

# STRATEGIC PLAN

2011/12 – 2015/16



**energy**

Department:  
Energy  
**REPUBLIC OF SOUTH AFRICA**

## **Mandate**

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

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## **Mission**

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

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## **Vision 2014**

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

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## **Vision 2025**

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

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## **Values**

- Batho-Pele
  - Ethics
  - Honesty
  - Integrity
  - Accountability
  - Professionalism
  - Ubuntu
- 

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# OFFICIAL Sign-Off

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It is hereby certified that this Strategic Plan:

Was developed by the management of the Department of Energy under the guidance of Minister Dipuo Peters (MP).

Takes into account all the relevant policies, legislation and other mandates for which the Department of Energy and the National Treasury is responsible.

Accurately reflects the strategic outcome-oriented goals and objectives which the Department of Energy will endeavour to achieve over the period of five years covered by the plan, 2011/12 to 2015/16.

Yvonne Chetty (Ms)  
Chief Financial Officer

Signature: 

Thandeka Zungu (Ms)  
Chief Operating Officer

Signature: 

Nelisiwe Magubane (Ms)  
Accounting Officer

Signature: 

Minister Dipuo Peters (Ms)  
Executive Authority

Signature: 

# Introduction

PART A





# 1. INTRODUCTION

## 1.1 FOREWORD BY THE MINISTER OF ENERGY

The country's capacity to respond to the growing challenges in the area of security of energy supply has been tested on a number of occasions over the past few years, the most recent test being the hosting of the 2010 Soccer World Cup. From an energy supply perspective, we have done well. As we emerge from the most profound economic recession in almost a century, the challenges of electricity shortage of 2007-2008 will begin to re-emerge unless we succeed in ensuring security of supply from both the supply and demand-side management perspectives. While the world economy is in a state of recovery following the 2008/9 economic meltdown, opportunities in numerous manufacturing sectors are created in order to kick-start those economic activities that support social development and energy demand will increase.

The mandate of the Department of Energy is to ensure secure and sustainable provision of energy for socio-economic development. Over the next MTEF we will ensure:

- The provision of an enabling platform for other sectors to speed up economic growth and transformation, create decent jobs and sustainable livelihoods,
- Our contribution to the massive programme to build economic and social infrastructure,
- The provision of an enabling platform to pursue regional development, African advancement and enhanced international co-operation,
- Sustainable energy resource management and use,
- The unlocking of infrastructure investment through policy and regulatory framework,
- The implementation of various interventions to encourage sustainable energy resource management and use, through flagship interventions such as solar water heater programme (wind, concentrate and photo voltaic projects),
- That we improve our efforts to meet the energy efficiency and renewable energy targets,
- Security of supply of petroleum products and national refining capacity,
- Efficient supply and availability of gas resources,
- Security of supply of electricity through the revamping and maintaining of the electricity infrastructure – including generation, distribution and reticulation,
- We work hand in hand with the private and public sector institutions in order to build prosperity through service delivery,
- We refine the Integrated National Electrification Programme to eradicate the electrification backlog as part of our endeavour in achieving our Millennium Development Goals by 2014, and
- The expansion of pipelines for the supply of liquid fuels into inland provinces.

The statement that energy is the life thread of our economy holds true. It is therefore important that as the Department of Energy, we look beyond the narrow interpretation of our mandate and see how we can contribute towards all government outcomes, including those where the Energy Ministry has not signed the Delivery Agreements.

The Minister of Energy has signed delivery agreements in the following areas:

### **OUTCOME 6: An efficient, competitive and responsive economic infrastructure network.**

This will be one of the critical areas for the energy sector as energy security is dependent on an adequate, robust, responsive and reliable infrastructure. The implementation of newly built programmes, provision of a framework for IPP participation and independent market operator, maintenance of electricity distribution networks, upgrading of the hydrocarbons supply network and the refining infrastructure, to name but a few, demand our undivided attention if we are to surpass the current economic growth levels and keep inflation within the predetermined parameters.

### **OUTCOME 10: Environmental assets and natural resources that are well protected and continually enhanced.**

Noting that the energy sector, together with the transport sectors are the biggest contributors to greenhouse gas emissions, our contribution towards government's climate change targets will be a significant one. With planning tools like the Integrated Energy Plan (IEP), and the Integrated Resource Plan (IRP), we should be able to configure the primary and secondary energy mix in a manner which supports our climate change targets.

#### **Clean energy and climate change**

The year 2011 is a particularly special year for the energy sector in South Africa as we will be hosting the 17th United Nations Conference of Parties (COP) in KwaZulu-Natal. With the increasing concern about the impact of climate change globally, this event will test our commitment to sustainable development and response to the challenges of climate change, of which the energy sector is the biggest contributor. Firm decisions will have to be made going forward regarding coal based electricity generation and the refining capacity of our petroleum products, both of which will increase the greenhouse gas emissions in the atmosphere, and in turn, the country's carbon footprint. COP 17 comes at a time when, as a country, we are making firm progress in carbon capture and storage, use of solar energy, and

other demand side management initiatives. We will continue to work alongside the business community to realise the energy efficiency and demand side management targets to which they have committed.

The urgent issue of climate change and greenhouse gas emissions will feature very highly on our agenda as we pursue our clean energy initiatives. The Integrated Resource Plan (IRP) 2010, soon to be approved by Cabinet, will be a major milestone on the road to a sustainable future for our country. We are not oblivious to the expectation of our people of how to effectively harness the power that we have, or the influence that we have to contribute meaningfully to the achievement of the overall objective of creating decent and sustainable jobs.

#### **Nuclear energy**

Concerns over nuclear energy by various groups cannot be ignored. Countries that have successful nuclear programmes have a high percentage of citizens who understand what nuclear energy is, the risks and benefits associated with it. Nuclear energy remains one of the cleanest and safest energy options for South Africa and will be pursued in line with the Integrated Resource Plan (IRP).

The acute need to secure reliable energy supplies and the urgent requirement to reduce carbon emissions has put nuclear energy firmly on the agenda as a viable option to be pursued in order to achieve energy mix. Nuclear energy is becoming a preferred solution for energy security and in efforts to mitigate climate challenges. Some countries have showed renewed interest in nuclear energy while others are considering expansion of existing programmes, as is the case in South Africa.

#### **State Owned Entities**

In order to achieve our objectives, it will be essential for the state owned institutions within the energy sector to be streamlined according to the departmental mandate. In this regard, we will continue to strengthen the hands of our entities to deliver on their legislative mandates. We are looking forward to improving our relationship with those state-owned entities reporting to the Minister of Energy, as well as reviewing some of these entities' mandates and operating systems to ensure efficient service delivery. We will, amongst others, operationalise the South African National Energy Development Institution (SANEDI) and streamline CEF and its subsidiaries.

Part of this process will entail the repositioning of PetroSA to become the National Oil Company poised to play its meaningful role both locally and internationally.

Accordingly, we value the role PetroSA will play in our future endeavours of ensuring sustained security of supply, and in this regard, a mutually beneficial partnership with our private sector companies is of paramount importance.

Cabinet made a decision in December 2010 to discontinue the process of restructuring the electricity distribution industry through the establishment of the Regional Electricity Distributors (REDS). This decision meant that EDI Holdings, as the company established in terms of the Electricity Distribution Industry Blueprint Report of February 2003, will cease to exist, as its sole mandate was to establish REDS within the prescribed timeframe. Cabinet also approved the housing of the electricity distribution industry restructuring process within the Department of Energy as well as the appointment of an Administrator to work with the department and EDI Holdings during the finalisation and transitional periods. The process of de-registering EDI Holdings will be completed within the first half of the 2011/12 financial year along with the completion of the closing down audit and the provision of the annual financial statements and closing report.

The department will now review the entire electricity value chain with a view to developing a holistic approach towards energy security as well as the financial implications thereof.

### International relations

The Department of Energy will actively participate at different international energy forums with companies, countries, multilateral and specialised energy institutions to contribute to the resolution of energy problems globally. The department intends to secure access to resources, technologies and capacity building initiatives offered by other countries, specialised energy institutions and organisations. Of note, are the initiatives that promote oil price stabilisation mechanisms, clean energy technologies, funding of energy projects and

promotion of energy efficiency and universal access to clean affordable and reliable energy by all.

To this end; the department will endeavour to work closely with, among others, Southern African Development Community (SADC), Conference of Energy Minister of Africa (CEMA), African Petroleum Producers Association (APPA), India, Brazil and South Africa (IBSA), International Energy Agency (IEA), International Atomic Energy Agency, International Energy Forum, Clean Energy Ministerial meeting and pursue bilateral relations that assist the department to deliver on the mandate of reducing the carbon footprint as well as the enhancing energy security of supply in South Africa.

I would like to express my appreciation for the support of Cabinet colleagues both as individuals and as a collective group, as we faced the mammoth task of establishing the Department of Energy. A special welcome to Deputy Minister of Energy, Ms Barbara Thompson, who I am looking forward to working with in ensuring delivery against the mandate given to us by the people of South Africa.

The Department of Energy is at the coalface of demanding and urgent tasks. We have a band of men and women, led by the Director General, Ms Nelisiwe Magubane, who are truly united behind our mission and vision, and who are driven by the need to realise the dreams and aspirations of all South Africans.



Minister  
Dipuo Peters, MP



## 1.2 MESSAGE FROM THE DEPUTY MINISTER OF ENERGY

Energy is the vital force powering business, manufacturing, and the transportation of goods and services to serve the nation. It is the lifeblood of any form of existence as it impacts on all we do and affects our very existence. Therefore, it is essential that we plan for the social dimension of our interface in all walks of life.

In this strategic plan, special focus will be given to the interrelation of energy with the youth, women, and children. In this regard, we will increase our intervention programmes with community formations, especially in terms of training and development, a public education and awareness campaign in renewable and clean energy, demand side management as well as job opportunities within the energy sector.

A particular focus will be given to inter-governmental relations, which leads to the attainment of Government's strategic objectives. Particular focus will be given to the relation of energy and the environment, agriculture and rural development, human settlements, trade and industry, human resource development, citizenship and regional as well as international relations.

We will increase our Public Participation Programmes with community formations, especially in terms of awareness, consultation, education and training in the new, and renewable, energy forms and demand side management. Special focus will be on creation and uptake of job opportunities within the energy sector, especially among the historically marginalised community groups. In this regard, we will focus our efforts, amongst others, on the following interventions:

- An integrated approach in electrification, which will see 150 000 new electricity connections and an additional 10 000 off-grid connections targeted for completion each year.

- The launch of the Clean Energy Education and Empowerment (C-3E) Women Initiative, with a view to expand the education-training and skills development in the clean energy space and the role of women, young and old;
- Acceleration of Energy Efficiency and Demand Side Management Campaigns, with a view to promote a larger uptake of energy efficiency demand side interventions to manage the national load on the electricity grid;
- Participation in the United Nation's Commission on Sustainable Development, with special emphasis on the Commission of Women;
- Participation in the United Nation's Climate Change issues under the United Nations Framework Convention on Climate Change;
- Participation in the African Union and Regional Structures such as SADC, focusing on those interventions that impact on the lives of the vulnerable, such as women, children, the aged and the impaired; and
- Implementation of the department's Youth Development Strategy in line with other national initiatives.

We will improve our stakeholder management and collaboration in a manner that will ensure popular understanding of energy issues, thereby enhancing the sustainability of the energy sector for the benefit of all South Africans and our neighbours. We will continue to play our role as a partner in regional, continental and international structures by initiating and operationalising bilateral and multilateral energy agreements.

Deputy Minister  
Barbara Thompson, MP



### 1.3 DIRECTOR-GENERAL'S OVERVIEW

This strategic plan is informed by the department's mandate, the recent Cabinet decisions involving policy matters such as the restructuring of the electricity distribution industry, energy planning and the Minister of Energy's signed performance agreement which covers outcomes 6 and 10 of the Government Outcomes. As the Minister has indicated earlier in this document, with regard to our response to Government Outcomes, we have broadened our approach to include even those outcomes that our Minister did not sign delivery agreements for.

#### ENERGY PLANNING

##### Integrated Energy Plan (IEP)

A long term plan on energy supply and demand is critical for the security thereof. The department will table the Integrated Energy Planning Strategy before Cabinet during the first quarter of the year. This strategy is expected to outline the requisite processes, systems and structures that will lead to the development of a comprehensive integrated energy plan.

The first phase of a national integrated energy modelling system, which is required to provide statistical analysis for the IEP, will be completed by May 2011, and the second phase is planned for completion by 2013/14.

##### Integrated Resource Plan (IRP 2010 for electricity)

The IRP was concluded in the previous financial year and will be implemented in phases with effect from 2011/12 financial year. It is important to note that the IRP underlines the degree of our involvement in a number of inter-departmental and cluster initiatives such as agriculture, economic development, trade, environmental management and climate change. This will be the first IRP that government has directed and it must find a balance between competing government objectives – affordability, reducing carbon emissions (*Towards a Green Economy*), water conservation, localisation and regional development.

The Integrated Resource Plan for Electricity (IRP 2010) covers the period for 2010-2030 and initiated the first round of public participation in June 2010. This public consultation focussed on the input parameters for the IRP modelling. The final inputs for the IRP were published along with comments submitted on each parameter as well as responses by the Department of Energy. The proposed policy-adjusted IRP 2010 will be served before the IMC for Energy in February 2011 and tabled before Cabinet towards promulgation by March 2011.

The IRP 2010 is a "living" plan, which will be updated on an ongoing basis to reflect the changing needs of South Africa in order to learn from these inevitable changes in our economical, social and technological environment.

#### HYDROCARBONS

##### Liquid Fuels

The energy security master plan for liquid fuels identified a number of capacity constraints and challenges faced by the petroleum sector in meeting energy demand. The department plans to publish the National Strategic Fuel Stock Policy, establishing the framework for the storage of fuel stock by government and industry, for public comment. We have completed the compliance audit of the Liquid Fuels Charter. The audit focused on the extent of compliance by the industry in terms of commitments made ten years ago. Following the outcome of the audit, a new empowerment framework will be developed and incorporated into the Petroleum Products Amendment Bill in 2011/12 financial year.

South African fuel specifications and standards are currently not in line with global vehicle technology trends and environmental requirements. The department plans to review these specifications and standards with the intention of promulgating these by early 2011/12.

##### Inland Multiproduct Pipeline

Time is of essence for the construction of the Multi Product Pipeline between Durban and Johannesburg, for which the budget was allocated beginning last financial year. We will work together with relevant stakeholders to

ensure a timeous delivery of the pipeline, with minimal interruption in the security of liquid fuels supply to the economic hubs of the country.

### Strategic Fuels Stock

South Africa is a net importer of hydrocarbons and as such, is vulnerable to external environmental factors in the sector. We will ensure that the strategic fuels stock policy is developed and implemented so that we may maintain reserves best in line with international practice.

### National LPG Strategy:

As part of the promotion of clean energy sources, we will present a draft Liquefied Petroleum Gas (LPG) Strategy that will be submitted to Cabinet in 2011/12 with public comments and finalisation immediately thereafter.

## ELECTRICITY

Within the first quarter of 2011/12 we will be introducing the Independent System and Market Operator (ISMO) Bill to Parliament. ISMO provides a framework for independent power producers' participation. The ISMO Bill will be complimented by the Electricity Regulation Act Amendment Bill, with the objective to address the powers and functions of the ISMO, amongst others.

### Integrated National Electrification Plan (INEP)

In order to broaden access to electricity, we will continue to strengthen the electrification networks and build substations where necessary, to ensure the continuous roll-out of the electrification programme towards the goal of Universal Access. We will continue to embrace renewable technologies and energy efficiency as an integral part of our service delivery to the poor. During the 2011/12 financial year we plan to connect 150 000 households to the grid and an additional 10 000 off-grid.

## CLEAN AND RENEWABLE ENERGY

### Renewable Energy

Work on the implementation of renewable energy programmes will continue towards the roll out of 1 million solar water heaters by 2014 and the implementation of REFIT for the approved renewable energy technologies in line with the Integrated Resource Plan.

### Energy Efficiency

We will continue to implement the energy efficiency programme for the industrial and domestic sector in line with the Integrated Resource Plan for the achievement of the 2015 national target of 12%.

We will embark on a public awareness campaign to make energy efficiency an integral part of the domestic, commercial and industrial activity.

### Nuclear energy

Nuclear energy programs promote secure, competitive and environmentally responsible nuclear technologies to serve the present and future energy needs of the country. With the growing demand for energy/electricity supply and the environmental challenges facing the nation in this new century, the benefits of clean and safe nuclear energy are increasingly apparent.

In the meantime, we will continue to implement the 2008 Nuclear Energy Policy, including the implementation of intergovernmental decisions such as the deployment of new nuclear power stations, the associated funding and procurement framework, the industrialisation and localisation strategy, appropriate information sharing, as well as related training and skills development. The National Radioactive Waste Disposal Institute will be set up in 2011/12.

### Internal Process Improvement

With the realisation that, as we started our first year of independent existence, we would not have enough funds to implement the full approved organisational structure of the department, a decision was made to come up with an interim structure that would speak to the available funds and critical posts required to start the new department. We will continue to capacitate the department as financial resources become available. During the 2011/12 financial year, we will be appointing additional Deputy Director-Generals in the line function components, a process which will assist us in streamlining our work and give more focus to delivering on our mandate.

### Outreach Programmes

In line with requirements of our social dialogue, the department will continue to reach out to its stakeholders on matters concerning energy, by sharing information, educating and promoting awareness on usage, and safety of energy sources and installations. In line with compliance requirements, progress will be reported at prescribed times to the relevant government institutions.

## CONCLUSION

I believe that this document will enable our stakeholders to engage with us in a journey of ensuring energy security for South Africa in a sustainable manner for the current and future generations.



Director General  
Ms Nelisiwe Magubane

## 2. LEGISLATIVE AND OTHER MANDATES

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### 2.1 INTRODUCTION AND STRATEGIC OVERVIEW

The conclusion of the 2010 FIFA World Cup and the Department of Energy's (DoE) contribution to the successful hosting of the event will make the upcoming strategic period offer some new challenges and opportunities with regards to changing national and international economic conditions. South Africa weathered the storm of the global economic recession better than some of the larger world economies. While new opportunities will present themselves, persistent challenges such as job creation, climate change and energy security remain.

We are envisaging speedy developments during the term of this strategic plan due to the introduction of Independent Power Producers in the electricity space. Access for un-served communities to electricity through the Integrated National Electrification Programme (INEP) will continue to be funded through the Department of Energy for the foreseeable period ahead.

Energy demand side management remains important over the medium term, although the funding mechanism will change to the standardised offer model that will enable more and newer technologies to enter the energy efficiency market. South Africa has committed

to substantial reductions in carbon dioxide emissions by 2025, and supports research and technology development aimed at environmentally sustainable economic growth.

Government will also focus on improving biodiversity protection and will contribute to the costs of South Africa hosting the United Nations Framework Convention on Climate Change Conference of the Parties (COP17) in 2011 (*Medium Term Budget Policy Statement 2010, National Treasury*).

Closer to the ground, President Jacob Zuma co-signed a Performance Agreement with the Minister of Energy Ms Dipuo Peters, MP in April 2010 that together with the associated Delivery Agreements, initiates government's new Outcomes Based Approach as it relates to energy. In brief, the Outcomes Based Approach seeks to ensure that government is focused on achieving the expected, real improvements in the life of all South Africans.

The Outcomes Based Approach clarifies what, in addition to the normal departmental mandate, we expect to achieve, how we expect to achieve it, and how we will know whether we are achieving it. Clear statements of the outcomes expected together with specific indicators, baselines and targets to measure change will generate reliable information we can use

to monitor progress, evaluate how successful we were, and plans to improve (Guide to the Outcomes Approach, Presidency).

More specifically, the Department of Energy will primarily contribute to three of the twelve priority outcomes referred to as the change agenda, namely, '*Decent Employment through inclusive Growth*' (**Outcome 4**), '*An Efficient, Competitive And Responsive Economic Infrastructure Network*' (**Outcome 6**), and '*Environmental Assets And Natural Resources That Are Protected And Continually Enhanced*' (**Outcome 10**), and to a lesser extent, to the remaining nine expected Outcomes. At the same time, we will continue to deliver on our core mandate, also termed the '*Sustained Agenda*'.

The rest of this Strategic Plan, particularly the tables in Appendix A, elaborate on the outcomes needed to move towards the stated goal of energy supply that is secure and demand that is well managed, while also describing the context in which we operate. This Strategic Plan is, and will continue to be, supplemented by annual performance plans throughout the period 2011/12 to 2015/16.

In terms of section 7(5) (a) of the Public Service Act, 1994, the President may, by proclamation in the Government Gazette and on the advice of the Minister for the Public Service and Administration, amend Schedule 1 to the said Act so as to establish or abolish any national department, designate such department and the head thereof or amend any such designation.

Subsequently, the President in terms of section 7(5) (a) of the Public Service Act, by Proclamation No. 48, 2009 published in Government Gazette No. 32387 on 7 July 2009, amended the national departments listed in Schedule 1 to that Act to accord with the new portfolios of Ministers, including renaming current departments and establishing new departments. The Department of Energy was accordingly established in 2009. For the remainder of the 2009/10 financial year, the Department of Energy was hosted by the Department of Mineral Resources while preparations for the split of the DME were underway. DoE became independent with effect from 1 April 2010.

## 2.2 CONSTITUTIONAL MANDATE

The Department of Energy has a secondary role to play in the following areas. Firstly: As we ensure the provision of various forms of energy we have to also ensure that

people's right to an environment that is not harmful to their health or well-being, an environment protected for the benefit of the present and future generations through reasonable legislative and other measures, is observed. We further have to ensure that as part of 'adequate' housing we provide electricity and other means of energy.

## 2.3 LEGISLATIVE MANDATES

### 2.3.1 The National Energy Act, 2008 (Act)

The National Energy Act is the enabling legislation that empowers the Minister of Energy to ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while also taking into account environmental considerations. In addition, the Act provides for the increased use of renewable energies, contingency energy supplies, the holding of strategic energy feedstock and carriers, and adequate investment in energy infrastructure.

Importantly, the Department of Energy is mandated to provide for energy planning and measures for the furnishing of certain data and information regarding energy demand, supply and generation.

