energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

PRESENTATION TO THE PORTFOLIO COMMITTEE ON ENERGY

FOURTH QUARTER (2015/16) & FIRST QUARTER (2016/17)

PERFORMANCE REPORTS

30 August 2016

energy
Department:
Energy
REPUBLIC OF SOUTH AFRICA

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INTRODUCTION

- This report presents the performance information of the Department of Energy (DoE) for the fourth quarter 2015/16 and first quarter of 2016/17.
- DoE implements its Annual Performance Plan (APP) through six programmes namely:

Programme 1: **Administration** (Corporate Services, Governance and Compliance and Financial Management Services)

Programme 2: **Energy Policy and Planning**

Programme 3: **Petroleum & Petroleum Products Regulation**

Programme 4: **Electrification & Energy Programme and Projects**

Programme 5: **Nuclear Energy**

Programme 6: **Clean Energy**

- First in the presentation, it's the detail financial performance
- Followed by the performance information on the targets per programmes – *Annexures Sections*

4th QUARTER FINANCIAL PERFORMANCE

Spending By Economic Classification				
DETAILS	**Final Appropr.**	**Actual Expenditure**	**Variance**	**Expenditure as a % of final approp.**
Rand's Thousand	**R'000**	**R'000**	**R'000**	**%**
Compensation of Employees	296,219	296,009	210	99.93
Goods and Services	215,588	213,299	2,289	98.94
Transfers and subsidies	6,751,374	6,628,379	122,995	98.18
Payments for capital assets	4,432	4,424	8	99.83
Payments for financial assets	6	5	1	90.99
Totals : Major spending areas	**7,267,619**	**7,142,117**	**125,502**	**98.27**

4th QUARTER FINANCIAL PERFORMANCE….Cont

Spending Per Programme				
DETAILS	Final Appropr.	Actual Expenditure	Variance	Expenditure as a % of final approp
	R'000	R'000	R'000	%
Totals 2015/16	**7,267,619**	**7,142,117**	**125,502**	**98.27**
Administration	277,898	277,767	131	99.95
Energy Policy and Planning	40,586	38,095	2,491	93.86
Petroleum and Petroleum Products Regulation	69,008	68,958	50	99.93
Electricity and Energy Programme Management	5,824,050	5,820,485	3,565	99.94
Nuclear Energy	655,116	655,029	87	99.99
Clean Energy	400,961	281,783	119,178	70.28

4th QUARTER FINANCIAL PERFORMANCE….Cont

Analysis of financial performance:

- By 31 March 2016, the Department had utilized R7.14 billion or 98.27% of its 2015/16 adjusted budget.

- A budget balance of R125.50 million or 1.73% of the adjusted allocation.

- The composition of the budget balance of R125.50 million is as follows:
  - Compensation of Employees :R 210 thousand
  - Goods & Services :R 2.29 million
  - Transfer Payments :R 123 million
  - Capital Assets :R 8 thousand
  - Financial Assets :R 1 thousand

- A rollover motivation was submitted to National Treasury for the total amount. The outcome is yet to be released by Treasury.

4th QUARTER FINANCIAL PERFORMANCE….Cont

Compensation of employees

- The Department spent a total of R296.01 million on compensation to employees during the 2015/16 financial year which resulted in a budget underspending of R201 thousand or 0.07% at year-end.

Goods & Services

- A total of 213.30 million was spent on the procurement of various goods and services resulting in a budget underspending of R2.29 million or 1.06%.
- The budget balance is mainly attributable to the delayed appointment of service providers, hence the late commencement of projects resulting in incomplete projects at year-end as reflected by the underspending in the Consultants and business advisory cost item.

4th QUARTER FINANCIAL PERFORMANCE….Cont

Goods & Services(continue)

- The affected projects are:

- A study and data collection on the energy footprint and energy savings potential in heavy industry, the company has been liquidated awaiting for cession of a contract to University of Cape town.
- An independent technical audit, measurement and verification (M&V) of energy savings achieved from the implementation of municipal energy efficiency and demand side.
- Subsequent to year end there has been progress on both these projects.

4th QUARTER FINANCIAL PERFORMANCE….Cont

Transfers and Subsidies

- A total of R6.63 billion was disbursed to public entities, municipalities and implementing agents during the year under review resulting in a budget underspending of R123 million or 1.82% at year-end. The under-spending is mainly due to:

- An amount of R10.41 million from earmarked funds for transfer to **INEP Non-grid service providers** that could not be transferred due to the late uptake of systems in one of the concession areas in (KZN) and the late receipt of claims from some service providers. A request was submitted to National Treasury to roll over the total amount to the 2016/17 financial year to finalize non-grid electrification projects.

4th QUARTER FINANCIAL PERFORMANCE….Cont

Transfers and Subsidies (continue)

- An amount of R112.52 million earmarked for the implementation of the **Solar Water Heater Programme (SWHP)**.
- After the re-engineering of the programme, and Cabinet's approval for the Revised Contracting Model. The Appropriation Act was amended through the Adjustments budgeting process listing the DoE as the implementing agent, replacing Eskom.
- The procurement process and the evaluation of bids took longer than anticipated.
- A request was submitted to National Treasury to roll over the total amount to the 2016/17 financial year to finalize the implementation of the SWHP.

2016/17 ROLLOVER REQUEST

By Economic Classification				
DETAILS	**Final Appropr.**	**Actual Expenditure**	**Variance**	**Roll over Requested**
Rand thousand	**R'000**	**R'000**	**R'000**	**R'000**
Compensation of Employees	296,219	296,009	210	-
Goods and Services	215,588	213,299	2,289	3,828
Transfers and subsidies	6,751,374	6,628,379	122,995	122,935
Payments for capital assets	4,432	4,424	8	-
Payments for fin assets	6	5	1	-
Audit adjustment *				**-1,261**
Totals	**7,267,619**	**7,142,117**	**125,502**	**125,502**

*= This was an audit adjustment subsequent to the submission of the rollover request submitted to National Treasury.

2016/17 ROLLOVER REQUEST……Cont.

- The Department submitted a request to National Treasury to roll over funds, to the value of R125.50 million, from the 2015/16 financial year to the 2016/17 financial year and included the following:

TRANSFER PAYMENTS

- **INEP Non-grid project**, transfer payment of R10.41 million that could not be disbursed due to late receipt of invoices from service providers.
- **EEDSM SWH Programme**, transfer payments of R112.52 million that could not be disbursed due to the time and the process to evaluate bids under the new implementation model. The nature of this evaluation was very technical ,complex and a time consuming process.

EEDSM_SWH_Programme (Cont.)

- The Bid Adjudication process was concluded and approved by the Director General by year end.
- There were nine (9) provisional appointment letters sent to preferred bidders, these were issued before the end of March 2016, which resulted in commitments of funds for this programme.
- The compliant bidders received a letter informing them of their conditional award, pending the finalization of two specific conditions i.e. the verification of the original equipment manufacturer referred to as the (OEM) status and the submission of the bid bond to the value of the provisional award.

EEDSM_SWH_Programme (Cont.)

- The nine service providers cumulatively were provisionally awarded R125,68 million for the manufacture of 17 000 units.
- Subsequent to year end four (4) bidders successfully submitted their bid bonds to the value of R66 million.
- The bidders who have met their suspensive conditions as stipulated - DoE has since concluded the process of signing service level agreements with these service providers.

2016/17 ROLLOVER REQUEST…….Cont.

GOODS AND SERVICES

- Non-personnel current expenditure of R3.83 million that was not paid to service providers due to the pending finalization of the procurement process for the M&V of energy savings achieved by municipalities under the EEDSM municipal grant.

- The outcome of this roll over process, will take into account the audit adjustments and the results will be released shortly by National Treasury.

4TH QUARTER TRANSFER PAYMENTS SCHEDULE

Transfers and Subsidies	Final Approp.	Actual	Variance
Rand thousand	R'000	R'000	R'000
SANEDI	64,861	64,861	0
Membership Fees	29,621	29,563	58
National SWHSP	112,522	0	112,522
EEDSM - Munic	177,899	177,899	0
NECSA	580,358	580,358	0
NNR	21,487	21,487	0
INEP - Eskom	3,613,243	3,613,243	0
INEP - Munic	1,980,340	1,980,340	0
INEP - Non-grid	166,592	156,179	10,413
Households	3,659	3,656	3
SETAs	792	792	0
Total Transfer Payments	**6,751,374**	**6,628,379**	**122,995**

4TH QUARTER TRANSFER PAYMENTS SCHEDULE…Cont.

- The management of transfer payments in terms of the DoRA are managed by line function (INEP & Clean Energy) based on funding requests received from individual municipalities and subsequent project plans which are included in the DoRA implementation agreements.
- The Finance Branch manages the alignment of DoRA payment schedules with the Department's drawings against the National Revenue Fund and payment requirements.
- The Finance Branch also provides assistance to the line function branches to re-gazette funds i.e. from non-performing municipalities and entities - for the financial year under review re-gazetting did take place.

