



REPORT TO MAYCO

1 JUNE 2020

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1 ITEM NUMBER: MC 37/06/20

2 DIRECTORATE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2020/2021

UKUZALISEKISWA KWESICWANGCISO SOHLAHLO-LWABIWO-MALI LWANGO-2020/2021 NOKUHANJISWA KWEENKONZO KWICANDELO LOLAWULO

DIREKTORAAT SE DIENSLEWERING-EN-BEGROTINGSIMPLEMENTERINGSPLAN (SDBIP) VIR 2020/2021

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3 RECOMMENDATION FROM THE ENERGY AND CLIMATE CHANGE PORTFOLIO COMMITTEE: 1 JUNE 2020 (ITEM ECC 17/06/20)

**RECOMMENDED** that the Energy and Climate Change Directorate's Service Delivery and Budget Implementation Plan (SDBIP) for 2020/2021, be approved.

**AANBEVEEL** dat die direkoraat energie en klimaatsverandering se dienslewerings-en begrotingsimplementeringsplan (SDBIP) vir 2020/2021 goedgekeur word.

**KUNDULULWE** ukuba makuphunyezwe ukumiselwa kweZicwangciso zeCandelo loLawulo lezaMandla oMbane nokuTshintsha kweMozulu ezingokuNikezelo lweNkonzo nokuZalisekiswa koHlahlo-lwabiwo-mali (SDBIPs) zowama-2020/21.

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**REPORT TO: ENERGY AND CLIMATE CHANGE**

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**1. ITEM NUMBER : ECC 17/06/20**

**SUBJECT**

**DIRECTORATE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN  
(SDBIP) FOR 2020/2021**

**ISIHLOKO**

**UKUZALISEKISWA KWESICWANGCISO SOHLAHLO-LWABIWO-MALI  
LWANGO-2020/2021 NOKUHANJISWA KWEENKONZO KWICANDELO  
LOLAWULO**

**ONDERWERP**

**DIREKTORAAT SE DIENSLEWERING-EN-  
BEGROTINGSIMPLEMENTERINGSPLAN (SDBIP) VIR 2020/2021**

**3. DELEGATED AUTHORITY**

In terms of delegation (2019-08-22), PART 7-Delegation 1 (4):

This report is FOR DECISION AND FOR NOTING BY

- Committee name** : Energy and Climate Change
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

In terms of the System of Delegations (2019-08-22), PART 7-Delegation 1 (4): To review and recommend business plans and SDBIPs to the Executive Mayor together with the Mayoral Committee.

#### 4. DISCUSSION

The purpose of this report is to submit the directorate SDBIP for 2020/2021 to the Portfolio Committee for their review and recommendation to the Executive Mayor together with the Mayoral Committee.

Section 69 (3) (a) of Act No. 56 of 2003: Local Government: Municipal Finance Management Act (MFMA) requires that the City Manager submit the draft Service Delivery and Budget Implementation Plan to the Executive Mayor no later than 14 days after the approval of the annual budget. In terms of Section 53 (c) (ii) the final document has to be approved by the Executive Mayor 28 days after the approval of the budget at Council.

The Budget is scheduled to be approved in Council on the 27 May 2020.

All financial information can thus only be added to the documents after the budget is approved in Council on the 27 May 2020. Documents will be signed by the relevant Officials at this time.

Financial Implications       None  Opex       Capex  
     Capex: New Projects  
     Capex: Existing projects requiring additional funding  
     Capex: Existing projects with no additional funding requirements

Policy and Strategy       Yes  No

Legislative Vetting       Yes  No

Legal Compliance     

Staff Implications       Yes  No

Risk Implications       Yes  No

## 5. RECOMMENDATIONS

Delegated: for decision by the Portfolio Committee:

It is recommended that the Portfolio Committee review and recommend the contents of the Directorate SDBIP for 2020/2021 to the Executive Mayor together with the Mayoral Committee.

### ISINDULULO

Zigunyazisiwe: Isigqibo seseKomiti ejongene neMicimbi yeSebe:

Kundululwe ukuba iKomiti yeSebe mayiphengulule kwaye yenze isindululo malunga neziqulatho ze-SDBIP zeCandelo loLawulo zonyaka ka-2020/2021 kuSodolophu weSigqeba ekunye neKomiti yeSigqeba sikaSolophu.

### AANBEVELINGS

Gedelegeer: vir besluitneming deur die portefeuljekomitee:

Daar word aanbeveel dat die portefeuljekomitee die inhoud van die direktoraat en departemente se SDBIP vir 2020/2021 hersien en by die uitvoerende burgemeester tesame met die burgemeesterskomitee aanbeveel.

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## ANNEXURES

### ANNEXURE A: DIRECTORATE SDBIP (DIRECTORATE EXECUTIVE SUMMARY AND SCORECARD FOR 2020/2021)

#### FOR FURTHER DETAILS CONTACT

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DIRECTORATE	Energy and Climate Change	FILE REF NO	Energy and Climate Change-Electricity Generation and Distribution(0000005 15017)

## Approval Form

Supported for inclusion on the agenda



### Directorate SDBIP for 2020/2021

**Report Reference:** 515017  
**Meeting:** Section 79 Portfolio Committee - Energy and Climate Change  
**Meeting Date:** 01.06.2020  
**Meeting Venue:** Committee Room D  
  
**Contact Person:** Donovan Leeuwendaal  
**Contact Telephone:** 0214448501  
**Contact Email:** DONOVAN.LEEUWENDAAL@CAPETOWN.GOV.ZA

Item	Section	Approver	Approval	Approved Date	Approver Comments
01	Author	Donovan Leeuwendaal	Approved	12.05.2020 16:00:08	in order
02	Director	Leslie Rencontre	Approved with Comments	13.05.2020 14:13:40	Impact of Covid-19 can only be assessed in future
03	Executive Director	Kadri Middlekoop Nassiep	Approved	20.05.2020 13:08:50	Approved for submission
04	Legal Compliance	Joan Mari Holt	Approved with Comments	25.05.2020 19:19:37	Certified as legally compliant. For approval by the Executive Ma
05	Chairperson	Zimkhitha Sulelo	Approved	26.05.2020 13:07:53	

