

# Remarks by the Minister of Energy, Mr Jeff Radebe at the Energy Media Engagement

10 May 2018,

IPP Office, Centurion; Pretoria

Programme Director and the Director-General of the Department, Mr  
Thabane Zulu

Deputy Director-Generals

Chairs and CEOs of our SOEs

Head of the IPP Office

Members of the Media, **Welcome to this engagement with yourselves**

Thank you for making the time to join my department as we take this opportunity to engage with yourselves in order to share with you the vision, mission, programmes and developments of the Department of Energy.

The month of **May** is a very busy one for my department because, it is a time when we celebrate **Energy Month**, whereby we take the opportunity to make South Africans conscious and aware of the issues of Energy Efficiency in their daily lives. I again take this opportunity to make a **call** to the nation to be energy smart at all times by using energy efficiently and within the safety boundaries.

**May** is also the month when we present our Budget Vote to Parliament where we present to Parliamentarians past years' achievements, challenges but the importantly indicate the Department's plans for the financial year ahead. It is also worth noting that this year's budget speech is the last for this current term of the fifth administration of our democratic government. I therefore invite all of you to join us when we deliver this important policy statement on 16 May 2018 in the National Assembly.

The Department of Energy is responsible for ensuring exploration, development, processing, utilisation and management of South Africa's energy sources.

In the main our primary role is to formulate energy policies, regulatory frameworks and legislation, and oversee their implementation to ensure energy security, promotion of environmentally-friendly energy carriers and access to affordable and reliable energy for all South Africans.

Our vision is to improve our energy mix by having 30% clean energy by 2025 within a transformed and sustainable Energy Sector with a universal access to modern energy carriers for all.

Our mission is to regulate and transform the Energy Sector for the provision of secure, sustainable and affordable energy

The Department of Energy was established in 2009 following the reconfiguration of government after the 2009 elections, in which the then Department of Minerals and Energy (DME) was split into portfolio.

Over and above the main portfolio, the Depart has oversight responsibilities over six (6) State Owned Entities (SOE) and their subsidiaries which are either classified as schedule 2 or 3 in the PFMA. They are the Central Energy Fund (CEF), National Nuclear Regulator (NNR), the National Energy Regulator of South Africa (NERSA), South African National Energy Development Institute (SANEDI), National Radio Waste Development Institute (NRWDI) and Nuclear Energy Corporation of South Africa (NECSA).

**Let me now turn to some key programmes that we are responsible for.**

***Petroleum:*** - the main objectives in this area include:

- Promoting an efficient manufacturing, wholesaling and retailing petroleum industry;
- Facilitating an environment conducive to efficient and commercially justifiable investment;

- Promoting the advancement of historically disadvantaged individuals; and
- Creating employment opportunities and small businesses in the petroleum sector.

***Electrification:*** - The department is mandated to ensure and secure sustainable provision of energy for socio-economic development. Integrated National Electrification Programme is the Department's programme responsible for achieving universal electrification in the country. The Integrated National Electrification Programme (INEP) is responsible for planning, project management and funding the bulk infrastructure (e.g. MV lines and substations), grid and non-grid new connections for households that cannot afford to pay for themselves to receive access to electricity.

As from the end of March 2018 the programme delivered over 292 705 connections against 235 000 target set

***Renewable Independent Power Producers:*** -The White Paper on Renewable Energy of 2003 is one of the policy documents that laid foundation for the promotion of renewable energy technologies such as solar, hydro, biomass and wind. Through this policy document, a ten year target of how renewable energy technologies could diversify the country's

energy mix and secure cleaner energy was set. The objectives of the White Paper on Renewable Energy of 2003 were to:

- Ensure that an equitable level of national resources were invested in renewable technologies;
- Direct public resources to implementation of renewable energy technologies;
- Introduce suitable fiscal incentives for renewable energy and;
- Create an investment climate for the development of the renewable energy sector.

