



NOTICE TO ENERGY AND CLIMATE CHANGE PORTFOLIO COMMITTEE

1. **ITEM NUMBER: ECC 04/06/20**

2. **SUBJECT / ONDERWERP / ISIHLOKO**

CONFIRMATION OF MINUTES: 2 MARCH 2020

BEKRAGTIGING VAN NOTULE: 2 MAART 2020

UKUQINISEKISWA KWEMIZUZU: 2 EYOKWINDLA 2020

3. **PURPOSE**

The minutes are submitted for consideration and confirmation

ANNEXURE: MINUTES OF THE ENERGY AND CLIMATE CHANGE PORTFOLIO COMMITTEE MEETING HELD 2 MARCH 2020.

8 MINUTES

OF THE MEETING OF THE ENERGY AND CLIMATE CHANGE PORTFOLIO COMMITTEE HELD IN COMMITTEE ROOM D, 5TH FLOOR PODIUM BLOCK, CIVIC CENTRE, CAPE TOWN, ON 2 MARCH 2020 AT 11:00

PRESENT: COMMITTEE MEMBERS

DEMOCRATIC ALLIANCE (DA)

Cllr Z Sulelo (Chairperson)
Cllr G Peck (Deputy Chairperson)
Cllr C Fry
Cllr G Gordon
Cllr M Kleinschmidt
Cllr R Mare
Cllr J Middleton
Cllr C Bew

AFRICAN NATIONAL CONGRESS (ANC)

Cllr L Gungxe
Cllr L Nyingwa
Cllr X Peter

CONGRESS OF THE PEOPLE (COPE)

Cllr M Cassim

COUNCILLORS ABSENT WITH APOLOGY:

Cllr F Nkuzana

COUNCILLORS ABSENT WITHOUT APOLOGY:

None

VISITING COUNCILLORS:

Cllr P Maxiti (Mayco Member)
Cllr E Jansen

OFFICIALS:

K Nassiep	Executive Director: Energy & Climate Change
L Mahomed Weideman	Director: Sustainable Energy Markets
L Rencontre	Director: Electricity Generation and Distribution
H Essop	Manager: Electricity Retail Management
D Leeuwendaal	Manager: Finance & Commercial (Eng)

M Page	Electricity Generation and Distribution
S Mosdell	Support Services (WWS)
J Esterhuizen	Electricity Generation and Distribution
M Van Der Westhuizen	Electricity Generation and Distribution

EXECUTIVE COMMITTEE SERVICES:

A Kline

LEGAL SERVICES:

T Gwadiso

INTERPRETER:

S Gxilishe

PRESS:

M Charles (Cape Argus)

PUBLIC:

None

ECC 01/03/20 OPENING

The Chairperson, Cllr Sulelo, welcomed all those present at the meeting and a moment of silence was observed.

ECC 02/03/20 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that the following application for leave of absence was received for this meeting.

- Cllr F Nkunzana

RESOLVED that the application for leave of absence received for this meeting be noted.

ACTION: A KLINE

ECC 03/03/20 CHAIRPERSON'S REPORT

The Chairperson's report is attached to the official minutes of the meeting as Annexure A.

Cllr Cassim requested that the Energy and Climate Change Portfolio Committee recommend to the Executive Mayor to write to the Minister of Energy, Mr Gwede Mantashe, to inform him that the President and the Finance Minister had stated that soon Municipalities, in good standing, would be able to go-ahead with purchasing electricity from Independent Power Producers (IPPs) and should the Minister of Energy accelerate this, the City of Cape Town would be in a position to withdraw the court case but if not accelerated the City could go to court having exhausted all avenues.

RESOLVED that the Chairperson's report be noted.

ACTION: A KLINE; CLLR SULELO

ECC 04/03/20 CONFIRMATION OF MINUTES: 3 FEBRUARY 2020

RESOLVED that the minutes of the ordinary meeting of the Energy and Climate Change Portfolio Committee held on 3 February 2020, be approved, subject to the following amendments:

- a) Cllr C Bew to be included as absent with apology
- b) It was noted that Cllr Cassim had incorrectly stated that there is a stadium in Taiwan which has 4770 panels which are generating electricity for the stadium, Cllr Cassim informed the committee that the correct amount of panels is 8844 panels.

