



planning, monitoring  
& evaluation

Department:  
Planning, Monitoring and Evaluation  
REPUBLIC OF SOUTH AFRICA



# **MTSF 2014-19 PERFORMANCE ASSESSMENT: DEPARTMENT OF ENERGY**

## **PRESENTATION TO THE DOE PORTFOLIO COMMITTEE**

**03 OCTOBER 2017**

# Presentation Outline

- Introduction
- DoE performance review for Outcome 6
- DoE performance review for Outcome 10
- Alignment of Annual Performance Plans

# Introduction and overview of DoE's Delivery Agreement

- DoE contributes to the following Outcomes:
  - Outcome 6: An efficient, competitive and responsive economic Infrastructure
    - Sub outcome 1: Regulation, funding and investment improved
    - Sub Outcome 2: Reliable generation, transmission and distribution of energy ensured
  
  - Outcome 10: Protect and enhance our environmental assets and natural resources
    - Sub-outcome 2: An effective climate change mitigation and adaptation response
    - Sub-outcome 4: Enhanced governance systems and capacity
    - Sub-outcome 5: Sustainable built environment



# Outcome 6 Performance Assessment

# DOE's MTSF Commitments to Outcome 6 (1)

## DoE committed too:

- Amend the National Energy Regulator Act and the Electricity Regulation Act by April 2016
- Review Electricity Pricing Policy issued by July 2014
- Develop a Private Sector Participation Framework (PSP) in the energy sector in baseload and renewable electricity generation, liquid fuels and gas by Dec 2014
- Have a Gas Infrastructure Masterplan published by March 2015; and a decision on Shale gas improved by end 2016
- Refine, update and implement the Integrated Resource Plan (IRP) by July 2014
- Have all processes on the establishment of an independent system operator completed by Midterm
- Have Number of new IPP signed power station deals, and 2 major deal stations and 7000MW renewable energy deals of IPP Megawatts signed and projects commenced
- Have at least 1 major hydro scheme approved as well as to enhance inter-regional electricity trade over the MTSF

# DOE's MTSF Commitments to Outcome 6 (2)

- Ring-fence the electricity-distribution businesses of the 12 largest municipalities and resolve their maintenance and refurbishment backlogs by 2019
- Have implementation Plans on the review of bulk electrical infrastructure required for universal access to electricity submitted by Dec 2014
- Improve demand-side management, including through smarter management of electricity grids; 800 MW over MTSF
- Improve governmental support for combating illegal use of electricity; 10% reduction in electricity and cable theft each year of MTSF
- Commission at least 7000 MW of renewable energy by 2020
- Have proposals on the decision of expanding oil refining capacity approved by June 2016
- Have proposals on a developed funding mechanism for upgrading of existing refineries to ensure they meet new fuel-quality standards approved by June 2015



## MTSF Priorities under Outcome 6 (1)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Amend the National Energy Regulator Act and the Electricity Regulation Act	Amended Energy Acts and Regulations	Amend Acts by April 2016	Memo regarding the NER Amendment Bill has been referred back, requiring changes to ensure that NERSA autonomy is not undermined. SEIAS has been completed following Cabinet decision. DoE will be resubmitting reworked amendments to Cabinet for consideration in the 2017/2018 FY	Very slow progress (Target not met)

## MTSF Priorities under Outcome 6 (2)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
<p>Establish appropriate mechanisms to prefund capital and create a smooth price path over a longer-term for Eskom</p>	<p>Reviewed Electricity Pricing Policy Issues</p>	<p>Mechanism to prefund capital by July 2014</p>	<p>Electricity price path under development, as part of the IRP update process taking into account the build programme and the appropriate tariff increases over the medium term</p> <p>Public consultations on IRP base case and assumptions have been concluded. DoE in the process of considering the comments and updating the studies with first full draft of IRP expected by end of Quarter 3 of 2017/18 FY for inter-departmental consultation.</p>	<p>Very slow progress (Target not met)</p>

