

BRIEFING NOTES FOR CHAIRS PANELLISTS AND SPEAKERS
ENERGY SUMMIT: 25-27 SEPTEMBER 2007

Introduction:

The Department of Minerals and Energy is guided, in all its actions, by the White Paper on Energy Policy of December 1998. This all important guiding document was drafted almost 10 years ago and since then there has been major changes to the South African economy as well as that of the globe. One of the major aims of the Energy Summit is to allow stakeholders to assist with the review of the Energy White Paper.

The White Paper was developed in 1998 based on a number of assumptions, some of which might no longer be valid now, and principles, some of which have changed. In considering the approach to the Summit, each speaker therefore needs to consider the following questions for each of the policy statements:

- Is the current policy approach delivering on the objectives of the country?
- What were the principles and assumptions underpinning that policy position?
- Are those principles and assumptions still valid or relevant to the South African and global environment?
- If the policy was implemented, what were the challenges faced during its implementation?
- If one considers the changes in the local and global socio-economic environment, what are the changes that should be made to the policy to make it relevant to South Africa?
- What are the assumptions that are underpinning that policy proposal?

As it would have been clear to those familiar with the policy paper, it is not all White Paper policy positions that are up for discussion at the Summit. The focus of the Summit programme is on those policy positions that have either not been implemented or from which there has been a deviation or have had major challenges. The following table seeks to define the issues that are up for discussion under each topic:

SESSION	FURTHER EXPLANATION
Energy modelling and planning approaches	The EWP (Energy White Paper), in paragraphs 8.1 & 8.3, is clear on what was expected on this but the implementation faced a number of difficulties. The aim of this section is to deliberate on the best approach in this regard, taking into account other countries' experiences. Other state entities do also plan and the idea is to discuss how modelling and planning could be integrated in order that all energy plans in the country talk to each other. In preparing for this session, the Energy Masterplan document posted on DME website should be considered.
Energy pricing for development and eradication of poverty	The key question raised in this session is how does one achieve the best energy prices that promote development? This will include the discussion on principles for pricing for all energy carriers. The session will answer the question of whether as an economy, does one tax or even maximise returns at this primary level or should energy be made as cheap as possible to stimulate growth in downstream sectors, wherein you maximise return
Improving governance of the energy sector	This session deals with a difficult question of definition of regulatory independence. The session will seek to answer the question of which aspects fall under policy and which under implementation. The link between regulatory independence, regulatory discretion and regulatory certainty demanded by investors will be discussed.
Promotion of access to basic energy services for poor households	This session includes discussions on the Integrated National Electrification Programme, universal access, Free Basic Energy, LPG prices, liquid fuels prices, etc. The discussion will be premised on the proposed household energy policy and strategy. Safety and standards should also be included here. The discussion will expanded to included issues on off-grid solutions, thermal solutions, role of gas, etc.
Energy Efficiency and Demand Side Management (EEDSM) to enhance Energy Security	The energy security framework recognises the need for optimal use of energy carriers both as a climate change mitigation tool as well as a tool to ensure continued and sustainable supply of affordable energy. The framework also recognises the appropriate choice of energy carriers for applications and a greater understanding of different sectoral demand patterns are fundamental in achieving our set targets. How can EEDSM enhance security –what measures, how to fund the interventions, regulatory adjustments, technology opportunities, targets relating to low hanging fruits.
Competition in energy markets is the best approach to deliver energy services.	In this session the deregulation of the liquid fuels industry and the energy sector in general will be discussed. The key question that needs to be answered in this regard is whether competition will deliver best prices for the consumers.
The role of state in the energy sector – should the state participate in the energy sector.	The EWP envisages limited state participation in the energy sector but the question is whether in the light of global focus on energy security, this approach is still relevant. This