PERFORMANCE TARGETS_QUARTER 4_2015/16 FY

SUMMARY

Branches/Units	Number of Quarterly targets in APP	Achieved Quarterly Targets	Partially Achieved Quarterly Targets	Not Achieved Quarterly Targets	Year-to-Date Actual Expenditure R 000's	Year-to- Date Expended %
Policy and Planning	**18**	7	10	1	38,095	89.5%
Petroleum and Petroleum Products Regulation	**4**	4	0	0	68 958	99.9%
Programmes and Projects	**20**	9	4	7	5 820 485	99.9%
Nuclear Energy	**14**	7	2	5	655 029	100%
Clean Energy	**6**	1	2	3	281 783	70.3

PERFORMANCE TARGETS_QUARTER 4_2015/16 FY

SUMMARY….Cont

Branches/Units	Number of Quarterly targets in APP	Achieved Quarterly Targets	Partially Achieved Quarterly Targets	Not Achieved Quarterly Targets	Year-to-Date Actual Expenditure R 000's	Year-to- Date Expended %
Corporate Services	**6**	1	2	3	110 758	100
Financial Management Services	**1**	1	0	0	33 294	99.9
Governance and Compliance	**3**	3	0	0	25 175	96.0
Office, Director-General	**1**	0	1	0	11 426	93.2
TOTALS	**73**	**33**	**21**	19	**7 043 241**	**98.2%**

PERFORMANCE HIGHLIGHTS, QUARTER 4_2015/16 FY

- Municipalities electrified 10 297 additional households and Eskom electrified 83 682 additional households.(including rollovers) TOTAL = 93 979
- A total of 1 956 site compliance inspections were conducted for the year against an annual target of 1 500, 479 site inspections were conducted during the 4th Quarter. The target of 375 was exceeded by 104 inspections;
- 486 fuel samples were collected and analysed during the fourth quarter;
- Five awareness campaigns were conducted in the 4th quarter. GP(1), MP(2), NW(1), NC(1). Three more than was planned
- Non-Grid sub-programme achieved more connections the target was 20 000 but was exceeded by 5 076 . A total of 25076 were connected;
- Draft GUMP report including the implementation plan has been developed;
- The NER Amendment Bill approved by Cabinet with conditions relating to the proposed Review Board;
- Treaty was concluded and ratified by Cabinet on the transmission solution associated with power delivery from Grand Inga (DRC);
- 10 Nuclear Compliance Inspections conducted, exceeding the annual target by two; and
- Draft National Biogas Strategy has been completed, however, the scope has been expanded to cover Biomass as well.

PERFORMANCE CHALLENGES, QUARTER 4_2015/15 FY

- There has been a decrease in turn-around times for petroleum license applications as compared to the last quarter, as the complexity of NTI applications take longer to process and obtain information from applicants. Currently the system cannot minus the time period it takes applicants to provide information to us from our 90 days complaince period;
- New medium voltage power lines have been constructed, however, due to project reprioritization and shortage of funds, no existing medium voltage lines have been upgraded to date.
- Projects are continuously being monitored, however, service provider procurement, material delivery and finalization of project designs are some of the constraints that contribute a lot of delays experienced in electricity project implementation;
- Internal audits and branch verification of electricity projects are limited in scope.

ANNEXURE

DETAILED PERFORMANCE TABLES FOR QUARTER 4

PER PROGRAMME

2015/16 FY

PROGRAMME 1: ADMINISTRATION

Corporate Services

Governance and Accountability

Financial Management Services

Office of the Director-General

Programme 1: Corporate Services

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.1 Vacancy rate below 10% maintained.	Vacancy rate reduced to 10%.	Not Achieved	The avarage vacancy rate for the quarter is 11.21%.Branch heads to be compelled to fill all vacant positions on or before the end of Q 3.	
Q4.2 Review HR Plan.	HR Plan reviewed.	Achieved		Review Report
Q4.3 2% of people with disabilities employed	2% of people with disabilities employed.	Not Achieved	1.96% achieved. Branch heads to be compelled to target the percentage of people with disabilities during the recruitment process. Advertisements targeting people with disabilities.	Monthly report
Q4.4 50% of women in SMS positions.	50% of women in SMS positions.	Not Achieved	36.36% achieved. Recruitment and development drive to earmark woman to fill vacant specific/identified sms.	Monthly report

Programme 1: Corporate Services....(cont)

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.5 70% of employees in the DoE trained on the Nuclear Skills Development Programme.	35% of employees in the DoE trained on the Records Management Policy & procedures.	Partially Achieved		
Q4.6 20 Izimbizo PPPs conducted.	5 Izimbizo PPPs conducted.	Partly achieved	**3 izimbizo PPP's conducted** 1. Deputy Ministers Stakeholder Engagement and Imbizo in Kirkwood, Eastern Cape; 2. Deputy Ministers visit to Ward 17 eMbongweni, Ntabankulu in the Eastern Cape; 3. Energy Sector Career Expo.	

Programme 1: Governance and Accountability

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.2 18 bilateral intergovernmental engagements or visits hosted in the energy sector, excluding Africa (inbound & outbound).	6 bilateral intergovernmental engagements or visits hosted in the energy sector, excluding Africa (inbound & outbound).	**Achieved**		
Q4.3 10 bilateral intergovernmental engagements or visits hosted in the energy sector, with African states (inbound & outbound).	4 bilateral intergovernmental engagements or visits hosted in the energy sector, with African states (inbound & outbound).	**Achieved**		
Q4.4 1 institutional operational plan produced.	1 quarterly institutional operational plan produced.	Achieved :2016/17 Instiutional Opreration Plan produced and approved by Accounting Officer	None	Approved 2016/17 Institutional Operational Plan

Programme 1: Financial Management Services

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.2. 100% approved invoices paid within 30 days of receipt.	100% approved invoices paid within 30 days of receipt.	**Achieved**: 3 reports for payments of approved invoices within 30 days of receipt was submitted to NT on the 5 February 2016, 4 March 2016 and 7 April 2016. For the 4th Quarter ended 31 March 2016 a total of 858 invoices were received and 853 were paid. 5 invoices could not be paid on time due to banking details verification and price increase. Please note that the 5 invoice were still within 30 days	None	Note 34 Receipts from National Treasury for the quarter ended 31 March 2016.

Office of the Director-General

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.1 4 quarterly reports which detail the implementation of the 2014-2019 MTSF Outcomes 4, 6, 7, 8 & 10 signed by DoE Minister.	1 quarterly report which details the implementation of the 2014-2019 MTSF Outcomes 4, 6, 7, 8 & 10 signed by DoE Minister.	Partially achieved	Submitted Outcome 6 and 9	email screenshots

PROGRAMME 2: POLICY AND PLANNING

Programme 2: Policy and Planning

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.1 Annual energy balance (2013) published by March 2016.	Send the final 2013 energy balance to the DG for approval via a submission.	**Achieved**	Process of incorporating recommendations made on the Commodity flows for internal approval processes ongoing.	Hard copies of the consolidated 2013 commodity flows into Energy Balances.
Q4.2 Submission of GUMP & its Implementation Plan for Cabinet approval	Ministerial approval of the draft GUMP for submission to Cabinet.	**Achieved**	Forms part of the IEP development process. Draft GUMP report including the implementation plan has been developed.	Draft GUMP Report
Q4.3 Submission of the draft Gas Amendment Bill for Ministerial approval for submission to Cabinet.	Submission to SLA for certification of the draft Gas Amendment Bill.	**Achieved**	The Draft Gas Amendment Bill is aligned with Gas-to Power Programme. Further alignment with the upstream Gas legislation is being negotiated with DMR.	Draft Gas Amendment Bill

Programme 2: Policy and Planning

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.4 Publish 20 YLFIRM for external consultation	Submit progress on the development of the 20YLFIRM.	**Achieved**	Progress Report on the development of the 20 YLFIRM was made through a DG submission dated 8 February 2016. The 20YLFRM forms part of the IEP.	Progress Report on the development of the 20 YLFIRM.
Q4.5 Biofuels Regulatory Framework implemented	Submission of: - Operational Plan; & - proposed biofuels levy & subsidy level for public notification for Ministerial approval.	**Achieved**	Financing/subsidy scheme agreed with National Treasury , feedstock protocol completed with Dept of Rural Development. Final biofules regulatory framework completed. Project on hold due to drought.	Draft Biofuels Regulatory Framework

Programme 2: Policy and Planning…(cont)

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.6 Draft Petroleum Products Bill submitted for Ministerial approval.	Memorandum of Objects Developed.	**Partially achieved**	The Draft Bill together with the Concept Document was sent to the State Law Advisor for legal opinion. The State Law Advisor suggested that the Petroleum Products Bill rather be amended instead of being repealed. This means that the Memorandum of Objects would be the one that accompanies the Petroleum Products Amendment Act, not the Petroleum Products Bill	Draft Petroleum Products Bill, State Law Advisor's comments.
Q4.7 Submission of the concept document for the amendment of the Petroleum Pipelines Act for Ministerial approval.	Draft concept document for the Petroleum Pipelines Amendment Bill submitted for Ministerial approval.	**Partially Achieved**	Submission to appraise the Minister on the Petroleum Pipelines Act review drafted for ministerial approval. Finalising the SEIAS phase one process with DPME.	Draft submission

Programme 2: Policy and Planning…(cont)

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.8 Ministerial approval of the concept document for the SFF-related legislation.	Draft concept document submitted for Ministerial approval.	**Partially Achieved**	Submission to appraise the Minister on the status of the SFF legislation drafted for ministerial approval. Legislation abandoned due to the need to align with outcomes of Presidential Review Commission on State Owned Companies.	Correspondence with CEF and draft submission
Q4.9 Draft Position Paper on Coal for Energy Policy developed (based on duly considered comments) & submitted for Ministerial approval.	Submit Coal for Energy Policy discussion paper for Ministerial approval.	**Partially Achieved**	1) A submission to request Minister's approval and consultation on Concept document on Coal for Energy Policy has been drafted. 2) Desktop study on Concept document on Coal for Energy Policy in progress. 3) The consultation/engagement with DPE was held on 8 March 2016.	Draft submission