### 2.3.2 The Electricity Regulation Act, 2006, as amended by Act 28 of 2007

The Electricity Regulation Act establishes a national regulatory framework for the electricity supply industry to be enforced by the National Energy Regulator of South Africa. The Minister of Energy, in terms of Section 34 (1), is empowered to make determinations for the establishment of Independent Power Producers (IPP) for the purpose of greater competition in the electricity generation sector so as to increase the supply of electricity.

### 2.3.3 The Petroleum Products Act, 1977 (Act No. 120 of 1977)

The Act provides for measures in the saving of petroleum products and the economy in the cost of distribution thereof, and for the maintenance and control of a price thereof. It further provides for the furnishing of certain information regarding petroleum products and for the rendering of service of a particular kind or service of a particular standard in connection

with petroleum products. The Act further provides for the licensing of persons involved in the manufacturing, wholesaling and retailing of prescribed petroleum products, to promote the transformation of the South African petroleum and liquid fuels industry and to provide for the promulgation of regulations relating to such licenses.

#### **2.3.4 The Central Energy Fund Act, 1977 (Act No. 38 of 1977)**

The Act makes provision for the determination of State Levies.

#### **2.3.5 Nuclear Energy**

Nuclear Energy is governed by the following primary pieces of legislation: Nuclear Energy Act, No. 46 of 1999, National Nuclear Regulator Act, No. 47 of 1999 and the National Radioactive Waste Disposal Institute Act, No. 53 of 2008. The Nuclear Energy Act provides for the establishment of the South African Nuclear Energy Corporation and the NNR Act provides for the establishment of the National Nuclear Regulator. The National Radioactive Waste Disposal Institute Act provides for the establishment of the National Radioactive Waste Disposal Institute.

#### **2.3.6 Other legislative mandates**

Energy Fund Act, 1977 (Act No. 38 of 1977), as amended [by Act 48 of 1994]  
Petroleum Pipelines Act, 2003 (Act No.60 of 2003)  
Gas Act, 2001 (Act No.48 of 2001)  
Gas Regulator Levies Act, 2002 (Act No.75 of 2002)  
Petroleum Pipelines Levies Act, 2004 (Act No.28 of 2004)  
National Energy Regulator Act, (Act No. 40 of 2004) – establishing the National Energy Regulator.

## **2.4 POLICY MANDATES**

The Department of Energy derives its mandate from the White Paper on Energy Policy of 1998. The Department of Energy is responsible for ensuring energy security within the country. It does this by undertaking Integrated Energy Planning (IEP), regulating energy industries, and

promoting electric power investment in accordance with the Integrated Resource Plan (IRP). The Department of Energy also continues to implement the Electricity Regulation Act, 2006, as amended, especially with respect to creating the necessary conditions for the introduction of an independent systems operator and independent power producers in the electricity market.

The recommendations made in the Energy Security Master Plan for Liquid Fuels, which was approved by Cabinet in 2007, continue to be implemented, with current focus being primarily on addressing the short-to-medium term infrastructural constraints within the liquid fuels sector.

#### **Nuclear Energy**

Following the White Paper on Energy Policy, 1998, the Nuclear Energy Policy was approved by Cabinet in June 2008. The policy provides a framework within which prospecting, mining, milling and use of nuclear materials as well as the development and utilisation of nuclear energy for peaceful purposes shall take place. The long-term vision of the policy is for South Africa to become globally competitive in the use of innovative technology for the design, manufacture and deployment of state of the art nuclear energy systems and power reactors and nuclear fuel cycle systems

The Department of Energy is also planning to review and update the 1998 White Paper on the Energy Policy of the Republic of South Africa during the current MTEF period.

## **2.5 DEPARTMENTAL PROGRAMMES**

The department is currently operating under an interim structure due to funding challenges. Over this MTEF period we will be migrating to the full structure. On the next page are the current programmes for the department as per the interim structure. Details of the department programmes (interim and final organisational structures) are on page 15.

PROGRAMME	PURPOSE
<b>Programme 1</b> Administration	To provide strategic support and management services to the Ministry and the Department. (Ministry, Director General's Office, Office of the CFO, Office of the COO and Corporate Services Branch)
<b>Programme 2</b> Hydrocarbons and Energy Planning	Integrated energy planning to promote the sustainable use of energy resources by developing appropriate policies and regulations that promote the efficient use of petroleum products, coal, gas and renewable energy sources.
<b>Programme 3</b> Electricity, Nuclear and Clean Energy	Monitor developments in the electricity, nuclear and clean energy sectors. Improve and implement appropriate policies governing these sectors. Promote universal access to electricity by the broader South African population.
<b>Programme 4</b> Associated Services	Transfer, manage and monitor funds in support of the department's mandates to funded and non-funded statutory bodies and organisations.

## 2.6 PLANNED POLICY INITIATIVES

### 2.6.1 Ensuring energy security

The department will table the *Integrated Energy Planning Strategy* before Cabinet during the first quarter of 2011. The strategy is expected to outline the requisite processes, systems and structures that will lead to the development of a comprehensive integrated energy plan, which should be finalised by the end of September 2011. The first phase of a national integrated energy modelling system, which is required to provide statistical analysis for the IEP, will be completed by May 2011. The second phase is planned for completion by 2013/14.

### 2.6.2 National strategic fuels stock policy

The energy security master plan for liquid fuel identified a number of capacity constraints and challenges faced by the petroleum sector in meeting energy demand. In responding to these challenges, the national strategic fuels stock policy will be submitted to Cabinet during the 2011/12 financial year. This policy will set out the framework for the storage of fuels stock by government as well as industry. It also seeks to guide the necessary investment decisions within the liquid fuels sector to ensure the security of energy supply. As part of this process, towards the end of September 2010, the department drafted and published Regulations in respect of Strategic Stocks to be kept by Oil Companies, which will also be finalised during the 2011/12 financial year.

### 2.6.3 National LPG Strategy

As part of the promotion of clean energy sources, the department is drafting a liquefied petroleum gas (LPG) Strategy which will be submitted to Cabinet in 2011/12. The main objectives of the Strategy are to provide access to safe, cleaner, efficient, portable, environmentally friendly and affordable thermal fuel for all households, and to switch low-income households away from the use of coal, paraffin and biomass to LPG.

### 2.6.4 Cleaner Fuels Programme

To further improve the quality of transport fuels, the department will review the current fuel specifications and standards so as to reduce harmful emissions, and to align standards with global vehicle technology trends and environmental requirements. This should encourage vehicle manufacturers to introduce more fuel efficient engine technologies with lower carbon and noxious emissions. The department has drafted a position paper for consultation and intends to promulgate new fuel specifications in the early part of 2011/12.

### 2.6.5 Promoting Clean and Renewable Energy Sources

Promoting the development and usage of clean and renewable energy resources remains a key priority for the department. The renewable energy feed-in tariffs have been set for a diverse portfolio of renewable energy sources including wind, solar, biomass and small-scale hydro. Producers who invest in renewable energy are incentivised

by tariffs which cover the cost of generation plus an attractive return.

Similarly, energy efficiency programmes are prioritised and 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. A standard offer framework, which provides incentives for interventions that improve energy efficiency in the domestic, industrial and commercial sectors, was developed and will be finalised in 2011/12. These initiatives assist the department to achieve its target of producing 10 000 GWh of electricity from renewable sources by 2013, and to improve energy efficiency by 12 percent by 2015.

#### *2.6.6 Nuclear Energy*

The department continues with the implementation of the 2008 Nuclear Energy Policy, including the implementation of intergovernmental decisions such as the deployment of new nuclear power stations, the associated funding and procurement framework, the industrialisation and localisation strategy, appropriate information sharing, as well as related training and skills development. The National Radioactive Waste Disposal Institute will be set up in 2011/12.

#### *2.6.7 Independent Power Producers*

The department will initiate a procurement process for renewable energy investment under the REFIT programme. Technologies including solar, wind, biomass, hydro and landfill gas will form part of a diversified portfolio of renewable energy. In addition to the renewable energy IPP, other non Eskom generation opportunities will be procured, particularly cogeneration and other options identified as part of the IRP implementation process.

#### *2.6.8 Energy Efficiency*

Energy efficiency in the residential, commercial and industrial sectors remain one of the most attractive (in terms of cost and time to deploy) option that the department will focus on. The measurement and verification of energy efficiency outcomes will accordingly become a focal area

with Sanedi, serving as a repository for all energy efficiency interventions and outcomes.

#### *2.6.9 Infrastructure Rehabilitation*

As we improve the electricity supply-demand situation, it has become critical to address the problems facing the electricity distribution network, particularly municipal infrastructure. The Approach to Distribution Asset Management (ADAM) programme will be introduced to rehabilitate the identified municipal structure which poses a risk to energy security.

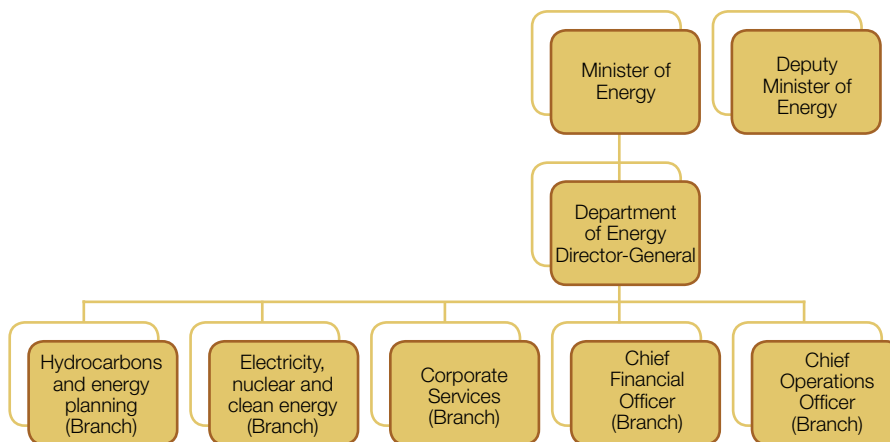
### **2.7 POLICY DEVELOPMENT AND REVIEWS**

The department plans to develop and review the following legislative provisions during the 2011/12 financial year:

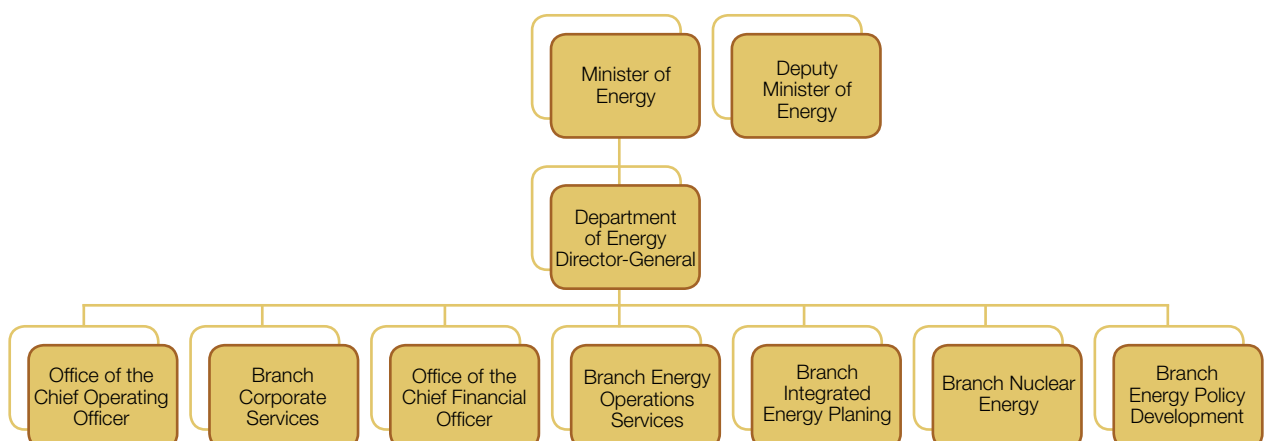
- Review and amend the National Energy Regulator Act (No 4 of 2006) to improve the governance structure of the National Energy Regulator;
- Review and amend the Electricity Regulator Act (No 4 of 2006) to provide for expropriation, improved licensing and address penalties
- The development of the Independent System Market Operator Bill to facilitate Independent Power Producers in the South African electricity generation sector.
- Review and amend the Petroleum Products Act No 120 of 1997 to address regulatory gaps; and
- Review and amend the Gas Act No 48 of 2001 to include methane and gasses from other sources.

## 3. ORGANISATIONAL STRUCTURES

### 3.1 INTERIM ORGANISATIONAL STRUCTURE



### 3.2 APPROVED ORGANISATIONAL STRUCTURE



## 4. SITUATIONAL ANALYSIS

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Over the past 20 years, South Africa has not made significant investments in the energy sector. The capacity that was created in the 1980s was sufficient to carry us through to the early 2000s, when it became clear that the demand growth, fuelled by the commodity boom, outpaced power supply and that there was an urgent need to increase supply.

External constraints in the global supply chains for power generation technology, particularly for nuclear plants, underscored the importance of improving energy security by way of a timely and sustainable “build program”. Most countries faced the same problem of declining generation capacity around the same time as South Africa, which resulted in global supply chains becoming constrained as competition increased for machinery and services.

The economic crisis, driven by the sub-mortgage contagion, provided some breathing space (from an energy demand perspective) as economies cooled off around 2008. This reprieve was accompanied by massive job losses as investment declined. South Africa was able to continue to keep the lights burning partly as a consequence of the economic crisis. We must not be complacent in the face of renewed signs that economic activity is picking up again. There is a need to fast track the interventions that will improve the power supply-demand situation.

The severe liquid fuels disruptions which were experienced in 2005/6 came at a significant cost to the economy, while the infrastructure supplying the economic hub of the inland market is constrained. The growth in demand was also dampened by the global economic slowdown experienced in 2008.

In response, Government has implemented a planning framework for the energy sector, anchored on the Integrated Energy Plan and the Integrated Resource Plan, as the instruments to drive government's set objectives over and above supply adequacy. Issues like job creation, reducing our greenhouse gas emissions, and aligning with the New Growth Path and government's program of action form an integral part of this strategic plan over the next five years

The emerging global trends in the provision of energy across the world positions Government to define objectives driven by outcomes in the supply of energy. The investment in social infrastructure programmes is a response to these emerging global trends. The social infrastructure investment programmes further aimed at ensuring that Government achieves 92% distribution penetration in accessing the electricity distribution grid by 2014.

For Government to achieve the 2014 distribution penetration of the electricity grid objective, the

Department of Energy needs to ensure that the old electricity distribution infrastructure in municipalities is stable and sustainable. This has a large financial impact for the electricity distributing municipalities. The distribution of electricity by municipalities is driven by political and social responsibility that ensures that tariff increase does not affect the poorest of the poor. This is achieved through the implementation of indigent policy and block tariffs in order to ensure electrification of every household and supply of energy thereof.

The strategic economic policy identifies energy as one of the drives for economic growth and sustainable environment and supply of clean energy. In response to this, the Government will be hosting the Conference of Parties (COP17) conference with the aim of brainstorming climate change and the use of green energy as the mechanism for job creation, reduction of carbon emissions and to take advantage of the technological developments in the industry. The outcome of the conference will contribute to the mechanisms that are already in place to create opportunities for alternative energy supply through solar heating and renewable energy sources. This forms part of the initiative to improve supply and demand side of energy and create job opportunities.

## 4.1 PERFORMANCE ENVIRONMENT

The Department of Energy was established in May 2009 as a result of President Zuma's decision 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 different and competing interests. The aim of the department 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, as well as to promote environmental friendly carriers.

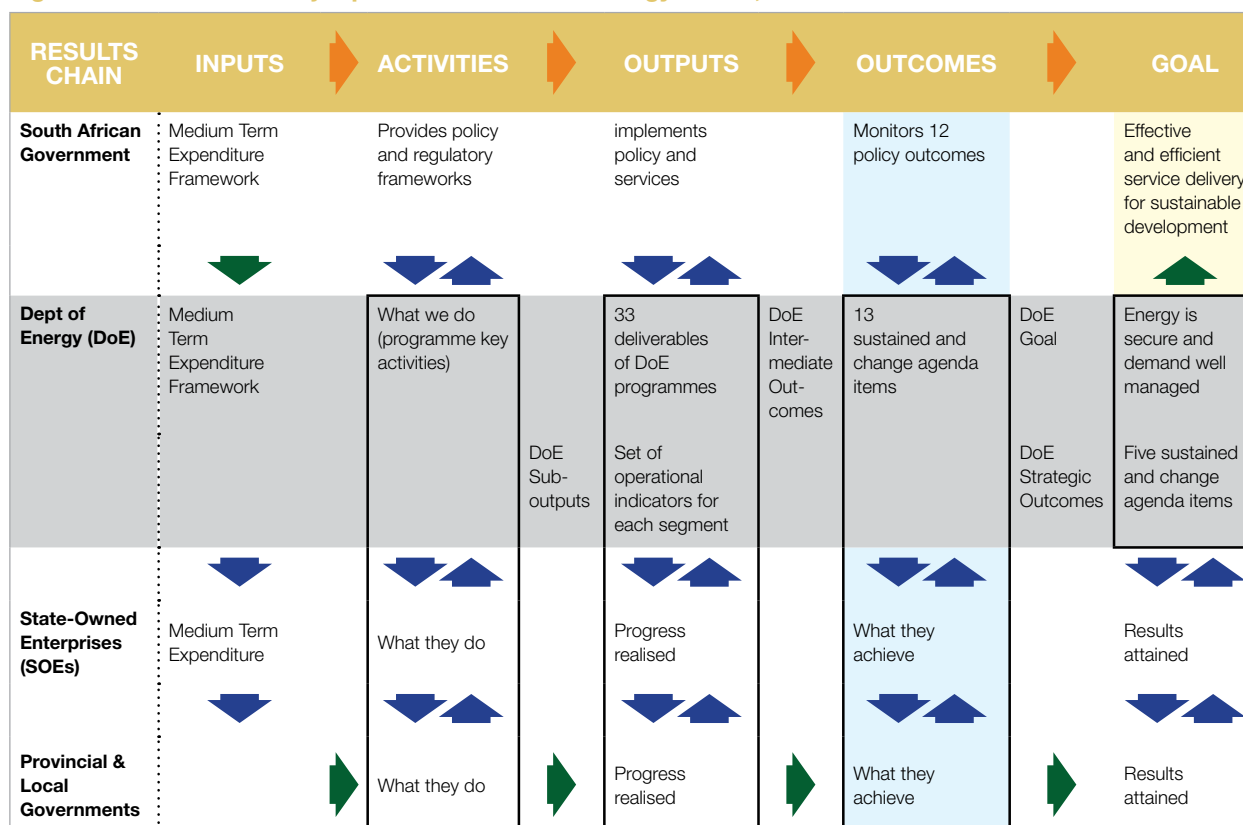
The Minister of Energy is responsible for overseeing five State Owned Entities (SOE) and their subsidiaries, which are either classified as Schedule 2 or 3 institutions in the Public Finance Management Act. They are: the National Nuclear Regulator (NNR); the CEF Group of companies under CEF (Pty) Ltd; the South African Nuclear Energy Corporation (NECSA); the National Energy Regulator of South Africa (NERSA), and the South African National Energy Development Institute (SANEDI). The enabling legislation requires the Minister to appoint members of the board of all state owned entities reporting to him or

her. Boards are ultimately accountable and responsible for the performance of their respective entities. They give strategic direction in line with the department's strategy, within their respective mandates, which is then implemented by management.

The department is represented on all of these boards, with the exception of the National Energy Regulator of South Africa (NERSA), which is independent. EDI Holdings, another state owned entity in the DoE stable is currently in a wind-down and closing process, which will be completed early 2011/12 as per the Cabinet decision of 8 December 2010 on the future of the electricity distribution industry.

A bird's eye-view of the context in which the Department of Energy operates is depicted on figure 1.

Figure 1: Context and major public actors in the energy sector, 2011



## 4.2 ORGANISATIONAL ENVIRONMENT

Following the announcement by the President of the split of the former Department of Minerals and Energy into two separate Departments of Mineral Resources and Energy in May 2009, transitional arrangements were embarked upon to ensure continuous and uninterrupted service delivery to the South African public. During the interim phase commencing in October 2009 and ending on 31 March 2010, the support services component provided a shared service to both departments under the leadership of the hosting Department of Mineral Resources. The main purpose for this arrangement was to allow sufficient time for the restructuring and establishment of two separate departments, with sufficient capacity to deliver on their mandates. The restructuring of the Department of Energy resulted in the introduction of the following four new line-function branches, namely: - Energy Policy Development, Energy Operations, Nuclear Energy and Integrated Energy Planning. The new Department of Energy's structure was informed by the desire to address shortcomings in identified service delivery gaps and to enhance effective performance across the whole department. At a strategic level, the Office of the COO was also created to focus on the strategy alignment of the work of the department, risk management, monitor and evaluate the department's performance, oversee state owned entities, international

relations and liaise with the relevant Ministry in the Office of the President regarding the new approach to planning and performance monitoring. In view of the aforementioned, capacitating the department for service delivery will still remain a key focus area and will be informed by an Integrated Human Resource Plan that is aligned to the strategic outcomes of the department as agreed upon between the Minister and the President. The department will also ensure implementation of the National Skills Development Strategy and participate in the Governance structures of the relevant SETAs within the Energy Sector.

In line with Section 38(1) of the Public Finance Management Act, 1999 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, complying with, and operating, in accordance with regulations and instructions,
- An appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective,
- Is responsible for the effective, efficient, economical and transparent use of the resources of the department, etc.

The following governance structures have been put in place: the Internal Audit function, Audit Committee,

Strategy and Risk Management and Steering Committees, Procurement Committee and Human Resources related Committees.

We will continue to enhance the capacity of the department through the development and implementation of an Integrated Human Resource Plan in line with the directives from Department of Public Service and Administration ,that makes provision for a number of key interventions such as the Recruitment and Retention Strategy, Human Resource Development Strategy, Talent Management Strategy, etc. Having realised the need for the scarcity of the required skills in the Energy Sectors, both in the private and public sectors, we have enhanced our participation in both the Energy Sector Training and Development Authorities, at both Governing Board and Sector Skills Plans sub-Committee levels. The aforementioned involvement of our departmental representatives in the business of our relevant SETAs (i.e CHIETA and EWSETA) will enable to provide key and strategic inputs for the development of the skills that are critical and are required in line with our mandate as the Department of Energy.