**ECS Officer:**

# ENERGY AND CLIMATE CHANGE

NOTE: Photo Library will be made available to Directorates in order to choose relevant photos

## DIRECTORATE EXECUTIVE SUMMARY OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2020/2021

EXECUTIVE DIRECTOR: KADRI NASSIEP

CONTACT PERSON: GARY ROSS

Website:

<http://www.capetown.gov.za/Family%20and%20home/meet-the-city/our-vision-for-the-city/cape-towns-integrated-development-plan>

(for detailed SDBIP)



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

**VISION OF THE CITY**

To be an opportunity city that creates an enabling environment for economic growth and job creation, and to provide assistance to those who need it most. To deliver quality services to all residents. To serve the citizens of Cape Town as a well-governed and corruption free administration.

In pursuit of this vision the City's mission is as follows:

- To contribute actively to the development of its environment, human and social capital
- To offer high-quality services to all who live in, do business in or visit Cape Town as a tourist
- To be known for its efficient, effective and caring government

**PURPOSE OF THE SDBIP**

This is a one-year plan giving effect to the IDP and the budget. It sets out the strategies in quantifiable outcomes that will be implemented over the 2019/2020 financial year. It considers what was set out in the IDP. It indicates what the Directorate needs to do to deliver on the IDP objectives, how this will be done, what the outcomes will be, what processes it will be followed and what inputs will be used.

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## 1. EXECUTIVE SUMMARY

This Service Delivery and Budget Implementation Plan (SDBIP) has been developed to align with the 5-year Integrated Development Plan (IDP) cycle commencing in 2017. It will be reviewed on an annual basis as part of the City of Cape Town's annual budget process. The SDBIP should be read in the following context:

- A Strategic Management Plan (SMP) is developed and reviewed annually to ensure implementation of the business plan.
- Operational strategies are limited in terms of inclusion in the business plan. These strategies are developed and the impact on the budget determined.

## 2. PURPOSE AND SERVICE MANDATE OF THE DIRECTORATE

### Core purpose

- To build a more resilient, low carbon and resource efficient future for Cape Town
- To ensure sustainable municipal infrastructure and services (energy) that will enable economic development
- To provide/support equitable access to basic energy services for all citizens of Cape Town
- The provision of basic energy services to backyarders on Council owned land as a priority across Cape Town

The Energy and Climate Change Directorate has as part of its business strategy identified a need to develop a Directorate vision aligned to the City's vision and IDP pillars.

100%

C	-	Clean	-	Opportunity City
A	-	Accessible	-	Caring City
R	-	Reliable	-	Well-Run City
E	-	Equitable	-	Inclusive City
S	-	Safe	-	Safe City

### Service Mandate

The Constitution stipulates that the municipality has a responsibility to support the right of citizens of Cape Town to have access to basic services and to a well-managed, clean and healthy environment. Municipal powers and functions are dealt with in Section 156 (Schedules 4B and 5B) of the Constitution. Specific functions are contained in Schedule 4B pertaining to electricity reticulation, and schedule 5B pertaining to street lighting. The specific functions in these schedules regarding air pollution, building regulations, public transport, and waste disposal are also to be taken into account.

To meet this responsibility, Energy and Climate Change must ensure the provision of effective and reliable energy services through the sustainable management of resources and service delivery infrastructure. The Sustainable Energy Markets (SEM) department aims to build a more efficient, affordable and sustainable mix of energy services for all Cape Town citizens. A primary task of SEM is to drive the overall reduction in Cape Town's carbon emissions.

The Electricity Generation & Distribution (EGD) department distributes electricity to residential and commercial/industrial customers in the CCTES supply area. The department is licensed by the National Energy Regulator of South Africa (NERSA) to undertake this function. Under the NERSA licence, the standard of services provided must meet the requirements as set out in the national standards NRS047 and NRS048.

### 3. STRATEGIC ALIGNMENT TO THE IDP

The alignment of the SDBIP with the Integrated Development Plan (IDP) Pillars, Organisational Design and Transformation Programme (ODTP) priorities and programmes is shown below.

**100%** **C**<sub>LEAN</sub> **A**<sub>CCESSIBLE</sub> **R**<sub>ELIABLE</sub> **E**<sub>QUITABLE</sub> **S**<sub>A</sub>F**E**



### 3.1 Strategies approved by the Directorate

Key Directorate programmes in the IDP:

Programme 1.1.c Infrastructure Investment Programme:	1.1.c.4 Infrastructure Maintenance Project: 1.1.c.4 Infrastructure Planning for Growth
	1.1.c.2 Infrastructure Investment Research Project
Programme 1.3.a Skills Investment Programme:	1.3.a.1 SPV Skills Development and Apprenticeship Investment and Graduate Internship Project
1.4.a Energy Efficiency and Supply Programme:	1.4.a.1 Independent power producers project
	1.4.a.2 Embedded Generation project
	1.4.a.3 Energy Efficiency Project
1.4.b Climate Change Programme	1.4.b 2 Mitigation Climate Change Project
Programme 3.1.a Excellence in Basic Service delivery:	Quality of Supply
	Quality of Service
Programme 3.2.a Basic Service Delivery Programme:	3.2.a.1 Encouraging and supporting backyard dwellings/Informal Settlements - Electrification Plan for Informal Settlements - Backyarder Programme
5.1.a Efficient, responsible and sustainable programme	5.1.a.2 Energy revenue model development and reducing energy poverty for the poorest households, while improving energy efficiency

#### Programme 1.1.c Infrastructure Investment Programme:

##### 1.1.c.4 Infrastructure Maintenance Project:

##### 1.1.c.4 Infrastructure Planning for Growth

#### Electricity Infrastructure

Management of legacy medium-voltage switchgear: The City faces serious challenges in the management and maintenance of equipment on the medium-voltage distribution system, mainly due to ageing infrastructure. This applies to all types of medium-voltage switchgear on the system.