Programme 2: Policy and Planning…(cont)

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.10 Infrastructure needs for energy sector identified & recommendations made.	Document with infrastructure needs for energy sector (coal).	**Partially Achieved**	IEP outlines the infrastructure requirements relating to electricity and gas. IRP base case completed indicating the generation infrastructure requirements. The Transmission Development Plan aligned to the IRP.	Draft research Report for the South African Infrastructure for Energy Sector (Coal).
Q1.13. Submission of concept document for review of the Petroleum Pipelines Act, 2003 (Act No. 34 of 2003) for Ministerial approval	SEIAS phase 1 process completed on Petroleum Pipelines Act, 2003 (Act No. 34 of 2003) review	**Partially achieved**.	Engagements with DPME have commenced.	Completed SEIAS template, minutes of meeting with DPME

Programme 2: Policy and Planning…(cont)

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.14 Develop Integrated Distribution Infrastructure Plan for the Metro Municipalities (ADAM).	Table the revised ADAM Report to Cabinet for adoption.	**Partially Achieved**	The pilot ADAM close out report has been developed. This target falls under the Programmes and Projects Branch. Need for consolidation of responsibility regarding the ADAM project.	
Q4.15 Develop norms & standards for municipal asset management in concurrence of the energy regulator.	Promulgation of norms & standards for municipal asset rehabilitation.	**Not Achieved**	ADAM pilot project under the Programmes and Project will inform the norms and standards.	
Q4.16 Develop the electricity price path in line with the IRP, ADAM & Transmission Plan. Obtain approval & amend the Electricity Pricing Policy accordingly for introduction to Cabinet for approval.	Price Path introduced to Cabinet for approval.	**Achieved**	IEP outlines the electricity price path under various scenarios. Included in the IEP Report which was tabled at the ESEID Cluster.	

Programme 2: Policy and Planning…(cont)

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.17 Introduce the updated IRP for consideration & support by Cabinet & by Parliament	Submit to Cabinet the final updated IRP for promulgation	**Partially Achieved**	Base case for the Updated IRP has been developed but not yet submitted for Cabinet approval.	Draft Updated IRP
Q4.18 Introduce bidding rounds for renewable energy, cogeneration, coal & gas programmes in line with IRP determinations made by the Minister.	Conclude Coal generation bids evaluation.	**Partially Achieved**	The evaluation process is ongoing and is intended for completion by end of first quarter of 2016/17 financial year.	
Q4.19 Negotiate PPA & resolve the transmission solution associated with power delivery from Inga.	Submit treaty to Cabinet & Parliament for ratification.	**Achieved**	Treaty was concluded and ratified by Cabinet.	
Q4.20 Contributing to & monitoring of progress on the interventions identified under the war room.	Progress report on the supply & demand interventions.	**Partially Achieved**	All supply side interventions have been implemented as appropriate. Demand side interventions have not all been implemented.	

PROGRAMME 3: PETROLEUM AND PETROLEUM PRODUCTS REGULATION

PROGRAMME 3: PETROLEUM AND PETROLEUM PRODUCTS REGULATION

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.1 Enforcement notices issued in 90% of cases where non-compliance is identified during routine compliance inspections.	Enforcement notices issued in 90% of cases where non-compliance is identified during routine compliance inspections.	**Achieved**	Of the 479 site inspections conducted 88 non compliance were detected during random inspections but only in 54 cases is was appropriate to issue Enforcement Notices.	Issued Notice letters
Q4.2 Enforcement notices issued in 95% of cases where non-compliance is identified during routine fuel sample testing.	Enforcement notices issued in 95% of cases where non-compliance is identified during routine fuel sample testing.	**Achieved**	45 samples tested failed minimum specifications. 45 Enforcement Notices were issued.	Non-Compliance Notice Letters
Q4.3 40% of licence applications approved have 50% BEE ownership.	40% of licence applications have 50% BEE ownership.	**Achieved**	83% of applications processed in the 4th quarter complied with 50% or more HDSA ownership	PPALS report
Q4.4 Monitoring of RAS implementation. Report on the fuel price & margin adjustments using the RAS model.	Progress reports on RAS implementation.	**Achieved**		Submission was provided during the 3rd Quarter

Programme 4: Electrification and Energy Programme and Project Management

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.1 Number of additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the National E electrification Plan.	100 000 grid households' connections to be reported.	**Partially Achieved** Municipalities electrified 10 297 additional households and Eskom electrified 83 682 additional households.(including rollovers) **TOTAL = 93 979 Accumulative figures equals to 231 012**	Issues of delivery of material under Eskom programme and most of the projects under municipality programme has been costructed but not yet energised.	Report

Programme 4: Electrification and Energy Programme and Project Management CONT..

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.2 Building/upgrading of electrification infrastructure projects toward the 2015/16 target of: - 4 new bulk substations built; - 6 additional substations upgraded; - 100 km new medium-voltage power lines constructed; & - 90 km of existing medium-voltage power lines upgraded.	Report on the 4 new bulk substations built. - Report on the 6 additional substations upgraded. - Report on the 100 km new medium-voltage power lines constructed. - Report on the 90 km of existing mediumvoltage power lines upgraded.	**Partially achieved** 1 new bulk substations built 3 additional substations upgraded 158 km new medium voltage power lines constructed 0km existing medium voltage power lines upgraded	Projects are continuously being monitored, however, service provider procurement, material delivery and finalization of project designs are some of the constraints that contribute a lot of delays experienced in project implementation. more new lines have been constructed, however, due to project reprioritization and shortage of funds, no existing medium voltage lines have been upgraded to date.	Reports

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.3 Number of additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan.	6 500 non-grid households' connections to be reported.	**Achieved**	Non-Grid achieved more connections the target was 20 000 but exceeded by 5 076 total of 25076	Report
Q4.4 Implementation of the 2015/16 National EMP & refine & update the 2016/17 National EMP, pending the availability of resources	Finalisation of the master plan document for the 2016/17 National Electrification rollout.	**Partially Achieved** Received information from 6 Eskom Provinces which will assist in finalising the costs involved or to be reflected, only 3 Provinces are outstanding. 2015/16 electrification rollout programme will be implemented through the EMP	Delays by Eskom	Report
Q4.5 Annual report on the progress made in 2014/15 with regard to the energy centres & development of the draft strategy on rural energy centres.	1 quarterly report (3rd quarter) on progress made in 2014/15 with regard to the energy access centres.	**Achieved**	3 monthly reports and 1 quarterly report were done in quarter 4. Bushbuckridge and Qamatha projects are ready for construction in the 1st quarter of the new financial year.	Quarterly reports, letter from Department of Rural Development, and licence granting letters, draft IeC strategy

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.6 12 site visit reports on the monitoring & management of the IECs	3 monthly reports (4th quarter) on the monitoring of the IEC's operations & management made in 2014/15.	**Achieved**	Site visits were done to all projects as part of monitoring in the fourth quarter..	Monthly reports
Q4.7 Signed municipalities' contracts for funded 2015/16 INEP.	Completed signing of municipalities' contracts for 2015/16.	**Achieved**		Municipality Database document
Q4.8 Provincial reports on the performance of the municipalities for the 2015/16 INEP	9 Provincial reports prepared from the INEP Municipality Programme.	**Achieved**		Reports

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.9 4 quarterly reports on conducted site & technical audits during INEP projects implementations & the monitoring of projects for 2014/15.	1 quarterly report on conducted site & technical audits during INEP projects	**Not Achieved** The reason for not conducting audit was due to Eskom not commenting or make inputs on reports sent to them.	Eskom issues are the cause that the audit confined to a desktop exercise and no site and physical verification were done.	Report
Q4.10 Project Management Business Process Approved & implemented.	Approved Business Process System for implementation.	**Achieved**		SOP Report
Q4.12 1 monthly report covering INEP.	Monthly report on the progress of INEP.	**Achieved**		Report (March report on S-Drive)

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.13 45 141 SWH units installed in residential & commercial sectors.	45 771 SWH units installed in residential & commercial sectors.	Internal process to be concluded before the program can be implemented		
Q4.14 An updated report highlighting achievements of the implementation of the programme.	Develop a revised monitoring framework for the programme.	Internal process to be concluded before the program can be implemented		

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.15 An annual report on non- REIPPP.	An annual report.	**Not Achieved**	Report will be available end of June 2016 due to the time lack to receiving all reports from REIPP as well as verification to be completed.	
Q4.16 Provide a sustainable Electricity Distribution Intervention Plan (including the effect on tariffs) & start with the implementation to deal with the electricity infrastructure backlog in mining town municipalities, municipalities mentioned in the SoNA & the so called hot spot areas to receive assistance.	Provide a sustainable Electricity Distribution Intervention Plan (including the effect on tariffs) & start with the implementation to deal with the electricity infrastructure backlog in mining town municipalities, municipalities mentioned in the SoNA & the socalled hot spot areas to receive assistance.	**Partially Achieved**	The programme is almost complete, there are two municipalities that are currently finilizing their projects.	Reports