ACTION: A KLINE

ECC 05/03/20 PROGRESS REPORT: MATTERS RECEIVING ATTENTION**1. DRAFT TRANSPORTATION POLICY**

RESOLVED that the Chairperson, Cllr Sulelo would request that a relevant representative from Corporate Services attend the next Energy and Climate Change Portfolio Committee meeting scheduled for 6 April 2020 to provide feedback on the progress of the Draft Transport policy for staff in order for the committee to provide input to this policy and proposals for alternative transport.

ACTION: CLLR SULELO; K NASSIEP

2. INTRODUCTION OF ENERGY AND CLIMATE CHANGE DIRECTORATE TO SUBCOUNCILS

RESOLVED that the implementation and feedback of the Energy and Climate Change presentation programme be submitted to the Energy and Climate Change Portfolio Committee meeting on a quarterly basis for information.

ACTION: K NASSIEP

3. PITFALLS THAT HAVE STEMMED FROM SUPPLY CHAIN MANAGEMENT IN TERMS OF THE UNDER EXPENDITURE OF CAPITAL EXPENDITURE

It was noted that a report with regards to this MRA item was on the agenda, item ECC 11/03/20.

RESOLVED that the item be removed from the Matters Receiving Attention progress report.

ACTION: A KLINE; K NASSIEP; K JACOBY

4. COCT PUBLIC LIGHTING PROJECT LISTING – MAJOR PROJECTS (2018-2019 & AHEAD)

LIGHTING IN KHAYELITSHA

RESOLVED that a progress report on the implementation of the plan for the provision of streetlights in all areas in the City of Cape Town, which will include Khayelitsha, be submitted to the Energy and Climate Change Portfolio Committee on a quarterly basis.

ACTION: E CAPES; K NASSIEP

5. CLIMATE CHANGE POLICY PRINCIPLES: PRINCIPLE 7

RESOLVED that a joint workshop with the Spatial Planning and Environment, Corporate Services and the Energy and Climate Change Portfolio Committees be held with regards to the Climate Change Policy Review in order for the committees to provide input.

ACTION: A KLINE; A DAVISON

6. CLIMATE ACTION PLAN UPDATE – MITIGATION

RESOLVED that:

- a) the Climate Action Plan Update – Mitigation remain on the Matters Receiving Attention.
- b) a feedback report be provided to the Portfolio Committee on a quarterly basis regarding the outcome of the planned events.

ACTION: M HAW; K NASSIEP

ECC 06/03/20 ENERGY - PROJECT REVIEW

Mr Leeuwendaal gave a presentation on the Energy - Project Review and questions of clarity by the Committee members were addressed.

RESOLVED that the presentation on the Energy - Project Review, be noted.

ACTION: D LEEUWENDAAL; K NASSIEP

ECC 07/03/20 MOTION OF ELECTRIFICATION OF NPOs, NGOs AND CHURCHES THAT RENDER SERVICES IN THE INFORMAL SETTLEMENT COMMUNITY BY COUNCILLOR ELTON ENRIQUE JANSEN

Cllr Jansen spoke to the Motion and proposed the review of the electrification policy to include non-profit organisations (NPOs), non-governmental organisations (NGOs) and Churches who render vital services in informal settlements.

It was noted that the motion was unanimously supported.

Dr Rencontre indicated that the load profile differs for residential properties and for commercial connections. Churches and crèches are seen as commercial connections and have a different impact on the network. Dr Rencontre further stated that the grant funding from National Government was only provided for residential properties and therefore with the proposed review of the electrification policy a source of income to facilitate the electrification of churches and NGOs should be identified.

RESOLVED that:

- a) the Motion submitted by Councillor Elton Jansen relating to the proposed review of the electrification policy to include non-profit organisations (NPOs), non-governmental organisations (NGOs) and Churches who render vital services in informal settlements, be supported.
- b) the motion be submitted to the Strategic Policy Unit, to initiate the review of the electrification policy.

ACTION: A KLINE; K NASSIEP; H COLE; D SULLIVAN

ECC 08/03/20

ENERGY AND CLIMATE CHANGE: 2019/20 SECOND QUARTER'S PROGRESS REPORT ON THE DIRECTORATE AND DEPARTMENTS' PERFORMANCE

Dr Rencontre and Mr Nassiep spoke to the item on the agenda and questions of clarity by the Committee members were addressed.