***Nuclear:*** - the department administers all matters related to nuclear energy as required by legislation and international agreements. These can be divided into three key activities, namely Nuclear Safety, Nuclear Technology, and Nuclear Non-Proliferation.

**Ladies and gentlemen,** we are all aware that South Africa is the current Chair of BRICS and as you know the BRICS 2018 Summit will be held in July at the Sandton Convention Centre; Johannesburg. Since 2015 Energy has become a strategic programme for BRICS and my department will host two BRICS events during this year. The first activity will be held on **17-18 May 2018** whereby the Director General will host a Technical Working Group meeting on Energy in Cape Town in preparation for the Energy Ministers which I will Chair<sup>0</sup> at the end of June 2018,

In addition to the BRICS activities, the Department will host the Southern African Development Community (SADC) Energy Ministerial meetings in **June 2018**.

**Ladies and gentlemen**, the DoE's legislative and policy framework are key in changing the country's future energy landscape. The vision of South Africa's energy strategy, as championed by the Department of Energy, is to contribute towards affordable energy for all, and to minimise the negative effects of energy usage on human health and the environment, especially in recognition to the Paris Agreement aimed at reducing carbon emission.

As the country's economy steadily taking an upward trajectory, the demand for energy continues to become a focus for attention among interested international investors, and local users across the spectrum – including business, captains of industry, and householders. As the policy setter and regulator of the energy sector, the Department plays a pivotal role in the development and promotion of this sector of the economy.

The National Development Plan (NDP) has elevated the role of energy in the country's economic growth and development. This role, as envisaged in the NDP, ensures that by 2030 South Africa has an energy sector that promotes economic growth and development, social equity through expanded access to energy services and environmental sustainability through efforts to reduce pollution and mitigate the effects of climate change. In realizing this vision, the South Africa's energy initiatives are

supported by effective policies, institutions, governance systems, regulation and competitive markets.

**Ladies and gentlemen** before I hand over to the DG and his capable team of Deputy Directors General (DDGs) to share with you briefly some of the programmes of the Department, I wish to reiterate that following the Cabinet decision of December 2017, the department is steadily working towards concluding the review of the IRP by no later than mid-August 2018. Finalisation of this critical policy document and related Integrated Energy Plan (IEP) is key towards ensuring policy certainty in the sector.

The IEP provides an overarching planning framework for electricity, liquid fuels and gas sector plans such that the development of these plans are done in a coordinated and integrated manner.

I trust that the matter of policy certainty can be seen in the recent signing of the 27 Independent Power Producer Power Purchase Agreements on 4 April 2018 in this very building we are gathered in here today.

As part of bringing certainty to the energy sector, I also intend to ensure that we stabilise governance issues at our State Owned Entities. This is key because if our SOEs perform optimally, we will be able to deliver on many our key strategic programmes without hindrance and with speed. We have no time delays: Our people need jobs and jobs will only be delivered if we ensure that that investment into the economy is realised.

**In closing**, I also take cognisance of the fact that 2018 is the year of the centenary of founding father of the nation, former President Nelson Mandela, our icon. As you are there a series of activities lined up to celebrate the sacrifices of this great son of the soil under the theme “**Be the Legacy.**” Nelson Mandela was a giant of our times and his contributions to the development of our nation will be forever remembered.

In the same breath we celebrate the contributions and achievements of uMama Albertina Sisulu, another stalwart and servant of the South African people who dedicated her life to the achievement of the freedom of the people of this land.

The upcoming Africa Day celebrations is another opportunity for all of us who call this Continent Africa – **Home**, to celebrate the achievements of not only our South African hero’s but, of all those across the Continent who have been instrumental in fighting for the freedom of all the our people.

Indeed today is not the day for long speeches, but we felt it is important to invite you come and interact with you on a more leisurely mood. I invite you relax and network with the leadership of this great portfolio we call Team Energy. On this note, I wish to reiterate my invite to you to join us during our Budget Speech at 14h00 in the National Assembly next week Wednesday, 16 May 2018.

**I thank you**