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.17 Monitoring & reporting on the SWH quantity installed, the amount of energy saved & training conducted with the NSWHP, pending availability of resources.	Report on the SWH quantity installed, the amount of energy saved & training conducted with the NSWHP, pending availability of resouces. Report on EE projects initiated by municipalities through Division of Revenue Act, 2014 (Act No. 10 of 2014) allocations & & other entities with the amount of energy saved, as well as on the detail of EE interventions, pending availability of resources.	Internal process to be concluded before the program can be implemented		
Q4.18 Monitoring & reporting on EE projects initiated by municipalities through the Division of Revenue Act, 2014 (Act No. 10 of 2014) allocations & other entities with the amount of energy saved & detail of EE interventions, pending availability of resources.	Report on EE projects initiated by municipalities through the Division of Revenue Act, 2014 (Act No. 10 of 2014) allocations & other entities with the amount of energy saved & detail of EE interventions, pending availability of resources.	Internal process to be concluded before the program can be implemented		

Programme 4: Electrification and Energy Programme and Project Management

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.19 Finalise the development of a monitoring system to oversee the production, "feed-in-subsidies" & SED implementation of the Biofuels Programme, pending availability of resources. Initiate the monitoring & reporting system on the implementation of the Biofuels Programme.	Finalise the development of a monitoring system to oversee the production, "feed-in-subsidies" & SED implementation of the Biofuels Programme, pending availability of resources. Initiate the monitoring & reporting system on the implementation of the Biofuels Programme.	Internal process to be concluded before the program can be implemented		
Q4.20 Provide energy inputs to all the SIPs where energy is the major component.	Provide energy inputs to all the SIPs where energy is the major component.	**Achieved**		SIPs reports sent to PICC Secreatariat (March report on S-drive)
Q4.21 Implement 3 dashboards.	Implement 3 dashboards.	**Achieved**		Dashboard report (report on S-drive)

Programme 5: Nuclear Energy

Programme 5: Nuclear Energy

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.1 Draft updated National Nuclear Disaster Management Plan completed.	National Nuclear Disaster Management Plan updated.	**Achieved**	Commenced with an amendment of the 2005 National Nuclear Disaster Management Plan (NNDMP). Draft pending approval by the DG .	EPREV Team minutes and inputs from Stakeholders
Q4.2 Procurement of the nuclear power reactor as per the procurement process launched.	Implementation of the procurement process (if approved)	**Partially Achieved**	In December 2015 Cabinet approved that DoE to issue an Request for Proposal (RFP). The implementation of the NNBP is subject to Cabinet approval of the RFP outcome. Draft Request for Proposal (RFP) undergoing review and expedite on the consultation process with key stakeholders.	Cabinet decision for DOE to issue RFP for NNBP
Q4.3 Programme plan completed & implementation commenced.	Implementation of the optimised programme plan.	**Not Achieved**	Implementation of the optimised programme plan was halted pending finality of ensuing investigative period FY2016/17 as funded by NT for about R200m. Expected outcome of the period is a completed RFP and finalised funding and financing model. This will inform the implementation of an optimised programme plan.	

Programme 5: Nuclear Energy…(cont)

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.4 Transcational advisors motivation completed.	Process of appointing for transactional advisor commenced.	**Achieved**		Budget vote 2016/17 allocation of R200m. See MTBPS October 2015.
Q4.5 PMO established & operational.	Established PMO.	**Achieved**	PMO submission approved.	DG Approved submission.
Q4.6 Procurement of the NFC facilities as per the implementation plan launched.	Implementation commenced.	**Not Achieved**	Inputs on the NFC strategy from stakeholders provided and approval by NEWG pending. Also pending to the implementation of the procurement process.	
Q4.7 Implementation of the nuclear localisation strategy (if approved).	Submission to Cabinet for approval of the implementation plan to support the NFC Strategy.	**Not Achieved**	Localisation Strategy pending approval by the Energy Security Subcommittee.	

Programme 5: Nuclear Energy

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.8 70% of authorisation applications processed within the 8-week time period.	70% of authorisation applications processed within the 8-week time period.	**Partially Achieved:** 5 applications out of 9 were processed within the 6-8 weeks period, this amount to 56%,	Timely processing of authorisations	Copy of issued Authorisations
Q4.9 (8) nuclear safeguard compliance reports submitted to the relevant decision-making structures.	2 nuclear safeguard compliance reports submitted to the relevant decision-making structures.	**Achieved**	10 Nuclear Compliance Inspections conducted. DG Submission drafted	Approved Submission
Q4.10 (4) nuclear safeguard compliance audits submitted to the relevant decision-making structures.	1 nuclear safeguard compliance audit submitted to the relevant decision-making structures.	**Achieved**	2 Nuclear Safeguards compliance audits conducted. Audit report drafted.	Approved Submission
Q4.11 (4) nuclear security compliance reports submitted to the relevant decision- making structures.	1 nuclear security compliance report submitted to the relevant decision-making structures.	**Achieved**	One nuclear security compliance inspection conducted.	Approved Submission

Programme 5: Nuclear Energy

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.12 Submission to Cabinet for public consultation (if approved by the FOSAD Cluster).	Presentation to the FOSAD Cluster.	**Not achieved**	Analysed the proposed amendmends and consulted with the NNR experts.The SEIAS template and draft Bill updated. Further consultaions with identified stakeholders (e.g. SANDF and CAA) is required.	Records of consultation with stakeholder
Q4.13 Submission to the Chief SLA.	Submission to the Chief SLA.	**Not achieved**	A consultation workshop is planned for the first quarter of 2016.	
Q4.15 (5) public awareness campaigns & community outreach events held.	2 public awareness campaigns held.	**Achieved, 3 nuclear awareness events held**	Business opportunities for Women in energy sector, South African Young Nuclear Professional Society event, Khayelitsha career expo	Records of stakeholder nuclear awareness events held

Programme 6: Clean Energy

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.1 Planning & developing projects to achieve 0.5 TWh of energy savings per annum.	energy savings realised from EEDSM projects (cumulative). - Confirm the 2016/17 Division of Revenue Act, 2014 (Act No. 10 of 2014) allocations with selected municipalities.	**Not Achieved.**	Three M&V service providers are in the process of being appointed for energy savings verification. The verification of 2015/16 municipal EEDSM projects will take place in the new financial year.	BAC evaluation report.
Q4.2 Developed energy consumption baselines for an additional 20 municipalities.	Consolidation of baseline reports & implementation lessons from 20 municipalities compiled.	**Partially Achieved.**	Ten baseline reports received. Implementation commissioned by ten municipalities.	Baseline reports from municipalities.
Q4.3 45 141 SWH units installed in residential & commercial sectors.	45 141 SWH units installed in residential & commercial sectors.	**Not Achieved.**	Programme implementation is at procurement stage.	

Programme 6: Clean Energy

Annual Target 2015/16 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q4.4 Renewable Energy Implementation Report.	Renewable Energy Implementation Report completed.	**Achieved.**		Soft copy available on the website and Hard Copies of the Report. Approved Ex-Postfacto submission on the RE report.
Q4.5 Draft National Biogas Strategy.	Draft National Biogas Strategy.	**Achieved.**	Draft has been completed however, scope to be expanded to cover Biomass as well. This revision will be done in the 2016/17 FY.	Manco Minutes; Draft of the Biogas Strategy.
Q4.7 Energy & Climate Change Strategy for public building sector approved.	Energy & Climate Change Strategy implemented.	**Not Achieved.**	The DoE received 16 proposals from potential service providers. Evaluations for apponting a potential service provider were held from 4 to 5 February 2016.	BAC Evaluation Report.

2016/17 FY

FIRST QUARTER PERMANCE

FINANCIAL PERFORMANCE FOR 2016/17_Q 1
Overview – Economic Classifications

VOTE 26: ENERGY	2016/17					
ECONOMIC CLASSIFICATION	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
	R'000	R'000	R'000	R'000	%	%
TOTAL	**7,545,171**	**2,183,571**	**2,034,629**	**148,942**	**6.82**	**26.97**
Compensation of Employees	310,797	74,328	77,762	-3,434	-4.62	25.02
Goods & Services	428,166	161,203	35,953	125,250	77.70	8.40
Transfer Payments	6,802,113	1,946,934	1,920,219	26,715	1.37	28.23
Payments for Capital Assets	4,095	1,106	695	411	37.16	16.97

FINANCIAL PERFORMANCE FOR 2016/17_Q 1
Overview – Economic Classification…..(Cont)

- **Compensation of employees:** R3.44 million (4.26%) over budget attributable to:

- The number of contract positions carried additional to the establishment some of which are unfunded fixed term contracts. The Department had a total of 73 contract positions at the end of June 2016.
- Overtime payments which contributed R1.36 million to the shortfall during the first quarter of the financial year. Major contributors are overtime paid for work under the Auxiliary Services R342 thousand, Communication R212 thousand and Petroleum Licensing R179 thousand. Overtime relates to security and risk management services at departmental buildings, standby drivers required after hours for transport arrangements for employees attending courses, communication and support staff at ministerial and departmental events. The Overtime cost is not budgeted for and is paid from available savings.
- Also contributing is the impact of the budget reduction of R2.02 million implemented by National Treasury in the 2016/17 financial year.

