State of the System – 2026 Winter Outlook Briefing

22 April 2026

This winter's state of the system will be delivered in two distinct parts

		Topic	Presenter
1	Eskom	1.1 Eskom's strategic focus areas beyond winter	**Dan Marokane**
		1.2 Eskom's Generation performance and supply outlook	**Bheki Nxumalo**
		1.3 Progress in resolving load reduction	**Agnes Mlambo**
2	Eskom National Transmission Company South Africa ™	2.1 NTCSA Board Chairperson Opening Remarks	**Priscillah Mabelane**
		2.2 System Operator Update: Winter Outlook	**Monde Bala**
		2.3 Progress in expanding the Grid (Transmission Development Plan)	
		2.4 South African Wholesale Energy Market (SAWEM) Readiness	

Agenda

- **Part 1: Eskom**
  - **Eskom's strategic focus areas**
  - Eskom's generation performance and supply outlook
  - Eskom's Distribution interventions
- Part 2: NTCSA
- Conclusion

In addition to ending load shedding, Eskom has accomplished several significant milestones that have positively impacted South Africa's overall recovery

DM

1. Energy Availability Factor (EAF) improved from **~55% in FY2023 to ~65.16% in FY2026, exceeding 70% more than 83 times during the 2025/6** (for all the commercial units). Significant improvement in unplanned outages from **16.5 GW – 9.4 GW. No loadshedding for more than 341 days (22 Apr 2026)**

2. **S&P Global Ratings upgraded Eskom's credit rating for the first time in over a decade**, citing sustained operational improvement and financial discipline. **Reduced diesel (OCGTs) expenditure** by **62.46% (R10.64 bn less)** compared to the previous financial year

3. **Eskom Board reconstituted with skilled professionals**, blending continuity with new technical, financial, and governance expertise

4. **Certified as a Top Employer for the second consecutive year,** reflecting Eskom's commitment to the growth, well-being, and empowerment of employees to contribute meaningfully to our **mission of powering South Africa**

5. Eskom is now able to be **responsive with interventions to support industries under distress** in order to support economic activities (particularly ferro alloy industries)

We remain committed to implementing interventions that tackle systemic challenges and promote long-term sustainability

DM

✓ Satisfactory progress ⚠ Requires further intervention → Ongoing development

	Operational	Financial	Sustainability
			
Systemic issues	• **Improving plant performance** requiring focus to ensure sustainable security of supply • **Grid constraints** to connect additional capacity • **Dysfunctional** organizational **culture**	• Weak balance sheet due to **high debt burden** • Suboptimal electricity tariff structure • Revenue pressure – **non-payment** & **declining sales**	• **Outdated** vertically integrated business model • The need to transition into **clean energy** • Prevalent **fraud, corruption and criminality** • **Lack of adherence** to internal controls and ineffective combined assurance
Interventions	✓ Reduce trips, improve outage planning to sustain Generation performance and reliability ✓ Customer service reliability improvements led to improved customer experience ✓ Curtailment and grid capacity allocation rules → Transmission Development Plan execution ✓ Appoint strong and inspirational leaders (at all levels) → High performance & values driven culture	✓ National Treasury debt relief programme ⚠ Municipal debt interventions ⚠ Improving revenue collection and cost optimisation initiatives → Drive to reduce electricity costs through FBE and government funded microgrids → Migrate towards unbundled cost reflective tariff structure	✓ Drive legal separation process of Eskom – unbundle Transmission, Distribution & Generation ✓ Pursue clean energy project pipeline, JET – including partnerships ⚠ Enhance governance and controls to curb fraud, corruption and criminality

Footnote: JET – Just Energy Transition

Eskom's plant improvement and expected new capacity indicate electricity will not constrain 2% GDP growth to 2030, delivery of new capacity beyond that is crucial

