

Recommendations of the various PC on Energy oversight visit and study tour reports

1. BRRR 2010

- That the Department of Energy should closely monitor its expenses and carefully implement cost containment measures to avoid over spending on the allocated budget for Programme 1.
- That Committee on Appropriations should look at ways to align reporting cycles and engage with Department of Cooperative Governance and Traditional Affairs to align and synchronise national, provincial and local spheres of government planning, budgeting and implementation of programmes. This systemic governance issue is impeding planning and implementation of programmes and should be seriously looked at and joint committee meeting between Portfolio Committee on Cooperative Government and Traditional Affairs and Portfolio Committee on Energy need to be convened to examine this matter.
- That the business model of implementing INEP and Solar Water Heaters by municipalities should be revisited and redesigned in order to transfers of funds to implement such programmes should be based on the assessment of municipalities' technical capacity. Furthermore, the Department should report to the Portfolio Committee on Energy on a business model to improve the current situation with clearly defined timeframes.
- That unfunded Departmental activities to the amount of R203 million should be funded by National Treasury because commitments have already been made by Government i.e. World Cup Guarantees, Clean Energy Operations, International affiliations, accommodation, establishment of SANEDI and electrification internship programme and the Department has also made commitments. However, the Department must take cognisance and address under-spending that was experienced in the 2009/10 financial year.
- That Transnet should undertake the impact assessment of the delay on the Multi Purpose Pipeline project and report this to the Department within 30 days after the adoption of this report by the House. The Department should, in turn, report on this issue to the Portfolio Committee on Energy 15 days after the receipt of the said report from Transnet.
- That National Treasury should consider allocating additional resources to the Department of Energy for the Clean Energy Programme of the Department in order to implement renewable energy projects. Furthermore, the Department of Energy should report to the Portfolio Committee on Energy on the recruitment processes for the Clean Energy Programme. The latter report should be submitted to the Portfolio Committee on Energy every quarter for three coming years.

- That the Department of Energy should report to the Committee on the progress made on SWHs roll out on a monthly basis for a period of three months after the adoption of this report by the House.
- That the Department of Energy should consider the establishment of a designated Monitoring and Evaluation Unit that will oversee the State-Owned Enterprises reporting to the department.
- That the Department of Energy should strengthen its oversight mechanisms over its State-Owned Enterprises in order to determine if they are fulfilling their strategic mandates and identify operational inefficiencies. The department should also consider establishing a special directorate that would oversee the SoEs.
- That the Department of Energy should focus more on hydrocarbons and clean energy sources in the Country.
- That the campaign around changing consumer behaviour on usage of energy (energy saving lifestyle), one of the objectives of the Department of Energy, should be reflected on the Department's revised strategic plans since the Portfolio Committee on Energy supports the Department's intentions to educate the public on the need to save energy.

2. Koeberg Power Station, Darling Wind Energy Farm

- Need to target public representatives in terms of raising awareness as these public representatives would in turn communicate with people on the ground.
- The Committee would engage the department in order to ensure that something is done to avail more funds that would be dedicated towards public education around nuclear programmes in the country.

3. Atlantis visit

- For a project of this magnitude to succeed, it is critical for the Department of Human Settlements to play a pivotal role in collaboration with the Department of Energy.
- A pilot project of this nature could be replicated to the rest of the country if its implementation becomes a success.
- The concerns raised by Muntu Industries representatives were noted. However, the Committee requested a more detailed report spelling out the challenges faced in order for the committee to intervene.
- A joint briefing with other relevant Committees such as Human Settlements and Water and Environmental Affairs needed to be called to share information about the Witsand project, and how they could participate in ensuring that some of the challenges raised could be addressed.
- Joint sessions and oversight with committees that can play a pivotal role should be strongly considered. The spirit of cooperative governance should prevail for this to be a success.
- More publicity should be given to the Witsand project. This is a project that had already received recognition from major institutions such as the Eskom eta Award 2009 runner up.
- There is a need to strengthen, promote and encourage private public partnerships (PPPs) in communities such as Atlantis.

4. CEF visit

PetroSA

- The committee recommended that PetroSA should do more in terms of training and providing opportunities for work to local citizens.
- The committee ended by committing to seek a legal opinion regarding the status of a regulator and a player under one roof (CEF).
- Committee to look into whether SFF could receive funding from the state
- Committee would engage the department of energy to determine why the strategic stock kept by SFF for security during crisis was only meant to cover the country for 21 days.
- Committee to set aside time to visit the Saldanha Bay facilities where the country's strategic stock was being kept by SFF
- PetroSA was urged to do more in terms of increasing numbers of employees who go through the centre of excellency.

CEF

- Procurement details were missing or not addressed to the satisfaction of the Committee. This was the case with a number of CEF affiliates which made presentations.
- The Committee expressed disappointment with the CEF's Chief Executive Officers conduct during the entire oversight visit. It was felt that the CEO acted untowardly by choosing not to be a part of the CEF officials without giving reasons for his absence.
- Staff turnover levels seemed to be alarmingly high. Committee concerned about a number of managers in acting capacity and whether that did not affect efficiency.
- Concern raised over a large number of projects that were terminated after investing substantial amount of resources. CEF requested to clarify its strategy regarding its taking of decisions to embark on projects and how they conduct their feasibility studies.
- The Committee was concerned about the delays in obtaining the section 54 approval. An explanation would be needed as to why obtaining the approval from the national treasury was difficult.
- The information shared concerning the Darling wind power project was far from convincing. A detailed report on the community trust was needed, with reasons for the delays and lack of communications.
- The Committee was concerned about where CEF will get the €30 million investment. An explanation was sought as to how CEF decides to get involved in certain investment, some which are very risky and costly.

5. Budget Vote 29 Recommendations

Having considered the strategic plan of the Department of Energy and budget vote 29, the Portfolio Committee on Energy recommends the following:

- That energy efficiency projects should gain much needed momentum and should be clearly visible in the programmes of the Department.
- That the Department should aggressively promote energy saving initiatives, including the review of the current institutional arrangements to accommodate that need. Currently this is an effort which only falls under ESKOM.
- That the amendments to the Petroleum Products Act (PPA) need to be fast tracked because during the Liquid Fuels Charter's public hearings the PPA was found to have been impeding the transformation of Historically Disadvantaged Individuals (HDIs).
- That the Department considers the release the reviewed white paper on renewable energy for comments.
- That the Department should urgently address challenges in the electricity distribution, rehabilitation and maintenance of the electricity infrastructure.
- That rationalisation of electricity supply and distribution, including the role of Eskom and municipalities should be given serious consideration by the Department.
- That South Africa's target of achieving at least 10 000 GWh power produced from renewable by 2013 should be prioritised by the Department.

6. France study tour

- Clean electricity from renewables, that is, solar, wind, biomass and geothermal power, deserves strong support. Government should consider investing heavily in these forms of energy in the long run in order to embrace viable energy mix.
- Today, governments around the world are embracing nuclear power as fundamental to their strategies of national energy security and global environmental responsibility.

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