**TABLE 1: Workforce Race Profile by Occupational Level, January 2011**

Occupational Level	African	Coloured	Indian	White	Total
Top Management	9	0	1	0	10
Senior Management	40	3	2	5	50
Professionally Qualified and Experienced Mid-Management	98	0	2	7	107
Skilled Qualified and Junior - Management	194	1	0	5	200
Semi-Skilled and Discretionary	111	1	0	1	113
Unskilled and Defined Decision	2	0	0	0	2
<b>Total</b>	<b>454</b>	<b>5</b>	<b>5</b>	<b>18</b>	<b>482</b>

The department operates at 65% human resource capacity.

### 4.3 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

From 21 to 23 November 2010, the Minister of Energy, the Director-General, and the department's senior and middle management met on the outskirts of Pretoria to discuss and set the strategic direction of the department for the current five-year period. Officials from the Presidency and National Treasury provided several presentations in plenary sessions, while professional facilitators administered several break-away groups to discuss, from an outcomes perspective, the functional areas of DoE.

Following the end-of-year holidays, the senior management of the department met on 17 January 2011 for the purpose of reviewing, amending and approving the high level objectives of the department for the

current strategic period. DoE programmes (branches) were then tasked with the further development of their respective intermediate outcomes and the means (outputs) by which to achieve their stated objectives. The logic model emanating from these collective efforts is depicted by way of the graphic below, while the tables in Appendix A elaborate further on how each branch's several outputs contribute to the identified intermediate outcomes of the department, which, in turn, collectively contributes towards the goal of attaining energy supply that is secure and demand that is well-managed.



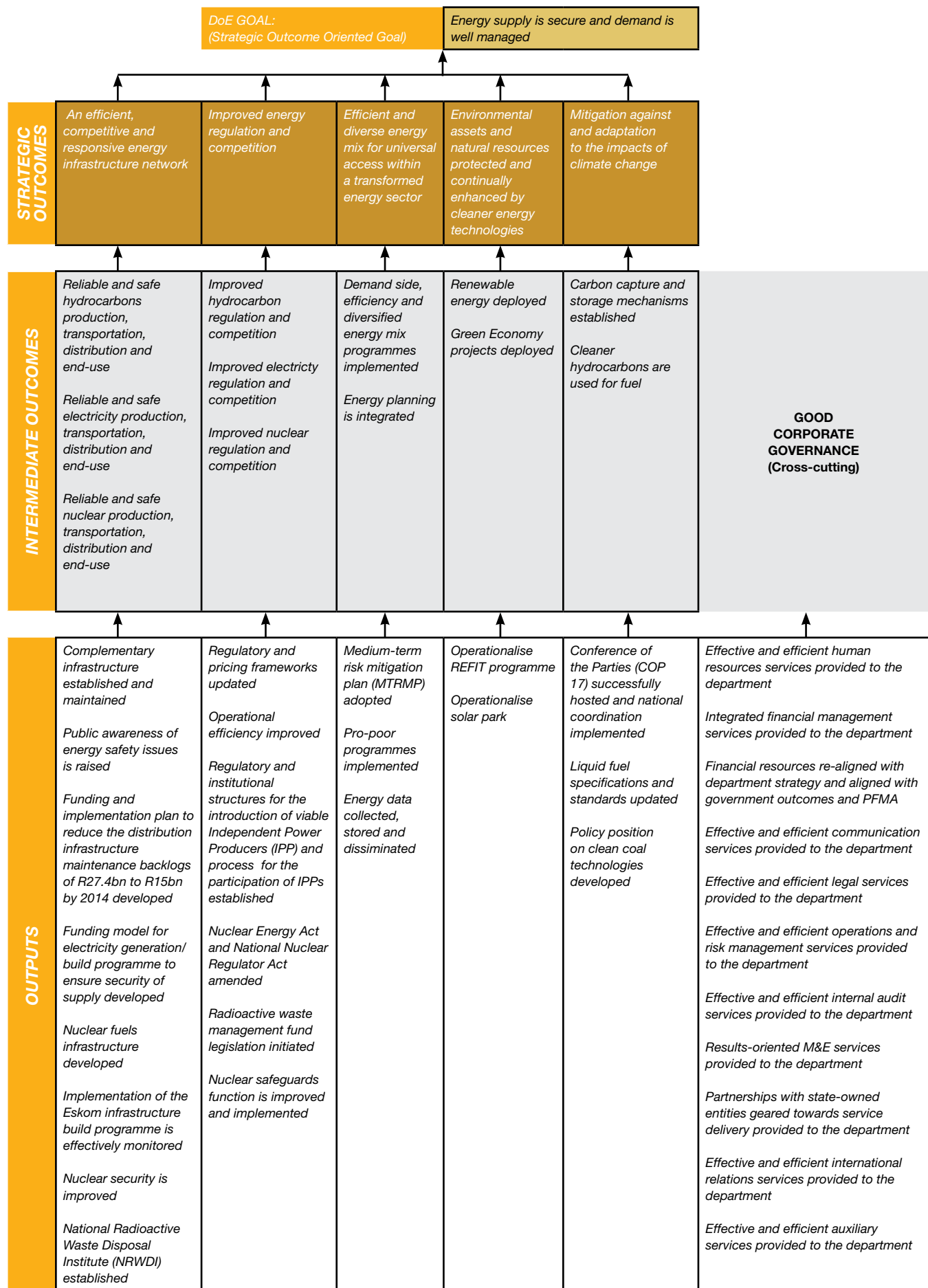
# STRATEGIC Objectives

## 5.1 STRATEGIC OBJECTIVES

The strategic objectives of the Department of Energy expressed as desired end-states are as follows:

- Energy supply is secure and demand is well managed
- An efficient, competitive and responsive energy infrastructure network
- Improved energy regulation and competition
- Efficient and diverse energy mix for universal access within a transformed energy sector
- Environmental assets and natural resources protected and continually enhanced by cleaner energy technologies
- Mitigation against, and adaptation to, the impacts of climate change
- Good corporate governance for effective and efficient service delivery

Figure 2: Department of Energy Logic Model, 2011/12-2015/16



## 5.2 RESOURCE CONSIDERATIONS

The total budget for the Department of Energy for the 2011/12 financial year is R6 089 902. Transfer payments account on average for 96 per cent of the department's total budget allocation. The Integrated National Electrification Programme, which includes transfer payments to Eskom, Non-grid Service Providers and Local Governments, account for 51 per cent of the total departmental expenditure. The substantial increase in the department's budget over the 2010/11 to 2012/13 period is due to the R4.5 billion allocated to the Transnet Pipelines, spread as R1.5 billion per year from 2010/11 to 2012/13. These funds are earmarked for the construction of the national multipurpose petroleum pipelines between Durban and Johannesburg to ensure the supply of petroleum products. Spending in compensation of employees is expected to increase as we continue to implement the full structure of the department.

**TABLE:** Department of Energy Budget (On page 24)

## 5.3 RISK MANAGEMENT

Over the past 20 years South Africa has not made significant investments in the energy sector. The capacity that was created in the 80s was sufficient to carry us through to the early 2000s when it became clear that the demand growth fuelled by the commodity boom outpaced power supply and that there was an urgent need to increase supply.

External constraints in the global supply chains for power generation technology, particularly for nuclear plants, underscored the importance of improving energy security by way of a timely and sustainable "build program". Most countries faced the same problem of declining generation capacity around the same time as South Africa, with the result that global supply chains became constrained as competition increased for machinery and services.

The economic crisis driven by the sub-mortgage contagion provided some breathing space (from an energy demand perspective) as economies cooled off around 2008. This breathing space was also accompanied by massive job losses as investment declined. South Africa was only able to continue keeping the lights burning as an unintended consequence of the

economic crisis. However, we must not be complacent in the face of renewed signs that economic activity is picking up again. There is a need to fast track the interventions that will improve the power supply-demand situation.

One of the key lessons from the 2008 power crisis was the need to coordinate the planning and implementation of new investments. Considerations relating to climate change confirmed the increased role that demand management could play coupled with the opportunity of deploying such technologies relatively quickly and cheaply. The geopolitical dynamics that influence the climate change discourse have also presented an opportunity for South Africa to exploit our vast solar and other renewable energy resources given the interest of investors to participate in our nascent market.

The proposed IRP 2010 envisages a dramatic transition from a traditional coal-based electricity industry towards a low carbon environment. This transition carries some risks for the operations of the integrated power system, especially the introduction of variable generation technologies such as wind. The supporting infrastructure, in the form of transmission and distribution networks, and water infrastructure, amongst others, will also be impacted, especially after decommissioned coal power stations are replaced by nuclear and renewable resources that are geographically positioned away from the traditional generation sources in Mpumalanga.

In response, government has put in place a planning framework for the energy sector, anchored on the Integrated Energy Plan and the Integrated Resource Plan, as the instruments to drive government's set objectives over and above supply adequacy. Issues like job creation, reducing our greenhouse gas emissions, and aligning with the New Growth Path and government's program of action form an integral part of this strategic plan over the next five years

Based on the above background, the department, as a newly established organisation, has identified the following key risks that may affect the realisation of the strategic objectives of the department.

Risks	Description	Mitigation Plans
Insufficient funds available to provide accommodation and implement department plans	Insufficient funding and lack of accommodation delays the filling of posts, provision of IT services and negatively affects the overall service delivery by the department.	Prioritise the funding of critical posts and departmental programmes, introduction of interim operational structure.
Failure to secure access of primary energy feedstock for liquid fuels	Failure to secure primary energy feedstock could lead to shortages in the supply of oil and gas within the country, lost investment, job opportunities and an ultimate decline in economic growth.	<ol style="list-style-type: none"> <li>1. Currently implementing the Energy Master Plan (2007).</li> <li>2. Prior approval is required for exportation of liquid fuel.</li> <li>3. Maintenance of strategic stock reserves for emergencies by CEF.</li> <li>4. Submission of refinery shutdown plan on a monthly basis by oil companies.</li> <li>5. Bi-laterals with other countries to secure fuel</li> </ol>
Inadequate, ineffective and uncoordinated Energy Sector	Uncoordinated planning could result in a duplication of planning efforts which would be an effective and wasteful use of government resources. This could also result in poor service delivery, further creating regulatory ambiguity and curtailing investment	<ol style="list-style-type: none"> <li>1. Engagement and coordination with relevant stakeholders.</li> <li>2. Introduction of the Integrated Energy Planning Branch</li> </ol>
Migration of the electricity distribution industry restructuring function to the Department of Energy	Misalignment of the funding, winding up and DoE's capacity to take over the function	Establishment of a joint winding up committee (DoE, Treasury, NERSA and EDIH), and the appointment of an Administrator to finalise the process post 31 March 2011.
Operational Risk – Information technology infrastructure failure	The hardware infrastructure in the Data Center is out of warranty, unstable and costly to maintain.	Invest in replacing hardware infrastructure. Upgrade network infrastructure by implementing network redundancy.
Operational Risk – Loss of key personnel throughout DoE	Critical business systems are inadequately maintained and supported.	Create a progressive work environment, career growth and implement succession plan.
Impact of poor investment in existing and planned electricity distribution network	Negative impact of poor performance of the electricity distribution network on the country's economic growth	Transfer of the EDI oversight function to the department Implementation of the ADAM project.

**TABLE 6:** Overview of 2011/12 budget and MTEF estimates

Expenditure estimates

Table Y.1 Department of Energy									
Programme		Audited outcomes			Adjusted appropriation		Medium-term expenditure estimate		
R thousand		2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
1	Administration	40,505	53,413	74,776	104,205	125,679	167,471	149,897	151,503
2	Energy Policy and Planning	55,786	68,003	74,375	1,540,655	1,548,635	1,546,958	1,546,202	77,892
3	Energy Regulation	116,472	299,616	370,827	467,822	488,442	554,697	145,374	184,196
4	National Electrification Programme	1,554,497	1,913,896	2,517,156	2,823,345	2,884,545	3,207,555	3,138,983	3,312,011
5	Nuclear Energy and Regulation	421,884	583,464	607,500	599,363	601,363	613,221	594,873	579,176
<b>Total</b>		<b>2,189,144</b>	<b>2,918,392</b>	<b>3,644,634</b>	<b>5,535,390</b>	<b>5,648,664</b>	<b>6,089,902</b>	<b>5,575,329</b>	<b>4,304,778</b>
<b>Change to 2010 budget estimate</b>					-	<b>113,274</b>	<b>350,309</b>	<b>36,630</b>	<b>(82,479)</b>
Economic classification									
<b>Current payments</b>		<b>157,260</b>	<b>170,823</b>	<b>205,408</b>	<b>202,123</b>	<b>254,147</b>	<b>297,188</b>	<b>275,426</b>	<b>348,870</b>
Compensation of employees		68,223	84,581	113,683	132,994	147,928	181,718	192,412	218,271
Goods and services of which:		89,037	86,019	91,479	69,129	106,219	115,470	83,014	130,599
<i>Administrative fees</i>		572	718	1,223	3,735	2,245	3,372	2,499	3,299
<i>Advertising</i>		2,330	2,551	1,140	3,411	1,381	5,931	3,160	4,654
<i>Assets less than the capitalisation threshold</i>		508	620	1,158	1,600	2,144	445	291	305
<i>Audit cost: External</i>		532	825	1,032	1,800	3,597	4,114	2,294	2,168
<i>Bursaries: Employees</i>		330	332	555	2,116	429	48	31	30
<i>Catering: Departmental activities</i>		927	1,198	1,262	3,174	1,672	2,602	1,611	2,253
<i>Communication</i>		2,038	3,164	4,622	5,226	4,431	8,929	5,894	7,455
<i>Computer services</i>		2,033	4,780	3,092	6,997	10,402	5,120	2,550	2,697
<i>Consultants and professional services</i>		30,696	16,710	18,572	9,647	17,241	7,707	4,613	8,893
<i>Contractors</i>		1,551	2,934	7,808	785	5,186	1,848	1,158	1,236
<i>Agency and support / outsourced services</i>		185	7,252	498	4,356	2,075	2,674	1,318	4,421
<i>Entertainment</i>		-	10	9	487	259	97	47	115
<i>Inventory</i>		1,099	2,819	1,931	2,755	3,951	7,081	4,884	5,331
<i>Lease payments</i>		4,985	4,528	12,302	7,167	11,875	13,664	13,223	13,671
<i>Property payments</i>		728	849	743	800	1,104	157	163	183
<i>Transport provided: Departmental activity</i>		26	3	-	98	98	-	-	-
<i>Travel and subsistence</i>		22,499	20,599	25,475	8,961	28,919	44,575	34,607	59,998
<i>Training and development</i>		1,021	1,067	1,208	2,103	1,727	330	216	281
<i>Operating expenditure</i>		11,864	10,717	6,552	2,492	4,562	1,978	1,734	7,247
<i>Venues and facilities</i>		5,113	4,343	2,297	1,419	2,921	4,798	2,721	6,362
<i>Interest and rent on land</i>		-	-	-	-	-	-	-	-
<i>Financial transactions in assets and liabilities</i>		-	223	246	-	-	-	-	-
<b>Transfers and subsidies to:</b>		<b>2,030,261</b>	<b>2,744,146</b>	<b>3,432,474</b>	<b>5,328,667</b>	<b>5,389,667</b>	<b>5,784,884</b>	<b>5,294,831</b>	<b>3,951,007</b>

**Table Y.1 Department of Energy**

Programme	Audited outcomes			Adjusted appropriation		Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>R thousand</b>								
Provinces and municipalities	462,495	589,138	1,074,552	1,240,104	1,240,104	1,376,612	1,151,443	1,214,772
Departmental agencies and accounts	83,963	99,583	96,007	81,536	81,536	46,096	33,149	33,012
Universities and technikons	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1,483,586	2,054,890	2,261,780	4,006,698	4,067,698	4,361,827	4,109,869	2,702,863
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	217	535	135	329	329	349	370	360
<b>Payments for capital assets</b>	<b>1,623</b>	<b>3,423</b>	<b>6,752</b>	<b>4,600</b>	<b>4,850</b>	<b>7,830</b>	<b>5,072</b>	<b>4,901</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	1,145	2,873	6,360	4,600	4,850	7,830	5,072	4,901
Cultivated assets	-	-	-	-	-	-	-	-
Software and other intangible assets	478	550	392	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
of which: Capitalised compensation	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,189,144</b>	<b>2,918,392</b>	<b>3,644,634</b>	<b>5,535,390</b>	<b>5,648,664</b>	<b>6,089,902</b>	<b>5,575,329</b>	<b>4,304,778</b>

A photograph of several wind turbines silhouetted against a bright, orange-hued sunset sky. The turbines are arranged in a row, receding into the distance. The bottom of the image features a thick, dark green curved band.

# LINKS TO Other Plans

## 6. RELATING EXPENDITURE TRENDS TO STRATEGIC OUTCOME ORIENTED GOALS

Expenditure increased significantly from R2.1 billion in 2007/08 to R5.5 billion in 2010/11, at an average rate of 37.2 per cent. This is mainly due to the restructuring of the department and the need to build capacity to respond to challenging developments within the energy sector and additional funding allocations in respect of the Integrated National Electrification Programme and the Demand Side Management Programme.

The Integrated National Electrification Programme, which includes transfer payments to Eskom, Non-grid Service Providers and Local Governments, accounts for 51 per cent of total departmental expenditure. Total transfer payments accounts on average for 96 per cent of the department's total budget allocation. Transfer payments increased substantially from R2.03 billion in 2007/08 to R5.3 billion in 2010/11.

This increase is attributable to the additional funding of R180 million allocated through the 2008/09 adjusted estimates process and additional allocations of R249 million in 2009/10, R329 million in 2010/11 and R399 million in 2011/12 to cover costs related to the implementation of a dedicated energy efficiency programme. The funds are earmarked for transfers to Eskom and municipalities to roll out energy efficiency initiatives, including the demand side management programme. Additional funding was also allocated towards the Integrated National Electrification Programme, the demand side management programme and the South African National Nuclear Energy Corporation in previous budget cycles. An additional R4.5 billion has been allocated to Transnet Pipelines, spread as R1.5 billion per year from 2010/11 to 2012/13. These funds are earmarked for the construction of the national multipurpose petroleum pipelines to ensure the secure supply of petroleum products.

Expenditure on goods and services increased from R38.8million in 2007/08 to R73.8million in 2010/11 at an average annual rate of 23.9 per cent. Goods and services is projected to increase to R83.4 million in 2012/13 and increase again to R 116.5 million in 2013/14 or by 16.4 per cent on an average annual basis due to cost containment initiatives.

Over the medium term, overall spending for the department is projected to decrease from R5.65 billion in 2010/11 to R4.3 billion in 2013/14, at an average annual rate of 8.7 per cent. This is largely driven by a decrease in transfer payments to the EDIH, the demand side management programme and funding for the construction of the Transnet petroleum pipeline that culminates with a final allocation of R1,5 billion in 2012/13.

Spending in compensation of employees increased significantly from R68.2 million in 2007/08 to R157.4 million in 2010/11 at an annual average rate of 32.1 per cent. Over the same period, the total number of employees grew by 18.1 per cent, from 302 to 497, mainly due to the recruitment of senior management personnel. The Hydrocarbons and Energy Planning programme accounts for 36 per cent of all employees in the department. Over the MTEF period, expenditure in compensation of employees is expected to grow in real terms at an average annual rate of 11 per cent, driven by additional staff recruited for the corporate services function.

## 7. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

Project name R thousand	Type of infrastructure 1	Service delivery outputs2	Outcome			Adjusted appropriation	Medium-term expenditure estimates		
			2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>1 Mega projects</b>			1,435,575	1,739,896	2,400,322	4,239,914	4,334,424	4,533,500	3,200,342
	Integrated National Electrification Programme: Eskom	Electrification backlog of permanently occupied residential. To implement the INEP by providing capital subsidies to Eskom to address the electrification backlogs of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.	973,083	1,150,758	1,467,365	1,719,810	1,737,812	1,882,057	1,985,570
	National Electrification Programme: Municipalities	Electrification backlog of permanently occupied residential. To implement the INEP by providing capital subsidies to municipalities to address the electrification backlogs of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of electrification infrastructure.	462,492	589,138	932,957	1,020,104	1,096,612	1,151,443	1,214,772
	Petronet (Transnet Pipelines)	Petroleum pipeline, branch lines and storage facilities				1,500,000	1,500,000	1,500,000	
<b>Total</b>			<b>1,435,575</b>	<b>1,739,896</b>	<b>2,400,322</b>	<b>4,239,914</b>	<b>4,334,424</b>	<b>4,533,500</b>	<b>3,200,342</b>

## 8. CONDITIONAL GRANTS

<b>Name of grant</b>	Integrated National Electrification Programme
<b>Purpose</b>	To facilitate access to electricity by all
<b>Performance indicator</b>	Universal Access by to formal dwellings by 2014
<b>Continuation</b>	Grant Continues
<b>Motivation</b>	Approximately 80% already electrified, need to upgrade from non-grid to grid in some of the rural areas

## 9. PUBLIC ENTITIES

**TABLE 5:** State-Owned Entities Mandates, January 2011 - Detailed individual plans are approved by the Minister of Energy as the shareholder.