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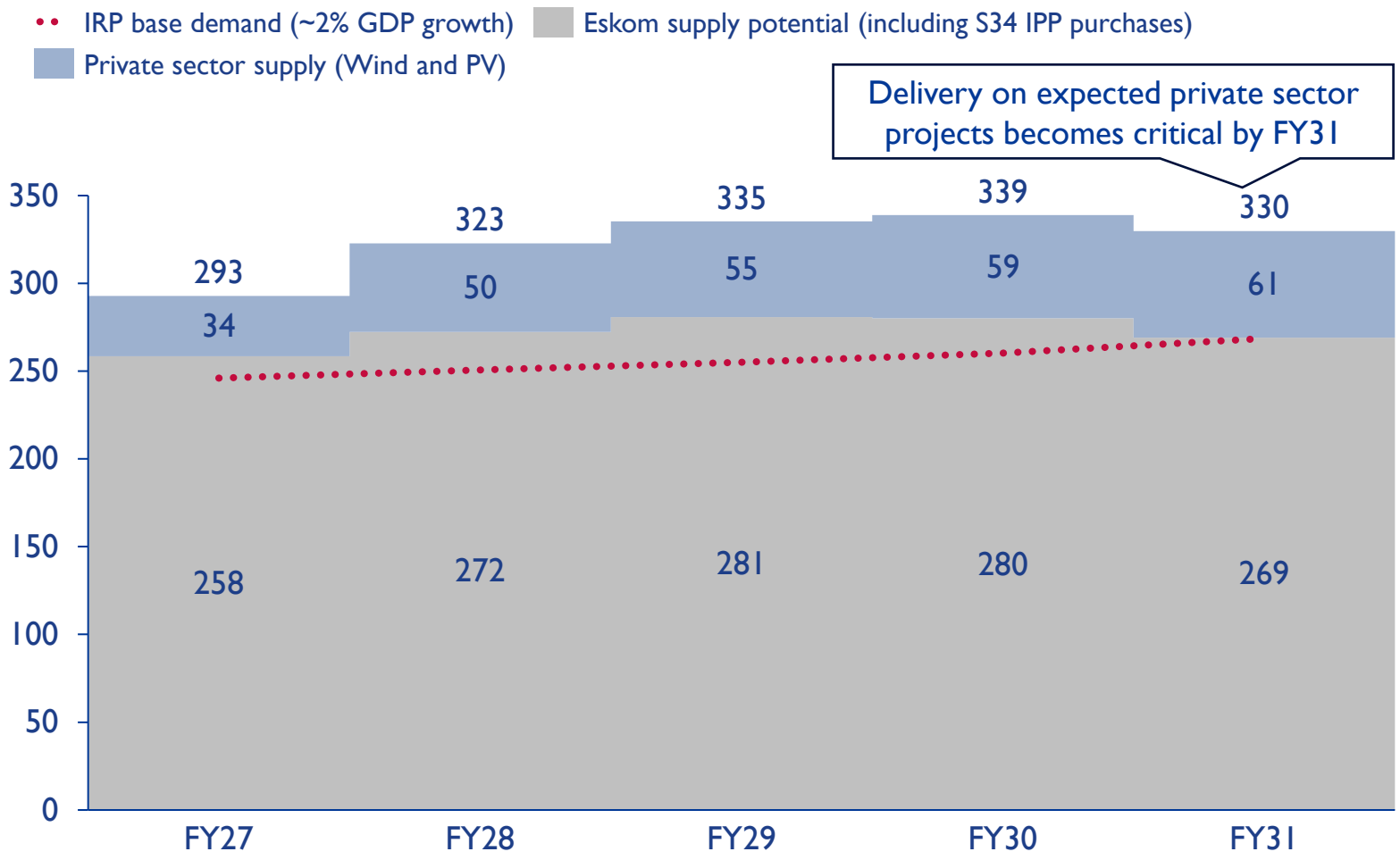
Electricity supply outlook assuming growth in demand *(TWh)*