The City aims to achieve the following in general:

- Networks: Develop the high voltage and medium voltage networks to ensure reliable electricity supply.
- Informal Settlements: Provide services and upgrades to un-serviced informal settlements.
- Network upgrades: Provision to informal and backyarder services will require upgrade or replacement of many networks which are old and inefficient. Refurbishment and replacement of existing assets to achieve balance, cost-efficiency and long-term viability of infrastructure.
- Identify infrastructure hotspots where enhancement of development rights may need to be limited in the short to medium term, and establish monitoring mechanisms to review their status.
- Electrification of Low Cost Housing Developments, IS and BY: Electrification in the city in terms of City and Western Cape Government (WCG)'s Human Settlement Plans. Facilitate prioritisation of electrical connection backlogs in informal areas serviced by Eskom.
- A 30-year programme has been initiated, through which all obsolescent medium-voltage switchgear will be replaced with equipment complying with modern best-practice specifications, thereby improving safety and security of supply as well as reducing maintenance requirements.

- Low-voltage and medium-voltage distribution network infrastructure: Investment in the medium-voltage distribution network is required, and a new voltage level is being considered to improve efficiencies. Over the next five years, existing substations, underground cables and overhead power lines across the metropolitan area will be upgraded and refurbished as part of a 15-year network development programme

### **1.1.c.2 Infrastructure asset management**

In 2006 NERSA conducted technical audits of major electricity distributors including EGD in which maintenance was highlighted as a major area of concern. Subsequent to this EGD has embarked on a multi-year programme to implement enterprise asset management (EAM) using the SAP platform and conforming to PAS55 standards. Through the systematization, standardization and centralization of functions asset management will form an integral part of day to day activities to create an efficient, predictable operational environment.

With the transfer of assets from the legacy systems to SAP, not enough time was spent on implementing a comprehensive AMP. The main focus was on financial systems which resulted in a lack of operational focus. Physical asset master data was extremely limited and of poor quality. This led to the need for a total rebuild of SAP EAM (SAP PM – Plant Maintenance Module – and related modules) and to collect and populate asset master data. This work is in progress, with a new master data design and data collection having been completed for distribution MV and LV, but will take some time yet before it is completed for all EGD physical assets, including Facilities, Generation and secondary functions. The current focus is on the HV master data design. Full operationalization will take place in the medium term.

### **Programme 1.3.a Skills Investment Programme:**

#### **1.3.a.1 SPV Skills Development and Apprenticeship Investment and Graduate Internship Project**

Skills development and training is vital to address critical shortages in Cape Town to meet the needs of the organisation and the local economy. Apprenticeship investment in the Electricity Generation & Distribution Department will meet the demand side of the labour market, using the training the City provides to either become skilled technicians employed by government or to move as newly qualified people into the private sector.

### **Programme 1.4.a Energy Efficiency and Supply Programme**

#### **1.4.a.1 Independent power producers project**

- Promote and facilitate the implementation of renewable energy generation to keep abreast of national and provincial developments regarding renewable energy and facilitate the incorporation thereof into City processes.
- To investigate the possibility of entering into long term Power Purchase Agreements (PPAs) with Independent Power Producers (IPPs)

#### **1.4.a.2 Embedded generation project**

- Manage the City's small scale embedded generation (SSEG) program which enables consumers to connect SSEG to the electrical grid.
- Promote the finalization of national technical specifications for the connection of SSEG to utility electrical grids.
- Establish a PV installer accreditation programme in the absence of a national initiative.

### **1.4.a.3 Energy efficiency projects**

The Directorate aims to continue to promote and implement its energy efficiency programme.

### **Programme 1.4.b Climate change programme**

#### **1.4.b.2 Mitigation climate change project**

The City will aim to reduce Cape Town's carbon footprint in order to contribute to the global reduction of greenhouse gas emissions and make the local economy more competitive. This will be done through the implementation of a range of carbon emission reduction projects in line with the aims of the Energy2040 goals.

### **Programme 5.1.a Efficient, responsible and sustainable programme**

#### **5.1.a.2 Energy revenue model development**

The aim is to implement a revenue model that reduces the City's reliance on electricity sales to sustain its operations. As consumers become more energy-efficient and adopt more small-scale embedded generation, the electricity distribution business model needs to change to keep the City's rates account affordable, as well as financially sustainable. The City's electricity tariffs will also need to be constantly reviewed to be increasingly cost-reflective while remaining affordable.

In addition, the opportunities presented by new technologies and renewable energy will be explored to reduce energy poverty for the poorest households, while improving energy efficiency. This will include further investigations into solar geysers and demand side management, with a special emphasis on informal settlements and backyarders.

### **Programme 3.1.a Excellence in Basic Service delivery:**

#### **Quality of Supply**

The EGD core business is to provide reliable electricity supply to customers in the EGD supply area. To ensure that the quality of electricity supply meets the required regulatory standards, EGD monitors its performance in terms of NERSA guidelines as set out in the NRS 048 part 1 and part 2 documents.

#### **Quality of Service**

The minimum standards and reporting lines for the quality of service to Electricity to customers is set out in the NRS 047 part 1 and part 2 documents. These specifications cover a number of services including customer driven complaints, enquiries, requests, quotations and forums. The standard response times and satisfaction indices for counter services, telephonic replies and written replies are stipulated in these documents.

#### **Mainstreaming basic service delivery to informal settlements and backyard dwellers**

The widespread occurrence of informal settlements and informal dwellings in the yards of houses in formal townships in South Africa is an urban reality. EGD is responsible for the electrification of informal settlements and backyard dwellings within the City of Cape Town supply area in order that the City meets its constitutional and statutory obligations to provide basic municipal services, and to afford occupiers of backyard dwellings direct access to the supply of electricity.

Access is undertaken in terms of the City's electrification policy and as part of the EGD electrification plan and backyarder programme which are funded through the Capital Replacement Reserve (CRR) and the Urban Settlement Development Grant (USDG). Once access to the service has been provided, there is no distinction between the quality of supply and service levels to informal, back-yarder and formal residential areas.