## MTSF Priorities under Outcome 6 (3)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Develop a Private Sector Participation Framework (PSP) in the energy sector in baseload and renewable electricity generation, liquid fuels and gas.	PSP Framework; Rand private investments	Framework by Dec 2014. As per framework targets over MTSF.	Principles for Financing Public Infrastructure tabled to Cabinet in 2011. Cabinet has approved the Private Sector Participation framework for consultations with stakeholders. Mechanisms to align the Task Team with the work of the PICC being explored	Good progress. However target date has passed

## MTSF Priorities under Outcome 6 (4)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Develop Integrated Energy Plan	Publication of approved IEP	IEP by December 2014	Cabinet approved public consultation on the report closed on 31st March 2017. DoE in the process of updating the studies with revised report to be issued by end of quarter 3 of 2017/18 financial year for inter-department consultation.	Progress reported; however target date has passed
Refine, update and implement the Integrated Resource Plan (IRP)	Publication of investigations, and market share of IPPs; Percentage completed against the plan	Key decisions by July 2014; update IRP mid and end of 5 year terms; 100% completion against the plan	Public consultations on IRP base case and assumptions have been concluded. DoE in the process of considering the comments and updating the studies with first full draft of IRP expected by end of Quarter 3 of 2017/18 FY for inter-departmental consultation.	Progress noted; however target date has passed



## MTSF Priorities under Outcome 6 (5)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Develop Integrated Energy Plan	Publication of approved IEP	IEP by December 2014	Cabinet approved public consultation on the report closed on 31st March 2017. DoE in the process of updating the studies with revised report to be issued by end of quarter 3 of 2017/18 financial year for inter-department consultation.	Good progress reported; however target date has passed
Develop and implement a gas infrastructure Master Plan	Gas Infrastructure Master Plan	Developed Master Plan by December 2015	The draft Gas Utilization Master Plan compiled and addresses short term gas issues including the LPG/LNG option and regional natural gas – includes shale gas exploitation in the medium term The first stage of the procurement of Gas to Power programme launched in October 2016. The programme implementation has been delayed due to buyer issues. Legislative amendments proposed to the Gas Act to facilitate the development of pipeline and other infrastructure. Inter-governmental consultations to take place before end of quarter 2 of 2017/18 financial year	Good progress reported. Target date has passed



## MTSF Priorities under Outcome 6 (6)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Reform of the electricity supply industry to introduce IPPs in support of electricity security of supply	Number of new IPP signed power station deals, and number of IPP Megawatts signed and projects commenced	At least 2 major power stations and 7000MW renewable energy deals	To date, 6327 MW from RE IPPS has been procured. 4000 MW additional allocation have been determined for IPP's (coal, gas, and renewables). Evaluation for coal bids completed and successful bidders announced. Signing of contracts by Eskom is still pending. Discussions are on-going	Very good progress

## MTSF Priorities under Outcome 6 (7)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Ring-fence the electricity-distribution businesses of the 12 largest municipalities and resolve their maintenance and refurbishment backlogs	Implementation of Cabinet approved proposals	12 municipalities distribution issues resolved by 2019	A collaboration framework has been negotiated with Municipal Infrastructure Support Agency. Norms and Standards for infrastructure management are being developed in consultation with NERSA.	Progress noted MTSF target highly to be met

## MTSF Priorities under Outcome 6 (8)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Develop Southern Africa's hydro-electric resources and enhance inter-regional electricity trade.	Develop a hydro power	A major hydro scheme approved over MTSF	<p>DRC has commenced the bidding process and RSA finalising the transmission solution in consultation with DRC, Zambia, Zimbabwe and Botswana. In this regard, an inter-governmental MOU has been proposed under the facilitation of the SADC Energy Ministers with the support of the utilities in the respective countries</p> <p>Draft Inter-Governmental MoU for draft transit countries (DRC, Zambia, Zimbabwe and Botswana) has been developed and is being finalised.</p>	Good progress (target highly likely to be met)
Improve demand-side management, including through smarter management of electricity grids	800 MW over the MTSF	800 MW over the MTSF	Smart meter pilot project in buildings, municipalities on-going. DoE and DCS have entered into an MOU regarding Energy Efficiency improvements in correctional facilities	Good progress (target highly likely to be met)