Insights

Assumed additional capacity by FY2031

- Increase in **available Eskom capacity** due to **new capacity projects** and **improved availability** of current fleet (5.5GW Renewables and BESS, 3GW phased gas and EAF improvement to 70%)
- IRP expects total of **32GW to come online** by **2030** (including Eskom new capacity):
  - **18GW Wind and Solar PV** (primarily from committed private sector projects)
  - **4GW** storage (primarily publicly procured)
  - **6GW** of gas (Eskom and IPPs)
  - **4.5GW** of embedded generation (Rooftop PV)

Risks to be managed:

- **Plant flexibility of coal generators** and **peaking capacity** to accommodate increased Variable Renewable Energy (VRE)
- **Execution challenges** with new capacity

1: Despite shutdown of 5 stations by FY30, Eskom's existing fleet available capacity grows due to improved availability projections, and new RE, BESS and gas capacity 2: Assumes that all coal stations operate at 90% energy utilisation factor, includes supply from S34 IPPs and imports/wheeling; 3: IRP 2024 public consultations; 4: Includes production required for network losses and exports/wheeling; 5: Assuming 25% LF for PV plants and 35% LF for Wind (in line with SA actuals over past 5 years); Assumes 1:1 correlation between GDP and electricity growth in short-med term; Analysis indicative as new capacity outlooks shift

Managing emerging system risks from 2030 will require coordination and sufficient buffer to ensure security of supply

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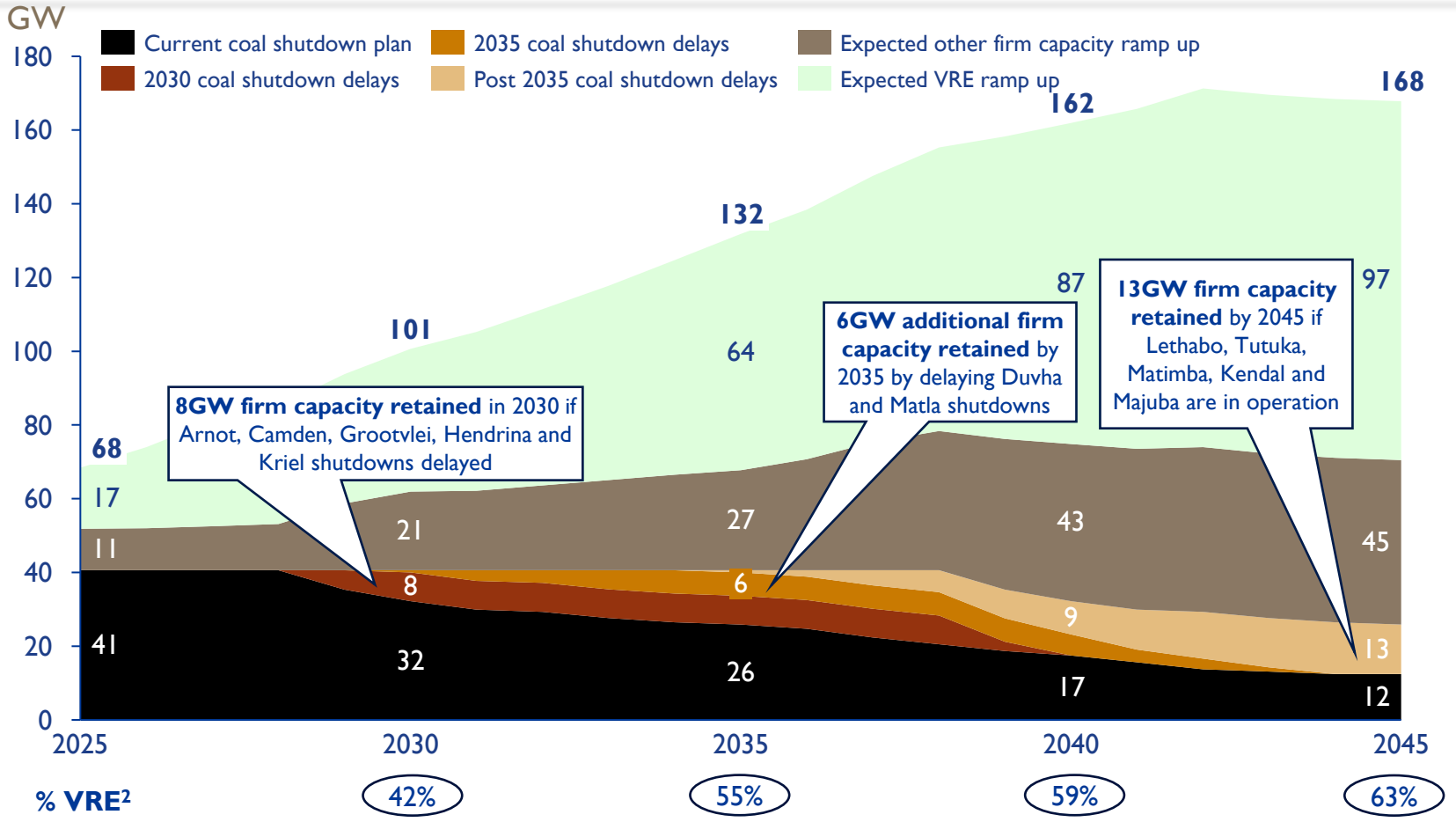
~27 GW of coal plant shut down between 2030 and 2042 presents system risks which need to be managed accordingly