Cllr Peck referred to page 41 of the agenda and suggested that the heading "Number of unemployed apprentices" should be changed to "Number of apprentices".

Cllr Peter referred to page 42 of the agenda, heading CAIDI (Customer Average Interruption Duration Index) and enquired regarding the progress of the remedial action pertaining to high incidents of theft and vandalism on overhead lines and substations. Mr Nassiep responded that the Energy and Climate Change Directorate was pursuing the option of introducing a dedicated team of law enforcement officials to accompany the Directorate's staff and contractors when dealing with illegal connections and theft.

Cllr Peter further indicated that there is no remedial action indicated in the report with regards to achieving the percentage adherence to the Employment Equity (EE) target in management level 1 - 3. Mr Nassiep responded that the Directorate does meet the EE target but there is a challenge with regards to management level 1 – 3. Mr Nassiep further stated that there have been staff identified for succession planning for the existing level 3 managers which could in due course adjust the discrepancies with regards to Employment Equity.

Cllr Gungxe referred to page 41 of the agenda, heading “Number of additional High Mast Lights installed”, and enquired as to the reason for the delays in the appointment EPWP labour. Mr Nassiep responded that the EPWP labour is sourced from the database at Subcouncils but community involvement could cause delays with project implementation if community members are not in agreement with the list of labour that was sourced.

Cllr Gungxe referred to page 43 of the agenda, heading “Percentage spend on repairs and maintenance”, and enquired as to the reason for the underspend due to the reduced fleet maintenance requirements. Mr Nassiep responded that the Directorate’s asset management programme has been successful with the rollout of the Cities’ Infrastructure Delivery and Management System (CIDMS) which has resulted in better utilisation of assets and a reduction of expenditure for repairs and maintenance. This had also coincided with the replacement of certain vehicles in the fleet with newer vehicles and therefore there is a lower spend on repairs and maintenance.

Cllr Gungxe further referred to page 43 of the agenda, and highlighted that the report indicates that the reason for the variance was due to underspending that occurred due to certain projects not being implemented due to a lack of capacity by contractors. Cllr Gungxe further enquired how contractors are appointed without them having the capacity to implement projects. Mr Nassiep responded that quite a rigorous process is followed to appoint contractors and at the point at which the contractor bids, they have to give the details of the staff that would be utilised on the contract. This was checked through a due diligence process by the City. Some contractors do experience capacity or financial challenges after they are awarded the contract but the Directorate’s contract management staff do track the contractor’s performance. It was noted that the Directorate would compile a list of contractors who had experienced capacity constraints with regards to projects by the Energy and Climate Change Directorate.

RECOMMENDED that the Energy and Climate Change: 2019/20 Second Quarter’s Progress Report on the Directorate and Departments’ Performance, be noted.

**ACTION: A KLINE; G JOSEPHS; K NASSIEP; D LEEUWENDAAL;
L RENCONTRE**

ECC 09/03/20 ELECTRICITY GENERATION AND DISTRIBUTION: PERFORMANCE MONITORING REPORT: JANUARY 2020

Dr Rencontre spoke to the item on the agenda and questions of clarity by the Committee members were addressed.

Cllr Peter referred to pages 54 & 55 of the agenda and indicated that the Directorate should focus more on limiting losses, especially administrative losses, as a result of billing issues. Cllr Peter suggested that where required capacity building for administrative staff with regards to billing and issuing of accounts, be conducted.

Cllr Peck referred to page 63 of the agenda and requested that the Department communicate to residents with regards to the benefits of the installation of pre-paid meters.

RESOLVED that the Energy Generation and Distribution Performance Monitoring Report: January 2020, be noted.

ACTION: D LEEUWENDAAL; L RENCONTRE; K NASSIEP

ECC 10/03/20 ENERGY AND CLIMATE CHANGE DIRECTORATE'S MONTHLY FINANCIAL PROGRESS REPORT (JANUARY 2020)

Mr Nassiep spoke to the item on the agenda and questions of clarity by the Committee members were addressed.

Cllr Fry enquired when the Directorate's communication team would be going out to the customers in the commercial large power category who had not migrated to the new tariff to communicate the benefits of the new tariff as a cheaper option for them. Mr Nassiep responded that a decision had been taken that customers in the commercial large power category would be migrated to the new tariff, and that the bulk of these customers would see a reduction in their bills. The benefits of the new tariff had been communicated to the affected customers. Dr Rencontre further responded that the migration of the customers in the commercial large power category to the new tariff would be implemented by September 2021.