FINANCIAL PERFORMANCE FOR 2016/17_Q 1
Overview – Economic Classification…..(Cont)

- **Goods and services:** R125.25 million or 77.70% underspending due to:

- **Consultants/business advisory services -** R117.45 million or 98.18% mostly attributable to delays in finalizing contracts and the appointment of service providers for the social facilitation and technical feasibility studies for the SWHP.
- **Agency & support/ outsourced services -** R5.58 million or 77.15% attributable to delays in disbursing payments mainly in the following projects:
  - M&V of energy savings achieved by municipalities under the energy efficiency projects being implemented by chosen municipalities. Procurement processes are at a final stage.
  - NNBP, the planned disbursements could not take place as procurement processes for the appointment of a transactional advisors and establishment of a project management office were still underway and at different stages. Payments for these services to commence in July.

FINANCIAL PERFORMANCE FOR 2016/17_Q 1
Overview – Economic Classification…..(Cont)

- **Travel & subsistence -** R913 thousand or 8.37% underspending due to an outstanding payment to Diner's Club as the appointed management company of travel payments for the Department.

- **Venues & facilities -** R994 thousand or 44.71% underspending as a result of various planned workshops across the department that could not take place as planned, and

- **Operating leases -** R699 thousand or 8.52% underspending due to outstanding office accommodation lease invoices which have not been received from DPW for regional office accommodation.

- **Transfer payments:** R26.72 million or 1.37% below budget mainly due to:

- **National SWHP -** R27.75 million not spent due to delays in finalizing contracts for the training of the installers of solar water heater units. Also due to delays in processing supplier information during the central database registration process and subsequent late receipt of invoices from suppliers. These payments relate to the production and storage of solar water units.

- **Membership fees -** R2.07 million over budget attributable to a payment for international membership fees relating to the African Petroleum Producers Association that was carried over from the 2015/16 financial year. No roll-over request was submitted.

FINANCIAL PERFORMANCE FOR 2016/17_Q1
Overview – Programmes

VOTE 26: ENERGY	2016/17					
PROGRAMMES	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
	R'000	R'000	R'000	R'000	%	%
TOTAL	**7,545,171**	**2,183,571**	**2,034,629**	**148,942**	**6.82**	**26.97**
Administration	240,137	59,506	66,309	-6,803	-11.43	27.61
Energy Policy & Planning	46,748	11,228	8,841	2,387	21.26	18.91
Petroleum & Petroleum Products Regulation	77,871	18,908	16,837	2,071	10.95	21.62
Electricity and Energy Programme & Projects Management	5,699,907	1,459,836	1,460,647	-811	-0.06	25.63
Nuclear Energy	863,575	462,284	403,454	58,830	12.73	46.72
Clean Energy	616,933	171,809	78,541	93,268	54.29	12.73

Programme 1: Administration

ECONOMIC CLASSIFICATION	2016/17					
	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
Rand - Thousand	R'000	R'000	R'000	R'000	%	%
TOTAL	**240,137**	**59,506**	**66,309**	**-6,803**	**-11.43**	**27.61**
Compensation of Employees	136,792	32,821	36,338	-3,517	-10.72	26.56
Goods & Services	96,066	23,277	25,310	-2,033	-8.73	26.35
Transfers & Subsidies	3,184	2,302	4,001	-1,699	-73.81	125.66
Capital Assets	4,095	1,106	660	446	40.33%	16.12%

The over-spending of R6.80 million (11.43%) is due to the overspending in all major economic classifications, significantly in the current payment categories.

Programme 1: Administration (Cont…)

- **Compensation of employees** R3.52 million (10.72%) over budget attributable to the number of fixed term contract positions carried additional to the establishment and the impact of budget reductions in the 2015 and 2016 MTEF budget processes.
- **Goods and services** R2.03 million (8.73%) over budget mainly due to the over spending in the following cost items:
  - Advertising and related marketing related costs for ministerial and public participation events and implementing the Department's communication & energy awareness campaigns;
  - Travel and subsistence due to the number of national and international commitments and engagements, PPP, ministerial and departmental events
  - Communication due to an increase cost and the number of users qualifying for cellular services and 3-G connections.
  - **Transfers and subsidies** – R1.70 million (73.81%) over budget due to a payment of R2.72 million for international membership fees relating to the African Petroleum Producers Association that was carried over from the 2015/16 financial year. No roll-over request was submitted for this purpose.

Programme 2: Energy Policy & Planning

ECONOMIC CLASSIFICATION	2016/17					
	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
	R'000	R'000	R'000	R'000	%	%
TOTAL	**46,748**	**11,228**	**8,841**	**2,387**	**21.26**	**18.91**
Compensation of Employees	34,769	8,287	7,962	325	3.92	22.90
Goods & Services	11,979	2,941	879	2,062	70.11	7.34

The under-spending of R2.39 million or 21.26% is due to the under-spending in the current payment economic classification, significantly in the goods and services area.

Programme 2: Energy Policy & Planning

- **Goods and services:** R2.06 million or 70.11% below budget due to underspending in:
  - **Travel and Subsistence** – due to postponed site visits for the monitoring and evaluation of the Smart Grid Pilot Programme being implemented in the EThekwini, Nelson Mandela Bay, Msunduzi, Govan Mbeki, Naledi, Mogale City, Nala and Thabazimbi municipalities and at City Power. The site visits are undertaken monthly but due to preparations for the local government elections, municipal officials were not available. These site visits will be undertaken during the 2nd quarter of 2016/17.
  - **Consulting: Business & Advisory Services** – attributable to the delay in the commencement of projects which are at the initial stages of the Bid Adjudication Committee process. These include the energy footprint study and study to determine job creation potential for different liquid fuel options.
  - **Venues and facilities** – Events requiring venues and related facilities did not take place as anticipated, amongst others is the Gas Amendment Bill stakeholder engagements.

Programme 3: Petroleum & Petroleum Products Regulation

ECONOMIC CLASSIFICATION	2016/17					
	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
	R'000	R'000	R'000	R'000	%	%
TOTAL	**77,871**	**18,908**	**16,837**	**2,071**	**10.95**	**21.62**
Compensation of Employees	56,792	13,570	14,044	-474	-3.49	24.73
Goods & Services	21,079	5,338	2,758	2,580	48.33	13.08
Capital Assets			35	-35		

The under-spending of R2.07 million or 10.95% is due to the under-spending in the current payment economic classification, significantly in the goods and services area.

Programme 3: Petroleum & Petroleum Products Regulation

- **Goods and services:** R2.58 million or 48.33% below budget due to underspending in:
  - **Operating Payments** – attributable to a delayed payment to a service provider, KPMG, due to the late presentation of a final report on the project to Determine the Operational Expenses of a Benchmark Service Station. The payment will be processed during the 2nd quarter.
  - **Venues and facilities** – due to postponed stakeholder engagements with petroleum industry stakeholders such as the South African Petroleum Retail Industry, SA Petroleum Industry Association and Liquid Fuel Wholesalers Association regarding fuel pricing. These stakeholder engagements have been re-scheduled to the second quarter of the financial year.
  - **Travel and Subsistence** – due to the delayed commencement of the fuel price awareness campaigns. These have since been completed in quarter 2.
  - **Consulting : Business & Advisory Services** – due to a delay in disbursing payments under the Petroleum sampling and testing project. The Department had to amend the agreed cash flow projection between DoE and the service provider (Intertek) to align itself with the receipt of reports from the service provider.

Programme 4: Electrification & Energy Prog & Proj Management

ECONOMIC CLASSIFICATION	2016/17					
	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
	R'000	R'000	R'000	R'000	%	%
TOTAL	**5,699,907**	**1,459,836**	**1,460,647**	**-811**	**-0.06**	**25.63%**
Compensation of Employees	45,749	10,904	10,866	38	0.35	23.75
Goods & Services	15,154	3,134	3,983	-849	-27.09	26.28
Transfers & Subsidies	5,639,004	1,445,798	1,445,798	-	0.00	25.64

The over-spending of R811 thousand (0.06%) is as a result of:

- **Goods and services:** R849 thousand (27.09%) over budget:
  - Travel and subsistence relating to INEP monitoring and verification activities, advertising venue and facilities and operating leases (payments to Government Garage for GG cars in Regional Offices) items related to PPP and departmental events that took place in different areas during the first quarter.

Programme 5: Nuclear Energy

ECONOMIC CLASSIFICATION	2016/17					
	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
	R'000	R'000	R'000	R'000	%	%
TOTAL	**863,575**	**462,284**	**403,454**	**58,830**	**12.73**	**46.72**
Compensation of Employees	19,429	4,631	4,653	-22	-0.48	23.95
Goods & Services	210,797	59,525	1,333	58,192	97.76	0.63
Transfers & Subsidies	633,349	398,128	397,468	660	0.17	62.76

The under-spending of R58.83 million or 12.73% is attributable to:

- **Goods and services:** R58.19 million or 97.76 underspending mainly due to:
  - Consultants / business and advisory services - NNBP, the planned disbursements could not take place as procurement processes for the appointment of a transactional advisors and establishment of a project management office were still underway. Payments to commence in July.

Programme 6: Clean Energy

ECONOMIC CLASSIFICATION	2016/17					
	ORIGINAL BUDGET	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	YTD % VARIANCE	YTD % BUDGET EXPENDED
	R'000	R'000	R'000	R'000	%	%
TOTAL	**616,933**	**171,809**	**78,541**	**93,268**	**54.29%**	**12.73%**
Compensation of Employees	17,266	4,115	3,899	216	5.25%	22.58%
Goods & Services	73,091	66,988	1,690	65,298	97.48%	2.31%
Transfers & Subsidies	526,576	100,706	72,952	27,754	27.56%	13.85%

The under-spending of R93.27 million or 54.29% is as a result of under spending in the Goods and services and in the Transfer payments economic classifications affected by the implementation of the Solar Water Heater Programme and the monitoring & evaluation (M&V) of energy savings achieved by municipalities under the EEDSM municipalities grant.