- The IRP 2025 outlines the interventions to prevent risk of **8GW** of **firm** capacity shut down through **the delivery of 6GW** of **gas and 3.7GW** of **BESS** (primarily IPPs) capacity by 2030
- **Historical delays in IPP delivery of projects** (<50% capacity delivered against IRP 2019 requirements) and **current challenges with gas capacity** (EIA), presents a risk that the firm capacity ramp up could be delayed
- During this transitionary period, **risks to security of supply** (due to project delays) outweigh the implications of **excess capacity and** need to be carefully managed.
- **Risk adjusted ramp down of coal plants and preservation process is required to mitigate security of supply risks**
- Appropriate **market design and tariff structures** are critical to ensure equitable distribution of the cost (risk premium) of ensuring security of supply

→ *Certain countries **experience grid stability challenges at ~40% VRE**, back up plan required to mitigate risks*

- **SA must ensure a consistent and achievable pace of transition - ensuring trade-offs are understood, transition costs are acknowledged, and accountability is shared**
- **Planning for potential delayed coal shutdowns to support security of supply as alternative firm capacity ramps up will be prudent**

Footnote: 1. Shares in the figure are for illustration purposes only; 2: Calculated without additional capacity from potential coal delays; 3: Continued Operations; 4: Gas, Nuclear, Hydro and Storage; 5: Wind and Solar PV; Other Zero Carbon, e.g. Hydro; VRE – Variable Renewable Energy; SMR – Small Modular Reactor; CCUS – Carbon Capture, Utilisation and Storage; BESS – Battery Energy Storage System. Sources: IRP 2025; S&P BI Analysis (IRP new build only goes to 2042)

Eskom supports an orderly, rules-based transition to a liberalised electricity market to ensure energy security

