MEDIA STATEMENT

The NTCSA Enhances Administrative Processes to Manage Evolving Curtailment Verification Requirements in South Africa's Power System

Thursday 18 June 2026: The National Transmission Company South Africa (NTCSA) notes recent public commentary regarding renewable energy curtailment and associated compensation payments.

As South Africa's power system transitions towards a more diverse energy mix, the NTCSA continues to manage evolving system dynamics to ensure fair and equitable treatment of all market participants, while safeguarding security of supply and minimising costs to electricity consumers.

The NTCSA processes payments of approximately R45 billion to Independent Power Producers (IPPs) per annum. This number will continue to increase as the number of IPP projects contracted for grows. Currently, curtailment payments amounting to approximately R2 billion are undergoing verification and settlement.

A sharp rise in the volume and complexity of claims during April and May 2026 exceeded typical annual levels, creating temporary bottlenecks. In response, the NTCSA has deployed additional resources and is implementing process improvements to accelerate the verification and settlement of these claims, while maintaining the necessary governance, contractual, and financial controls. The NTCSA currently administers Power Purchase Agreements (PPAs) covering 117 projects with a combined capacity of 10,083 MW.

"The NTCSA will continue to strengthen its operational processes while supporting investments that enable a reliable, affordable and increasingly renewable-powered electricity system beyond 2030. As the System Operator, the NTCSA has a responsibility to balance affordability, security of supply and the fair treatment of all market participants, while maintaining the stability of the national grid," said the NTCSA's Chief Executive Officer, Monde Bala.

Understanding Curtailment in Modern Power Systems

Curtailment is a normal and increasingly common feature of modern power systems with high levels of renewable energy generation. It occurs when the System Operator instructs generators to temporarily reduce output to maintain the safe and reliable operation of the national grid. This is driven either by network constraints that limit power transmission, or during periods where total electricity supply exceeds demand (particularly during low-demand periods such as midday).

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A key characteristic of solar and wind resources is their variability, meaning peak generation does not always align with peak electricity demand. To maintain grid stability, the system still requires sufficient baseload generation capacity, primarily from coal-fired stations. Because these units cannot be rapidly ramped up or down, they must operate at minimum stable levels to ensure availability for early morning and evening peaks when solar generation is unavailable.

To keep the system balanced, flexible generation sources, such as hydro and pumped storage, are adjusted first. In the case of pumped storage, water is used to absorb excess daytime energy before renewable curtailment is utilised as a final balancing tool.

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