Programme 6: Clean Energy

- **Goods and services:** R65.23 million or 97.48% underspending due to:

  - **Solar Water Heater Programme -** mostly attributable to delays in finalizing the process on social facilitation, technical feasibility studies and the establishment of the project management office for this project.
  - The procurement process for both social facilitation and technical feasibility studies are at advanced stages. The delays was in part due to the local elections and the unavailability of staff at municipalities.
  - Monitoring and evaluation (M&V) of energy savings achieved by municipalities under the energy efficiency projects being implemented by chosen municipalities. Procurement processes are at a final stage.

Programme 6: Clean Energy (Cont…)

- **Transfers & Subsidies:** R27.75 million or 27.56% underspending due to:

  - **SWHP** - R27.75 million or 34.66% relating to the production of solar water heaters not spent mainly due to delays in receiving outstanding invoices from suppliers and the system related glitches regarding registration process on the National Treasury central data base of suppliers.
  - It is also important to note that the number of suppliers that met the suspensive conditions in particular the bid bond requirement was less than 50% of the provisional awards made.
  - Purchase orders to the value of R65.83 million was issued and payments of R56.59 million has been made in this quarter.
  - Also contributing to the underspend is the delayed rollout of the training of installers of the solar water heater units.
  - As at the end of quarter 1 approximately 9,000 SWHs have been manufactured and currently in storage and more systems will be delivered by the end of August and end of October.
  - The Department will fast-track the procurement of the installation and related services over the next four months and expenditure will increase exponentially.

TRANSFER PAYMENTS SCHEDULE_Q 1

Programme	Projects & Entities	Original Budget R'000	YTD-JUNE 2016			YTD Variance %
			Budget R'000	Actual R'000	Variance R'000	
Programme 1,2,3	Households - leave	351	87	-	87	100.00
	Households - other	1,848	1,230	294	936	76.10
	Membership fees	-	-	2,722	-2,722	0.00
	SETA transfers	985	985	985	-	0.00
Programme 4	INEP - Municipalities	1,946,246	-	-	-	0.00
	INEP - Eskom	3,526,334	1,445,798	1,445,798	-	0.00
	INEP – Non-grid	166,424	-	-	-	0.00
Programme 5	NNR	16,636	7,898	7,898	-	0.00
	Membership fees	17,375	660	-	660	100.00
	NECSA	599,338	389,570	389,570	-	0.00
Programme 6	EEDSM - Municipalities	185,625	-	-	-	0.00
	EEDSM – SWHP	320,326	80,081	52,327	27,754	34.66
	SANEDI	20,625	20,625	20,625	-	0.00
Total Transfers		**6,802,113**	**1,946,934**	**1,920,219**	**26,715**	**1.37**

PERFORMANCE TARGETS_QUARTER 1 2016/17 SUMMARY

Branches/Units	Number of Quarterly targets in APP	Achieved Quarterly Targets	Partially Achieved Quarterly Targets	Not Achieved Quarterly Targets	Year-to-Date Actual Expenditure R 000's	Year-to- Date Expended %
Policy and Planning	**10**	4	4	2	8,841	18.91%
Petroleum and Petroleum Products Regulation	**4**	3	1	0	16,837	21.62%
Programmes and Projects	**15**	4	5	6	1,460,647	25.63%
Nuclear Energy	**15**	8	2	5	403,454	46.72%
Clean Energy	**13**	7	4	2	78,541	12.73%
Corporate Services	**5**	2	3	0	27,216	24.55%
Financial Management Services	**1**	1	0	0	8,951	24.35%
Governance and Compliance	**2**	2	0	0	7,852	40.87%
Office of the Director-General	**1**	0	1	0	12,027	29.94%
Total	**66**	**31**	**20**	**15**	**2,024,366**	**26.95%**

PERFORMANCE HIGHLIGHTS, QUARTER 1_2016/17

- Energy Efficiency intervention priorities were identified in 26 municipality subsectors: Public Buildings, Waste Water Treatment Plants, Fresh Water Pump Sations, and Public Lighting;
- The National Energy Efficiency Strategy (NEES) is being finalised;
- 587 retail site inspections conducted. Target was exceeded by 287. The success is attributed to proper inspection scheduling, Inspection SOP, and alignment and pairing of site inspections and sampling exercises;
- 82.10% of licence applications processed with 50% + BEE/HDSA ownership. We are likely to achieve annual targets considering the achievement in the 1st quarter. The target was exceeded by 32.10%;
- (April-May) Municipalities electrified 28,463 additional households and Eskom electrified 38,199 additional households (including rollovers). Total= 66,662; and
- The IPP report on construction has been produced: BW1 is 100% complete, BW2 is 84% complete, and BW3 is 5% completed. 46 IPPs have reached COD for Bid Window 1,2 & 3 and are into full commercial operation.

PERFORMANCE CHALLENGES, QUARTER 1_2016/17

- 200 petroleum samples collected & analysed. Partial achievement is attributed to misalignment of external reporting by service provider with DoE internal reporting. Shortfall of 273 samples is due to bi-monthly (instead of quarterly) reporting as per service provider agreement;
- The Controller's Office is still in the process of implementing system functionality that will enable the system to subtract the time periods it takes applicants to provide outstanding information to enable the Controller to make a final license application decision.

ANNEXURE

DETAILED PERFORMANCE TABLES FOR QUARTER 1

PER PROGRAMME

2016/17 FY

PROGRAMME 1: ADMINISTRATION

Corporate Services

Governance and Accountability

Financial Management Services

Office of the Director-General

Programme 1: Corporate Services

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1 Vacancy rate below 10% maintained as per DPSA directive	Quarterly progress report on vacancy rate	Partially Achieved	The average vacancy rate for the quarter is 11.21%. Branch heads to be compelled to fill all vacant positions on or before the end of Q 3.	
Q1.2 Implementation of the HR Plan (Phase 4)	Quarterly progress report on HR Plan	Achieved		Quarterly report
Q1.3 2% of people with disabilities employed as per Cabinet instruction	Quarterly progress report as per Cabinet instruction	Partially achieved	It s 1.72 % (10 of 582) without Interns who are 6% (2 of 33) The combination then becomes 1.95%. Branch heads to be compelled to target the percentage of people with disabilities during the recruitment process. Issue advertisements targeting people with disabilities.	June Establishment and report

Programme 1: Corporate Services CONT…

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.4 50% of women in SMS positions as per Cabinet instruction	Quarterly progress report as per Cabinet instruction	Partially achieved	33.7% (28 of 83) women in SMS level. The combination then becomes 1.95%. Recruitment and development drive to earmark woman to fill vacant specific/identified sms.	June Establishment and report
Q1.5 20 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	Achieved	6 Imbizo PPPs were conducted.1x Gaso Forest Eastern Cape, 2x Kirkwood, Eastern Cape, 1x Nelson Mandela Bay, 1x Bethlehem, Free State, 1x Presidential Siyahlola, Mpumalanga	

Programme 1: Governance and Compliance

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.3. 10 foreign participants (advancement of the African Agenda in the Energy Sector) to promote the use of cleaner & safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	1 foreign participant (advancement of the African Agenda in the Energy Sector) to promote the use of cleaner & safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	Achieved	**Multilateral Engagements**: AEEP Second Stakeholder Forum, Joint SADC Workshop on Energy and Water, Senior SADC Energy Officials Meetings, and the 35th Meeting of SADC Energy Ministers. **Bilateral Engagements**: Ghana, Zimbabwe x2, DRC,Mozambique, Botswana x2, Zambia, Namibia and Benin.	Letters, Reports and Submissions.

Programme 1: Governance and Compliance

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.4. 18 foreign participants (advance Energy Agenda in the rest of the world) to promote the use of cleaner & safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	2 foreign participants (advance Energy Agenda in the rest of the world) to promote the use of cleaner & safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	Achieved	**Bilateral Engagements:** France, Sweden x2, Russia x2, Canada, UK, Germany x2, US, Denmark, Iran, China, Japan, Saudi Arabia, India **Multilateral Engagements:** CEM7, 21st Century Power Systems, AEF, G20, IGU, AUW, BRICS, FOCAC, OECD, SE4ALL, VIII International AtomExpo, UNFCCC COP22	Emails, reports, programs/agendas, invitation letters, Emails/Reports, Sumbissions, Attendance register

Programme 1: Financial Management Services

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.2 100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	**Achieved:** 3 reports on payments of approved invoices within 30 days of receipt was submitted to NT on the 6 May 2016, 7 June 2016 and 7 July 2016. A total of 486 invoices were received and 476 paid. Please note that 10 invoices were still within the 30 days.	None	Note 34 Report for the Quarter ended 30 June 2016.