## Electrification Plan for Informal Settlements

A lack of service connections still exists in the electrification of informal settlements in some areas. At this stage the bulk of these are found in the portion of the Metro which is in the Eskom supply area. Eskom have embarked on the electrification of informal areas which comply in terms of the City's electrification policy. Certain informal areas in both supply areas are excluded in terms of the electrification policies as dwellings are below the 50-year flood line, are in road, rail and power line reserves and servitudes or on privately owned land.

Electrification is an on-going process as informal settlements grow and will therefore continue over the medium to long-term. The electrification plan budget is shown below. It is combined for both informal settlement and formal housing electrification to movement of funds to match the dynamic environment of informal and subsidized housing provision.

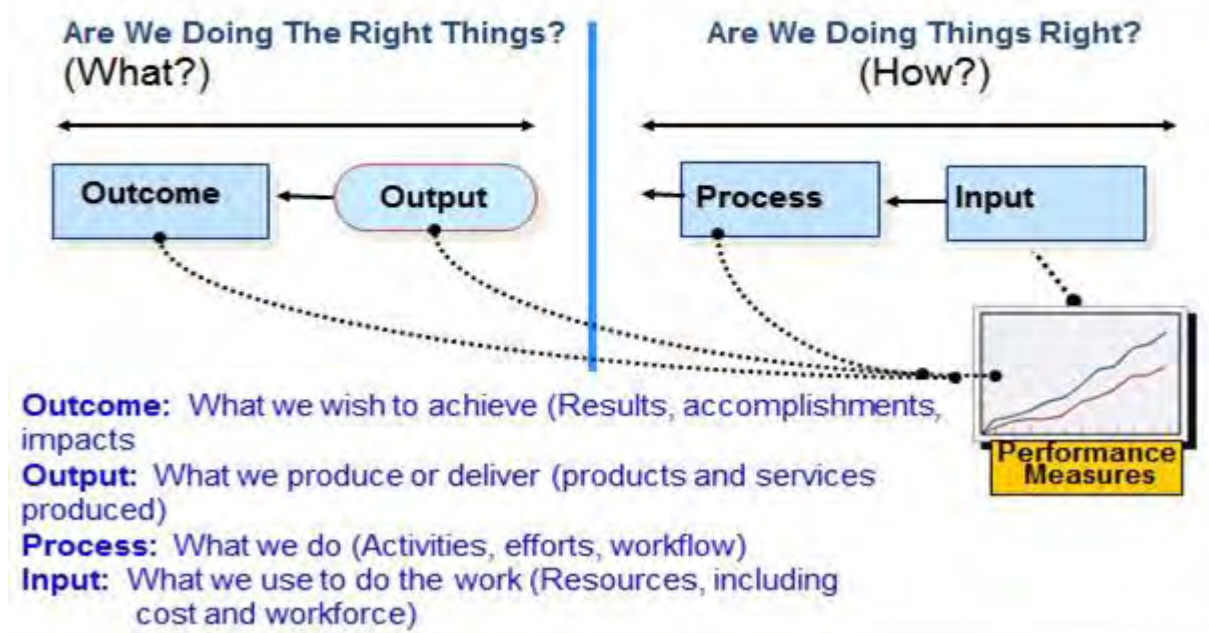
### Backyarder Programme

Backyarder is a term used to describe where the occupier (owner or tenant) of formal housing has allowed others to establish informal dwellings in the yard of a property. These dwellings do not have direct access to services from the City and are reliant on obtaining these services via the occupier of the formal dwelling.

This project supports the key pillar of the caring city by assisting in alleviating poverty through the provision of subsidised electricity supplies to backyard dwellings and is guided by considerations of equity, affordability and sustainability. It also supports the shift toward embracing informality and semi-formality. Currently the programme is restricted to backyard dwellings on City Rental Units within the metro and the future provision these services will require major focus and investment with pressure on financial sustainability as many of the networks are very old, inefficient and often require extensive replacement.

## 4. GUIDELINES ON DEVELOPING PERFORMANCE INDICATORS

### Types of indicators to consider



The combination of the corporate objectives, indicators and targets must meet the 'SMART' criteria, i.e.

<i>Specific</i>	: state exactly what is to be achieved
<i>Measurable</i>	: should be capable of measurement
<i>Achievable</i>	: realistic, given the circumstances and resources
<i>Relevant</i>	: the indicator must relate logically and directly to the mandate of the Directorate objectives, City's (IDP), (CDS), (EGS and SDS), (MSDF), (TOD) & (TMS) and mandate of the Directorate
<i>Time-bound</i>	: dead-lines within a realistic time-frame

## 5. PERFORMANCE PROGRESS AND OUTCOMES

### 5.1 Past year's performance

The past year's information is available in the Annual Reports located on the site:

<http://www.capetown.gov.za/local%20and%20communities/meet-the-city/city-reports/annual-reports>

#### Overall progress on electrification (informal settlements)

Access to electricity – A backlog still exists in informal settlements in the Cape Metro Area, mainly in the Eskom area of supply. Some households in this category have the added challenge of being located on Encumbered Land (informal dwellings located either on private land, below the 50-year flood line, under power lines, road or rail reserves, storm water retention or detention ponds, unstable land and any other health or safety hazard). To alleviate the backlog, registration of servitudes on privately owned properties are considered, relocation of structures from land that is not suitable for the provision of electricity to more suitable land and electrification on road or rail reserves upon permission from the respective Business Authority. Moreover, the majority of service requests for the provision of informal settlement connections are as a result of infills/new connections resulting from burnt area infills within an existing informal settlement and new pockets.

### 5.2 Areas of Business Improvement

There are a number of Service Improvement initiatives that will be rolled out over the business plan period. These will include customer campaigns to educate and create awareness amongst electricity consumers regarding various projects including rationalised electricity tariffs, the cost of the theft of electricity and of vandalism of electricity infrastructure.