NAME OF PUBLIC ENTITY	MANDATE	OBJECTIVES	CURRENT ANNUAL BUDGET	DATE OF NEXT EVALUATION
<b>The National Energy Regulator of South Africa (NERSA)</b>	Is the competent authority for electricity regulation (in terms of the Electricity Regulation Act, no. 4 of 2006), gas regulation (in terms of the Gas Act, no. 48 Of 2001) and petroleum pipelines regulation (in terms of Petroleum Pipelines Act, no. 60 of 2003) in South Africa	The Energy Regulator adopted the following high level strategic objectives over the next three years: 1. Create regulatory certainty in the energy sector; 2. Protect the interests of the public and the customers; 3. Create dispensation for fair competition for the industry players; 4. Create energy supply certainty; and 5. Create an effective organisation that delivers on its mandate and purpose.	The total budgeted income for the year 2011/12 amounts to R223, 022 million	As needed
<b>The National Nuclear Regulator (NNR)</b>	The purpose of the Regulator is to provide for the protection of persons, property and the environment against nuclear damage, through the establishment of safety standards and regulatory practices	The following strategic objectives will be pursued over the next three years (2011-2014) by the NNR: 1. Optimising the regulatory framework; 2. Creating a high quality performance & service culture; 3. Promoting good governance; 4. Developing and maintaining sound organisational infrastructure; 5. Developing a financially viable and sustainable funding model; 6. Management of Talent and Knowledge; and 7. Enhance Stakeholder relations	The total proposed budget for the 2011/12 financial year is R149, 751 million. R103, 435 million of this budget will be funded from fees paid by Authorisation holders with the rest expected to come from the state	As needed

NAME OF PUBLIC ENTITY	MANDATE	OBJECTIVES	CURRENT ANNUAL BUDGET	DATE OF NEXT EVALUATION
<b>The South African Nuclear Energy Corporation (NECSA)</b>	<p>The South African Nuclear Energy Corporation was established as a public company in terms of the Nuclear Energy Act (Act No. 46 of 1999) and is wholly owned by the State. Its functions are:</p> <ul style="list-style-type: none"> <li>To undertake and promote research on nuclear energy and radiation sciences and technology;</li> <li>To process source, special nuclear, and restricted material including uranium enrichment; and</li> <li>To collaborate with other entities.</li> </ul> <p>The Act provides for the commercialisation of nuclear and related products and services, and delegates specific responsibilities to the Corporation, including the implementation and execution of national safeguards and other international obligations. The Nuclear Energy Policy of 2008 elaborated on Necsa's mandate relating to R&amp;D and nuclear fuel cycle responsibilities.</p>	<p>Necsa's products and services offerings are delivered through the following three main programme clusters:</p> <ul style="list-style-type: none"> <li>Nuclear Power Cluster that undertakes nuclear fuel development and production, as well as projects and services in support of the SA nuclear power programme.</li> <li>Radiation Science and Applications Cluster delivers radiation sciences research services and develops products and services for industry, including isotopes for the medical sector.</li> <li>Necsa as Host of Nuclear Programmes Cluster refers to Necsa's services to house nuclear programmes due to its unique integrated SHEQ system, licensed nuclear infrastructure and specialised supporting services.</li> </ul>	<p>Necsa Group Budget 2010/11 Total Income R1 669 824</p> <p>Which amongst others include: Sales R988 909 Grants R586 134</p> <p>Total Expenditure R1 621 201</p>	As needed
<b>South African National Energy Research and Development Institute (SANEDI)</b>	<p>To direct, monitor and conduct applied energy research and development, demonstration and deployment as well as undertake specific measures to promote energy efficiency throughout the economy</p> <p>To establish a nationally focused energy research, development and innovation sector and undertake energy efficiency measures with a strong relevance for South Africa, aligned with DoE objectives as stated in the National Energy Act, 2008</p>	<p>The entity was established to conduct nationally focused energy research and development, while assisting the Department to achieve its strategic objectives through energy research activities as well as energy efficiency programmes as set out in the National Energy Act, 2008 (No. 34 of 2008). The main outputs of SANEDI are to conduct energy research which will:</p> <ol style="list-style-type: none"> <li>To conduct research which will promote diversity of supply of energy and its sources;</li> <li>Promote the development of and commercialise more efficient energy technologies</li> <li>Facilitate effective management of energy demand and its conservation;</li> <li>Promote appropriate standards and specifications for the equipment, systems and processes used for producing, supplying and consuming energy;</li> <li>Contribute to sustainable development of the South African economy</li> </ol>	The budget for 2011/12 is expected to be R20.1 million	As needed

NAME OF PUBLIC ENTITY	MANDATE	OBJECTIVES	CURRENT ANNUAL BUDGET	DATE OF NEXT EVALUATION
<b>CEF (Pty) Ltd</b>	The Central Energy Fund is a private company, governed by the Central Energy Fund Act (1977). The company researches, finances, develops and exploits appropriate energy solutions across the spectrum of energy sources to meet South Africa's future energy needs. It is also mandated to manage the Equalisation Fund, which collects levies from the retail sales of petroleum products to eliminate unnecessary fluctuations in the retail price of liquid fuel and to give tariff protection to the synthetic fuel industry.	<p>The high level objectives of the CEF Group for the planned period were identified as follows:</p> <ul style="list-style-type: none"> <li>• To effectively and efficiently manage the energy business for the benefit of all South Africans</li> <li>• CEF will play an active role in the governance and planning of all its subsidiaries and will strategically coordinate the long term future of the group</li> <li>• To improve energy security of supply through diversifying sources and by building and managing strategic energy stocks and energy infrastructure</li> <li>• Develop and invest in renewable and alternative energy sources and in energy efficiency</li> <li>• Develop human capacity and invest in relevant R&amp;D</li> <li>• To manage and optimally exploit local strategic energy and related resources</li> <li>• To mitigate against environmental impacts and maximise sustainable development</li> </ul>	The group's total operating costs for the financial year 2010/11 is budgeted at R11, 283 billion	As needed

#### EDI Holdings and the Electricity Distribution Infrastructure Rehabilitation

- After Cabinet's approval for winding up of Electricity Distribution Industry Holding (EDIH), the department was mandated by Cabinet to take over programmes previously executed under the EDIH's mandate. Key program that will be taken over is the Approach to Distribution Asset Management (ADAM) programme, which will focus on addressing the rehabilitation of municipal electricity distribution infrastructure.
- The initial phase of implementing the ADAM programme (2011/2012) will be to develop and in-depth assessment of the actual backlog and developing detailed geographical maps detailing the extend of the problem, firstly at Metro cities and secondly at Secondary metros. Once detailed maps are in place, detailed funding proposal will be put in place in preparation of second phase which involves execution of projects to rehabilitate the infrastructure under stress. Parallel to phase 1 (2011/2012) we intend to immediately put in place measures to rehabilitate those identified infrastructure that needs urgent intervention to ensure that electricity service delivery is not negatively affected in the short to medium term.
- As first priority, immediate critical short term projects will be rolled out. From an ADAM perspective these projects are defined as:
  - a) falling within the categories of Short-term Strengthening, Refurbishment and Maintenance;
  - b) can be implemented within 18 months;
  - c) can improve the overall entity's infrastructure adequacy in line with planning and operational criteria defined by the entity itself or line within international
- ADAM implementation and project management, monitoring and reporting will be under the direct control of the department, which will coordinate and consolidate all projects at municipal level.

A photograph of a wind farm at sunset or sunrise, with several wind turbines visible against a warm, orange sky. The foreground is dark and silhouetted, and a large green curved shape is at the bottom of the page.

# Annexure A

## RESULTS CHAIN TABLES

## ANNEXURE A: 5 YEAR STRATEGIC PLAN: RESULTS CHAIN TABLES

DEPARTMENT OF ENERGY GOAL: ENERGY SUPPLY IS SECURE AND DEMAND IS WELL MANAGED								
STRATEGIC OUTCOME 1 OF 5: AN EFFICIENT, COMPETITIVE AND RESPONSIVE ENERGY INFRASTRUCTURE NETWORK								
Intermediate Outcome 1 of 3 : Reliable and safe hydrocarbons production, transportation, distribution and end-use								
Intermediate outcome Indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Increased domestic refining capacity	708 kilo-barrels per day (kbpd)	Monitoring against Liquid Fuels 20-year Infrastructure Plan	Monitoring against Liquid Fuels 20-year plan	Monitoring against Liquid Fuels 20-year plan	Monitoring against Liquid Fuels 20-year Infrastructure Plan	Target to be determined by Liquid Fuels 20-year Infrastructure Plan	Liquid Fuels 20-year plan; annual company information submitted to petroleum controller	Proxy indicator; adequate public and private infrastructure investments
New multipurpose pipeline (NMPP) from Durban to Johannesburg	One signed Grant Funding Agreement between DoE and Transnet	Monitor implementation of the agreement for completion of trunk line	Monitor the implementation of the agreement for construction of the rest of NMPP system	Monitor the completion of entire NMPP system and operationalise	Monitor NMPP operations	Target reached in 2013/14	Transnet quarterly reports per contract provisions	Manageable delays and associated cost escalations
Storage and distribution	Baseline not established - storage and distribution database to be created	Monitoring against Liquid Fuels 20-year Infrastructure Plan	Monitoring against Liquid Fuels 20-year Infrastructure Plan	Monitoring against Liquid Fuels 20-year Infrastructure Plan	Monitoring against Liquid Fuels 20-year Infrastructure Plan	Target to be determined by Liquid Fuels 20-year Infrastructure Plan	NERSA approved license applications; oil company monthly shutdown schedule reports	Adequate public and private infrastructure investments
Output 1 of 2: Complementary infrastructure established and maintained								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Strategic fuel stocks and supporting infrastructure	20 days of crude oil by government	Finalisation of the implementation plan with National Treasury	Implementation and monitoring against target components	Implementation and monitoring against target components	Implementation and monitoring against target components	42 days of crude oil, 18 days of finished product by government, 14 days of finished product by oil companies	SFF; programme records	Funding for investments; industry buy-in of the financing model

Output 2 of 2: Public Awareness of Petroleum Issues is Raised								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Petroleum Public Awareness Campaigns	3	9 campaigns per annum	9 campaigns per annum	9 campaigns per annum	9 campaigns per annum	36 campaigns per annum	Regional Offices	Lack of funding to host seminars and other events
Intermediate Outcome 2 of 3 : Reliable and safe electricity production, transportation, distribution and end-use								
Intermediate outcome indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Electricity generated in South Africa	44,535 Megawatts (2010) low reserve margin	Increase/decrease in MW/MWh from baseline due to the new capacity or energy efficiency	Increase/decrease in MW/MWh from baseline due to the new capacity or energy efficiency	Increase/decrease in MW/MWh from baseline due to the new capacity or energy efficiency	Increase/decrease in MW/MWh from baseline due to the new capacity or energy efficiency	Monitoring against IRP for 53,786 MW	Internal draft Resource Plan for Electricity	Proxy indicator; Integrated Resource Plan for Electricity approved by Cabinet.
Household access to electricity	81 % households electrified (12.5 million) of which 31,643 are solar electricity home systems	83 % households electrified (150,000 additional annually of which 10,000 are off grid)	86 % households electrified (150,000 additional annually of which 10,000 are off grid)	89 % households electrified (150,000 additional annually of which 10,000 are off grid)	92 % households electrified (150,000 additional annually of which 10,000 are off grid)	Target reached in 2014/15	INEP database and Census 2011	The extent that fiscal allocations do not meet needs;
Output 1 of 3: Funding and implementation plan to reduce the distribution infrastructure maintenance backlogs of R27.4bn to R15 bn by 2015 developed								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Develop a detailed report and implementation plan for each of the six Metros on status of distribution infrastructure	1. Problem identification report (ADAM) 2. No implementation plan. 3. Electricity Distribution Holdings wound-down March 2011 4. R 27.4 bn backlog	1. Report detailing a map of distribution assets status per metro 2. Approach to Distribution Asset Management (ADAM) implementation and funding plan approved for metros 3. R 24,3 backlog	1. Report detailing a map of distribution assets status per secondary city 2. Update ADAM Report indicating the extent of the backlogs 3. R 21.2 bn backlog	1. Report detailing a map of distribution assets status for 50% of all municipalities 2. Update ADAM Report indicating the extent of the backlogs 3. R 18.1 bn backlog	1. Report detailing a map of distribution assets status for 100% of all municipalities 2. ADAM implementation and funding plan approved for remainder of municipalities 3. R 15 bn backlog	Target reached in 2014/15	DoE databases (INEP, EDI Holdings), Eskom, DCog (MIG database), National Treasury Municipal Expenditure Information; ADAM report, interim, final and implementation reports	Timeous approval of funding and implementation plan; the extent that fiscal allocations do not meet needs; linear progression of milestones

Output 2 of 3: Funding model for electricity generation/build programme to ensure security of supply developed							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Assumptions/Risks
Funding framework for the resourcing of the Eskom Committed Capital Expenditure programme	Funding model in place December 2010	1. Ministerial and cabinet submissions and approval of funding model for Eskom 2. Multiyear price determination (MYPD3) submission to NERSA	MYPD aligned to support the licensed IRP projects	Monitor MYPD alignment to support the licensed IRP projects	Monitor MYPD alignment to support the licensed IRP projects	Monitor MYPD alignment to support the licensed IRP projects	Timeous decision making of the approved model; required revenues for the projects secured in the MYPD
Output 3 of 3: Implementation of the Eskom infrastructure build programme is effectively monitored							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Assumptions/Risks
Completion of approved build plan projects against schedule and budget by Eskom	Demand not met in absence of committed projects (low reserved margin)	Monitor construction progress against schedule and budget and flag problem areas	Monitor construction progress against schedule and budget and flag problem areas	Monitor building progress against schedule and budget and flag problem areas	Monitor construction progress against schedule and budget and flag problem areas	Committed Eskom projects implemented by March 2017	Funding model for Eskom is resolved.
Intermediate Outcome 3 of 3: Reliable and safe nuclear production, transportation, distribution and end-use							
Intermediate outcome indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Assumptions/Risks
Approved Nuclear Procurement Programme relative to IRP	No procurement programme at present	Cabinet approval of phased decision-making approach	Establish procurement framework and finalise bid specifications	Complete bidding process	Begin contracting for new nuclear power plants	To be established by approved nuclear programme in line with IRP	Positive engagement with all stakeholders, stable financial outlook, Completed Integrated Infrastructure Review (IIR) Report contributing to better planning for readiness to deploy nuclear power

Output 1 of 3: Nuclear fuels infrastructure developed								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Nuclear Fuel Cycle Infrastructure developed for beneficiation of uranium to support new nuclear build priorities	Materials Test Reactor Fuel Manufacturing Facilities only (in conjunction with NECSA)	Complete prefeasibility studies (in conjunction with NECSA)	Conduct feasibility studies. Conduct an international review based on IAEA framework	Nuclear Fuel Cycle development programme integrated into procurement process	Contracting	Construction of Nuclear Fuel Cycle Facilities	IRP	NFC required based on the quantum of nuclear energy anticipated by the IRP
Output 2 of 3: Nuclear security is improved								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Improved nuclear security through combating of illicit trafficking of nuclear material	Established security systems at ports of entry	Standardisation of security measures at relevant ports of entry	Standardisation of security measures at remaining ports of entry	Standardisation of security measures at remaining ports of entry	Standardisation of security measures at remaining ports of entry	Standardisation of security measures at 100 % of relevant ports of entry	Approved Implementation Plans	Fund availability for enhanced security systems
Output 3 of 3: National Radioactive Waste Disposal Institute (NRWDI) established								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Establish the National Radioactive Waste Disposal Institute (NRWDI)	National Radioactive Waste Disposal Institute Act, 2008	Approved Business Plan and Budget. Appointment of key personnel in transitional structure	Transitional Structure for NRWDI	Transitional Structure for NRWDI	Transitional Structure for NRWDI	Fully operational NRWDI	Listed State Entity	Funds will be appropriated towards the Institute, NECSA will continue to support the Institute during the transitional period.

## STRATEGIC OUTCOME 2 OF 5: IMPROVED ENERGY REGULATION AND COMPETITION

### Intermediate Outcome 1 of 3: Improved hydrocarbon regulation and competition

Intermediate outcome Indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Amendment of the Petroleum Products Act (Act No. 120 of 1977) to close regulatory gaps	1. Petroleum Products Amendment Act (Act 58 of 2003) with annexed liquid fuels charter 2. Inadequate enforcement	1. Consolidation of Act 120 of 1977, Act 58 of 2003, and Act 1 of 2005 2. Review of liquid fuels charter	Regulations published for public comment	Regulations promulgated to incorporate new empowerment dispensation	Regulations implemented and compliance monitored	Regulations implemented and compliance monitored	Oil industry and public submissions; programme records	Timely approvals and consolidation of legislation; empowerment dispensation for liquid fuels sector is approved
Amendment of Gas Act (Act 48 of 2001) to include all methane gases from all sources	No provision for methane gases from all sources	Amendments introduced and approved by Minister and Cabinet	Promulgation of Amended Gas Act.	Monitoring of types and number of gas supply sources	Monitoring of types and number of gas supply sources	Monitoring of types and number of gas supply sources	Submissions from NERSA and other implementers	Timely approvals
Coal Policy to address security of supply for energy generation and issues related to health, environment and quality (HEQ)	1. No official policy position 2. Draft South African Coal Roadmap	1. Departmental approval of Coal Policy Discussion Paper and consultations with stakeholders 2. Second draft of South African Coal Roadmap	1. Coal Policy Discussion Paper published for public comment 2. Roadmap completed	Legislation drafted based on previous milestones	Regulations drafted and promulgated	Implementation and monitoring against policy targets	Coal industry, Eskom and Sasol submissions; public comments and submissions; South African Coal Roadmap	Approval of Coal Policy Discussion Paper

Output 1 of 2: Regulatory and pricing frameworks updated								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Development of regulations on Liquefied Petroleum Gas (LPG) pricing and LPG licensing framework	LPG retail price regulations in place	1. LPG Strategy approved 2. Revised maximum refinery gate price of LPG and revised maximum LPG retail price	1. LPG Strategy implemented 2. LPG licensing regulations promulgated 3. Revised LPG retail price promulgated	Pricing and licensing regulations implemented and monitored	Pricing and licensing regulations implemented and monitored	Pricing and licensing regulations implemented and monitored	Required submissions from oil companies; industry association publications	Industry cooperation; acceptance of safety standards of LPG
Fuel pricing system updated	Basic Fuel Price (BFP) for diesel, illuminating paraffin, and petrol based on import parity	1. Study on revision of BFP and Zone Differential Pricing Rules 2. Consultation with stakeholders	Promulgation of BFP and Zone Differential Pricing rules	Administration and enforcement of revised rules	1. Administration and enforcement of revised rules 2. Assessment of effectiveness of revised rules	Revised rules and updated pricing as needed	Information sourced from international industry databases, oil companies, traders and economists	Reaching consensus through NEDLEC process; data integrity; adequate ICT support
Output 2 of 2: Operational efficiency improved								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Regulatory Accounting System (RAS) that includes cost recovery mechanism	Draft RAS with no cost recovery	Installation, testing and commissioning of RAS	1. Implementation and monitoring of RAS. 2. Two reports per annum on the calculated price margins for the respective segments of the value chain	1. Implementation and monitoring of RAS. 2. Two reports per annum on the calculated price margins for the respective segments of the value chain	Review of RAS and improvement as needed	Fully operational RAS	Submission of audited data by oil companies and retailers (retail survey); annual returns by licensees (DoE & NERSA)	Timely submission of data by oil companies and retailers; ICT stability and security; HR capacity

Intermediate Outcome 2 of 3: Improved electricity regulation and competition								
Intermediate outcome indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Independent system operator to fast track IPP procurement	No legislation for the establishment of ISMO	Legislation for the introduction of ISMO introduced and approved by Minister and Cabinet	Selected IPPs begin electricity generation	Monitoring against IRP for Electricity	Monitoring against IRP for Electricity	Target to be set by IRP for Electricity (MW produced by IPPs)	IMC on Energy; Integrated Resource Plan for Electricity; programme records	Integrated Resource Plan for Electricity finalised timeously; timeous cabinet and parliamentary approvals
Output 1 of 1: Regulatory and institutional structures for the introduction of viable Independent Power Producers (IPP) and process for the participation of IPPs established								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Quantity of power generators by independent power producers	Minimal MW contributed to grid	1. Regulations for new generation capacity promulgated 2. Standards set for procurement documentation and dissemination 3. RFQ - RFC launched to procure power from IPP	IPPs selected	Monitoring against regulations	Monitoring against regulations	Review of enabling legislation and regulations	IMC on Energy; Integrated Resource Plan for Electricity; programme records	Integrated Resource Plan for Electricity finalised timeously; timeous cabinet and parliamentary approvals
IPP units established for the management of IPP programme	No IPPs, no independent buyer. IPP Procurement done on adhoc basis with no dedicated project team.	Established IPP unit responsible for managing IPPs with external experts.	Established IPP unit responsible for managing IPPs with external experts.	Established IPP unit responsible for managing IPPs with external experts.	IPP unit has internal capability to manage IPPs without external experts	Independent IPP unit to manage the IPP programme	IRP (IMC on energy)	ISMO takes at least four years to become fully functional and independent of Eskom

Intermediate Outcome 3 of 3: Improved nuclear regulation and competition								
Intermediate outcome Indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Output 1 of 3: Nuclear Energy Act and National Nuclear Regulator Act amended								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Improved legislation governing the nuclear sector	Legislation governing nuclear sector over 10years old	Amendment proposals approved by Cabinet	Public consultation process completed; Draft amendment bills adopted by Parliament; Enactment by the President	Monitor implementation of legislation	Monitor implementation of legislation	Amended Nuclear Energy Act and National Nuclear Regulator Act	NE Act and NNR Act	Approvals; Positive public participation process.
Output 2 of 3: Radioactive waste management fund legislation initiated								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Funding provisions set aside for radioactive waste management	No financial provision for long-term management of radioactive waste	Draft Fund Bill approved by Cabinet	Public consultation process completed; Bill adopted by Parliament; Enactment by the President	Fund regulations developed and contribution levels determined	Radioactive Waste Management Fund operational.	Target reached in 2014/15	Fund Bill and Act	Approvals; positive public participation process.
Output 3 of 3: Nuclear safeguards function is improved and implemented								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Removal of Safeguards function from nuclear operator to State System of Accounting and Control (SSAC) of nuclear materials	Safeguards function implementation currently performed by a nuclear operator	Framework for withdrawal of the Safeguards function from a licensed operator	Transitional arrangements for State System of Accounting and Control	Transitional arrangements for State System of Accounting and Control	Transitional arrangements for State System of Accounting and Control	Withdrawal of Safeguards function from a nuclear operator	Nuclear Energy Act	Withdrawal of function from NECSA to have little impact on reporting and compliance with the IAEA