Office of the Director-General

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1. 4 quarterly progress reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by DoE Minister	1 quarterly progress report which details the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by DoE Minister	Partially achieved	Outcome 6, 7 and 9 were submitted	Emails missing due to mailbox limit size

Programme 2: Policy and Planning

Programme 2: Policy and Planning

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1. Annual Energy Balance (2014) published by March 2016	Draft 2014 energy commodity flows compiled	**Not Achieved**	Pending 2013 Commodity flows approval	n/a
Q1.2. Enhancement of Central Energy Information Management System deployed	Identify & document required enhancement to system	**Achieved**	The CEIS continues to be enhanced by requesting end-users to log issues on the Service Provider's call ticketing system. Monthly meetings and a performance report is also provided by the SP with regard to the management, maintenance and enhancement of the CEIS. Where relevant, training areas are also identified to improve usage of the system by end-users.	Monthly reports, Minutes of meetings, Training Outline and Manual, Quote for services

Programme 2: Policy and Planning

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.5. Study to determine price elasticities of demand for different energy carriers	Study to determine price elasticities of demand for different energy carriers	**Not Achieved**	The KPI had been assigned to the Macroeconomic Analysis Specialist who has subsequently resigned from the post. Alternative approaches are currently being explored to ensure that the work is undertaken and seen to completion	
Q1.9. Submission of draft Amendment Bill for Ministerial approval for submission to Cabinet	Draft Gas Amendment Bill for Bill submitted for approval to SMC	**Partially achieved**	Progress was delayed to incorporate other gas related issues such as Gas-to-Power project.	Draft Gas Amendment Bill submitted to SMC.

Programme 2 : Policy and Planning

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.10. Incorporate the D20YLFIRM into the published IEP	Draft a scenario analysis report on 20YLFIRM	**Achieved**	Scenarios for liquid fuel supply options have been analysed as part of the IEP	Draft IEP report
Q1.11. nSubmission of Draft Biofuels Regulatory Framework for Ministerial approval	Issue a Ministerial submission reviewing halting of development of Draft Biofuels Regulatory Framework	**Achieved**	A Cabinet Memo was tabled at a Cabinet Committee meeting of 29 June 2016	A submission on Cabinet memorandum on the Position Paper on the South African Regulatory Framework signed by Minister on 24 June 2016
Q1.12. Draft Petroleum Products Bill submitted for Ministerial approval for Cabinet submission	Consultation on concept document for amendment of the PPA	**Achieved**	Consulted all relevant stakeholders	Concept Document with inputs from stakeholdrs.
Q1.13. Submission of concept document for review of the Petroleum Pipelines Act, 2003 (Act No. 34 of 2003) for Ministerial approval	SEIAS phase 1 process completed on Petroleum Pipelines Act, 2003 (Act No. 34 of 2003) review	**Partially achieved**.	Engagements with DPME have commenced.	Completed SEIAS template, minutes of meeting with DPME

Programme 2: Policy and Planning

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.16. Table the electricity price path to Cabinet for consideration	Develop price path	**Partially Achieved**	Model Developed. Input data collection in progress	
Q1.17. Updated IRP for consideration by Cabinet	Finalise IRP	**Partially Achieved**	In progress. Base case being finalised and will be presented to FOSAD in August 2016 with IEP	

Programme 3: Petroleum and Petroleum Products Regulation

Programme 3: Petroleum and Petroleum Products Regulation

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1. 1 500 retail site compliance inspections conducted	300 retail site compliance inspections conducted	**Achieved**	587 retail site inspections conducted. Target exceeded by 287. The success is attributed to proper inspection scheduling, Inspection SOP and alignment and pairing of site inspections and sampling exercises	Inspection Reports
Q1.2. 1 892 fuel samples tested	473 fuel samples tested	**Partially Achieved**	200 samples collected & analysed. Partial achievement is attributted to misalignment of external reporting by Intertek with DoE internal reporting. Intertek report covers two consecutive months as per agreed cash flow projection and not monthly. June 2016 report will be available at the end of July 2016. Discussions on review of sampling and testing with the service provider has been concluded.	April & May 2016 consolidated sampling and testing report, & Certificates of Analysis

Programme 3: Petroleum and Petroleum Products Regulation

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target (from APP)**	*Progress this Quarter ("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	*Comments (constraints, variances, likelihood of annual achievement, corrective actions, etc)*	*Means of Verification (documents or other sources supporting reported progress)*
Q1.3. 50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	**Achieved**	82.10% of applications processed with 50% + BEE/HDSA ownership. We are likely to achieve annual targets considering the achievement in the 1st quarter.	PPALS report on calculated BEE/HDSA applications approved verses total approved for the 1st quarter
Q1.5. 12 audit findings reports on the fuels prices	3 audit finding reports on the fuels prices	**Achieved**		3 X Audit Reports

Programme 4: Electrification & Energy Programmes and Projects

Programme 4: Electrification & Energy Programmes and Projects

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1. 4 quarterly reports on allocation of funding & monitoring of progress on additional households to be electrified with grid electrification toward the 2016/17 target of 235 000 in the National Electrification Plan	1 quarterly report on allocation of funding & monitoring of progress on additional households to be electrified with grid electrification toward the 2016/17 1st quarter target of 25 000	**Achieved (over achieved)**	(April-May) Municipalities electrified 28 463 additional households and Eskom electrified 38 199 additional households (including rollovers) **Total= 66662**	Eskom and Municipalities reports

energy
Department:
Energy
REPUBLIC OF SOUTH AFRICA

Programme 4: Electrification & Energy Programmes and Projects

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1.4 quarterly reports on electrification infrastructure projects planned /built toward the 2016/17 target of: - 3 new bulk substations built - 3 additional substations upgraded - 90 km new MV power lines constructed - 90 km of existing MV power lines upgraded	1 quarterly report on allocation of funding & monitoring of progress on building/upgrading of electrification infrastructure projects towards the 2016/17 targets of: - 3 new bulk substations built - 3 additional substations upgraded - 90 km new MV power lines constructed - 90 km of existing MV power lines upgraded	**Partially achieved**	Most projects in the Eskom programme are in progress, other projects are already in construction but most are still at design stage. The municipal financial year started in the beginning of July 2016, so most projects in the municipal programme have only just started.	Eskom and municipality monthly reports

Programme 4: Electrification & Energy Programmes and Projects

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.2.4 quarterly reports on allocation of funding & monitoring of progress on additional households electrified with non-grid electrification toward the 2016/17 target of 20 000 in the National Electrification Plan	1 quarterly report on allocation of funding & monitoring of progress on additional households electrified with non-grid electrification toward the 2016/17 1st quarter target of 3 500	**Not Achieved**	Firstly, Non-Grid contracts of 4200 connections were approved by DG in May 2016. Therefore it was impossible to connect households before end of 1st quarter. The rest of non-grid connections are soley dependent on procuring of non-grid service providers, the process is at the advance stage to approve the advertisement of tender. The anticipation date to appoint new non-grid service provider in October 2016.	

Programme 4: Electrification & Energy Programmes and Projects

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.3. NIEP for 2016/17 developed	Refine & update master plan with data collected from municipalities & Eskom	**Partially Achieved**	Beginning with the 27 impoverished districts and the later the remaining districts, exercise to be completed at the end of November 2016	
Q1.4. Implement project management business process	Stakeholder engagement	**Not Achieved**	Programme hasn't started, will be reported on the second quarter.	
Q1.5. System development & deployment of phase 1 of EDMS	Pilot phase 1 of EDMS	**Partially Achieved**	The EDMS concept submission is still awaiting approval, therefore no further actions or activities can be embarked on until it has been approved.	

Programme 4: Electrification & Energy Programme and Projects

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.6. 4 project dashboards per year	1 project dashboard per year	**Not Achieved**	Dashboard consolidation is due in July after the last INEP report. This is an ongoing quarterly activity which depends solely on other units submitting their information	
Q1.7.4 quarterly reports & 1 annual report on energy infrastructure development covering INEP (challenges, mitigation plans & interventions)	1 quarterly report on energy infrastructure development, covering INEP (challenges, mitigation plans & interventions)	**Not Achieved**	Programme hasn't started, will be reported on the second quarter.	

Programme 4: Electrification & Energy Programme and Projects

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.8.4 quarterly reports & 1 annual report with regard to development of rural IECs	1 quarterly report with regard to development of rural IECs	**Partially Achieved**	Qamatha IeC in the Eastern Cape is under construction. Bushbuckridge project construction is delayed as the project sponsor is revising project cost. These projects will be completd by end of the financial year	quartely report
Q1.9. Approved IEC strategy	Stakeholder consultation on IEC strategy	**Partially Achieved**	The submisison to request approval to consult external stakeholders is circulating. The strategy will be finalized before end of financil year.	quartely report and draft IeC strategy
Q1.10. Approved gender, disability & youth & children policies	Stakeholder consultation on gender, disability & youth & children policies	**Not Achieved**	Stakeholder consultation meeting with DBC on Gender & Disability Policies was supposed to be done on the 05th of May 2016 was postponed.	
Q1.11. Approved gender, disability & youth & children strategies	Stakeholder consultation on gender, disability & youth & children strategies	**Not Achieved**	The youth strategy has not yet been developed as the focus is on the youth policy.	