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Key Rule / Principle	What Eskom is advocating for	Why this is important
Competitive market aligned pricing policies	• Revised Electricity Pricing Policy that supports the transition to competitive wholesale and retail energy markets. • Clear rules for legacy-cost recovery, hedges and pricing transparency. • Defined transition path supported by vesting contracts to avoid price shocks at market opening.	• Prevents distorted signals and protects investment certainty by separating monopoly and competitive pricing. • Clarifies competitive price formation and protects against market shocks. • Provides a stable, coherent foundation for retail codes, tariffs, and settlement rules.
Fair wholesale cost-recovery rules	• Replacement of outdated wholesale-tariff model with a wholesale cost-recovery framework aligned to market structure and vesting design. • Transparent pass-through rules and non-bypassable charges to regulatory arbitrage.	• Ensures sustainable wholesale cost recovery by unbundling fixed costs into non-bypassable charges, preventing uneconomic bypass. • Promotes a competitively neutral market by ensuring all grid-connected customers contribute equitably to infrastructure, system operations, and legacy costs.
Retail rulebook	• Development of a full Retail Market Code covering retail supply, customer eligibility, billing, data access and market conduct, supported by a robust Retailer of Last Resort framework. • A strong consumer protection through transparent charges, dispute resolution, and defined service standards.	• Prevents customer harm and retailer disputes as competition expands, enabling a stable rollout of retail competition. • Ensures supply continuity if a retailer fails (important given municipal arrears). • Provides the rules for a stable, trusted retail market.
Address systemic payment & social policy constraints	• Government-led municipal debt interventions (e.g. DAA) implementing both interim measures and long-term reforms • A clear national subsidy framework with non-bypassable recovery for Free Basic Electricity social protection and cross-subsidies. • Transparent reporting and safeguards to protect wholesale-settlement cashflows during the transition	• Maintains settlement cashflows and prevents subsidy bypass. • Protects vulnerable customers and incumbent retailers. • Reduces systemic risk ahead of SAWEM Day 1.

Liberalisation without the establishment of appropriate rules and principles poses significant risks, including operational failure, settlement disputes, and a potential loss of confidence in the reform process

Eskom will continue to drive key short and medium-term focus areas to support security of supply in South Africa

1

Sustaining reliable generation performance

Prioritising maintenance and improving the reliability of existing power stations to ensure consistent security of electricity supply

2

Adding flexible and diversified capacity

Deliver renewable energy, gas, storage and nuclear initiatives to diversify the energy mix and support a stable, resilient power system

3

Expanding and strengthening the national grid

Accelerating transmission and distribution expansion to relieve grid constraints and unlock new generating capacity from all participants

4

Delivering a just and inclusive energy transition

Balancing decarbonisation with energy security and socio-economic aspects, through pursuing clean coal technologies and other repurposing and repowering projects

