



PRESS RELEASE

Date: Wednesday, 04 May 2016

MINISTER OF ENERGY OUTLINES TANGIBLE DELIVERABLES IN NATIONAL COUNCIL OF PROVINCES (NCOP) BUDGET VOTE

The Minister of Energy, Ms Tina Joemat-Pettersson, MP, tabled the Department of Energy's (DoE) Budget Vote 2016/17 to the National Council of Provinces (NCOP) yesterday. The Minister asserted the mandate of the department as one with a strong bias towards provinces and local governments. From the Department's Budget of R7.5 billion an exponential allocation of R6.8 billion is directed to provinces and municipalities

Amongst others, the Minister highlighted progress on **Integrated National Electrification Programme (INEP)**, where a number of municipalities are about to achieve universal access of households connected to the grid. Household electrification access is currently at 88 percent countrywide. A further R5.5 billion is to be allocated to INEP in ensuring the department keeps bolstering its mandate in eradicating lack of electricity access, using both grid and non-grid technologies.

Renewable Energy Independent Power Producer Procurement Programme (REIPPPP)

Hailed as one of the world's most successful independent power producer programmes, the REIPPPP initiative has brought about much relief to economically depressed municipalities providing not only household connections to the grid but also employment and economic empowerment opportunities to those mainly in rural

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areas. Private investment in renewable energy ventures such as solar and wind plants that dot the South African landscape exceed the R200 billion figure with over R26 billion having being spent on BBBEE during construction. Shareholding for local communities is estimated at a net income of R29.2 billion over the life of these projects which is at least 20 years.

New Nuclear Build Programme – In signaling progress in relation to its processes, the Minister announced the additional funding of R200 million in the Nuclear Energy programme for transactional advisors and consulting services for the financial year 2016/17.

Strategic Fuel Fund (SFF) - The ministerial directive for rotation of strategic stocks by SFF resulted in an increased revenue base at more than R170 million per annum. The focus of the department remains in guiding entities such as SFF under the Central Energy Fund (CEF) Group of Companies in harnessing our effort towards leveraging the current low oil price environment and ensuring South Africa benefits optimally. To this extent, the Minister has also announced that a review on the role and composition of the CEF Group is being finalized. One of the key areas of focus is in the establishment of an Integrated National Oil Company, in pursuance of the objectives of Operation Phakisa Oceans Economy.

Issued by: Thabo Mothibi

Ministerial Spokesperson

Email: thabo.mothibi@energy.gov.za Contact number: 0714859013