The Wheeling, Electricity Savings and Small-Scale Embedded Generation information and behaviour change programmes will be further developed and implemented in order to build a more resource efficient and lower carbon future for Cape Town.

The legal position of the City of Cape Town being able to own/purchase green power will be established and the City's way forward mapped.

The sustainable electrification/low income energy services plan will be developed as a significant contribution to ensuring better services for low income citizens and to the revision of the electricity revenue model.

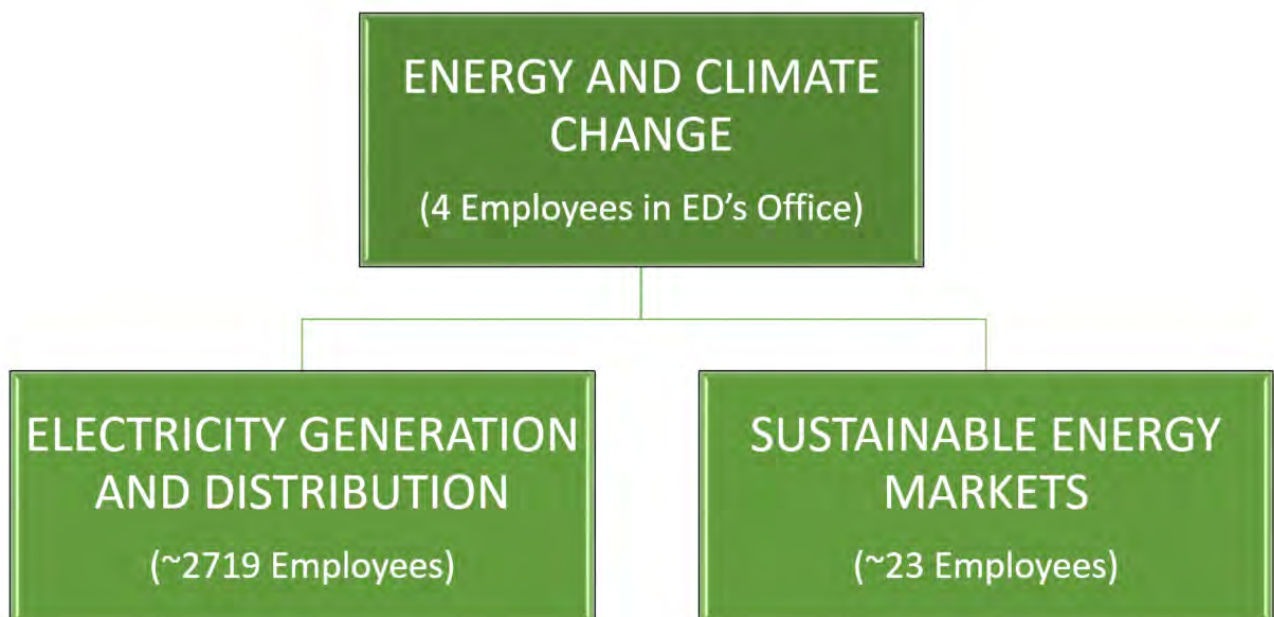
## 6. PARTNERS AND STAKEHOLDERS IN THE STRATEGY PLAN

Partner/Stakeholder	Needs/Roles and Responsibilities
<ul style="list-style-type: none"> <li>• Customers</li> <li>• Communities</li> <li>• Business/industry</li> </ul>	Service delivery; electricity distribution, electrification projects, uninterrupted supply; reasonable turnaround time on service requests
Internal Partners <ul style="list-style-type: none"> <li>• Councillors</li> <li>• External Service Delivery Directorates</li> <li>• Corporate</li> <li>• Unions</li> </ul>	Information sharing; communication of directorate requirements and service standards; policy development and implementation; service coordination
External Partners <ul style="list-style-type: none"> <li>• National and Provincial Government</li> <li>• Parastatals</li> <li>• Community based Organisations</li> <li>• Business Sector</li> <li>• Sector Service Authorities</li> <li>• Institutions for Higher Learning</li> <li>• Non-Governmental Organisations</li> <li>• Funders</li> <li>• City to city partnerships and networks (e.g. C40)</li> </ul>	Information and knowledge management, service delivery coordination, implementation, research, compliance with regulatory frameworks, programme and project support, funding (both grant and loan)

## 7. RESOURCES

### 7.1 Senior management capability and structure

#### 7.1.1 Directorate organogram





### 7.1.2 Outsource Services

Maintenance of public lighting installations

Cleaning services: Distribution Area: East

First Line Response: Distribution Area: North

First Line Response: Distribution Area: East

Emergency cable jointing and termination services for up to 11kV cables

Maintenance of high mast public lighting installations

Low Voltage overhead maintenance and repairs on the City's electricity distribution network

Provision of construction works for electrical equipment replacements and installations

First Line Response: Distribution Area: South

Cleaning of substation grounds and electricity facilities

Provision of professional services for electricity services

Cleaning services: Distribution Area: South

### 7.1.3 Lead and Contributing Directorate

<b>Programme</b>	<b>Project</b>	<b>Lead Directorate</b>	<b>Contributing Directorates</b>
1.4.a Energy Efficiency and Supply Programme	1.4.a.1 Independent Power Producers Project	Energy and Climate Change	Economic Opportunities and Asset Management
	1.4.a.2 Embedded Generation Project	Energy and Climate Change	Water and Waste Services
	1.4.a.3 Energy Efficiency Project	Energy and Climate Change	Transport Economic Opportunities and Asset Management Water and Waste Services
1.11 Climate Change Programme	1.11.2 Mitigation Climate Change Project: achieving energy and carbon targets	Energy and Climate Change	Transport Water and Waste Services
5.1.a Efficient, responsible and sustainable programme	5.1.a.2 Energy revenue model development and reducing energy poverty for the poorest households, while improving energy efficiency	Energy and Climate Change	Finance