## MTSF Priorities under Outcome 6 (9)

Action	Indicator	MTSF 2019 target	Progress as at March 2017	Comments
Commission at least 7000 MW of renewable energy by 2020	Implement the renewable program	500 MW by 2019	Evaluation of the Expedited Renewable Energy Bid Window completed. Eskom has committed in principle to sign the remaining procured windows.	Good progress (target highly likely to be met)

# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Amend the National Energy Regulator Act and the Electricity Regulation Act	Amend Acts by April 2016	<ul style="list-style-type: none"> <li>The consultations on the two Bills have been concluded and will be tabled at Cabinet on 20 May 2015.</li> <li>-A comprehensive report on the two bills will be provided in the next reporting cycle</li> </ul>	<ul style="list-style-type: none"> <li>IMC (Energy) indicated that they will provide political guidance regarding proposals on electricity industry end-state</li> <li>SEIAS Report to be submitted in respect of the NERA</li> </ul>	<ul style="list-style-type: none"> <li>IMC (Energy) indicated that they will provide political guidance regarding proposals on electricity industry end-state.</li> <li>Cabinet referred the Memo back regarding the NER Amendment Bill.</li> <li>DoE will be resubmitting reworked amendments to Cabinet for consideration in the 2017/2018 FY</li> </ul>

# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
<p>Establish appropriate mechanisms to prefund capital and create a smooth price path over a longer-term for Eskom</p>	<p>Mechanism to prefund capital by July 2014</p>	<ul style="list-style-type: none"> <li>Support package for Eskom, approved by cabinet in 2014 to address funding gap</li> <li>Inclusion into the Finance Task Team for actioning includes: Key inclusion in package is emphasis on sustainable electricity</li> <li>Ensuring financial sustainability of Eskom</li> <li>Short term funding challenges addressed to bring in additional capacity</li> </ul>	<ul style="list-style-type: none"> <li>Electricity price path under development, as part of the IRP Update process taking into account the build programme and the appropriate tariff increases over the medium term.</li> </ul>	<ul style="list-style-type: none"> <li>Electricity price path under development, as part of the IRP Update process taking into account the build programme and the appropriate tariff increases over the medium term</li> <li>Public consultations on IRP base case and assumptions have been concluded. DoE in the process of considering the comments and updating the studies with first full draft of IRP expected by end of Quarter 3 of 2017/18 FY for inter-departmental consultation.</li> </ul>



# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Develop a Private Sector Participation Framework (PSP) in the energy sector in baseload and renewable electricity generation, liquid fuels and gas.	Framework by Dec 2014. As per framework targets over MTSF.	<ul style="list-style-type: none"> <li>RE IPP Programme with private sector participation now at W4 stage</li> <li>REIPP Programme now at Window 5 stage</li> <li>Co-generation contracts renewed that retained over 800 MW supplied by the private sector.</li> <li>1800MW Coal IPP RFP issued and will be closing in June 2015</li> </ul>	<ul style="list-style-type: none"> <li>REIPP Programme now at Window 5 stage</li> <li>Co-generation contracts renewed that retained about 800 MW supplied by the private sector.</li> <li>1800MW Coal IPP RFP, plus RFI for Gas issued in Q1 2015</li> </ul>	<ul style="list-style-type: none"> <li>REIPP Programme now at Window 5 stage</li> <li>Co-generation contracts renewed that retained about 800 MW supplied by the private sector.</li> <li>1800MW Coal IPP RFP, plus RFI for Gas issued in Q1 2015</li> </ul>



# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Develop Integrated Energy Plan	IEP by December 2014	Done. To be submitted as part of Energy Master Plan this year.	IEP has been completed and is ready for submission to the ESEID Cluster.	<ul style="list-style-type: none"> <li>IEP has been completed and resubmitted to the ESEID Cluster in September 2016 and to the Cabinet Committee in October 2016.</li> <li>Cabinet approved public consultation on the report closed on 31st March 2017. DoE in the process of updating the studies with revised report to be issued by end of quarter 3 of 2017/18 financial year for inter-department consultation.</li> </ul>



# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Develop and implement a gas infrastructure Master Plan	Developed Master Plan by December 2015	<ul style="list-style-type: none"> <li>The draft Gas Utilization Master Plan compiled and submitted as part of the Energy Master Plan – addresses short term gas issues including the LNG option and regional natural gas – includes shale gas exploitation in the medium term.</li> </ul>	<ul style="list-style-type: none"> <li>The draft Gas Utilization Master Plan compiled – addresses short term gas issues including the LPG/LNG option and regional natural gas – includes shale gas exploitation in the medium term. RFI for gas issued as precursor to RFP for gas to power programme. Submission will be made with updated IRP in Q1 2016/17</li> </ul>	<ul style="list-style-type: none"> <li>The draft Gas Utilization Master Plan compiled – addresses short term gas issues including the LPG/LNG option and regional natural gas – includes shale gas exploitation in the medium term. RFI for gas issued as precursor to RFP for gas to power programme. Submission will be made with updated IRP in Q1 2016/17</li> </ul>



# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Refine, update and implement the Integrated Resource Plan (IRP).	Key decisions by July 2014; update IRP mid and end of 5 year terms; 100% completion against the plan	<ul style="list-style-type: none"> <li>Public consultations concluded.</li> <li>The IRP is being refined internally for submission to the Cluster and subsequently to Cabinet for approval.</li> </ul>	<ul style="list-style-type: none"> <li>Interdepartmental consultations on IRP Update underway</li> <li>The draft IRP is being refined internally for submission to the Cluster and subsequently to Cabinet for approval.</li> </ul>	<ul style="list-style-type: none"> <li>Inter-departmental consultations on IRP Update completed and submitted to the Cluster in September 2016 and to the Cabinet Committee in October 2016.</li> <li>Public consultations on IRP base case and assumptions have been concluded. DoE in the process of considering the comments and updating the studies with first full draft of IRP expected by end of Quarter 3 of 2017/18 FY for inter-departmental consultation.</li> </ul>

# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
<p>Reform of the electricity supply industry to introduce IPPs in support of electricity security of supply</p>	<p>At least 2 major power stations and 7000MW renewable energy deals</p>	<ul style="list-style-type: none"> <li>The procurement process for Base load Coal fired power generation has been started and RFP issued</li> <li>Extension of existing Short-term power producer contracts is done</li> <li>As at 31 December 2014, a total of 1 795 MW of energy from IPPS was connected to the national grid – 1 182,62 (from BW1) and 339 MWs (from BW2). This from a total of 4 122 MW procured in BWs 1, 2 and 3.</li> </ul>	<ul style="list-style-type: none"> <li>To date, 6 327 MW from RE IPPS was procured</li> <li>4000MW additional allocations has been determined for IPP's(coal, gas, and renewables)</li> <li>Evaluation for coal bids underway.</li> <li>Renewables (Window 6) bidding will commence by June 2016</li> <li>Gas: bidding will commence by June 2016</li> </ul>	<ul style="list-style-type: none"> <li>To date, 6 327 MW from RE IPPS was procured.</li> <li>4000MW additional allocations has been determined for IPP's(coal, gas, and renewables) have been</li> <li>Evaluation for coal bids completed and successful bidders announced</li> <li>Signing of contracts by Eskom is still pending. Discussions are still going</li> </ul>



# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
<p>Ring-fence the electricity-distribution businesses of the 12 largest municipalities and resolve their maintenance and refurbishment backlog</p>	<p>12 municipalities' distribution issues resolved by 2019.</p>	<ul style="list-style-type: none"> <li>The Approach to Distribution Asset Management (ADAM) framework has been revised and implementation and funding model being developed</li> </ul>	<ul style="list-style-type: none"> <li>A stakeholder platform has been created and a meeting scheduled for Q1 FY2016/17</li> <li>A collaboration framework has been negotiated with Municipal Infrastructure Support Agency</li> <li>Norms and Standards for infrastructure management are being developed in consultation with NERSA</li> <li>A funding model based on electricity tariffs has been presented to NERSA</li> </ul>	<ul style="list-style-type: none"> <li>A collaboration framework has been negotiated with Municipal Infrastructure Support Agency. Norms and Standards for infrastructure management are being developed in consultation with NERSA.</li> </ul>



## Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Develop Southern Africa's hydro-electric resources and enhance inter-regional electricity trade.	A major hydro scheme approved over MTSF	<ul style="list-style-type: none"> <li>• The pre-feasibility study for the Mphanda Nkuwa Project, wherein Eskom is to have an interest and be the major off taker is expected to commence by the end of 2014</li> <li>• Inga Project treaty signed September 2014 and ratified by Parliament in November 2014.</li> <li>• Consultations with DRC counterparts are on-going</li> </ul>	<ul style="list-style-type: none"> <li>• Inga Project treaty signed September 2014, ratified by Parliament in November 2014 and entered into force on 20 March 2015.</li> <li>• The DRC intends to negotiate the off take agreements with RSA from Jan 2016</li> <li>• A determination for the Mozambique hydro project technology from Minister of Energy has been issued which accommodates the Mozambique</li> </ul>	<ul style="list-style-type: none"> <li>• DRC has commenced the bidding process and RSA finalising the transmission solution in consultation with DRC, Zambia, Zimbabwe and Botswana. In this regard, an inter-governmental MOU has been proposed under the facilitation of the SADC Energy Ministers with the support of the utilities in the respective countries</li> <li>• Draft Inter-Governmental MoU for draft transit countries (DRC, Zambia, Zimbabwe and Botswana) has been developed and is being finalized</li> <li>• A stakeholder platform has been created and a meeting scheduled for Q1 FY2016/17.</li> <li>• A collaboration framework has been negotiated with Municipal Infrastructure Support Agency.</li> <li>• Norms and Standards for infrastructure management are being developed in consultation with NERSA.</li> <li>• A funding model based on electricity tariffs has been presented to NERSA</li> </ul>

# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Review bulk electrical infrastructure required for universal access to electricity, prepare an implementation plan, and implement.	Implementation of items as per approved plan	<ul style="list-style-type: none"> <li>• By the end of the 4th Quarter the final draft of the new electrification master plan will be completed.</li> <li>• Mini ADAM has managed to complete 4 distribution projects out of the 9.</li> <li>• The remaining 5 are progressing well.</li> </ul>	<ul style="list-style-type: none"> <li>• DoE is finalising the electrification Master Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Electrification Master plan is completed but detailed study needs to be undertaken to deal with rising costs per connections and suite of supply options.</li> </ul>

# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
<p>Improve demand-side management, including through smarter management of electricity grids</p>	<p>800 MW over the MTSF</p>	<ul style="list-style-type: none"> <li>• Funding being made available to pilot smart grids ongoing</li> <li>• Agreement already signed with municipalities for implementation</li> <li>• The War room has been exploring energy saving options that could be implemented in the short term. 495 MW saving have been achieved by Eskom.</li> <li>• DOE and DPW need to finalise the partnership on the government energy saving programme and provide report to the Cluster in the next quarter.</li> </ul>	<ul style="list-style-type: none"> <li>• Smart meter pilot project in buildings, municipalities ongoing</li> <li>• DOE, DEA and DPW to finalise the partnership on the government energy saving programme and provide report to the Cluster in the next quarter.</li> <li>• RFI for demand side options issued and expedited procurement process being developed</li> <li>• 0.8 Terra watt hours (0,5%) of savings have been independently verified to date.</li> </ul>	<ul style="list-style-type: none"> <li>• Smart meter pilot project in buildings, municipalities ongoing. DoE and DCS have entered into an MOU regarding Energy Efficiency improvements in correctional facilities</li> </ul>