# STRATEGIC OUTCOME 3 OF 5: EFFICIENT AND DIVERSE ENERGY MIX FOR UNIVERSAL ACCESS WITHIN A TRANSFORMED ENERGY SECTOR

## Intermediate Outcome 1 of 2 : Demand side, efficiency and diversified energy mix programmes implemented

Intermediate outcome indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Quantity of Energy Efficiency and Demand-Side Management (EEDSM) savings realised.	<ol style="list-style-type: none"> <li>Some municipalities have no DSM programmes.</li> <li>No incentive scheme for EEDSM.</li> <li>No verification system for EEDSM savings.</li> </ol>	<ol style="list-style-type: none"> <li>1. 1 Terra Watts hour (TWh) combined savings verified from EEDSM projects, including municipal and Eskom contributions</li> <li>Monitoring of project implementation</li> </ol>	<ol style="list-style-type: none"> <li>1. 5 TWh - combined savings verified from EEDSM projects, including municipal and Eskom contributions</li> <li>Monitoring of project implementation</li> </ol>	<ol style="list-style-type: none"> <li>1. Twelve TWh - combined savings by EEDSM projects, including municipal and Eskom contributions</li> <li>Assess project implementation and issue progress report and recommendations</li> </ol>	<ol style="list-style-type: none"> <li>1. 16 TWh - combined savings verified from EEDSM projects, including municipal and Eskom contributions</li> <li>Monitoring of project implementation</li> </ol>	<ol style="list-style-type: none"> <li>1. 20 TWh - combined savings verified from EEDSM projects, including municipal and Eskom contributions</li> <li>Assess project implementation and issue progress report and recommendations</li> </ol>	<p>Medium Term Risk Mitigation Plan; programme records</p>	<p>Funding and policy constraints resolved; industry and other stakeholder participation is sufficient and well coordinated.</p> <p>Verification systems in place.</p>
Solar water heating units installed in residential and commercial sectors	55,000 solar water heating units installed	250,041 solar water heating units installed	500,027 solar water heating units installed	750,013 solar water heating units installed	1,000,000 solar water heating units installed	Target reached in 2014/15	<p>Verification reports include Eskom, Municipalities and other records</p>	<p>Approval of financial model for SWH implementation in line with strategy; Linear progression of milestones</p>
Improved biofuels production and uptake	No regulatory framework to address biofuels pricing approach	<ol style="list-style-type: none"> <li>1. Approved Biofuels Industrial Strategy</li> <li>2. Approved Industrial Policy Action Plan 2 (IPAP2)</li> <li>3. Pilot project</li> </ol>	<ol style="list-style-type: none"> <li>1. 0.5 % (1.1 bn litres) of total liquid fuels demand met by biofuels</li> <li>2. Establish Bio-ethanol blending value</li> <li>3. Establish Biofuel break-even price</li> <li>4. Publish biofuel manufacturing support mechanism</li> </ol>	<ol style="list-style-type: none"> <li>1. 1% (2.2 bn litres) of total liquid fuels demand met by biofuels</li> <li>Enhance non-pricing regulatory provisions</li> <li>Monitor the biofuels pricing framework</li> </ol>	<ol style="list-style-type: none"> <li>1. 1.5% (3.3 bn litres) of total liquid fuels demand met by biofuels</li> <li>Monitor the biofuels regulatory framework</li> </ol>	<ol style="list-style-type: none"> <li>1. 2 % (4.4 bn litres) of total liquid fuels demand met by biofuels</li> <li>Revised biofuels regulatory framework fully implemented</li> </ol>	<p>IPAP2; monitoring reports; inter-departmental task team records</p>	<p>Demand at 2011/12 levels or greater; linear progression of milestones</p>

Output 1 of 2: Medium-term risk mitigation plan (MTRMP) adopted									
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks	
Medium Term Risk Mitigation Plan (MTRMP) adopted	Draft MTRMP  Low reserve margin	1. Draft MTRMP published for public comment 2. MTRMP approved by minister/ Cabinet as part of the IPP	Projects identified under MTRMP implemented and verified. MW/MW/h commissioned or saved to improve reserve margin	Projects identified and licensed per MTRMP	Projects identified under MTRMP implemented and verified. MW/MW/h commissioned or saved to improve reserve margin	Projects identified under MTRMP implemented and verified. MW/MW/h commissioned or saved to improve reserve margin	Draft and final MTRMP; public comments/submissions; programme records	Funding and policy constraints resolved; industry and other stakeholder participation is sufficient and well coordinated	
Output 2 of 2: Pro-poor programmes implemented									
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks	
Pro-poor (pro-low income households) pricing initiatives	Draft report on Fixed Retail Margin for Illuminating Paraffin	1. Fixed retail margin for illuminating paraffin report approved 2. Regulations promulgated and implemented	1. Monitoring of fixed retail margin for illuminating paraffin 2. Conduct study to identify other pro-poor pricing initiatives and issue report.	1. Monitoring of fixed retail margin for illuminating paraffin. 2. Price of paraffin linked to inflation but separate from basic fuel price (BFP) and reflected as such in the regulations	1. Monitoring of fixed retail margin for illuminating paraffin. 2. Review of paraffin price regulations	1. Monitoring of fixed retail margin for illuminating paraffin. 2. Price separation of paraffin maintained	Programme records; quarterly monitoring reports; illuminating paraffin price regulations; approved Fixed Retail Margin for Illuminating Paraffin Report	Supplier cooperation and stable supply chain; electrified households will continue to use paraffin for cooking	

Cushion the poor from rising costs of electricity by cost reflective electricity tariffs	Electricity Pricing Policy in place; Inclining Block Tariff (IBT) introduced but does not cover prepaid meters. Multi-Year Price Determination 2 has awarded a 25% increase for the next three years (2010/11 to 2012/13) with IBT for qualifying households.	<p>1. Improve the implementation of the IBT in all the municipalities.</p> <p>2. Monitor effectiveness of MYPD2 in aligning the tariff to the true cost of production.</p> <p>3. Extend IBT to cover prepaid meters in Eskom areas.</p>	<p>1. Monitor effectiveness of IBT in cushioning the poor from rising costs.</p> <p>2. Monitor effectiveness of MYPD2 in aligning the tariff to the true cost of production.</p> <p>3. Extend IBT to cover prepaid meters in more municipal areas</p>	<p>1. Monitor effectiveness of IBT in cushioning the poor from rising costs.</p> <p>2. Monitor effectiveness of MYPD2 in aligning the tariff to the true cost of production.</p> <p>3. Extend IBT to cover prepaid meters in all municipal areas</p>	Five-year phasing in of cost reflective tariffs complete, including measures to protect the poor	Electricity Pricing Policy; Multi-Year Price Determination 2	Existing Policy is adequate; Cost of converting prepaid meters to IBT will be covered under the MYPD or ADAM
Number of Integrated Energy Centers (IECs) established by involving more oil companies	7 IECs established	2 Additional IECs operationalised	2 Additional IECs operationalised	2 Additional IECs operationalised	15 IECs established by 2015	DoE Audit Report	Cooperation and funding by oil companies; business management skills of cooperatives; cooperation and support by local government

Intermediate Outcome 2 of 2: Energy planning is integrated								
Intermediate outcome indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Integrated Energy Plan (IEP) published	No integrated energy plan	1. Cabinet-approved Integrated Energy Planning Strategy and IEP 2. Operational energy modelling system. 3. Public stakeholder workshop	1. Monitoring of Implementation 2. Ongoing calibration of modelling system 3. Update and publish cabinet - approved IEP	1. Monitoring of Implementation 2. Ongoing calibration of modelling system 3. Update and publish cabinet -approved IE	1. Monitoring of Implementation 2. Ongoing calibration of modelling system 3. Update and publish cabinet - approved IEP	Fully integrated energy plan	Integrated Energy Planning Strategy; Integrated Energy Plan; Minutes of Steering Committee and Working Group meetings; Consolidated Public Stakeholder Comments; Model documentation	Approval of IEP; Fully staffed planning unit; Common strategic direction within department; Reliable and adequate IT support infrastructure, software and hardware
Output 1 of 1: Energy data collected, stored and disseminated								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Regulations for the provision of energy data	No regulation for the provision of energy data	Gazetted regulations	Approved forms and questionnaires for the collection of data	Approved forms and questionnaires for the collection of data automated	Ongoing enhancement of forms and questionnaires	Ongoing enhancement of forms and questionnaires	1) Gazetted regulations 2) Questionnaires and forms	1) Approved regulations 2) Approved forms and questionnaires
Centralised Energy Data Repository	No centralised electronic energy data repository	Data required for publications and energy planning stored in a central electronic repository	Energy data for all planning (IRP and LFP) projects within the department stored in a central repository	All energy data stored in a central repository in accordance with regulations	Ongoing expansion of database as requirements increase	Ongoing expansion of database as requirements increase	1) Reports from database	Reliable and adequate IT infrastructure support, software and hardware

Produce current and relevant energy publications	1. 2010 Energy Digest (with data up to 2006)  2. 2010 Price Report (with data up to 2006)	1. Improve currency of published data (no more than three years lag time) 2. Publish Synopsis of the Energy Sector (with data up to 2006)	1. Improve lag time for publications to two years 2. Published Review of the Energy Sector 3. Published Outlook of the Energy Sector	1. Improve lag time for publications to one year 2. Publish Review of the Energy Sector 3. Publish Outlook of the Energy Sector	Maintain lag time for publications at one year	Annual Energy Digest; Annual Energy Price Report; Synopsis of the Energy Sector; Review of the Energy Sector; Outlook of the Energy Sector	Timely and relevant data from providers; fully operational energy modelling system	
STRATEGIC OUTCOME 4 OF 5: ENVIRONMENTAL ASSETS AND NATURAL RESOURCES PROTECTED AND CONTINUALLY ENHANCED BY CLEANER ENERGY TECHNOLOGIES								
Intermediate Outcome 1 of 2: Renewable energy deployed								
Intermediate outcome Indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Implementation of Renewable Energy Feed-in Tariff (REFIT) programme	Only pilot projects for landfill gas, wind (Darling) and Hydro (Bethlehem)	Refit programme launched to procure renewable energy IPP	Refit programme launched in 2011/12 commissioned and generating power.	More Refit procured in line with IRP and MYPD	More Refit procured in line with IRP and MYPD.	Target reached in 2014/15	Procurement documentation including repository of signed contracts	Appropriate technologies available and coming on stream timeously; adequate funding
Solar park initiative	1. Zero Megawatts (MW). 2. Prefeasibility study approved by Cabinet. 3. Solar Investors' Conference	Feasibility study completed. Implementation of project in line with feasibility report.	Implementation of project in line with feasibility report.	Implementation of project in line with feasibility report.	Implementation of project in line with feasibility report.	Implementation of project in line with feasibility report.	1. Investor's conference report. 2. Feasibility report. 3. Project progress report.	Feasibility study indicates viable deployment under funding constraints.

Intermediate Outcome 2 of 2: Green Economy projects deployed								
Intermediate outcome indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
"Green Economy" projects for job creation and in support of DoE strategic outcomes and goal	No operational documents	<ol style="list-style-type: none"> <li>One energy sector synthesis report produced and disseminated.</li> <li>Monitoring framework for energy efficiency established</li> <li>Monitoring of job creation per project and compilation of related energy sector statistics.</li> <li>Guide the creation of national standards for sustainable energy production</li> <li>Develop energy efficiency regulations</li> </ol>	<ol style="list-style-type: none"> <li>Monitoring of energy efficiency strategy and target (12 % by 2015).</li> <li>Monitoring of job creation per project and compilation of related energy sector statistics.</li> <li>Implement synthesis report recommendations as needed</li> </ol>	Monitoring of job creation per project and compilation of related energy sector statistics	Monitoring of job creation per project and compilation of related energy sector statistics.	<ol style="list-style-type: none"> <li>Monitoring of job creation per project and compilation of related energy sector statistics.</li> <li>Review of energy efficiency strategy and target</li> </ol>	Programme records; energy sector synthesis report; Energy Efficiency Strategy; SOE reports	Project funding availability; adequate co-operation from stakeholders; stable policy direction
Output 1 of 2: Operationalise REFIT programme								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Operationalise REFIT Regulatory Framework	Draft regulations for New Generation Capacity covers the Refit Programme	<ol style="list-style-type: none"> <li>Concluded regulatory framework for REFIT.</li> <li>Procurement documentation launched to procure Refit programme.</li> </ol>	<ol style="list-style-type: none"> <li>Monitoring of implementation</li> <li>Additional Requests for proposals issued if needed</li> </ol>	<ol style="list-style-type: none"> <li>Monitoring of implementation</li> <li>Additional Requests for proposals issued if needed</li> </ol>	<ol style="list-style-type: none"> <li>Monitoring of implementation</li> <li>Additional Requests for proposals issued if needed</li> </ol>	<ol style="list-style-type: none"> <li>Monitoring of implementation</li> <li>Additional Requests for proposals issued if needed</li> </ol>	Regulations under the Electricity Regulations Act	Procurement documents with risk profile that is acceptable to investors.

Output 2 of 2: Operationalise solar park								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Feasibility studies and enabling conditions	Pre-feasibility study and investor's conference report	1. Finalised feasibility study 2. Funding plan approved 3. Implementation of feasibility study recommendations 4. Standards set for procurement documentation 5. Project developers selected	Implementation of feasibility study recommendation	Implementation of feasibility study recommendations	Implementation of feasibility study recommendations	Implementation of feasibility study recommendations	Feasibility studies, project documentation, programme records	Positive feasibility study
STRATEGIC OUTCOME 5 OF 5: MITIGATION AGAINST AND ADAPTATION TO THE IMPACTS OF CLIMATE CHANGE								
Intermediate Outcome 1 of 2: Carbon capture and storage mechanisms established								
Intermediate outcome Indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Carbon capture and storage	Published Atlas for CO2 Geological storage; no policy / regulatory framework for CCS; Establishment of SACCCS under SANERI	Internal approval of CCS regulatory framework	Domestic and international consultation on regulatory framework	Promulgated regulatory framework	Implementation - preparation for test injection	A regulatory framework that supports CCS test injection by 2016	IEA, CSLF member countries, CCSI, CCS Task Team	Intricacies of new, expensive technology at its infancy stage

Output 1 of 1: Conference of the Parties (COP 17) successfully hosted and national coordination implemented									
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks	
Preparation for Conference of the Parties (COP 17) and national coordination.	No dedicated project team. No preparation in place. No dedicated funding in place.	1. Project plan proposal approved covering activities, logistics, roles and responsibilities and funding. 2. Coordination with lead departments and other governments. 3. Inter-departmental workgroup established (2011/12).	1. Lessons learned report. 2. Contribute to position papers on COP18.	1. Target reached in 2011/2012. 2. Contribute to position papers on COP19.	1. Target reached in 2011/2012. 2. Contribute to position papers on COP20.	1. Target reached in 2011/2012. 2. Contribute to position papers on COP21.	Department COP16 report, lessons learned report.	1. Funding available; roles and responsibilities of various stakeholders clearly mapped out; 2. Venue availability.	
Intermediate Outcome 2 of 2: Cleaner hydrocarbons are used for fuel									
Intermediate outcome indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks	
Increased use of cleaner hydrocarbons	Baseline to be established by 2011/12	Monitoring against Integrated Resources Plan (IRP2) and 20-year Liquid Fuels Infrastructure Roadmap	Monitoring against Integrated Resources Plan (IRP2) and 20-year Liquid Fuels Infrastructure Roadmap	Monitoring against Integrated Resources Plan (IRP2) and 20-year Liquid Fuels Infrastructure Roadmap	Monitoring against Integrated Resources Plan (IRP2) and 20-year Liquid Fuels Infrastructure Roadmap	Target to be determined by Integrated Resources Plan (IRP2) and 20-year Liquid Fuels Infrastructure Roadmap	IRP2; 20-year Liquid Fuels Infrastructure Roadmap; annual company information submitted to petroleum controller	Economic viability of cleaner hydrocarbon technologies; adequate industry cooperation and uptake; adequate public uptake	

Output 1 of 2: Liquid fuel specifications and standards updated							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information
Revised Fuel Specifications and Standards (Clean Fuels 2)	Fuel specifications and standards Regulations 2006	1. Internal approval of department's discussion document 2. Publication of department's discussion document	Monitoring of progress in line with the Fuel Specifications Roadmap	Monitoring of progress in line with the Fuel Specifications Roadmap	Monitoring of progress in line with the Fuel Specifications Roadmap	Monitoring of progress in line with the Fuel Specifications Roadmap	Clean Fuels 2 specifications and standards; programme records
							Timeous approvals of Clean Fuels 2 Specifications and Standards; Subject to agreement with National Treasury Funding Mechanism
Output 2 of 2: Policy position on clean coal technologies developed							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information
Clean coal technologies policy	No policy position on clean coal technologies; draft of the South African Coal Roadmap	1. Internal approval of Clean Coal Technologies Discussion Paper 2. Consultations with stakeholders 3. Second draft of South African Coal Road Map	1. Publish Policy Discussion Document for public comment; 2. South African Coal Roadmap completed	Draft legislation based on previous milestones	Promulgate regulations	Implementation and monitoring against policy targets	Coal industry, Eskom and Sasol submissions; public submissions; South African Coal Roadmap; industry reports
							Approval of Clean Coal Technologies Discussion Paper; Cooperation from stakeholders
Intermediate Outcome (Cross-cutting): Good corporate governance for effective and efficient service delivery							
Output 1 of 10: Effective and efficient human resources services provided to the department							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information
Human resources (HR) recruitment, selection, development and retention to fulfil DoE's mandate.	HR functions established; delegations of authority approved in terms of relevant legislation; draft HR policies developed.	HR Plan finalised by 30 April 2011; implementation of phase 1 of the HR Plan by 30 June 2011 (approved HR policies).	Implementation of phase 2 of the HR Plan by 30 June 2012; review of 1st phase progress.	Implementation of phase 3 of the HR Plan by 30 June 2013; review of 2nd phase progress.	Implementation of phase 4 of the HR Plan by 30 June 2014; review of 3rd phase progress and future planning.	HR Plan fully implemented and impact assessed.	Approved HR Plan; Implementation Plan; HR Development Strategy; programme records.
							Approval of the HR plan. Financial and Human Resources available at least at baseline levels.

Output 2 of 10: Integrated financial management services provided to the department							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information
Re-align Financial Resources in Line with Government Outcomes, DoE Strategy and ensure compliance with PFMA.	Efficient disbursement of budgets based on the MTEF allocations. No baseline for wasteful expenditure.	Provide accurate & timeous financial reporting, quarterly per approved program that have been identified in support of the Government Outcomes and in the process ensure compliance to Treasury Regulations.	Ensure compliance to policies, procedures and to the PFMA -100%, through training and development of staff on the legislation that the Finance Branch is governed by. Reduce audit findings by 15%	Ensure compliance to policies, procedures and to the PFMA -100%, through training and development of staff on the legislation that the Finance Branch is governed by. Reduce audit findings by 25%	Ensure compliance to policies, procedures and to the PFMA -100%, through training and development of staff on the legislation that the Finance Branch is governed by. Reduce audit findings by 30%	Reduce wasteful expenditure to <3%	Programme Records
							To be within 95% of budget requests
Output 3 of 10: Financial resources re-aligned with department strategy and aligned with government outcomes and PFMA							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information
Establish & Implement transparent systems of Financial Management	Develop Policies, Procedures and Guidelines	Establish a fully functional Supply Chain Directorate, in terms of best practice & legislation.	Implement effective IT systems, that support the departments functions	Reduce the Audit findings in the following areas: SCM 25%, Expenditure Management 15%, Financial Management 15%, IT 20%	Reduce the Audit findings in the following areas: SCM 30%, Expenditure Management 20%, Financial Management 20%, IT 25%	Receive an unqualified audit report and reduce audit findings to <15%	Program Records
							Financial Resources available.

Output 3 of 10: Effective and efficient communication services provided to the department								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Effective and efficient communication of DoE programmes.	Draft communications strategy and implementation plan	Alignment with National Communication Strategy and departmental approval of DoE strategy and plan by 30 June 2011. Commence with implementation.	Re-alignment with National Communication Strategy and redrafting of DoE strategy and plan as required. Plan fully implemented.	Assess effectiveness of DoE communication strategy and conduct stakeholder survey	Results of 2013/14 milestone incorporated and implemented	Strategy fully implemented, maintained and impact evaluated.	National Communication and DoE Strategies	Financial and Human Resources available. Co-operation of stakeholders.
Output 4 of 10: Effective and efficient legal services provided to the department								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Provision of professional legal and advisory services in accordance with relevant legislative frameworks	Adherence to current internal and prescribed turnaround timelines	50% of requests processed within prescribed timeframes	65% of requests processed within prescribed timeframes	75% of requests processed within prescribed timeframes	85% of requests processed within prescribed timeframes	100% of requests processed within prescribed timeframes and full compliance with legislative framework	Legislation, common law, internal policies, programme records	Human, financial, and legal information resource constraints overcome; proper and timeous instructions.