## 7.2 Financial Information (TO BE INSERTED ONCE BUDGET IS APPROVED)

## 7.2.1 Summary of revenue by source

REVENUE	2020/21
	R
<u>Sales: External</u>	
Credit Meters	
Prepaid Meters	
Free Basic Electricity	
Public Lighting	
<u>Sales: Internal</u>	
Municipal	
Street Lighting	
Traffic Lights	
<b>Total Sales</b>	
Miscellaneous Income	
<b><u>OTHER</u></b>	
Interest Earned - Outstanding Debtors	
Grants and Donations (Capital Outlay)	
Conditional Grant - USDG	
Developers Contribution (BICL)	
Profit on Sale of Assets	
<b>Total Other</b>	
<b>Total Revenue</b>	

## 7.2.2 Summary of operating expenditure by type

EXPENDITURE	2020/21
<b><u>CONTROLLABLE</u></b>	R
Employee Related Costs	
General Expenses	
Fuel	
Connection Fees	
Contracted Services	
<u>Repairs &amp; Maintenance (Total)</u>	
Repairs & Maintenance (Primary)	
Repairs & Maintenance (Secondary)	
<b>Total Controllable</b>	
<b><u>OTHER</u></b>	
Bulk Purchases	
Collection Costs (Vendors Commission)	
Capital Charges	
Conditional Grant - USDG	
<u>Contributions</u>	
Bad Debts Provision/Working Capital Reserve	
Housing Fund	
Medical Aid - Post Retirement	
Grants and Donations	
<u>Contribution to CRR</u>	
CRR - Capital projects funding	
Sale of Assets	
Developers Contributions (BICL)	
<b>Total Other</b>	
<b><u>INTERNAL</u></b>	
Contribution to Rates	
Support Services	
Internal Utilities	
Insurance Department Premiums	
Activity Based Costs	
<b>Total Internal</b>	
<b>Total Expenditure</b>	

### 7.2.3 Summary of capital expenditure by type

	2020/21
External Financing Fund (EFF)	
Capital Replacement Reserve (CRR)	
Grants & Donations (CGD)	
Revenue	

### 7.2.4 Major Projects Aligned to PPM (IDP Linkage)

Project	Strategic Focus Area	Directorate Objective	IDP Programme
Electrification	SFA 3 – Caring City	Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.2.a Basic Service Delivery Programme
MV Switchgear Replacement	SFA 3 – Caring City	Excellence in Basic Service Delivery	3.1.a Excellence in Basic Service Delivery
Meter Replacement Project	SFA 3 – Caring City	Excellence in Basic Service Delivery	3.1.a Excellence in Basic Service Delivery
Paardevelei Switching Station	SFA 3 – Caring City	Excellence in Basic Service Delivery	3.1.a Excellence in Basic Service Delivery
Electricity Demand Side Management	SFA 1 – Opportunity City	Resource Efficiency and Security	1.4.a Energy Efficiency and Supply Programme
Street Lighting	SFA 1 – Opportunity City	Excellence in Basic Service Delivery	3.1.a Excellence in Basic Service Delivery

### 7.2.5 Narrative on Directorate capital programme

#### Electrification

The provision of subsidised connections to Informal Settlements. Benefits include increased safety at night, reduces risk of fires through the installation of safe and legal connections, it improves quality of life for beneficiaries and restores human dignity. Approximately R31.4m will be allocated annually to future Electrification projects.

#### Prepayment Meter replacement

A strategic decision was made to accelerate the further role out of prepayment meters to the remainder of the credit meters. This will result in less administration costs and assist the City with non-electricity debt recovery. This is at an estimated cost of R40m per year.

#### Renewable Energy and Energy Efficiency in own operations

The City of Cape Town is leading by example by implementing energy efficiency retrofit programmes within municipal operations since 2009. This includes traffic lights, street lights, buildings and wastewater treatment plant retrofits. The buildings energy efficiency programme is further complemented with rooftop solar photovoltaic systems. This is accompanied by energy management training for facilities staff, smart driver training for fleet and behaviour change programmes for building users. The City has also developed an Internal Resource Management protocol for implementation across municipal operations and a resource data management system to track, monitor and report savings and consumption. These interventions have resulted into significant carbon and financial savings and forms part of the City's Energy2040 Goal.

The Resource Efficiency programme aims to ensure that municipal buildings are equipped with renewable energy, such as photovoltaic (PV's) installations, which will save the money as the cost of solar is less than Eskom supplied electricity. Energy security is ensured as solar is a reliable form of energy. The environmental benefit is that the sustainable supply of energy reduces the buildings overall carbon emissions. This programme forms part of the City's Energy 2040 goals.

The aim of the Energy Efficiency programme is to upgrade municipal buildings with energy efficient technology. This will enable reduced electricity consumption which saves the City money. Reduce maintenance as the technology last longer. The environmental benefit is that there a reduction in carbon emissions from the reduced electricity consumption. The improved technology enables the City to upgrade ageing and obsolete technology. This programme forms part of the City's Energy 2040 goals.

### **Street Lighting**

Street Lighting is required across the Metro to provide for the safe movement of both vehicular and pedestrian traffic throughout The City. We aim to ensure that the most effective technology is utilised to provide every area of The City with adequate lighting. The department plans to add R44m of lighting infrastructure to the network on average.

## **8. RISK ASSESSMENT**

Management, with the assistance of the Integrated Risk Management (IRM) Department, has applied their minds and due care taken to ensure that risks which could impact on them not achieving the Directorate's objectives are identified, addressed and managed on a day to day basis in accordance with the City's approved IRM Policy and IRM Framework.

Risk Registers are utilised as a management tool in order to manage identified risks of the Directorate. The risks identified and rated equal to or above the Council approved risk acceptance level will be reported to the Executive Management Team (EMT). The Executive Director to inform / discuss the Directorate's risks with the relevant Mayoral Committee member on a six monthly basis.

### **8.1 Revenue risks**

Risks to achieving revenue projections:

- Security and quality of supply
- Certain aspects of the economic slowdown are still evident
- The increase in the indigent register
- Loadshedding

## 9. OBJECTIVES AND INDICATORS OF THE DIRECTORATE SCORECARD

Key objectives and indicators on the Corporate Scorecard where Energy is the lead directorate.