# Three year performance comparison

OUTCOME 6 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Commission at least 7000 MW of renewable energy by 2020	500 MW by 2019.	<ul style="list-style-type: none"> <li>Window 4 of the REIPP programme successful bidders have been announced by the Minister of Energy</li> <li>The construction of the 100 MW Sere Wind Farm is on track for full commissioning by end of March 2015. All 46 turbines have been installed.</li> <li>As at 20 January 2015 a total of 1 521,62 MW of energy from IPPS was connected to the national grid – 1 182,62 (from BW1) and 339 MWs (from BW2). This from a total of 4 122 MW procured in BWs 1, 2 and 3.</li> <li>BW 5 planned get RFP Feb 2015, Bid Submission by August 2015, and to reach Financial Close by August 2016</li> </ul>	<ul style="list-style-type: none"> <li>All projects in the current build programme in the Construction phase. Medupi unit 6 is already delivering 800MW and is has been handed over for commercial operatio</li> <li>The synchronisation of Kusile Unit 1 is planned for Q1 2017/18</li> <li>Ingula unit 3 and 4 are expected to be synchronised by end of 2015/16 financial year and commissioned for the next FY.</li> </ul>	<p>Evaluation of the Expedited Renewable Energy Bid Window completed. Eskom has committed in principle to sign the remaining procured windows.</p>



# OUTCOME 6: PERFORMANCE ASSESSMENT

- Progress has been very slow between 2014 and early 2016 but has improved from 3<sup>rd</sup> quarter of 2016 /17.
- The MTSF targets in most indicators where progress has been shown was expected to be delivered between 2014 and 2016. It has however been noted in some indicators that the MTSF target will be achieved.
- No progress report has been provided on the following MTSF indicators. These include:
  - Taking a decision on expanding oil refining capacity;
  - Develop a funding mechanism for upgrading of existing refineries to ensure they meet new fuel-quality standards;
  - Improve governmental support for combating illegal use of electricity.
- Progress should however be noted on energy generation:
  - Eskom continues to implement a maintenance strategy to improve plant availability and accelerate delivery of additional generating capacity.
  - Eskom has on the 31 March 2017, raised R57.4 billion, and R32.0 billion for 2016/17 and 2017/18 financial years respectively.
  - The Renewable Independent Power Producer Programme (REIPP) has unlocked R201 bn with 6 244 MW Renewable Energy procured and now supplying 3 175MW to the Grid.



# OUTCOME 6: CONCLUSIONS AND RECOMMENDATIONS

- It is recommended that DoE produce a recovery plan with clear time frames for those indicators where target dates have already passed.
- On areas where DoE has never reported on progress; or indicators where targets need to be reviewed, the department will be required to refine and align their targets towards meeting the objectives of the MTSF 2014-2019.

# Outcome 10 Performance Assessment



# Analysing Performance Report on the Programme of Action

- Focuses on the 2014 – 2019 MTSF period and progress to date
- Reflects all the outcomes, sub-outcomes, key actions, indicators and targets – as articulated in the MTSF – and not the whole of Department of Energy's work
- Draws from PoA 2014/15 , 2015/16, 2016/17 and 2017/18 (1st quarter) progress reports



## MTSF Priorities under Outcome 10

Action	Indicator	MTSF 2019 target	Progress Analysis (2014/15- 2017/18 1 <sup>st</sup> Quarter)	Comments
Strategic Policy/ Regulatory frameworks and programmes to promote a low carbon economy	Percentage of new build that is renewable power generation	42% (or 17 800 MW) by 2030 for renewable energy	No progress report to date	Work done is reported at working Group 10 level
Expand use of renewable energy through off-grid electrification	Number of solar home systems (PV) installed	105 000	59 922	Progress made is at 57% of the set target

## MTSF Priorities under Outcome 10...continued

Action	Indicator	MTSF 2019 target	Progress Analysis (2014/15-2017/18 1 <sup>st</sup> Quarter)	Comments
Impact Indicators	Percentage of energy efficiency improvement	12% by 2015	23.7% energy efficiency improvement achieved	Target exceeded
	Annual Energy Balances tables for SA published in accordance with International Energy Agency Guidelines (with two year lag)	5	Energy Balance Tables 2014 published in 2017	Progress is slow, there is back log for 2015, and 2016 table yet to be published