Output 5 of 10: Effective and efficient operations and risk management services provided to the department								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Adherence to an integrated risk management strategy	Comprehensive Enterprise-wide Risk Management strategy (including a Fraud Prevention Plan)	1. Enterprise Risk Management Strategy reviewed and recommendations implemented 2. Fraud Prevention Plan reviewed and recommendations implemented 3. Four Risk Management Committee and four Risk Management Champions Committee meetings held	1. Enterprise Risk Management Strategy reviewed and recommendations implemented 2. Fraud Prevention Plan reviewed and recommendations implemented 3. Four Risk Management Committee and four Risk Management Champions Committee meetings held	1. Enterprise Risk Management Strategy reviewed and recommendations implemented 2. Fraud Prevention Plan reviewed and recommendations implemented 3. Four Risk Management Committee and four Risk Management Champions Committee meetings held	1. Enterprise Risk Management Strategy reviewed & recommendations implemented 2. Fraud Prevention Plan reviewed and recommendations implemented 3. Four Risk Management Committee and four Risk Management Champions Committee meetings held	1. Enterprise Risk Management Strategy reviewed and recommendations implemented 2. Fraud Prevention Plan reviewed and recommendations implemented 3. Four Risk Management Committee and four Risk Management Champions Committee meetings held	Programme records; updated Risk Management Strategy and Fraud Prevention Plan; annual implementation plans	Adequate financial and human resources; no "black swan" events

Output 5 of 10: Effective and efficient operations and risk management services provided to the department								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
Major risks identified and mitigation strategies adopted	Risk register of 2010	1. Low, medium and high risks identified and mitigation strategies prioritised 2. Identified risks reduced by 20% against risk register and assigned priority 3. Risk register updated	1. Low, medium and high risks identified and mitigation strategies prioritised 2. Identified risks reduced by 40% against risk register and assigned priority 3. New risks identified and prioritised	1. Enterprise Risk Management Strategy reviewed and recommendations implemented 2. Fraud Prevention Plan reviewed and recommendations implemented 3. Four Risk Management Committee and four Risk Management Champions Committee meetings held	1. Low, medium and high risks identified and mitigation strategies prioritised 2. Identified risks reduced by 80% against risk register and assigned priority 3. New risks identified and prioritised	1. Low, medium and high risks identified and mitigation strategies prioritised 2. Identified risks reduced by 80% against risk register and assigned priority 3. New risks identified and prioritised	Risk register; programme records	No major "black swan" events; adequate financial and human resources

Output 6 of 10: Effective and efficient internal audit services provided to the department							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Assumptions/ Risks
Full spectrum internal audit services rendered	A risk based annual, and three year audit plan developed in consultation with stakeholders	1. 70% client satisfaction achieved 2. 70% Audit Committee satisfaction achieved	1. 70% client satisfaction achieved 2. 70% Audit Committee satisfaction achieved	1. 70% client satisfaction achieved 2. 70% Audit Committee satisfaction achieved	1. 70% client satisfaction achieved 2. 70% Audit Committee satisfaction achieved	1. 70% client satisfaction achieved 2. 70% Audit Committee satisfaction achieved	Adequate financial and human resources; no "black swan" events
Output 7 of 10: Results-oriented M&E services provided to the department							
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Assumptions/ Risks
Adherence to outcomes based planning, monitoring, evaluation and reporting principles	Transition from balanced score card methods to outcomes based approach	1. Department M&E framework drafted, discussed, approved and piloted 2. Department M&E policies and procedures drafted, discussed and approved	1. Roll-out of M&E framework 2. Number of components of M&E framework "workshopped" 3. Internal performance monitoring system evaluated and first report issued	1. M&E framework implementation reviewed, assessed and first report issued 2. Policies and procedures reviewed and amended as needed	1. M&E framework re- aligned with national outcomes 2. Internal performance monitoring system evaluated and second report issued	Lessons learned incorporated into strategic planning and annual plans of DoE	Adequacy of human, financial, and systems resources

Internal performance monitoring aligned with Program of Action (POA) and department strategy	1. Current performance monitoring and reporting is not effective or efficient 2. Audit baseline to be established by first milestone (review of available audit reports)	1. Number of data collection instruments created and piloted 2. System architecture created and/or documented 3. Audit baseline established	Number and nature of internal audit and Auditor-General negative findings reduced 25% against baseline	Number and nature of internal audit and Auditor-General negative findings reduced 50% against baseline	Number and nature of internal audit and Auditor-General negative findings reduced 75% against baseline	Number and nature of internal audit and Auditor-General negative findings reduced 90% against baseline	POA reporting system; internal quarterly performance reports; internal audit reports; AG reports; and programme records	Timely submissions from branches; adequate internal and external IT infrastructure; corrective nature of auditing regarding set target
<b>Output 8 of 10: Partnerships with state-owned entities geared towards service delivery provided to the department</b>								
<b>Output indicators</b>	<b>Baseline</b>	<b>Milestone 2011/12</b>	<b>Milestone 2012/13</b>	<b>Milestone 2013/14</b>	<b>Milestone 2014/15</b>	<b>Target 2015/16</b>	<b>Sources of Information</b>	<b>Assumptions/ Risks</b>
Oversight, guidance and support to state owned entities to deliver on their mandates	1. Existing shareholder compacts and draft departmental SOE oversight framework. 2. No baseline for Auditor General findings - will be established in 2011/12	1. Oversight Framework approved and rolled-out by June 2011 2. Establish Auditor General findings baseline and standards for improvement in consultation with SOEs	1. Implementation plan drafted and approved. 2. Implementation of approved Oversight Framework 3. Five% - nine % reduction in SOE audit findings	1. Monitor against relevant legislation and Oversight Framework 2. Ten% to twenty % reduction in SOE audit findings	1. Evaluate Oversight Framework and findings standards 2. Revise Framework and standards as needed	Full alignment with DoE strategic planning, reporting, timelines and practices	Auditor-General and management reports; DoE Strategic Plan and Annual Report; SOEs Strategic Plans and Annual Reports	Clarification of SOE mandates Adequate cooperation from SOE boards, management and line branches
<b>Output 9 of 10 : Effective and efficient international relations services provided to the department</b>								
<b>Output indicators</b>	<b>Baseline</b>	<b>Milestone 2011/12</b>	<b>Milestone 2012/13</b>	<b>Milestone 2013/14</b>	<b>Milestone 2014/15</b>	<b>Target 2015/16</b>	<b>Sources of Information</b>	<b>Assumptions/ Risks</b>
International relations services aligned with department objectives	Draft International Relations Strategy	1. Alignment with DIRCO International Strategy 2. Departmental approval of Draft International Relations Strategy 3. Stakeholder survey conducted	1. Re-alignment with National International Strategy 2. Development of DoE Strategy draft Implementation Plan	1. Assess effectiveness of DoE International strategy and implementation plan	Results of previous milestones incorporated and implemented as needed	Strategy fully operationalised, monitored and assessed	DIRCO; foreign embassies and missions to South Africa; international journals on trade, investment and energy; international organisation publications	Political stability; financial and human resources availability; co-operation of stakeholders

Output 10 of 10 : Effective and efficient auxiliary services provided to the department								
Output indicators	Baseline	Milestone 2011/12	Milestone 2012/13	Milestone 2013/14	Milestone 2014/15	Target 2015/16	Sources of Information	Assumptions/ Risks
A safe and secure working environment	1. Needs assessment report approved (accommodation); a draft Security Risk Management Plan exists but is not approved	1. Finalise the Security Risk Management Plan by 30 April 2011. 2. Implementation of phase 1 of the plan by 30 June 2011.	1. Implementation of phase 2 of the risk management plan by 30 June 2012. 2. Review of 1st phase implementation 3 Plan revised as needed. 4. Maintenance Plan developed and implemented.	1. Implementation of phase 3 of the risk management plan by 30 June 2013. 2. Review 2nd phase implementation. 3. Plan revised as needed 4. Monitoring of Maintenance Plan	1. Implementation of phase 4 of the plan by 30 June 2014 2. Review 3rd phase implementation 3. Plan revised as needed. 4. Monitoring of Maintenance Plan.	1. Security Risk Management Plan fully implemented 2. Plan and its impact evaluated 3. Monitoring of Maintenance Plan	Approved Security plan and policy. Minutes of the Facilities Management meeting. Project Plan reports.	Adequate financial and human Resources available; cooperation of stakeholders.

# Annexure B

## DEPARTMENT OF ENERGY ANNUAL PERFORMANCE PLAN FOR THE FISCAL YEAR 2011/12

## PROGRAMME PERFORMANCE PLANS AND KEY FOCUS AREAS FOR THE 2011/12 FINANCIAL YEAR

### PROGRAMME 1: ADMINISTRATION

Purpose: To provide strategic support and management services to the Ministry and the Department.

(The programme consists of the Ministry, Director General's Office and three branches: Corporate Services, Office of the CFO and the Office of the COO).

#### Expenditure estimates

Programme 1: Administration									
Subprogrammes		Audited outcomes			Adjusted appropriation		Medium-term expenditure estimate		
R thousand		2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
1	Ministry	-	-	11,217	10,724	10,562	21,469	21,926	22,312
2	Management	3,212	8,792	11,226	14,887	12,358	28,853	30,333	30,874
3	Audit Services	-	2,399	2,240	3,119	3,018	2,886	2,830	2,743
4	Corporate Services	32,325	16,264	21,552	28,648	52,876	44,719	42,494	41,789
5	Financial Management	-	21,057	28,530	39,757	39,795	62,020	44,377	45,412
6	Office Accommodation	4,968	4,901	11	7,070	7,070	7,524	7,937	8,373
Total		40,505	53,413	74,776	104,205	125,679	167,471	149,897	151,503

#### Key focus areas:

##### Corporate Services

1. Develop and implement the Department's Integrated Human Resource Plan
2. Improve on the Department's HR capacity by filling of vacancies and implement skills retention strategies.
3. Alignment of the organisational structure to the outcomes-based strategic plan.
4. Alignment of DoE communication plan with the national communication strategy; and
5. Provision of legal and advisory services to the ministry and the department.

##### Office of the Chief Financial Officer

1. Establish and implement transparent systems of financial management
2. Provision of accurate and timely financial information

##### Office of the Chief Operating Officer

1. Implementation of government's outcomes based approach in strategic and performance planning, reporting, monitoring and evaluation.
2. Implementation of the Department's Risk Management and Fraud Prevention Plan
3. Improvement on SOE oversight
4. Winding up of EDI Holdings and transfer of the electricity distribution industry function to the Department

Department of Energy Goal: ENERGY SUPPLY IS SECURE AND DEMAND IS WELL MANAGED

PROGRAMME 1: ADMINISTRATION

Strategic Outcome 1 of 5: An efficient, competitive and responsive energy infrastructure network

Intermediate Outcome (Cross-cutting): Good corporate governance for effective and efficient service delivery

Output 1 of 10: Effective and efficient human resources services provided to the department

Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Human resources (HR) recruitment, selection, development and retention to fulfill DoE's mandate.	HR Plan, HRD Strategy, Organisational Structure, Occupational Categories, Skills Audit and Workplace Skills plan and training programme. Annual health and wellness agenda.	HR functions established; delegations of authority approved in terms of relevant legislation; draft HR policies developed.	HR Plan finalised by 30 April 2011; implementation of phase 1 of the HR Plan by 30 June 2011 (approved HR policies).	1. An approved and printed HR Plan. 2. A draft organisational structure aligned to the approved strategic objectives. 3. Filling of all new vacancies added on in January 2011. 4. Finalisation of the HRD Strategy. Performance agreements all signed.	Finalisation of the organisational structure and occupational classification. Skills audit finalised. HR policies all accepted in DBC.	1. Matching and placing of employees to the new structure. 2. Transfer of skills and knowledge plan finalised and approved on secondment/ exchange programme from energy sector. 3. Implementation of the HRD Strategy. Monitoring of the HR Plan	1. Performance reviews commence. Finalisation of the Training Plan. 2. Finalisation of the annual health and wellness agenda. 3. Finalisation of phase 1 of the HR Plan	Approved HR Plan; Implementation Plan; HR Development Strategy; programme records.	Financial Resources required as indicated in the HR Plan and HRD Strategy. Publication of the HR Plan. PMDS funding required for bonuses/notches

Output 2 of 10: Integrated financial management services provided to the department									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Re-align Financial Resources in Line with Government Outcomes, DoE Strategy and ensure compliance with PFMA.	1. Workshops/discussions has to be held with all stakeholders, to consolidate reporting requirement ents.  2. Appoint an IT consultant to perform the programming func tions.  3. Develop a reporting Template  4. Obtain approval from Director General on the Standard & Template developed	Efficient disbursement of budgets based on the MTEF allocations. No baseline for wasteful expenditure.	Provide accurate & timeous financial reporting, quarterly per approved program that have been identified in support of the Government Outcomes and in the process ensure compliance to Treasury Regulations.	1. Obtain approval from the Director General on the quarterly reporting standard and template for approved programs.  2. Ensure the reports developed comply to Treasury Regulations.	1. Produce 1st & 2nd quarter report per program, in the agreed format, within agreed tim elines  2. Review reports to ensure compliance to Treasury Regulations.	1. Produce 3rd quarter report per program, in the agreed format, within agreed timelines  2. Review reports to ensure compliance to Treasury Regulations.	1. Produce 4th quarter report per program, in the agreed format, within agreed timelines  2. Review reports to ensure compliance to Treasury Regulations.	Program Records	An IT consultant will be utilised for programming & Developing the templates.
Output 3 of 10: Financial resources re-aligned with department strategy and aligned with government outcomes and PFMA									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Establish & Implement transparent systems of Financial Management	1. Develop the SCM policy and procedure manual. 2. Advertise vacant positions within the approved SCM structure. 3. Develop a training schedule for users. 4. Develop and implement internal control measures.	Develop Policies, Procedures and Guidelines	Establish a fully functional Supply Chain Unit in terms of best practice & legislation.	1. Two Workshops/ Information sessions to be held with DoE officials on SCM internal controls. 2. Establishment of Committees that governs SCM, this will extend over other quarters.	1. Communicate / disseminate service standards to all DoE officials 2. BAC members to attend training and a workshop on SCM procedures 3. Fill critical vacancies to ensure an effective & efficient SCM department. 4. Develop SCM policies in line with Treasury Guidelines	1. Implement the approved SCM policies. 2. Monitor and evaluate compliance of SCM prescripts/ legislation 3. Close all internal audit findings in this regard.	Reduction of audit queries by 20% based on Auditor Generals management letter for year ended 31/3/11.	SCM Legislation and practice notes, Internal policies ,workshop materials; approved SCM policies and procedures.	Financial resources required for a consultant to help draft policies & procedures, in line with legislation

Output 3 of 7: Effective and efficient communication services provided to the department							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Effective and efficient communication of DoE programmes.	Communication Strategy and Plan for DoE	Draft communications strategy and implementation plan	Development and implementation of DoE strategy and plan in line with National Communication Strategy	Departmental approval of DoE strategy and plan by 30 June 2011 and full scale implementation	Implementation of the strategy and plan	Implementation of the strategy and plan	Evaluate and review strategy in accordance with National directives
							Sources of Information / Means of Verification
							National Communication and DoE strategies
							Required Financial Resources
Output 4 of 10: Effective and efficient legal services provided to the department							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Provision of professional legal and advisory services in accordance with relevant legislative frameworks	1. Review draft policy documents 2. Provide legal advice to the Ministry and department	Adherence to current internal and prescribed turnaround timelines	50 % of requests processed within prescribed timeframes	50 % of requests processed within prescribed timeframes	50 % of requests processed within prescribed timeframes	50 % of requests processed within prescribed timeframes	Legislation, common law, internal policies, programme records
							Required Financial Resources
Output 5 of 10: Effective and efficient operations and risk management services provided to the department							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Adherence to an integrated risk management strategy	Organization wide Risk Register, Organization Fraud Risk Register and Quarterly reports against these, Fraud Risk Awareness	Comprehensive Enterprise-wide Risk Management strategy (including a Fraud Prevention Plan)	1. Enterprise Risk Management Strategy reviewed and recommendations implemented 2. Fraud Prevention Plan reviewed and recommendations implemented 3. Four Risk Management Committee and four Risk Management Champions Committee meetings held	Draft Risk Register, Draft Fraud Risk Register, 1 Risk Management Meeting, 1 Risk Champions Forum meeting	Final Risk Register, Fraud Risk Register, 1 Risk Management Meeting, 1 Risk Champions Forum meeting and 1 Fraud Risk Management awareness Presentation	1 Risk Management Meeting, 1 Risk Champions Forum meeting	IDraft Risk Register, Draft Fraud Risk Register, 1 Risk Management Forum meeting and 1 Fraud Risk Management awareness Presentation
							Sources of Information / Means of Verification
							Programme records; updated Risk Management Strategy and Fraud Prevention Plan; annual implementation plans
							Required Financial Resources

Output 6 of 10: Effective and efficient internal audit services provided to the department									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Full spectrum internal audit services rendered	Number of planned audits completed (each with a client satisfaction report and one audit committee satisfaction evaluation report)	A risk based annual, and three year audit plan developed in consultation with stakeholders	1. 70% client satisfaction achieved 2. 70% Audit Committee satisfaction achieved	Perform 15% of the audits identified per plan	Perform 45% of the audits identified per plan	Perform 70% of the audits identified per plan	Perform 100% of the audits identified per plan	Audit Committee Evaluation report; client satisfaction survey results	
Output 7 of 10: Results-oriented M&E services provided to the department									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Adherence to outcomes based planning, monitoring, evaluation and reporting principles	1. Drafting of M&E foundational documents 2. Internal consultations and piloting of data collection instruments 3. Adherence to internal approval procedures	Transition from balanced score card methods to outcomes based approach	1. Department M&E framework drafted, discussed, approved and piloted 2. Department M&E policies and procedures drafted, discussed and approved	1. 1st draft of M&E framework produced 2. 1st draft of policies and procedures produced	1. 2nd draft of M&E framework produced. 2. 2nd draft of policies and procedures produced	1. 3rd draft of M&E framework produced. 2. 3rd draft of policies and procedures produced	Department M&E framework, and policies and procedures approved	Service Delivery agreements, implementation forums, data forums; and programme records	Normal budget
Internal performance monitoring aligned with Program of Action (POA) and department strategy	1. Review of branch quarterly performance reports 2. Departmental performance monitoring submissions into POA system	1. Current performance monitoring and reporting is not effective or efficient 2. Audit baseline to be established by first milestone (review of available audit reports)	1. Number of data collection instruments created and piloted 2. System architecture created and/or documented 3. Audit baseline established	1. At least two new data collection instruments introduced 2. System architecture outlined 3. Audit baseline established. 4. 1st Qt performance information processed	2st Qt performance information processed	3st Qt performance information processed	4st Qt performance information processed	POA reporting system; internal quarterly performance reports; internal audit reports; AG reports; and programme records	Normal budget

Output 8 of 10: Partnerships with state-owned entities geared towards service delivery provided to the department									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Oversight, guidance and support to state owned entities to deliver on their mandates	1. Review all SOE Corporate and Strategic Plan submissions for alignment with DoE and government priorities and facilitate their approval 2. Review all SOE quarterly performance reports 3. Maintain SOE Director database and monitor SOE Board composition and facilitate the appointment of Board members 4. Review all SOE Ministerial requests in terms of section 54 of the PFMA and facilitate their approval 5. Ensure the approval of the draft Departmental SOE Oversight framework	1. Existing shareholder compacts and draft Departmental SOE Oversight framework. 2. No baseline for Auditor General findings - will be established in 2011/12	1. Oversight Framework approved and rolled-out by June 2011 2. Establish Auditor General findings baseline and standards for improvement in consultation with SOEs	1. Departmental SOE Oversight Framework approved 2. Establish AG findings baseline through SOE Management Reports	1. First quarter performance reports approved by 30 August 2011 2. Commence implementation of SOE Oversight framework 3.All SOE Annual reports tabled in Parliament by 30 September 2011	1. Second quarter performance reports approved by 31 October 2011 2. SOE Oversight framework implementation continued 3. Ministerial approval of all Schedule 3A SOEs Strategic Plans and Budget obtained by 30 November 2011	1. Third quarter performance reports approved by 28 February 2012 2. SOE Oversight Framework fully implemented and compliance maintained 3. Corporate plans for all schedule 2 SOEs approved by Minister 4. Concurrence by Minister of Finance to Piped gas levies, Petroleum Pipelines levies and Nuclear Authorisation Fees obtained by 31 March 2012	Auditor-General and management reports; DoE Strategic Plan and Annual Report; SOEs Strategic Plans and Annual Reports	Operational Budget

Output 9 of 10 : Effective and efficient international relations services provided to the department									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
International relations services aligned with department objectives	1. Drafting Department of Energy International Relations Strategy Document  2. Comments and input from stakeholders on the DoE International Relations Strategy  3. Draft MOUs submitted for consideration by potential international partners	1. Draft International Relations Strategy 2. Two MOUs	1. Alignment with DIRCO International Strategy 2. Departmental approval of Draft International Relations Strategy 3. Stakeholder survey conducted 4. Two signed MOUs	1. Stakeholder consultation on the draft DoE International Strategy 2. Two draft MOUs for consideration	1. Incorporation of stakeholder inputs into the DoE International Strategy completed 2. Draft MOUs approved by parties involved	1. DoE Approved International Strategy ready for submission to ICTS Cluster and Cabinet 2. Draft MOUs passes legal processes of respective countries	1. Approved DoE International Strategy aligned to the DIRCO International Strategy 2. Approved MOUs ready for signature	DIRCO; foreign embassies and missions to South Africa; international journals on trade, investment and energy; international organisation publications	R150 000.00 and adequately resourced International relations unit in the Department
	Organizing international visits and facilitate engagements between the Department and other countries and multilateral organisations on behalf of DoE.	25 International Engagements	5 or more engagements with other countries or multilateral engagements	5 international engagements	5 international engagements	5 International engagements	5 International engagements	Travel Reports approved by the Director General, Minister or both depending of the nature of engagement.	R2.5 million
	Monitoring and Evaluation Report on the signed bilateral and Multilateral relations	Annual Report	Draft Report	Draft Report	Draft Report	Draft Report	Draft Report	Draft Report	Final Report
	Number of Engagemeints with SOEs, Embassies and International Companies form outside South Africa investing and or operating in RSA and South African Companies operation outside the country.	Annual Report	Document on stakeholder engagement - Minutes of briefing notes or report on stakeholder interaction (at least one per quarter)	Document on stakeholder engagement - Minutes of briefing notes or report on stakeholder interaction (at least one per quarter)	Document on stakeholder engagement - Minutes of briefing notes or report on stakeholder interaction (at least one per quarter)	Document on stakeholder engagement - Minutes of briefing notes or report on stakeholder interaction (at least one per quarter)	Document on stakeholder engagement - Minutes of briefing notes or report on stakeholder interaction (at least one per quarter)	Document on stakeholder engagement - Minutes of briefing notes or report on stakeholder interaction (at least one per quarter)	Document on stakeholder engagement - Minutes of briefing notes or report on stakeholder interaction (at least one per quarter)

Output 10 of 10 : Effective and efficient auxiliary services provided to the department									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
A safe and secure working environment	Security Risk Management Plan. Personnel Security Audit. Alternative Office Accommodation procured and relocated. Implementation of the contingency plan. Review of procedures, policies and contracts	1. Needs assessment report approved (accommodation); a draft Security Risk Management Plan exists but is not approved	1. Finalise the Security Risk Management Plan by 30 April 2011. 2. Implementation of phase 1 of the plan by 30 June 2011.	Conduct information and personnel security Audit; Alternative office accommodation procured through DPW	Implementation of the contingency plan; Relocation of DoE to the new office accommodation	Review Security Policy and Procedures as well as Security Systems; Review of Auxiliary Support Services contracts to accommodate the new environmental needs e.g Cleaning, Security and service maintenance contracts for security systems;	Conduct security awareness; Maintenance of the office accommodation and provision of sufficient working facilities;	Approved Security plan and policy. Minutes of the Facilities Management meeting. Project Plan reports.	Budget for office accommodation lease rental and procurement of security services and systems;

**Note:**

With the restructuring of line function from two branches to four new line function branches, the following programme plans will be implemented in phases during the year. As of 1 April 2011, for operational reasons, functions of these four branches will be combined under the current two branches and a revised plan accommodating the changes will be drafted and approved by the Director-General as and when the new plan is implemented.