Alignment to IDP		Link to Lead Directorate	Corporate Objective	Indicator (to include unit of measure)	Annual Target 2019/20 (30 Jun 2020)	2020/21 (Quarterly Targets)			
Pillar	CSC Indicator no.					30 Sept 2020 Q1	31 Dec 2020 Q2	31 Mar 2021 Q3	30 Jun 2021 Q4
SFA 1 - Opportunity city	1.C	Energy	1.1 Positioning Cape Town as a forward-looking, globally competitive city	Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%
SFA 1 – Opportunity city	1.H	Energy	1.4 Resource efficiency and security	SSEG capacity legally installed and grid-tied	4.0 MVA	1.125 MVA	2.250 MVA	3.375 MVA	4.5 MVA
SFA 3 - Caring city	3.D	Energy	3.1 Excellence in Basic Service delivery	Number of outstanding valid applications for electricity services expressed as a percentage of total number of billings for the service	<0.4%	<0.3%	<0.3%	<0.3%	<0.3%
SFA 3 - Caring city	3.M	Energy	3.2. Mainstreaming of basic service delivery to informal settlements and backyard dwellers	Number of electricity subsidised connections installed	1,500	375	750	1,125	1,500

## 10. AUTHORISATION

The undersigned do hereby indicate their agreement with the contents of this document and the outcomes.