# Three year performance comparison

OUTCOME 10 INDICATOR	MTSF TARGET	YEAR 1 (2014/15)	YEAR 2 2015/16	YEAR 3 2016/17
Percentage of new build that is renewable power generation	42% (or 17 800 MW) by 2030 for renewable energy	Work done is reported at working Group 10 level	Work done is reported at working Group 10 level	Work done is reported at working Group 10 level
Number of solar home systems (PV) installed	105 000	14030	25070	20 822
Percentage of energy efficiency improvement	12% by 2015	No commitment	23.7% Target exceeded	No commitments
Annual Energy Balances tables for SA published in accordance with International Energy Agency Guidelines (with two year lag)	5	0	0	1



# Performance Assessment

- Although DoE had made commitments on the percentage of new build that is renewable power generation (42% by 2030) in the Outcome 10 delivery agreements, progress reports are still lacking at outcome level
- However, progress on the number of megawatts transmitted to the grid (100 MW per year) as committed in the DoE Strategic plan is reported at Working Group 10 level (IGCCC Climate Change)
- DOE has exceeded its target of 12% by 11.7% on percentage of energy efficiency improvement in 2015/16 FY, new commitments/ upscaling of targets for the remainder of the MTSF is required
- Significant progress has been made by DoE in the installation of solar home systems (PVC). To date the department is sitting at 59 922 (57%) against a target of 105 000 by 2019
- Progress on publishing energy balances is lagging behind, the department has so far published 2014 energy balances tables. This has impacted on the timeous publications of subsequent energy balances as the backlog has been created.

## Participation in the Outcome 10 Implementation Forums

- Although progress reports are submitted on a quarterly basis, there is still poor attendance in these forums.

# Conclusions and Recommendations

- DoE should expedite their process of reporting percentage of new build that is renewable power generation in order to promote the transition to a lower carbon economy
- Whilst DoE is working on their strategy review, projected target for energy efficiency improvement for the remainder of MTSF should be provided
- Participation in the Outcome 10 Implementation Forums is crucial for the coordination and collaboration of the sector's efforts and work towards achieving the vision of the NDP on ensuring environmental sustainability.



# Annual Performance Plan

# Background and Overview

- Departments are required to submit 1st and 2nd draft APP's to DPME every year by 31st Aug and 30 November, respectively.
- DPME provides recommendations to departments on both drafts for the improvement of plans.
- The assessment covers the following areas:
  - Alignment to the MTSF
  - Alignment to the Budget (provided by National Treasury)
  - Technical Compliance to Planning Principles (Framework for Strategic and Annual Performance Plans and Framework for Managing Performance Information), including measurability of plans and alignment to the core functions of the department



# Feedback on DoE APP: 2018/19 (1)

- The main areas highlighted as areas of improvement in the assessment report are:

## *Level of APP outputs*

- It was noted that the department planned to produce a number of reports in some programmes.
- The department has been advised to consider whether the production of these reports are operational activities which could be reflected in the department's operational plan.
- The APP should reflect the high level outputs that are aligned to the department's mandate.



# Feedback on DoE APP: 2018/19 (2)

## Performance indicators are not well formulated

- It was noted that the department's plan includes performance indicators that are not well formulated.
- Some of the indicators are crafted as statements and are not measurable, for example: "Contracts for coal, cogeneration and gas IPPs for additional power capacity as per IRP"
- Some are measuring multiple variables, for example: "Number of energy savings realised and verified from EEDSM projects" This will result in distorted reporting.
- Performance indicators should be well formulated to reflect the contribution to the intended outcomes and outputs to be achieved.
- Indicators that are not well formulated may result in a disjuncture between the strategic intent reflected in the Strategic Plan and the indicators reflected in the APP.

# Feedback on DoE APP: 2018/19 (3)

## Absence of targets over the MTEF

- It was noted that the actual performance information and the targets over the MTEF have not been reflected over the 7 year planning horizon, that is, the audited performance for the past 3 years, the estimated performance for 2017/18 and targets for the two outer years of the MTEF.

## No Technical Indicator Descriptions (TIDs):

- The department did not include the TID's in the APP. The department was advised to ensure TID's are compiled as they provide clarity and purpose of indicators reflected in the APP.
- In addition, TID's enable monitoring of progress on the achievement of targets, and to identify relevant data collection systems that are necessary for monitoring and reporting.

# Thank you



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Department:  
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