



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA RELEASE

DoE Annual Report presentation to Parliamentary Portfolio Committee on Energy

15 October 2015 – The Department of Energy presented the Annual Report 2014/15 to the Portfolio Committee on Energy. Led by the Deputy Minister, Ambassador Thembisile Majola, the DoE team shared the highlights and challenges experienced by the department during the past financial year.

Among the highlights reported in the annual 5th annual report since the inception of the DoE in April 2009, is the fact that the Department received its first unqualified report with no findings from the Auditor General for 2014/15 financial year. Simply put, a clean audit means that the Auditor General's office is satisfied with the DoE's reports in terms of the financials for the year. To complement the clean audit status of the Department, three of State Owned Entities that report to the Minister of Energy received unqualified audits from the Auditor General. That is, the National Nuclear Regulator (NNR), National Electricity Regulator of South Africa (NERSA), and the South African National Energy Development Institute (SANEDI).

In terms of service delivery, electricity supply is one of the primary responsibilities of the department. Thus, the DoE is pleased to report that the Renewable Energy Power Producers Programme (REIPPP) continues to make its mark as in contributing to the alleviation of the ongoing national electricity supply challenges. Since inception in August 2011 the REIPPP has maintained its place among the top 10 RE programmes globally – making the country a leader in the sector. From the 4 Bid Windows of the programme 92 projects with a capacity of 6 327 Megawatts has been achieved. By the end of the financial year, 37 of these projects were able to add more than 1 800 MW to

the national grid using solar (photovoltaic and concentrated solar power), wind, landfill gas, biomass, and small hydro. Most significantly, the positive advances made through the REIPPP, have led to tariff decreases with onshore wind declining by 55%, while solar photovoltaic declined by 62% per unit.

Receiving the largest disbursement of the energy programmes modest budget of R7.4m, the Integrated National Electrification Programme (INEP) successfully spent 99.1% of its R4,5b allocation. The INEP includes the grid and non-grid electrification programmes, which largely focus on bringing electricity to previously excluded deep rural communities. The programme continues to make a difference in the lives of South Africans across the board, with 247 485 for the financial year bringing the total number of connections since 1994 to 6.6million (87%.)

With regards the much debated 9,600 MW new nuclear build, the department was able to report progress made towards the realisation of the programme in terms of the completion of the vendor parades, and five (5) inter-governmental agreements with the USA, France, China, Russia, and South Korea. The DoE also updated parliamentarians on the ongoing nuclear skills development and training programme that aims to grow the necessary local skills required for the nuclear build programme. In this respect the PCE got firsthand information on the 50 students who recently came back from China and have been re-absorbed into the service of various government departments and entities.

The turbulence in petroleum prices due to international market dynamics was shared with the Committee. Utilising the IDC to run an independent modelling analysis, the DoE made progress in refining the proposals for the Biofuels Subsidy Model. A Task Team on Cleaner Fuels has been established, and will also look into issues regarding investment in new refining capacity.

Noting the challenges in the overall delivery environment, the Department committed to come back to brief the PCE on developments on the roll out of the Energy Efficiency and Solar Water Heater programmes, the legislative programme, as well as the cross border Grand INGA project. In the light of current developments at a number of Energy State Owned Entities, the DoE also took note of and acknowledged the Committee's stated concerns regarding capacity shortfalls that will enable stronger oversight of delivery of stated mandates. Acknowledging the importance of reviewing the department's achievements in line with the given strategic mandate, the department also informed members of the Ministry's directive for the need to review the Annual Performance Plan going forward.

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Kindly view the Annual Report online at www.energy.gov.za or visit the Departmental Resource Centre at 192 Visagie Street, Pretoria to view the hard copy.

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