## PROGRAMME 2: ENERGY OPERATIONS

### Purpose:

- To regulate the pricing, promote public awareness on the state of the petroleum products and provide energy advisory services
- Manage petroleum licensing activities and enforce compliance
- Oversee the Integrated National Electrification Plan
- Facilitate the Implementation of renewable energy technologies and promote the Clean Development Mechanism activities.

Programme 2: Energy Policy and Planning									
Subprogrammes		Audited outcomes			Adjusted appropriation		Medium-term expenditure estimate		
R thousand		2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
1	Electricity Policy	5,864	9,553	28,971	9,933	12,133	13,619	14,827	21,170
2	Hydrocarbons Policy	16,349	28,985	20,401	1,508,149	1,508,149	1,510,644	1,510,246	16,053
3	Nuclear Policy	11,432	15,076	6,643	1,977	3,475	2,067	2,070	20,637
4	Energy Planning and Research	22,141	14,389	18,360	20,596	24,878	20,628	19,059	20,032
Total		55,786	68,003	74,375	1,540,655	1,548,635	1,546,958	1,546,202	77,892

Key focus areas:

1. Operationalise the National LPG Strategy
2. Connect 180 000 households to electricity services, of which 10 000 will be non-grid connections.
3. Operationalise the energy sector contributions towards COP 17
4. Operationalise EDI Restructuring within the Department
5. Roll Out Solar Water Heaters towards 1million units by 2014.
6. Roll Out the National Energy Efficiency Programme in selected Municipalities and Eskom Areas
7. Facilitate the Inland Multiproduct Pipeline in line with DPE and Transnet.
8. Operationalise REFIT for Independent Power Producers

## PROGRAMME 3: INTEGRATED ENERGY PLANNING

### Purpose:

- Ensure security of energy supply by developing, implementing and Maintaining a National Integrated Energy Plan for continued access to energy.
- Manage and monitor factors that impact on the energy Industry.

Programme 3: Integrated Energy Planning									
Subprogrammes		Audited outcomes			Adjusted appropriation		Medium-term expenditure estimate		
R thousand		2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
1	Petroleum Licensing and Monitoring	33,041	31,151	22,734	26,806	32,386	33,199	32,591	40,475
2	Hydrocarbons Operations	5,087	7,977	9,464	5,383	8,283	9,101	9,356	26,869
3	Clean Energy	12,410	181,238	266,415	374,051	386,191	480,539	81,317	94,508
4	Public Entity Oversight	65,934	79,250	72,214	61,582	61,582	31,858	22,110	22,344
Total		116,472	299,616	370,827	467,822	488,442	554,697	145,374	184,196

### Key focus areas

1. Operationalise the Integrated Energy Strategy
2. Draft the Integrated Energy Plan
3. Operationalise the Integrated Resource Plan for electricity
4. Operationalise the Liquid Fuels Master Plan

## PROGRAMME 4: ENERGY POLICY DEVELOPMENT

### Purpose

- To develop, implement and review electrification policies
- To develop, implement and Monitor Policy and Strategies relating to the restructuring of the Electricity Supply Industry
- To develop, Implement and Review Hydrocarbon Policies
- To develop and review policies as required by the International Agreements and Governance structures of the Nuclear Sector, in South Africa.

### Key focus areas

1. Finalise the review of the White Paper on Energy Policy
2. Finalise the review of the White Paper on Renewable Energy
3. Finalise the National Strategic Fuel Stocks Policy
4. Review the Gas Act
5. Review the NERSA Act
6. Review the Electricity regulation Act;
7. Review the Petroleum Products Act
8. Finalise the Independent Market Systems Operator Bill
9. Review the EDI Restructuring Blueprint
10. Finalise the Energy Efficiency Strategy
11. Finalise the Standard Offer Policy
12. Review the Petroleum Sector Charter
13. Review the Energy Efficiency Accord

## PROGRAMME 5:

### Purpose

- Manage and implement all matters relating to nuclear safety and technology as required by legislation and international agreements
- Manage all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements.

Programme 5: Nuclear Energy									
Subprogrammes		Audited outcomes			Adjusted appropriation		Medium-term expenditure estimate		
R thousand		2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
1	Nuclear Safety and Regulation	7,087	6,721	11,989	4,487	5,587	9,822	7,513	9,901
2	Nuclear Non-proliferation and Radiation Security	8,512	1,684	7,574	812	1,712	3,127	3,284	4,601
3	Public Entity Oversight	406,285	575,059	587,937	594,064	594,064	600,272	584,076	564,674
Total		421,884	583,464	607,500	599,363	601,363	613,221	594,873	579,176

### Key focus areas

1. Operationalise the Radio Active Waste Management Agency
2. Operationalise the country's responsibilities under the IAEA conventions
3. Collaborate on issues of nuclear safety, safeguards, security and technology.
4. SOE Interface

The work of the 5 programmes above will be consolidated under the following two (current) programmes – Programme 2: Hydrocarbons and Energy Planning – Programme 3: Electricity, Nuclear and Clean Energy.

Department of Energy Goal: ENERGY SUPPLY IS SECURE AND DEMAND IS WELL MANAGED									
PROGRAMME 2: HYDROCARBONS & ENERGY PLANNING									
Strategic Outcome 1 of 5: An efficient, competitive and responsive energy infrastructure network									
Intermediate Outcome 1 of 3 : Reliable and safe hydrocarbons production, transportation, distribution and end-use									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Increased domestic refining capacity	1. Refinery audit (incl. actual vs nameplate capacity); 2. Individual refinery capacity status report; 3. Gap analysis (actual & forecasted demand and supply balance) 4. Report on refining capacity improvement options in line with Roadmap; 5. Individual company refining capacity improvement plans	708 kilo-barrels per day (kbpd)	Monitoring against Liquid Fuels 20-year Infrastructure Plan	Progress Report on the 20-Year Infrastructure Roadmap	Final project Report by Consultant	Departmental Project Report (after stakeholder consultation)	Concrete refining capacity-building projects incorporated in IEP	Liquid Fuels 20-year plan; annual company information submitted to petroleum controller	Human resources - skills in data analysis & modelling and refining
New multipurpose pipeline (NMPP) from Durban to Johannesburg	Quarterly reports on NMPP Project progress in line with Funding Agreement and Project Plan	One signed Grant Funding Agreement between DoE and Transnet	Monitor implementation of the agreement for completion of trunk line	NMPP Project progress report and processing thereof in line with Agreement	NMPP Project progress report and processing thereof in line with Agreement	NMPP Project progress report and processing thereof in line with Agreement	NMPP Project progress report and processing thereof in line with Agreement	Transnet quarterly reports per contract provisions	Human resources - skills in pipeline economics
Storage and distribution	Audit of current infrastructure; Report on Infrastructure development plans by industry; Infrastructure Analysis Report (incl. interlinkages with other plans)	Baseline not established - storage and distribution database to be created	Monitoring against Liquid Fuels 20-year Infrastructure Plan	DG Submission on "As Is" infrastructure	Infrastructure Update Report	Infrastructure Gap Analysis Report	Concrete LF infrastructure projects incorporated in IEP	NERSA approved license applications; oil company monthly shutdown schedule reports	Human resources - skills in data analysis & modelling and logistics



Strategic Outcome 2 of 5: Improved energy regulation and competition									
Intermediate Outcome 1 of 3: Improved hydrocarbon regulation and competition									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Amendment of the Petroleum Products Act (Act No. 120 of 1977) to close regulatory gaps	1. Draft amendment bill 2. Obtain Cabinet approval to publish for comments 3. Organise stakeholders workshop and incorporate inputs. 4. Obtain approval of the final draft amendment bill	1. Petroleum Products Amendment Act (Act 58 of 2003) with annexed liquid fuels charter 2. Inadequate enforcement	1. Consolidation of Act 120 of 1977, Act 58 of 2003, and Act 1 of 2005 2. Review of liquid fuels charter	Proposed new empowerment dispensation	Draft amendment Bill	Cabinet approval	Public consultation on Bill	Oil industry and public submissions; programme records	Human resource - policy, strategy and legislative drafting
Amendment of Gas Act (Act 48 of 2001) to include all methane gases from all sources	1. Draft report on Gas amendment issues 2. Draft Discussion Paper 3. Obtain Cabinet approval to publish for comments 4. Organise a stakeholders workshop and incorporate inputs 5. Final Draft of the Gas Amendment Act	No provision for methane gases from all sources	Amendments introduced and approved by Minister and Cabinet	Consolidated report on gas amendment issues	Finalised discussion paper on the Amendment of the Gas Act	Draft Amendment on the Gas Act	Amendments submitted to Minister and Cabinet for approval	Submissions from NERSA and other implementers	Human resource - policy, strategy and legislative drafting
Number of site inspection	Conducting of site inspections for compliance purposes	3360 Ministerial approval to change to 1500	1500	375	375	375	375	Petroleum Controller	Fully funded structure

Coal Policy to address security of supply for energy generation and issues related to health, environment and quality (HEQ)	<p>1. Draft coal supply strategy discussion paper</p> <p>2. Obtain Cabinet approval to publish for comments.</p> <p>3. Organise stakeholders workshop and incorporate inputs</p> <p>4. Final draft coal supply strategy</p> <p>5. Second draft of the SA coal roadmap</p>	<p>1. No official policy position</p> <p>2. Draft South African Coal Roadmap</p>	<p>1. Departmental approval of Coal Policy Discussion Paper and consultations with stakeholders</p> <p>2. Second draft of South African Coal Roadmap</p>	<p>Approval by Director-General to establish a coal supply strategy task team. Established task team. First phase of the South African Coal Road map</p>	<p>Draft coal supply strategy discussion paper. Development of the second draft of South African Coal Roadmap</p>	<p>Submission for internal approval of draft coal supply strategy discussion paper. Continuation with the development of the second phase of the SA Coal Roadmap</p>	<p>Stakeholder consultation on the draft coal supply strategy. Continuation with the development of the second phase of the SA Coal Road map</p>	<p>Coal industry, Eskom and Sasol submissions; public comments and submissions; South African Coal Roadmap</p>	<p>Human resource - policy, strategy and legislative drafting</p>
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Output 1 of 2: Regulatory and pricing frameworks updated									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Development of regulations on Liquefied Petroleum Gas (LPG) pricing and LPG licensing framework	1. Draft LPG strategy and implementation plan 2. Obtain Cabinet approval to publish for comments 3. Organise stakeholders workshop and incorporate inputs 4. Final draft LPG strategy 5. Obtain funding and appoint service provider 6. Organise Ministerial launch 7. Revise the MRGP of LPG	LPG retail price regulations in place	1. LPG Strategy approved 2. Revised maximum refinery gate price of LPG and revised maximum LPG retail price	1. Approved Strategy. 2. Draft Regulations completed.	1. Funding of project approved. 2. Stakeholder consultation completed.	1. Service provider appointed. 2. Regulations promulgated.	1. Official launch by Minister. 2. Implementation of Regulations.	Required submissions from oil companies; industry association publications	Human Resources
Fuel pricing system updated	1. Conduct a study to determine BFP elements to be reviewed 2. Obtain internal approval of the report and draft implementation plan 3. Obtain Cabinet approval to engage stakeholders 4. Organise stakeholders workshops and incorporate inputs 5. Obtain approval of the implementation plan.	Basic Fuel Price (BFP) for diesel, illuminating paraffin, and petrol based on import parity	1. Study on revision of BFP and Zone Differential Pricing Rules 2. Consultation with stakeholders	Initial report regarding the BFP elements that should be reviewed.	Approval to engage stakeholders	BFP Review Implementation plan (Draft)	Approved BFP review implementation plan.	Information sourced from international industry databases, oil companies, traders and economists	Human Resources

Output 2 of 2: Operational efficiency improved									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Regulatory Accounting System (RAS) that includes cost recovery mechanism	1. Obtain approval of the Implementation Plan; Operating / Procedure manual; 2. Facilitate the installation of RAS software 3. Revise the RAS models using 2010 audited data. 4. Conduct survey for retail service station 5. Obtain approval of the RAS models 6. Draft proposal to move toward profit monitoring	Draft Regulatory Accounting System (RAS) with no cost recovery	Installation, testing and commissioning of RAS	Revised RAS models - aggregated model for wholesale, secondary storage and distribution. Agreement on interim adjustment and Initiation of NEDLEC process	Determination of the margins based on latest (2010) data.	Approved RAS models, including Regulatory manual.	Proposal to move towards profit monitoring.	Submission of audited data by oil companies and retailers (retail survey); annual returns by licensees (DoE & NERSA)	Human Resources - Modelling, financial / accounting & data analysis skills and
Facilitate the legal process in terms of arbitration	processing of arbitration requests by petroleum operators	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	14 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	Petroleum Controller	Fully funded structure
An efficient licensing framework	processing of license applications for retail / wholesale / manufacturing	60% decrease in license application that go over 90 days	100%	100%	100%	100%	100%	Petroleum Controller	Fully funded structure

Strategic Outcome 3 of 5: Efficient and diverse energy mix for universal access within a transformed energy sector									
Intermediate Outcome 1 of 2 : Demand side, efficiency and diversified energy mix programmes implemented									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Improve Biofuels production and uptake by developing the Bio-fuels pricing framework	1. Request and consolidate inputs from stakeholders. 2. Obtain approval of draft report 3. Obtain approval of the Working model for the blending value 4. Draft concept document for support mechanism for manufacturers 5. Obtain approval to publish Draft Bio-fuels price Regulations for comments 6. Organise stakeholders workshop and incorporate inputs 7. Final Draft of the Bio-fuels price Regulations»	Biofuels regulatory framework to improve biofuels production and uptake NUMBER OF BARRELS OR EQUIVALENT or "TO BE ESTABLISHED BY BIOFUELS REGULATORY FRAMEWORK"	1. Approved Biofuels Industrial Strategy; 2. Approved Industrial Policy Action Plan 2 (IPAP2); 3. No pricing framework.	Progress report regarding the 1) Bio-ethanol blending value, and 2) Bio-ethanol break even cost.	Approved Bio-ethanol blending value and break even cost reports.	Draft Bio-fuels price Regulations	Promulgation of the Bio-fuels price Regulations	Revised biofuels regulatory framework fully implemented	Human Resources

Output 2 of 2: Pro-poor programmes implemented									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Pro-poor (pro-low income households) pricing initiatives - illuminating paraffin	1. Obtain and approve Excel model of margin 2. Obtain approval final project report 3. Obtain approval to publish draft regulations for comments. 4. Organise stakeholders workshops and incorporate inputs. 5. Announce and Gazette the illuminating paraffin price adjustments	Draft report on Fixed Retail Margin for Illuminating Paraffin	1. Approved fixed retail margin for illuminating paraffin 2. Implementation and monitoring of fixed retail margin for illuminating paraffin	Approval of the fixed IP retail margin report.	Draft IP retail margin Regulations	Promulgation of the fixed IP retail margin	Implementation and monitoring of the Regulations	DoE Programme records in respect of IP; submissions from PASASA and other NGOs	Human resources
Number of Integrated Energy Centres (leCs) established by involving more oil companies	1. Draft a Compact with other role players 2. Site identification and preparation 3. Establish co-operative to run leC 4. Submit site and retail licence applications. 5. Monitor the construction of leC 6. Participate in recruitment and selection process of staff 7. Organise the Ministerial launch of the leC	7 leCs established	2 additional leCs operationalised	Commencement of construction work for both leCs	Progress Reports regarding the construction work	Completion of the construction work for both centres	Ministerial Launch (handover to the local communities) of the two centres.	DoE Audit Report	Skills of members of cooperatives to run the leCs

Intermediate Outcome 2 of 2: Energy planning is integrated								
Intermediate outcome indicators	Activity Indicated	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification
Integrated Energy Plan (IEP) published	1. Development and implementation of an energy modelling system 2. Establishment of a governance framework and structures 3. Stakeholder workshops 4. Drafting of Integrated Energy Plan	No integrated energy plan	1. Cabinet-approved Integrated Energy Plan 2. Operational energy modelling system. 3. Public stakeholder workshop	1. Fully operational Energy Modelling Tool 2. First public stakeholder workshop conducted.	1. Draft Integrated Energy Plan sent to Cabinet for approval.	1. Integrated Energy Plan Strategy gazetted 2. Stakeholder consultation on the Integrated Energy Plan	Integrated Energy Plan approved by Cabinet and gazetted.	Integrated Energy Plan; Minutes of Steering Committee and Working Group meetings; Consolidated Public Stakeholder Comments; Model documentation

Output 1 of 1: Energy data collected, stored and disseminated									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Regulations for the provision of energy data	1. Drafting of regulations 2. Stakeholder consultations	No regulation for the provision of energy data	Gazetted regulations	Final Regulations gazetted. Commencement of drafting of questionnaires and forms	Consultation and piloting of Questionnaires and Forms	Final approval of Questionnaires and Forms	Gazetted regulations	1. Gazetted regulations 2. Questionnaires and forms	
Energy data collection	1. Collection of energy data 2. Development of processes to improve data collection and storage processes	2007 Energy Balances published; 2008 Energy Balances approved for publication and 2009 Energy Balances data currently being collected	2009 and 2010 Energy Balance Published	Updated Versions of 2008 Energy Balances to be released. 2009 Data Collection to be finalised by June 2011. 2010 Data Collection to commence	2010 Energy Balance data collected.	Validated 2010 Energy Balance Data for release	Review of Data Collected Online and Capturing of Paper Submissions	Questionnaire and Forms and Database	
Centralised Energy Data Repository	1. Design and creation of a database 2. Migration of data from different areas onto central repository 3. Development of templates to capture data 4. Automation of process of storing data from templates into a central storage	No centralised electronic energy data repository	Data required for publications and energy planning stored in a central electronic repository	Technology data for the IEP process captured	Complete data set for IEP process captured	Start documenting of data structure and design	Well documented data structure and design	1) Reports from database 2) Database design	
Produce current and relevant energy publications	1. Improve data collection process 2. Conduct research and benchmark current publications to other national and international publications	1. 2010 Energy Digest (with data up to 2006) 2. 2010 Price Report (with data up to 2006)	1. Improve currency of published data (no more than three years lag time) 2. Publish Synopsis of the Energy Sector (with data up to 2006)	1. 2010 Energy Digest (with data up to 2007) 2. Synopsis published by end of March 2011. 3 Energy Price Report will be published by May 2011.	1. Analysis of existing data will be conducted 2. Research and write ups for the various publications	Submissions for approval of the publication of the Energy Digest, Price Report and Synopsis to be finalised.	1. 2011 Energy Digest (with data up to 2009) published 2. Synopsis published 3 Energy Price Report published	Annual Energy Digest; Annual Energy Price Report; Synopsis of the Energy Sector; Review of the Energy Sector; Outlook of the Energy Sector	

Strategic Outcome 5 of 5: Mitigation against and adaptation to the impacts of climate change									
Intermediate Outcome 1 of 3: Carbon capture and storage mechanisms established									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Carbon capture and storage	1. Obtain approval of Terms of Reference for the Inter-Departmental CCS Task team 2. Engage with internal bodies and local CCS structures 3. Obtain internal approval of the CCS legal/Regulatory Framework discussion document for South Africa 4. Obtain approval of the Draft CCS regulatory framework	Published Atlas for CO2 Geological storage; no policy / regulatory framework for CCS; Establishment of SACCCS under SANERI	Internal approval of CCS regulatory framework	Draft discussion paper on CCS regulatory framework. Develop ToR for the appointment consultant	Establishment of Inter-Departmental CCS task team. Development of CCS regulatory framework	First draft of CCS regulatory framework	Second draft of CCS regulatory framework submitted for approval	IEA, CSLF member countries, CCSI, CCS Task Team	Financial resources, human resources

Output 1 of 2: Liquid fuel specifications and standards updated							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Revised Fuel Specifications and Standards (Clean Fuels 2)	1. Consolidate public comments 2. Organise Stakeholder workshops and incorporate inputs 3. Establish joint (Industry & DoE) structure for implementation 4. Obtain approval of the Position Paper with Roadmap and draft Regulations 5. Draft fuel specifications regulations	Fuel specifications and standards Regulations 2006	1. Internal approval of department's discussion document 2. Publication of department's discussion document	Public comments on Discussion Paper finalised	Position Paper published.	Regulations promulgated.	Implementation of Regulations..
							Clean Fuels 2 specifications and standards; programme records
							Human resources
Output 2 of 2: Policy position on clean coal technologies developed							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Clean coal technologies policy	1. Draft discussion document 2. Organise Stakeholder workshops and incorporate inputs 3. Obtain internal approval of the position document	No policy position on clean coal technologies; draft of the South African Coal Roadmap	1. Internal approval of Clean Coal Technologies Discussion Paper 2. Consultations with stakeholders 3. Second draft of South African Coal Roadmap	Draft internal discussion paper on clean coal technologies. Phase 1 of South African Coal Roadmap	Finalised discussion paper on clean coal technologies and submitted for internal approval.	Stakeholder consultation	Request Comments from the industry
							Coal industry, Eskom and Sasol submissions; public submissions; South African Coal Roadmap; industry reports
							Financial Resources, human resources