Cllr Cassim proposed that representatives from the Energy and Climate Change Directorate, who would be more technically knowledgeable with regards to the type of scarce skills which are required by the Directorate,

should accompany Corporate Services when engaging with Universities at their career open days. It was noted that the Chairperson, Cllr Sulelo, would engage with Corporate Services with regards to the proposal by Cllr Cassim.

RESOLVED that the Energy and Climate Change Directorate's Monthly Financial Progress Report (January 2020), be noted.

ACTION: D LEEUWENDAAL; L RENCONTRE; K NASSIEP

Note: at this stage the Chairperson, Cllr Sulelo, gave Ms Mahomed Weideman an opportunity to provide feedback with regards to the mitigation and adaption workshop that was held on 4 February 2020.

ECC 11/03/20 PITFALLS THAT HAVE STEMMED FROM THE UNDEREXPENDITURE OF CAPITAL EXPENDITURE: FEBRUARY 2020

Dr Rencontre spoke to the item on the agenda and questions of clarity by the Committee members were addressed.

RESOLVED that the pitfalls which stemmed from the under expenditure of capital expenditure: February 2020 report, be noted.

ACTION: L RENCONTRE; K NASSIEP

THE MEETING CLOSED AT 13:26

CHAIRPERSON : _____

DATE : _____

Good morning and a warm welcome to the officials, councillors and to any visitors we might have this morning. Before we begin we have two special guests with us this morning that after many years of service will be leaving the city. John Esterhuizen will be leaving at the end of this month and Marius van der Westhuisen will have his last day next month. On behalf of this portfolio I would like to thank you for your services and your contribution to this city. Enjoy your retirement but with so much knowledge between the two of you don't be surprised if we come knocking as you leave us under so much uncertainty.

Talking about uncertainty, a lot has happened since our last meeting and the biggest news coming out of SONA with the president's announcement that he would allow municipalities to buy power independently. But of course without any real timelines there is still a lot of confusion about how we will be able to keep the lights on in South Africa and most importantly protect jobs. When Eskom cut off PRASA's power supply just last it showed how vulnerable the whole country is without a stable energy supply. The effects are felt immediately and by a large group of people and you would think that South Africans from all walks of life would be united and demand a clear action plan from the government. When leaders procrastinate it's the commuters that are left stranded and have to pay more for transport.

Talking about transport, I am glad that finally the different departments within the city of Cape Town are coming together to help prepare us for the future. From this directorate's side we can make sure that we spend the allocated budget, fill every vacancy and pay Eskom on time for electricity but that won't be enough. Different stakeholders have to come together and make commitments that will take us forward. This is why I am happy that a workshop between three key departments was held on the 4th of February to look at goals and action plans for each directorate that will respond to Climate Change. Our director Leila will expand on what was achieved and commitments made at the workshop a little later today.

It should also be noted that the city of Cape Town is also looking at other stakeholders in the private sector to deal with climate change. Last week at the Energy, water and waste directorate piloted a workshop with the private sector under the theme "How can business and the city of Cape Town collaborate in transitioning to a green carbon neutral economy?". This was the beginning of many engagements that will hopefully influence individuals and business to have a completely different approach when it comes to doing business going forward.

From the city's side the Climate Change Action Plan is on track and citizens should be able to comment on the draft by June this year as we build up to a launch by the end of the year. To build up to that the directorate will be going to all subcouncils to introduce the action plan and also get the necessary feedback needed to produce a document that will speak to all residents.

I am also happy to report that that councillor Peck and Cassiem's motion on planting 100 000 spekboom trees is getting the attention it needs. The departments that will be on a joint venture to help execute the motion are meeting this morning

to plan a way forward and I am hoping that by the next portfolio meeting we will all be getting ready to go out there and plant some trees. When that happens, it will be a true reflection of the power that lies with individuals to help influence the change we want to see for the future. This does not always require big budgets or big policy shifts. It starts with an idea and pure determination and I hope that by the end of this year each and everyone one of us will have individual achievements to celebrate and also so much more achieved as a portfolio. I believe we have everything we need around this room and if we work together not even Eskom can stop us. I thank you.