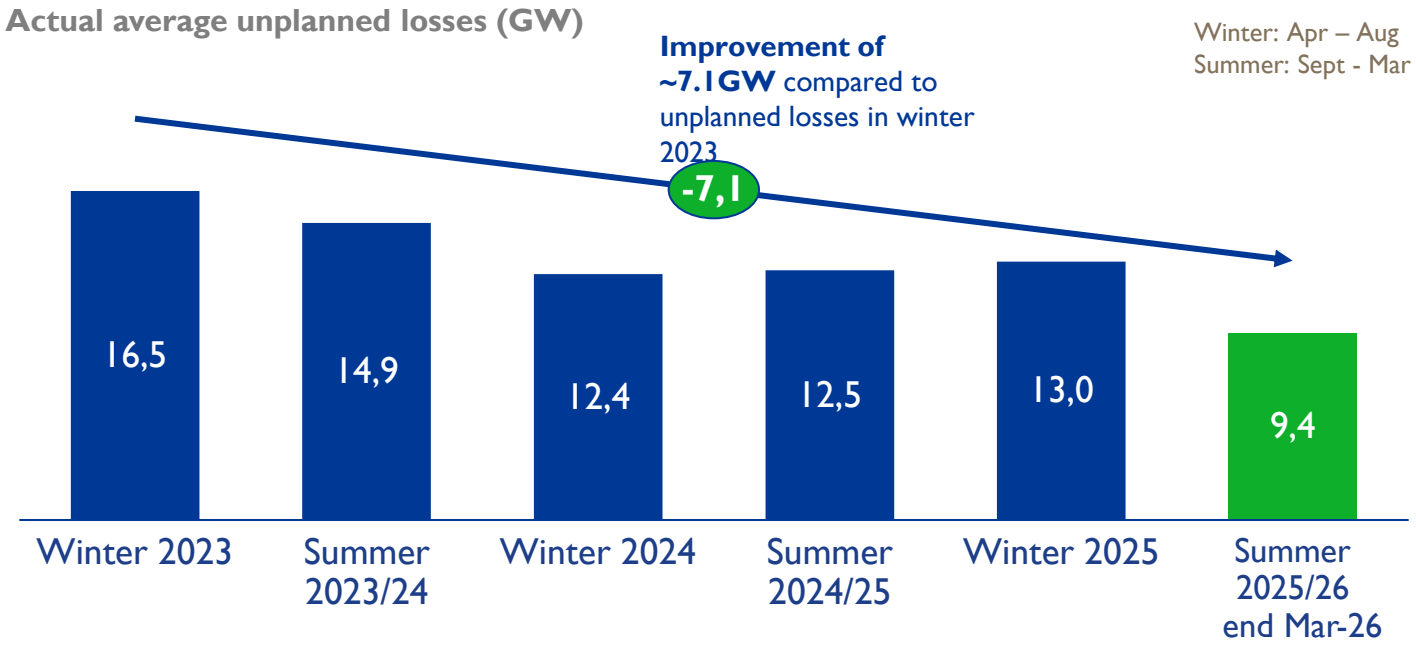
Agenda

- **Part 1: Eskom**
  - Eskom's strategic focus areas
  - **Eskom's generation performance and supply outlook**
  - Eskom's Distribution interventions
- Part 2: NTCSA
- Conclusion

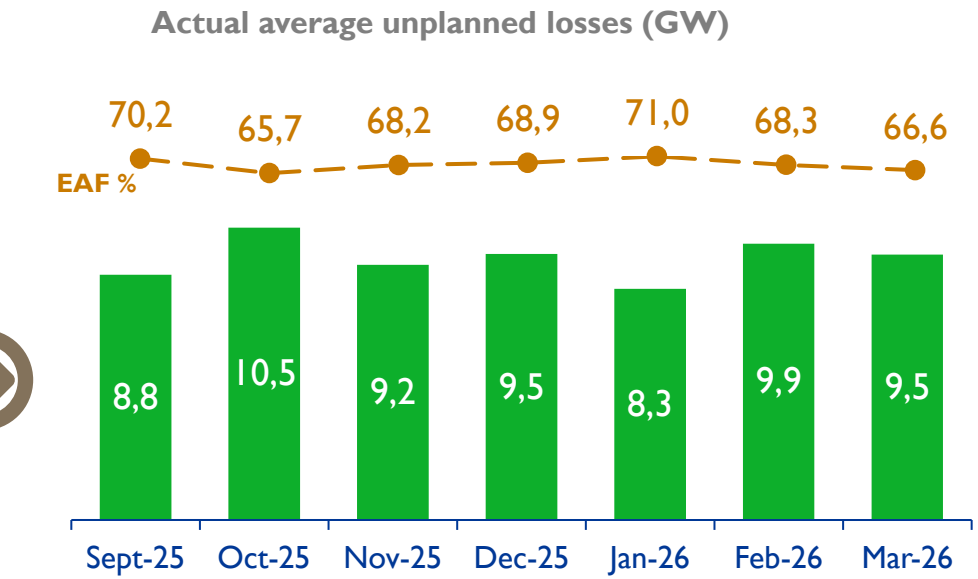
Unplanned outages have been gradually improving since 2023, going below 10 GW mark

BN

Eskom Gx actual performance on unplanned losses across outlook periods[1]



Summer 2025/26 UCLF monthly performance



Insights

- **No loadshedding has been implemented since 15 May 2025 (341 days on 22 April 2026);** improved reliability of the power system with **an EAF of ~66,6% for March 2026**
- **The FY2026 Year End (YE) EAF of 65.16% is ~5% point higher compared to FY2025 YE** EAF of 60.60%. FY2026 year end unplanned outage level (UCLF) of 22.88%, showing an improvement in performance relative to the previous financial year (26,05%).
- YE **diesel spend of R6.4 billion, reflecting a 62.46% reduction year-on-year and a significant underspend against the annual budget**
- Improved performance sustained through initiatives from the **Generation Operational Reliability and Sustainability plan**, building on the positive momentum gained under the Generation Recovery Plan