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	session will include discussions on infrastructure development and energy minerals production.
Renewable Energy framework in RSA	The role that has to be played by renewable energies in energy security will need to be explored fully, identifying the areas that South Africa should focus on, the costs and benefits of such accommodation. Different approaches (costs and benefits associated with each approach) of ensuring such accommodation will be discussed. If adopted at that time, the biofuels strategy will be discussed.
EDI restructuring for security of supply and sustainable development for sustainable and shared economic growth.	Discussion in this session will be guided by the published Cabinet decisions on the topic but with the key focus being on security of electricity supply. Ensuring reliability of supply in the EDI, its role in economic growth and contribution to sustainable development.
Ensuring security of supply	This session will focus on a number of securities of supply policy positions including reserve margin policy ¹ , local production with indigenous or imported material and import and export policies. The role of synfuels in security of supply, promotion of the local uranium industry, strategic stocks policy, promotion of coastal (crude refining) versus inland refining will also be explored.
Climate change mitigation strategies – which are the ones applicable to South Africa?	It is clear that from energy security and sustainable development point of view, it is important that South Africa develops or adopts appropriate climate change mitigation strategies, but the question is which ones are appropriate? The panellists will explore different approaches including energy efficiency, Clean Development Mechanism (CDM), monitoring and evaluation and renewable energy promotion. Each proposed approach will be discussed and costs and benefits associated therewith discussed.
Investment in new electricity generation, the role played by independent power producers (IPPs) and market structure.	The role of IPPs (including renewable IPPs) to be considered. The session will also discuss appropriate market structures to deliver on South African Industrial strategy and ASGISA ambitions.
Uranium mining and beneficiation: A contribution to energy security. The coal energy industry remaining deregulated? How do we treat energy minerals?	This session is about security of supply of feedstock for energy carrier production on a sustainable basis, at affordable prices.
Cost reflective tariff setting approaches	In this session, appropriate tariff approaches will be discussed. The issue of funding municipal services through taxing energy as well as developmental prices will be discussed.
Safety regulation and safeguards implementation: Indispensable in Nuclear Power Generation	As per title.
Coordination of electrification programme and the role of non-grid solutions in the quest for universal access	Understanding the role played by different energy carriers, including that of non-grid solutions, is important in energy

¹ In the case of liquid fuels, reserve margin means stock holding.

	security. Non-grid solutions should never just be seen as interim measures. Community experiences will be shared in a bid to formulate longer lasting approaches.
Use of regulatory accounts and open access regulatory system.	This session aims to identify appropriate regulatory principles to govern networked industries (i.e. transmission lines, petroleum pipelines, gas pipelines, etc). The session will seek answers to applicability of common carrier versus open access principles. The session will answer the question where contract pipelines are appropriate and address the question of access in such cases. The session will investigate different regulatory approaches (including tariff setting frameworks) discussing their applicability and their advantages and disadvantages.
Empowerment of Historically disadvantaged South Africans in the liquid fuels industry	Discussions in this regard will include developmental pricing frameworks, job creation and supplier development.
Energy import and export policy – global and regional cooperation in energy supply and demand.	Eskom's reserve margin – is it good enough, must government intervene? Must there be a special dispensation for SADC countries – do we treat them the same as the rest of the world?
Appropriate regulatory framework to facilitate entry of piped gas into the market	What is hampering gas markets? Is the Gas Act too stringent for a developing gas industry? What would be the appropriate policy framework to nurture this emerging energy sector?

TIMEFRAMES AND PROCEDURE

- The chair of each session will keep time and ensure that discussions stay focussed on the issues at hand.
- He/she will allow the DME representative on the panel to speak first for not longer than 15 minutes. A summary of the position paper will be presented.
- Each panel member will then be allowed 10 minutes to present their view.
- General discussions from the floor will then follow.

RAPPORTEURS

- A DME rapporteur will be appointed for each session who will take notes of the discussions, decisions and proposed way forward.
- The chair and rapporteur must agree on the notes to be provided to the secretariat as outcome of the session.
- It should also include areas where consensus was not reached.

SECRETARIAT

While sessions are ongoing the secretariat will type up all notes from rapporteurs in order for the final Summit declaration to be prepared from that. All outcomes of the different sessions will be emailed to all attendees of the Summit directly after the Summit.