Programme 4: Electrification & Energy Programme and Projects

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.12. Report of municipality contracts concluded through DoRA for funding in 2016/17	Receive application from municipalities	**Achieved**		spreadsheet for 2016/17 application forms submitted to all provinces.
Q1.14. 4 quarterly reports on conducted site & technical audits during INEP project implementations & monitoring of projects for 2016/17	1 quarterly report on conducted site & technical audits during INEP project implementations & monitoring of projects for 2016/17	**Achieved**		Report
Q1.15. 4 quarterly reports on progress made with regard to construction & operation phases of IPP projects	1 quarterly report on progress made with regard to construction & operation phases of IPP projects	**Achieved**	The IPP report on construction has been completed. BW1 is at 100% complete ,BW2 is at 84% complete and BW3 is at 5% complete. 46 IPPs have reached COD for Bid Window 1,2 & 3 and are into full commercial operation	IPP Progress Report: April - June 2016

Programme 5: Nuclear Energy

Programme 5: Nuclear Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1. Consultation with impacted stakeholders on draft National Nuclear Disaster Management Plan completed	Relevant work collected to be collated for purposes of amending plan	**Achieved:** Inputs received from the stakeholders		Letters with inputs from stakeholder.
Q1.2. Procurement of the Nuclear Build Programme as per procurement process completed	Close-out report based on negotiations with strategic partner & commencing second-tier procurement for lead term items	**Not Achieved**	Procurement process only approved in December 2015 and review of RFP initiated.	
Q1.3. Progress reports on implementation of programme plan (Roadmap)	1 progress report on implementation of programme plan (Roadmap)	**Achieved:** Transactional Advisors report produced		Transactional Advisor report.
Q1.4. Transactional Advisors utilised to advise Government on procurement & contract negotiations completed & all contract signed off	Issue Request for Proposals	**Not Achieved:**	Allocations to procure services of Transactional Advisor(TA) received only in this financial year. Since the appointement of the TA review of the RFP is ongoing. It is expected the RFP will be released in this financial year	

Programme 5: Nuclear Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.5. PMO established & operationalised to expedite rollout of Nuclear New Build Programme	Commence with capacitation of PMO with secondments, representatives & consultants	**Partially Achieved**	Programme Management systems implementation commenced.	Signed page of the contract with service provider.
Q1.6. Implementation plan for procurement process for NFC facilities	Drafting of implementation plan for procurement process for NFC facilities	**Not Achieved**	This process is still pending procurement process.	
Q1.7. Monitoring of implementation of nuclear localisation & industrialisation strategy through PMO	1 monitoring report on nuclear localisation & industrialisation strategy through PMO	**Not Achieved**	This process is still pending procurement process.	

Programme 5: Nuclear Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.8. 75% of authorisation applications processed within 8-week time period	75% of authorisation applications processed within 8-week time period	**Partially achieved:** 24 out 33 (73%) authorisations applications were approved and met the turnaround time of 8 weeks.	Nine applications did not meet the turnaround time due to the delay in processing and consultations.	Authorisation reported.
Q1.9. 20 Nuclear Safeguard Compliance Reports submitted to DG	5 Nuclear Safeguard Compliance Reports submitted to DG	**Achieved:** 8 safeguard inspection reports were conducted and submissions were approved by the Director General.		Submission approved
Q1.10. 4 Nuclear Safeguard Compliance Audit Reports submitted to DG	1 Nuclear Safeguard Compliance Audit Report submitted to DG	**Achieved:** 2 audits reports were conducted and submission were approved by the Director General.		Submission approved

Programme 5: Nuclear Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.11. 4 Nuclear Security Compliance Reports submitted to DG	1 Nuclear Security Compliance Report submitted to DG	**Achieved:** 1 inspection report was conducted and a submission was approved by the Director General.		Submission approved
Q1.12. National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) Amendment Bill revised, taking stakeholder comments into consideration	Workshops on the proposed amendment to the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) SEAIS table for submission to DPME	**Achieved:** Workshops held with the relevant stakeholders (NNR)		Workshop minutes, SEIAS Report
Q1.13. National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) Amendment Bill revised, taking stakeholder comments into consideration	Workshops on proposed amendment to the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999)	**Not achieved**	Submission inviting stakeholders to workshop for NEA amendments on routing for approval.	

Programme 5: Nuclear Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.14. Workshops with impacted stakeholders on National Radioactive Waste Management Fund Bill	Progress on workshops on National Radioactive Waste Management Fund Bill	**Achieved:** Engagement took place between DOE and National Treasury		Minutes of the Engagement with National Treasury
Q1.15. 6 public awareness campaigns & community outreach events held	2 community outreach event held	**Achieved:** 4 community outreach events		

Programme 6: Clean Energy

Programme 6: Clean Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.1 0.5 TWh of energy savings realised & verified from EEDSM projects	Energy Efficiency interventions identified in residential, commercial or industrial sector	**Achieved**	Energy Efficiency interventions were identified in the following subsectors: buildings, Waste Water Treatment Plants, Fresh Water Pump Stations, Public Lighting were identified in 26 municipalities.	RFPs 2016/17.
Q1.2. 15 additional municipalities for which energy consumption baselines have been developed annually	Stakeholder engagement process with an additional 20 target municipalities conducted	**Partially achieved**	EEDSM Inception workshop has been scheduled to take place on 5 July 2016. Invitations (i.e. via email) to all participating municipalities were issued on 13 June 2016.	Email invitation to all participating municipalities

Programme 6: Clean Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.3. Post-2015 National Energy Efficiency Strategy drafted & submitted for approval	Draft post-2015 National Energy Efficiency Strategy prepared	**Achieved**	Draft Submission to route post 2015 NEES ia being finalised	Draft Post 2015 Document
Q1.4. MW or petajoules of renewable energy introduced in line with IRP	Data collection for Renewable Energy Status Report	**Partially achieved**	The establishment of the Renewable Energy Data and Information system (REDIS) in progress	Inception report; and REDIS system (initial phase)
Q1.5. MW or petajoules of renewable energy introduced in line with IRP	Design questionnaires	**Partially achieved**	A meeting was held between the DoE (RE) and IPP on 4 April 2016 outlining the requirements with respect to the required data; IPP Office hasstarted sharing data which has been captured in the initial phase of REDIS.	emails on the meeting and agenda

Programme 6: Clean Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.6. MW or petajoules of renewable energy introduced in line with IRP	Conduct stakeholder mapping	**Achieved**	A seminar workshop was held on 10 May 2016	Invitations / emails; Agenda; and Minutes / Record of seminar
Q1.7. MW or petajoules of renewable energy introduced in line with IRP	Recruit & select data collection specialists	**Achieved**	Technical Advisor was recruited via the South Africa-Denmark Renewable Energy Programme ; and Data is collected via the internal Energy Planning Team	Correspondences between the Technical advisor and stakeholders / energy planning
Q1.8. Final National Biogas & Biomass Strategy implementation	Draft National Biogas Strategy presented to Cabinet for approval for stakeholder consultation	**Not achieved**	The Draft National Biogas Strategy was prepared and circulated for internal comments the scope of the draft be expanded to include biomass. Research in expanding the scope is progress	Draft Biogas Strategy.

Programme 6: Clean Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.9. Solar Water Heating Programme Implementation Plan	Solar Water Heating Programme Management Structure set up	**Achieved**		Exco Minutes approving the structure
Q1.10. Solar Water Heating Programme Implementation Plan	SWH Monitoring Plan finalised	**Achieved**		Verification system set up on the 9th floor
Q1.11. Developed implementation plan for Energy & Climate Change Strategy in public buildings	Draft implementation plan developed	**Not achieved**	1.1 The BAC report was completed and was not tabled to BAC for further recommendations to inform the implementation plan. 1.2 Draft Terms of Reference have been developed to integrate the related initiatives.	1.1 BAC report. 1.2 Draft Terms of Reference (ToR).

Programme 6: Clean Energy

Annual Target 2016/17 *(from Strategic Plan - link to Technical Indicator Description)*	**Quarterly Target** *(from APP)*	**Progress this Quarter** *("achieved", or "partially achieved", or "not achieved", and support for the self-assessment)*	**Comments** *(constraints, variances, likelihood of annual achievement, corrective actions, etc)*	**Means of Verification** *(documents or other sources supporting reported progress)*
Q1.12. Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Stakeholder consultation workshops conducted	**Partially achieved**	1.1 Key personnel in relevant units we consulted regarding the intention to establish an steering committee for internal Environmental Management Plan (EMP) and Outcome 10 that will over see the provision and review the collected input data as well as the draft reports. To this effect, Terms of Reference (ToRs) for such a steering committee were developed.	1.1 E-mails correspondence, Terms of reference and DG's submission to establish the internal steering committee.
Q1.13. Carbon Offset Administrative System established to support implementation of Carbon Tax Policy	Standard operating procedure for Carbon Offset Administrative System developed	**Achieved.** The Standard Operating Procedure manual was completed before end June.	None	Standard Operating Procedure Manual

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REPUBLIC OF SOUTH AFRICA

Comparative Performance: Q4 &Q1

PROGRAMMES		4th Quarter Performance				1st Quarter Performance			
		APP Targets	Achieved	Partially Achieved	Not Achieved	APP Targets	Achieved	Partially Achieved	Not Achieved
1	**Administration**	11	5	3	3	9	5	4	0
2	**Energy Policy & Planning**	18	7	10	1	10	4	4	2
3	**Petroleum & Petroleum Products Regulation**	4	4	0	0	4	3	1	0
4	**Electrification & Programme & Projects**	20	9	4	7	15	4	5	6
5	**Nuclear Energy**	14	7	2	5	15	8	2	5
6	**Clean Energy**	6	1	2	3	13	7	4	2
TOTAL		73	33	21	19	66	31	20	15

Analysis of Q4:

- **46%** of targets were achieved, **28%** partially achieved
- **26%** of targets not achieved

Analysis of Q1:

- **47%** of targets were achieved, **30%**/partially achieved
- **22%** of targets not achieved

3%

End