Source: Eskom GPSS daily report (All stations commercial on graph) MTD and YE as of 31 March 2026; MTD EAF insights and values refers to **official** value 1. UCLF+OCLF, Numbers vary marginally over reports as data is refined.. Acronyms: EAF: Energy Availability Factor; Gx – Generation; UCLF – Unplanned Capability Loss Factor; Factor; MTD – Month-to-date;

Over 341 consecutive days of supply since May 2025, accompanied by a substantial decrease in diesel costs compared to previous financial year

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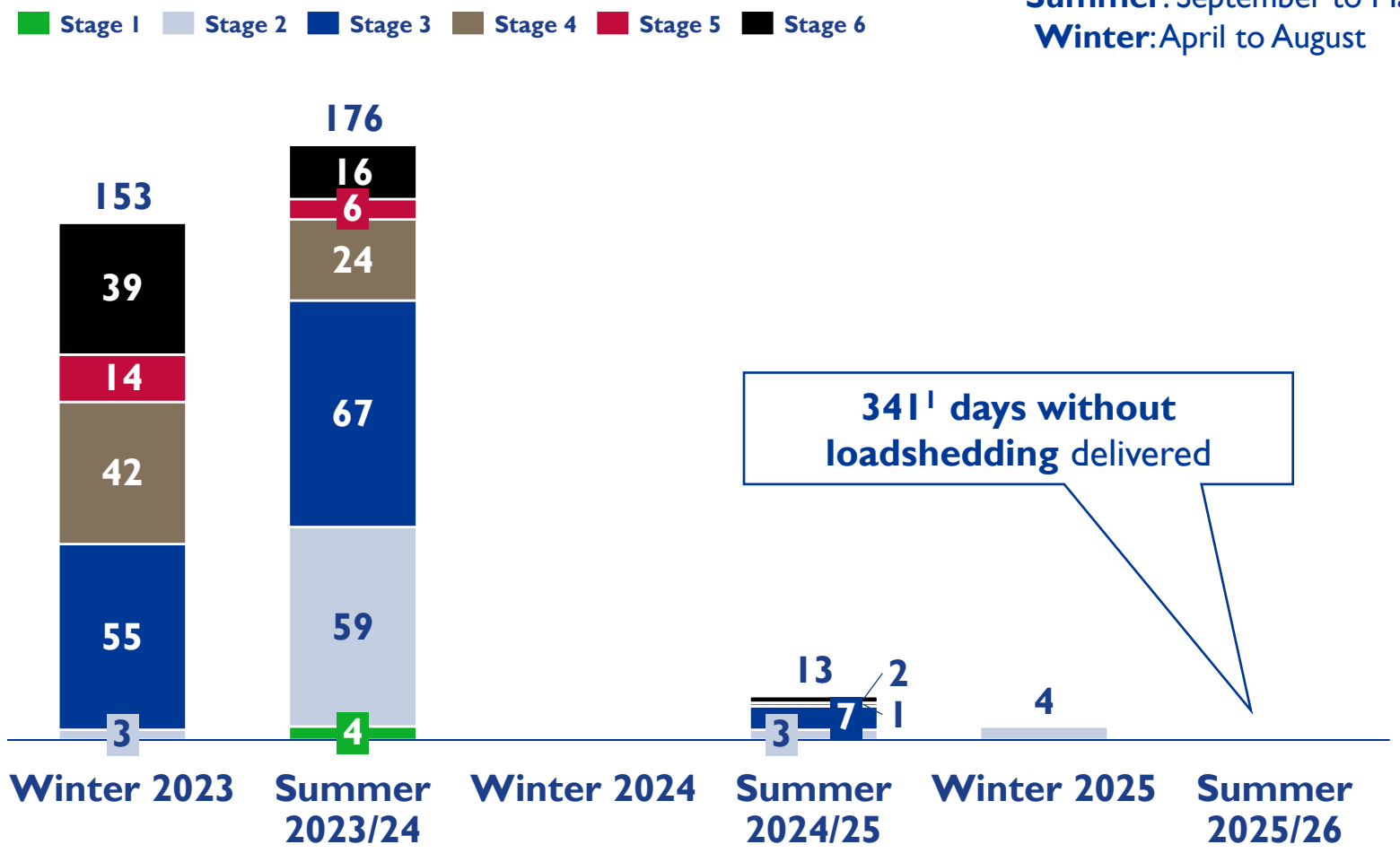
Overview of loadshedding intensity and frequency between Winter 2023 and Winter 2025