	Name	Signature	Date
Executive Director			
Mayco Member			

## 11. APPENDICES:

### Annexure A: 2020/2021 Energy and Climate Change Scorecard

## 2020/2021 Energy and Climate Change Directorate Scorecard

Alignment to the IDP Pillar, Corp Obj No	Corporate Objective	Link to Programme	Indicator Reference No (CSC, Circular 88, etc)	Lead (U)/Contributing (C) Directorate	Indicator (to include unit of measure)	Baseline 2018/2019	Annual Target 30 June 2020 2019/2020	Annual Target 30 June 2021 2020/2021	Targets				Opex Budget	Actual to date	Capex Budget	Actual to date	Responsible Person
									30 Sept 2020	31 Dec 2020	31 Mar 2021	30 June 2021					
SFA 1 Opportunity City	1.1 Positioning the City as a forward looking, globally competitive City		1.C	E & CC	Number of outstanding valid applications for Commercial electricity services expressed as a percentage of commercial customers	0.59	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%	<0.7%					Gary Ross
SFA 1 Opportunity City	1.3 Economic Inclusion	1.3.b	1.E	Urban Management	Number of Expanded Public Works Programme (EPWP) work opportunities created	n/a	406	406	101	203	304	406					Maurietta Page
SFA 1 Opportunity City	1.3 Economic Inclusion	1.3.a	KOI 3	Urban Management	Number of Full Time Equivalent (FTE) work opportunities created	n/a	105	105	26	52	78	105					Maurietta Page
SFA 1 Opportunity City	1.3 Economic Inclusion		KOI 4	Corporate Services	Number of unemployed trainees and unemployed bursary opportunities (excluding apprentices)	22	25	25	19	19	25	25					Mark Denton
SFA 1 Opportunity City	1.3 Economic Inclusion	1.3.a	KOI 5	Corporate Services	Number of unemployed apprentices	197	195	195	195	195	195	195					Mark Denton
SFA 1 Opportunity City	1.3 Economic Inclusion	1.3.a	1.F	Corporate Services	Percentage budget spent on implementation of WSP	95.42%	95%	95%	10%	30%	70%	95%					Gary Ross
SFA 1 Opportunity City	1.4 Resource Efficiency and Security	1.4.a		E & CC	Annual measured and verified electricity savings from energy efficiency projects in municipal operations	NEW	850 000kWh	1 200 000 kWh	n/a	n/a	n/a	1 200 000 kWh					Oliver Stotko
SFA 1 Opportunity City	1.4 Resource Efficiency and Security	1.4.a	1.H/EE4.12	E & CC	SSEG Capacity legally installed and Grid-tied	5.24 MVA	4.0 MVA	4.5 MVA	1.125 MVA	2.250 MVA	3.375 MVA	4.5 MVA					Ismail Jefferies
SFA 1 Opportunity City	1.4 Resource Efficiency and Security			E & CC	GWh of electricity purchased to meet electricity consumption target	9 594 GWh	9 306 GWh	9 390 GWh	2 512 GWh	4 819 GWh	7 047 GWh	9 390 GWh					Peter Jaeger
SFA 1 Opportunity City	1.4 Resource Efficiency and Security			E & CC	Maximum Demand - maximum loading placed on the system transmission network	1 765 MW	1 785 MW	1 755 MW	1 755 MW	1 755 MW	1 755 MW	1 755 MW					Peter Jaeger
SFA 3 Caring City	3.1 Excellence in basic services	3.1.a	3.F	Corporate Services	Percentage adherence to Citywide service requests	83.06%	90%	90%	90%	90%	90%	90%					Gary Ross (Gillian Kenhardt/Pat Lockwood)
SFA 3 Caring City	3.1 Excellence in basic services		3.D	E & CC	Number of outstanding valid applications for electricity services expressed as a percentage of total number of billings for the service	0.11%	< 0.4%	<0.3%	<0.3%	<0.3%	<0.3%	<0.3%					Gary Ross
SFA 3 Caring City	3.1 Excellence in basic services			E & CC	Adherence to NRS 047-1:2002 service standards - Quotations to customers	71.87%	95%	95%	n/a	n/a	n/a	95%					Ismail Jefferies
SFA 3 Caring City	3.1 Excellence in basic services			E & CC	Adherence to NRS 047-1:2002 service standards - Provision of a supply	75.95%	95%	95%	n/a	n/a	n/a	95%					Ismail Jefferies
SFA 3 Caring City	3.1 Excellence in basic services		EE3.3	E & CC	SAIFI (Systems Average Interruption Frequency Index)	0.45 occasions	< 1.3 occasions	< 1.3 occasions	< 1.3 occasions	< 1.3 occasions	< 1.3 occasions	< 1.3 occasions					Peter Jaeger
SFA 3 Caring City	3.1 Excellence in basic services		EE3.2	E & CC	CAIDI (Customer Average Interruption Duration Index)	3.6 hrs	< 2.3 hrs	< 2.3 hrs	< 2.3 hrs	< 2.3 hrs	< 2.3 hrs	< 2.3 hrs					Peter Jaeger
SFA 3 Caring City	3.1 Excellence in basic services		EE3.1	E & CC	HV + MV SAIDI (System Average Interruption Duration Index)	1.62 hrs	< 3 hrs	< 3 hrs	< 3 hrs	< 3 hrs	< 3 hrs	< 3 hrs					Peter Jaeger
SFA 3 Caring City	3.1 Excellence in basic services		EE3.4	E & CC	CAIFI (Customer Average Interruption Frequency Index)	NEW	< 2 occasions	< 2 occasions	< 2 occasions	< 2 occasions	< 2 occasions	< 2 occasions					Peter Jaeger
SFA 3 Caring City	3.1 Excellence in basic services		EE1.11	E & CC	Number of additional households provided with electricity connections	NEW	No Target - Customer driven	No Target - Customer driven	No Target - Customer driven	No Target - Customer driven	No Target - Customer driven	No Target - Customer driven					Liza Laubscher
SFA 3 Caring City	3.1 Excellence in basic services			E & CC	Number of additional high mast lights installed	NEW	10	7	0	0	3	7					Shaun Kemp
SFA 3 Caring City	3.1 Excellence in basic services			E & CC	Number of additional households provided with access to Free Basic Electricity	NEW	1500	1500	375	750	1125	1500					Maurisha Hammer
SFA 3 Caring City	3.1 Excellence in basic services			E & CC	Number of additional streetlights installed.	NEW	940	2929	432	1565	2630	2929					Shaun Kemp
SFA 3 Caring City	3.1 Excellence in basic services			E & CC	Percentage Burning Rate of all public and street lights	89%	90%	90%	90%	90%	90%	90%					Brinley van der Schyff
SFA 3 Caring City	3.1 Excellence in basic services				Community satisfaction survey (score 1-5) for residents - Energy	n/a	3.0	3.0	n/a	n/a	n/a	3.0					Gary Ross
SFA 3 Caring City	3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers		3.M	E & CC	Number of subsidised electricity connections installed	1774	1500	1500	375	750	1125	1500					Maurisha Hammer
SFA 4 Inclusive City	4.3 Building integrated communities		KOI 7	Corporate Services	Percentage adherence to EE target of overall representation by employees from designated groups (see EE Act definition)	NEW	NEW	90%	90%	90%	90%	90%					Gary Ross
SFA 4 Inclusive City	4.3 Building integrated communities		KOI 8	Corporate Services	Percentage adherence to equal or more than 2% of complement for people with disabilities (PWD) in compliance with the EE plan	1.45%	2%	2%	2%	2%	2%	2%					Gary Ross
SFA 4 Inclusive City	4.3 Building integrated communities		KOI 9	Corporate Services	Percentage adherence to EE target (designated) groups employed in the three highest levels of management (NKPI)	NEW	74%	74%	74%	74%	74%	74%					Gary Ross
SFA 4 Inclusive City	4.3 Building integrated communities		KOI 10	Corporate Services	Percentage of women employed across all occupational levels in line with the annual EE plan targets	NEW	45%	39.71%	39.71%	39.71%	39.71%	39.71%					Gary Ross
SFA 5 Well-run City	5.1 Operational Sustainability		5.C	Finance	Percentage spend of Capital Budget	84%	90%	90%	16%	36%	64%	90%					Roshan Davids
SFA 5 Well-run City	5.1 Operational Sustainability		5.D	Finance	Percentage spend on Repairs and Maintenance	94.8%	95%	95%	22.3%	45.9%	68.7%	95%					Roshan Davids
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 15	Finance	Percentage of Operating Budget spent	94.3%	95%	95%	23.2%	44.4%	64.8%	95%					Roshan Davids
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 16	Finance	Percentage of assets verified	81.53%	100% asset register verified	100% asset register verified	n/a	n/a	60% asset register verified	100% asset register verified					Jason Carelse
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 13	Corporate Services	Percentage OHS investigations completed	0%	100%	100%	100%	100%	100%	100%					Gary Ross

2020/2021 Energy and Climate Change Directorate Scorecard

ANNEXURE D

Alignment to the IDP Pillar, Corp Obj No	Corporate Objective	Link to Programme	Indicator Reference No (CSC, Circular 88, etc)	Lead (U)/Contributor (C) Directorate	Indicator (to include unit of measure)	Baseline 2018/2019	Annual Target 30 June 2020 2019/2020	Annual Target 30 June 2021 2020/2021	Targets				Opex Budget	Actual to date	Capex Budget	Actual to date	Responsible Person
									30 Sept 2020	31 Dec 2020	31 Mar 2021	30 June 2021					
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 11	Corporate Services	Percentage of absenteeism	4.43%	≤ 5%	≤ 5%	≤ 5%	≤ 5%	≤ 5%	≤ 5%					Gary Ross
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 14	Corporate Services	Percentage vacancy rate	8.50%	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate					Gary Ross
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 17	Probity	Percentage of Declarations of Interest completed	100%	100%	100%	25%	50%	75%	100%					Gary Ross
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 18	Finance	Percentage Completion rate of tenders processed as per the demand plan	NEW	NEW	80%	20%	50%	70%	80%					Gary Ross
SFA 5 Well-run City	5.1 Operational Sustainability		KOI 19	Finance	Percentage of external audit actions completed as per audit action plan	NEW	NEW	100%	100%	100%	100%	100%					Gary Ross

EXECUTIVE DIRECTOR \_\_\_\_\_

DATE \_\_\_\_\_

MAYCO MEMBER \_\_\_\_\_

DATE \_\_\_\_\_