demonstrate how the DoE seeks to align its work to the various national policy instruments, such as NDP.

As I handover to the Acting DG, I must stress that we are very serious when we refer to radical transformation and urgency in our policy development approach.

The energy sector has been identified as one of the biggest constraints to economic development in our country and I intend to correct that.

Thank you again for the opportunity Honourable Members, we look forward to engagement and discussion in this meeting.

Thank you.