MEDIA STATEMENT

NTCSA Streamlines Curtailment Claims Process - Reducing Outstanding Claims by 25% from R2 Billion to R1.5 billion since mid-June and Targeting Completion of Remaining Claims Assessments and Payment of Approved Claims by end August.

Friday, 24 July 2026: The National Transmission Company South Africa (NTCSA), is on-track with the implementation of its streamlined curtailment claims-handling management process in support of the implementation of market reforms.

The value of curtailment claims that were undergoing verification and settlement as first reported in mid-June, [*18 June media release*] has been reduced from approximately R2 billion to R1.5 billion, which includes new claims received since 14 June 2026 to date.

The NTCSA processes payments of approximately R45 billion to Independent Power Producers (IPPs) per annum. A sharp rise in the volume and complexity of curtailment related claims during April and May 2026 resulted in additional verification and assessment requirements that exceeded typical annual levels, creating temporary bottlenecks.

“We are on track to completely address the current volume of outstanding claims and this will become a thing of the past by the end of August 2026, as the NTCSA is executing plans to improve the overall efficiency of claim settlements as part of our ongoing support and implementation of market reforms,” said the NTCSA’s Chief Executive Officer, Monde Bala.

“Curtailment is a challenge that electricity systems around the world are increasingly managing as power systems evolve to maintain grid stability. Our streamlined settlement process is also expected to significantly improve turnaround times for the assessment and settlement of valid claims, thereby supporting the liquidity of affected IPPs, while maintaining the secure operation of the national power system,” continued Bala.

In the interim, the NTCSA has deployed additional resources and implemented process improvements to accelerate the verification and settlement of these claims, while maintaining the necessary governance, contractual, and financial controls, ahead of the streamlined curtailment claims-handling management process that is being introduced.

Stakeholder engagement

The NTCSA has maintained proactive engagement with the IPPs and the relevant industry associations to explain both the reasons for the increase in curtailment and the measures being implemented to address the resulting delays.

Issued by: NTCSA Media Desk
Email: media@ntcsa.co.za

The response from industry has been constructive, and the NTCSA will continue to engage stakeholders regularly, while providing transparent reporting on curtailment volumes, claims processing performance and delay reduction.

Maintaining grid stability

The NTCSA currently administers Power Purchase Agreements (PPAs) covering 117 projects with a combined capacity of 10 083 MW. 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.

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.

A key characteristic of solar and wind resources is their variability, meaning peak generation output does not 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 throughout the day 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.

For media enquiries please contact:
The NTCSA Media Desk: media@ntcsa.co.za

ENDS

Issued by: NTCSA Media Desk
Email: media@ntcsa.co.za