Department of Energy Goal: ENERGY SUPPLY IS SECURE AND DEMAND IS WELL MANAGED									
PROGRAMME 3: ELECTRICITY, NUCLEAR & CLEAN ENERGY									
Strategic Outcome 1 of 5: An efficient, competitive and responsive energy infrastructure network									
Intermediate Outcome 2 of 3 : Reliable and safe electricity production, transportation, distribution and end-use									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Electricity generated in South Africa	Improvement in reserve margin	44,535 Megawatts (2010) (low reserve margin)	Increase/decrease in MW/MWh in line with IRP	Monitoring against IRP of increase/decrease in MW/MWh from baseline due to new capacity or energy efficiency	Monitoring against IRP of increase/decrease in MW/MWh from baseline due to new capacity or energy efficiency	Monitoring against IRP of increase/decrease in MW/MWh from baseline due to new capacity or energy efficiency	Monitoring against IRP of increase/decrease in MW/MWh from baseline due to new capacity or energy efficiency	Integrated Resource Plan for Electricity	Adequate allowance in the tariff to incentives EE/DSM or new capacity
Household access to electricity		81 % households electrified (12.5 million) of which 31,643 are solar electricity home systems	83 % households electrified (180,000 additional annually of which 10,000 are solar)	Eskom - 20% of connections of connections are completed. Municipalities - design for all the projects completed. Non Grid Programme - 25% of connections completed	Eskom - 50% of the connections of connections completed. Municipalities - 30% of the connections completed. Non Grid Programme - 50% of connections completed	Eskom - 75% of connections of connections completed. Municipalities - \$0% of connections completed. 75% of non grid connections completed	Eskom - 100% of the connections completed. Municipalities - 70% of the connections completed. Non Grid Programme - 100% of connections completed	INEP database and Census 2011	
Output 1 of 3: Funding and implementation plan to reduce the distribution infrastructure maintenance backlogs of R27.4bn to R15bn by 2014 developed									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Develop a detailed report and implementation plan for each of the six Metros on status of distribution infrastructure	Rehabilitation plan for distribution infrastructure	1. Problem identification report (ADAM) 2. No implementation plan. 3. Electricity Distribution Holdings wound-down March 2011 4. R 27.4 bn backlog	1. Report detailing a map of distribution assets status per metro 2. Approach to Distribution Asset Management (ADAM) implementation and funding plan approved for metros 3. R 24.3 backlog	Infrastructure for six Metros mapped indicating problem areas	Infrastructure for six Metros mapped indicating problem areas	Infrastructure for six Metros mapped indicating problem areas	Infrastructure for six Metros mapped indicating problem areas	DoE databases (INEP, EDI Holdings), Eskom , DCog (MIG database), National Treasury Municipal Expenditure Information; ADAM report, interim, final and implementation reports	

Output 2 of 3: Funding model for electricity generation/build programme to ensure security of supply developed									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Funding framework for the resourcing of the Eskom Committed Capital Expenditure programme	Developed funding model	Funding model in place December 2010	1. Ministerial and cabinet submissions and approval of funding model for Eskom 2. Multiyear price determination (MYPD3) submission to NERSA	Funding framework for resourcing of IRP's committed projects	Funding framework for resourcing of IRP's committed projects	Funding framework for resourcing of IRP's committed projects	Funding framework for resourcing of IRP's committed projects	DPE Departmental reporting	
Output 3 of 3: Implementation of the Eskom infrastructure build programme is effectively monitored									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Completion of approved build plan projects against schedule and budget by Eskom	Completed projects on time and budget	Demand not met in absence of committed projects	Monitor building progress against schedule and budget and flag problem areas	Monitor building programmes against schedule and budget and flag problem areas	Monitor building programmes against schedule and budget and flag problem areas	Monitor building programmes against schedule and budget and flag problem areas	Monitor building programmes against schedule and budget and flag problem areas	Annual reports, DPE Dashboard, Entity reports	
Intermediate Outcome 3 of 3: Reliable and safe nuclear production, transportation, distribution and end-use									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Approved Nuclear Procurement Programme relative to IRP	1. Bi-weekly Meetings of Nuclear working group/NEPIO 2. Monthly meetings and draft INIR Review documents	No procurement programme at present	Cabinet approval of phased decision-making approach	Self Evaluation of Integrated Nuclear Infrastructure Review completed	IAEA external Review of INIR initiated	IAEA external Review of INIR completed	Cabinet Approval of phased decision making approach	IRP; procurement framework;	Chief Directorate: Nuclear Energy

Output 1 of 3: Nuclear fuels infrastructure developed							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Nuclear Fuel Cycle Infrastructure developed for beneficiation of uranium to support new nuclear build priorities	1. Quarterly Reports from Necsa on studies. 2. Agreements with potential partners on studies.	Materials Test Reactor Fuel Manufacturing Facilities only	Complete prefesibility studies	Departmental Review of Draft Report.	none	Penultimate Department Review of prefesibility report	final report recommendations submitted to Minister and/or Cabinet Memo.
							IRP
							Chief Directorate: Nuclear Energy
Output 2 of 3: Nuclear security is improved							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Improved nuclear security through combatting of illicit trafficking of nuclear material	1. Consultation with SARS, ACSA & Transnet 2. Visit by Equipment Supplier 3. Technical Report finalised and approved 4. Equipment ordered, installed & tested	Established security systems at ports of entry	Standardisation of security measures at relevant ports of entry including installation of Radiation Portal Monitors (RPMs)	Departmental Review of Draft Report.	Approval of RPMs installation by supplier, sponsor and government of RSA	Equipment ordered by Supplier	Equipment installed and tested
							Approved Implementation Plans
							Chief Directorate: Nuclear Energy
Output 3 of 3: National Radioactive Waste Disposal Institute (NRWDI) established							
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012
Establish the National Radioactive Waste Disposal Institute (NRWDI)	1. finalised Business Plan and Budget 2. Allocation of Funds 3. Listing by National Treasury & DPSA 4. Appointment of management board	National Radioactive Waste Disposal Institute Act, 2008	Approved Business Plan and Budget	Finalisation of the Business Plan and Budget in consultation with National Treasury and DPSA	Certainty from National Treasury regarding funding allocations to the Entity and MTEF Submission	Entity Listed by National Treasury and DPSA	Staff transfer completed. Launching of the Institute
							Listed State Entity
							Chief Directorate: Nuclear Energy

Strategic Outcome 2 of 5: Improved energy regulation and competition									
Intermediate Outcome 2 of 3: Improved electricity regulation and competition									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Independent system operator to fast track IPP procurement	Procurement of IPPs started	No legislation for the establishment of an Independent System Market Operator (ISMO)	Legislation for the introduction of ISMO introduced and approved by Minister and Cabinet	Phase 1 of ISMO completed - (interim ISMO ringfenced within Eskom). ISMO Establishment Bill tabled in Cabinet.	IPP procurement started by ringfenced ISMO	Ringfenced ISMO signs Power Purchase Agreements with IPPs	ISMO Establishment Act promulgated	IMC on Energy; Integrated Resource Plan for Electricity; programme records	
Output 1 of 1: Regulatory and institutional structures for the introduction of viable Independent Power Producers (IPP) and process for the participation of IPPs established									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Quantity of power generated by independent power producers	Promulgation of new generation capacity	Minimal MW contributed to grid	1. Regulations for new generation capacity promulgated 2. Standards set for procurement documentation and dissemination 3. RFQ - RFC launched to procure power from IPP	Promulgation of new generation capacity. IPP procurement documents released	Promulgation of new generation capacity. IPP procurement documents released	Promulgation of new generation capacity. IPP procurement documents released	Promulgation of new generation capacity. IPP procurement documents released	IMC on Energy; Integrated Resource Plan for Electricity; programme records	

Intermediate Outcome 3 of 3: Improved nuclear regulation and competition									
Output 1 of 3: Nuclear Energy Act and National Nuclear Regulator Act amended									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Improved legislation governing the nuclear sector (i.e. Nuclear Energy Act and National Nuclear Regulator Act)	1. Drafting 2. Consultation 3. approval 4. Publication	Legislation governing nuclear sector over 10years old	Amendment proposals approved by Cabinet	1st Draft completed	Inter-government Consultation Completed	Cabinet approval for Public Comment	Finalisation and approval by Cabinet	NE Act and NNR Act	Chief Directorate: Nuclear Energy
Output 2 of 3: Radioactive waste management fund legislation initiated									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Funding provisions set aside for radioactive waste management	1. Drafting 2. Consultation 3. approval 4. Publication	No financial provision for long-term management of radioactive waste	Draft Fund Bill approved by Cabinet	1st Draft completed	Inter-government Consultation Completed	Cabinet approval for Public Comment	Finalisation and approval by Cabinet	Radioactive Waste Management Policy and Strategy	Chief Directorate: Nuclear Energy
Output 3 of 3: Nuclear safeguards function is improved and implemented									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Removal of Safeguards function from nuclear operator to State System of Accounting and Control (SSAC) of nuclear materials	1. Report on current situation 2. Engagement with role-players on best location for this function 3. Determine enabling provisions to move to desired location 4. Determine resource requirements to move function 5. Determine readiness of new host assume responsibility 6. Final framework including implementation plan	Safeguards function implementation currently performed by a nuclear operator	Framework for withdrawal of the Safeguards function from a licensed operator	Report on current implementation	determination of best location for the Safeguards function and enabling legal provisions to move function to desired location	Draft Framework including resource requirements	Approval of final framework	Nuclear Energy Act	Chief Directorate: Nuclear Energy

Strategic Outcome 3 of 5: Efficient and diverse energy mix for universal access within a transformed energy sector									
Intermediate Outcome 1 of 2 : Demand side, efficiency and diversified energy mix programmes implemented									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Quantity of Energy Efficiency and Demand-Side Management (EEDSM) savings realised		1. Some municipalities have no DSM programmes. 2. No incentive scheme for EEDSM. 3. No verification system for EEDSM savings.	1. 1 Terrawatt hour (TWh) combined savings verified from EEDSM projects, including municipal and Eskom contributions 2. Monitoring of project implementation	Monitoring of project implementation	Monitoring of project implementation	Monitoring of project implementation	Monitoring of project implementation	Medium Term Risk Mitigation Plan; programme records	Measurement and Verification funds
Solar water heating units installed in residential and commercial sectors	-	55, 000 solar water heating units installed	250, 041 solar water heating units installed	-	3, 000 SWHs EEDSM allocations *	8, 000 SWHs installed from EEDSM allocations *	18, 000 SWHs installed from EEDSM allocations *	Programme records; Eskom monthly reports *	Measurement and Verification Funds
Output 1 of 2: Medium-term risk mitigation plan (MTRMP) adopted									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Medium term risk mitigation plan (MTRMP) adopted	New capacity added (MW) and energy saved (MWh)	Draft MTRMP initiatives have not started	Implementation of MTRMP initiatives to increase supply/ decrease demand	Monitoring of increase/decrease in MW/MWh respectively	Monitoring of increase/decrease in MW/MWh respectively	Monitoring of increase/decrease in MW/MWh respectively	Monitoring of increase/decrease in MW/MWh respectively	Draft and final MTRMP; public comments/ submissions; programme records	

Note \* Fiscal allocation only.

Balance to be funded through the Private Sector and State Owned Entities

Output 2 of 2: Pro-poor programmes implemented									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Cushion the poor from rising costs of electricity by cost reflective electricity tariffs		Electricity Pricing Policy in place; Inclining Block Tariff (IBT) introduced but does not cover prepaid meters. Multi-Year Price Determination 2 has awarded a 25% increase for the next three years (2010/11 to 2012/13) with IBT for qualifying households.	1. Improve the implementation of the IBT in all the municipalities. 2. Monitor effectiveness of MYPD2 in aligning the tariff to the true cost of production. 3. Extend IBT to cover prepaid meters in Eskom areas.	Extend IBT to cover prepaid meters in Eskom areas.	Improve the implementation of the IBT in selected municipalities.	Improve the implementation of the IBT in additional municipalities.	Improve the implementation of the IBT in additional municipalities.	Electricity Pricing Policy; Multi-Year Price Determination 2	
Strategic Outcome 4 of 5: Environmental assets and natural resources protected and continually enhanced by cleaner energy technologies									
Intermediate Outcome 1 of 2: Renewable energy deployed									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Implementation of Renewable Energy Feed-in Tariff (REFIT) programme		Only pilot projects for landfill gas, wind (Darling) and Hydro (Bethlehem)	Refit programme launched to procure renewable energy IPP	Launch Refit procurement (RFQ-RSP)	Evaluate RFQ-RSP	Conclude agreement with selected IPPs	Financial close	Procurement documentation and repository of signed contracts	
Solar park initiative		Zero Megawatts (MW). Prefeasibility study approved by Cabinet	Feasibility study completed. Roll out of projects in line with feasibility report	Roll out of projects in line with feasibility report.	Roll out of projects in line with feasibility report.	Roll out of projects in line with feasibility report.	Roll out of projects in line with feasibility report.	Investor's conference report. Feasibility report.	



Strategic Outcome 5 of 5: Mitigation against and adaptation to the impacts of climate change									
Intermediate Outcome 1 of 3: Carbon capture and storage mechanisms established									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Energy Efficiency Campaign		GOIS led Energy Efficiency Campaign Concept	Energy Efficiency Campaign Strategy Developed & Implemented	Development of EE Campaign Strategy and Action Plan	Implementation and monitoring of the EE Campaign	Implementation and monitoring of the EE Campaign	Implementation and monitoring of the EE Campaign	Approved EE Campaign Strategy and Action Plan; EE Campaign implemented records	Funds for the implementation of EE Campaign
3rd Environmental Management Plan (EMP)		2008/9 & 2009/10 EMP Compliance Reports	3rd EMP developed and implemented; 2010/11 EMP Compliance Report developed and submitted	Development and approval of 2010/11 EMP Compliance Report	Collection of data and information for the development of 3rd EMP	Draft 3rd Environmental Management Plan	Final 3rd Environmental Management Plan	Approved 2010/11 EMP Compliance Report; and 3rd EMP document	Funds for the development of 3rd EMP
Energy Efficiency Target Monitoring		Energy Efficiency Target Monitoring Project Document; MoU with SANEDI on Project fund administration and procurement process	Energy Efficiency Target Monitoring System for building sector established; Capacity Assessment for the implementation of Energy Efficiency Target Monitoring conducted	Capacity Assessment and Building for the implementation of EE Target Monitoring; Appointment of EE Target Monitoring Team	Development of Public Building Retrofit Project Plan; Review the policy and regulatory framework for EE implementation in the buildings sector	Establish legal and financial Framework for EE implementation in Building Sector; Develop and implement EE Target Monitoring communications strategy	Knowledge sharing and information with regard to EE Target Monitoring	Energy Efficiency Target Monitoring reports and documents	
Energy Efficiency in Industrial Sector		Industrial Energy Management System; and Institutional Capacity and Development for industrial energy efficiency management	Energy Efficiency Regulations and Policies developed	Review and Endorse the Energy Efficiency Accord with Business	Develop regulations and policies to support industrial energy efficiency	Implement; monitor; evaluate industrial energy efficiency	Implement; monitor; evaluate industrial energy efficiency	Industrial Energy Efficiency records	Funds for the implementation of Industrial Energy Efficiency Activities
Review of Energy Efficiency Strategy		2008 revised EE Strategy	Energy Efficiency Strategy Reviewed	Gazetting of reviewed EE Strategy for public comments	Publication of final EE Strategy	Implementation and monitoring of EE Strategy	Implementation and monitoring of EE Strategy	Public consultation records; reviewed EE Strategy document	Funds for the implementation of EE Strategy

Energy Efficiency Regulations		Draft EE Regulations	Promulgation of EE Tax Incentive Regulations	Consolidate comments from relevant government departments; gazetting for public consultations	Consolidation of public comments and final consultation	Promulgation of EE Tax Incentive Regulations	Implementation and monitoring of EE Tax Incentive Regulations	Public consultation records; EE Regulations document	
Energy and climate change strategy		Draft Energy and Climate Change Status Quo Analysis	Energy and Climate Change Strategy	Consolidate the key strategic issues and findings of the Energy and Climate Change Status Quo Analysis	Develop a roadmap for the development of Energy and Climate change Strategy	Develop climate change mitigation strategy for the Energy sector; Consultation with key stakeholders	Publication of Energy and Climate Change Strategy	Stakeholder Consultation records; Energy & Climate Change Strategy document	Funds for the development of the Energy and Climate Change Strategy
Carbon capture and storage	1. Obtain approval of Terms of Reference for the Inter-Departmental CCS Task team 2. Engage with internal bodies and local CCS structures 3. Obtain internal approval of the CCS legal/Regulatory Framework discussion document for South Africa 4. Obtain approval of the Draft CCS regulatory framework	Published Atlas for CO2 Geological storage; no policy / regulatory framework for CCS; Establishment of SACCCS under SANERI	Internal approval of CCS regulatory framework	Draft discussion paper on CCS regulatory framework. Develop ToR for the appointment consultant	Establishment of Inter-Departmental CCS task team. Development of CCS regulatory framework	First draft of CCS regulatory framework	Second draft of CCS regulatory framework submitted for approval	IEA, CSLF member countries; CCSI, CCS Tak Team	Financial resources, human resources

Intermediate Outcome 2 of 3: Reduced greenhouse gases through implementation of Clean Development Mechanism projects									
Intermediate outcome indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target (30 June 2011)	Quarterly Target (30 September 2011)	Quarterly Target (31 December 2011)	Quarterly Target (31 March 2012)	Sources of Information / Means of Verification	Required Financial Resources
Approved Clean Development Mechanism(CDM) projects	1. Issue letter of Approval and No-objection issue for Clean development Mechanism	SA approval procedure is in place	Consider and Approve applications within the set time frames, host four DNA advisory steering committee meetings,	An updated DNA guideline book for CDM projects; Host one DNA advisory committee meeting quarterly, collect information on registered and project on the pipeline	Finalise and print waste sector Booklet, host one DNA advisory committee meeting quarterly	Finalise the Transport and print sector Booklet, Host one DNA advisory committee meeting quarterly	Host one DNA advisory committee meeting quarterly; Finalise and Print the CDM annual report	DNA Directorate (submissions , copy of the Guideline document, Minutes of meetings )	R 6000, 00
	2. Update applicant guideline booklet Convene meetings of the Four DNA Advisory Committee annually								
CDM Promotion	Develop sector booklets , Conduct seven CDM awareness raising and capacity building activities – workshops, meetings, seminars, Publish CDM annual report	2 Provincial and 2 sector workshops held in 2010/11 Produce CDM annual Report	Develop three sector booklets(construction , waste and transport) Conduct five Provincial workshops and two sector workshops	Finalise the construction sector booklet , 1 provincial and 1 sector workshop	Finalise the waste sector booklet, 2 Provincial workshops and 1 sector workshop	two Provincial workshops	Finalise the transport sector booklet , Finalise and Print the CDM annual report	DNA Directorate ( Minutes of the Workshop and attendance registers , copies of sector Booklets and a copy of the annual report.	R 350 000, 00

Output 3 of 3 : Conference of the Parties (COP 17) successfully hosted and national coordination implemented									
Output indicators	Activity Indicators	Baseline	Annual Target 2011/12	Quarterly Target 30 June 2011	Quarterly Target 30 September 2011	Quarterly Target 31 December 2011	Quarterly Target 31 March 2012	Sources of Information / Means of Verification	Required Financial Resources
Preparation for Conference of the Parties (COP 17)	1. Establish an internal COP 17 committee. 2. Establish the COP17 Technical committee, 3. Participate in the National Climate Change Committee-Coordination with SA and other governments, etc. 4. Compile a list of energy themes to be presented at the COP 17. Develop and publish material 5. Identify and invite speakers, 6. Update SA Position Paper	No dedicated project team. No preparation in place. No dedicated funding in place.	1. Project plan proposal approved covering activities, logistics, roles and responsibilities and funding. 2. Coordination with lead departments and other governments. 3. Inter-departmental workgroup established.	Technical committee established and functioning , participating in the National Climate Change Committee	1. A list of energy themes compiled in consultation with the Technical steering committee. 2. Develop and publish material to be show case during the COP 17	SA Position Paper approved by Cabinet	-	Conference proceedings, a copy of the South Africa position paper	R 2 000 000, 00

## GLOSSARY OF TERMS

ACRONYM	FULL TITLE
BRIC	Brazil India and China
CDM	Clean Development Mechanism
CEF	Central Energy Fund
DNA	Designed National Authority
DoE	Department of Energy
DSM	Demand Side Management
EDC	Energy Development Corporation
EDIH	Electricity Distribution Industry Holdings
EDSM	Electricity Demand Side Management Programme
EEDSM	Energy Efficiency and Demand Side Management
ENE	Estimates of National Expenditure
EXCO	Executive Committee
GAA	Gas Amendment Act
ICT	Information & Computer Technology
IEA	International Energy Agency
IEP	Integrated Energy Plan
iGAS	South African Gas Development Company
INEP	The Integrated National Electrification Programme
IPP	Independent Power Producer
IRP2	Integrated Resource Plan 2
ISMO	Independent System and Market Operator
LPG	Liquefied Petroleum Gas
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NEA	Nuclear Energy Act
NECSA	South African Nuclear Energy Corporation
NERSA	National Energy Regulator of South Africa
NMPP	New Multi-Products Pipeline
NNR	National Nuclear Regulator
NRWDI	National Radioactive Waste Disposal Institute
PFMA	Public Finance Management Act
PPA	Petroleum Products Act
RED	Regional Electricity Distributor
REMT	Renewable Energy Market Transformation Project
SANEDI	South African National Energy Development Institute
SFF	Strategic Fuel Fund
SHS	Solar Home System
SOE	State Owned Entity
SWH	Solar Water Heater

## Contact Details

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### Postal Address

Department of Energy  
Private Bag X19  
Arcadia  
0007

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### Physical Address

Department of Energy  
75 Mentjies and Schoeman Street  
Travenna Office Campus  
Sunnyside  
Pretoria  
0007

---

Switchboard: +(27) (0)12 444 4253/4190



**energy**

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

**Postal Address:** Department of Energy, Private Bag X19, Arcadia, 0007 |

**Physical Address:** Department of Energy, 75 Mentjies and Schoeman Street, Travena Office Campus, Sunnyside, Pretoria, 0007

**Tel:** +(27) (0)12 444 4253/4190 | [www.energy.gov.za](http://www.energy.gov.za)