# of days at various stages



- Delivered **341[1] days of uninterrupted power supply** to South Africa, with loadshedding last implemented on 15 May 2025
- **Reduced diesel (OCGTs) expenditure** by **62.46% (R10.64 bn less)** compared to the previous financial year, with utilisation since January 2026 being **virtually zero**
- The unplanned losses (YTD) are on a downward trajectory since June 2025, and achieved values lower than experienced in FY23, FY24 and FY25 for Mar 2026
- Over the **Summer 2025/26 period**, Eskom had **~6GW[3] of coal power stations in cold reserve**, indicating a healthy reserve margin to ensure sufficient electricity supply for South Africa

1: As at 22 April 2026 ; EAF: Energy Availability Factor

Generation is embedding the gains from it's Recovery Plan and implementing key initiatives to drive longer term Operational Reliability and Sustainability

Eskom

BN

■ Implementation complete ❑ Implementation in progress

EAF[1] (%)

70%[1]

FY2026

66%

- ■ Koeberg Long Term Operation for 20 years (FY26-FY27)
- ■ **Commercial operation of Kusile 6** (unit synchronised in March 2025) & Medupi 4 return to service after generator failure
- ■ **IRP approved** with the inclusion of **LDES, Nuclear and Renewables**
- ❑ **Implement people, plant and process interventions** to address root causes leading to unreliability (identified in FY25/26)
- ❑ **Address critical plant areas with issues cutting across multiple stations and Focus on reducing unit trips** e.g. mills, turbine, ash plant and cooling towers
- ❑ **Improve outage planning and execution** (63 planned Outages for FY2026)
- ❑ **Execute MES related refurbishment** projects (Lethabo, Kendal, Tutuka ESP refurbishments)

FY2027

68%

- ❑ **Continue to execute mid-life refurbishment and MES projects** (Lethabo C&I and ESP, Matimba C&I and MVSG, Kendal ESP, Majuba NOx, Tutuka MVSG, ESP and NOx)
- ❑ **Strategic partnerships** with OEMs and international utilities
- ❑ **Technical exchange training programs** with OEM's and international utilities
- ❑ Continuing **Human capital initiatives (insourcing, training, pipelining, supervisors and generation technical leadership program, executive leadership development, etc)** with the priority being on **Technical** skills
- ❑ **Embed Operational excellence** principles focus on **leading indicators of unreliability** (trips, spares value chain, quality, continuous improvement)

FY2028 - onwards

- ❑ **Execute mid-life refurbishment and MES projects** (Lethabo C&I & NOx, Matimba unit C&I and MVSG, Kendal Unit MVSG, Majuba Nox & C&I, Tutuka C&I & MVSG)
- ❑ Focus on skills relevant to the **shift towards renewables and clean energy,** aligning to the Repurposing and Repowering plans

Underpinned by the Operational Reliability & Sustainability Plan focus areas:

1. **Reduce number of trips**
2. **Improve Outage planning and execution**
3. **Execute key strategic projects**
4. **Enhance People, Plant, Process Mindset**

Footnote 1: Discussions in progress with the Ministry with regards to the final EAF target for FY26

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Progress is also being made to eliminate load reduction, its implementation remains necessary to protect the lives of customers and electrical equipment

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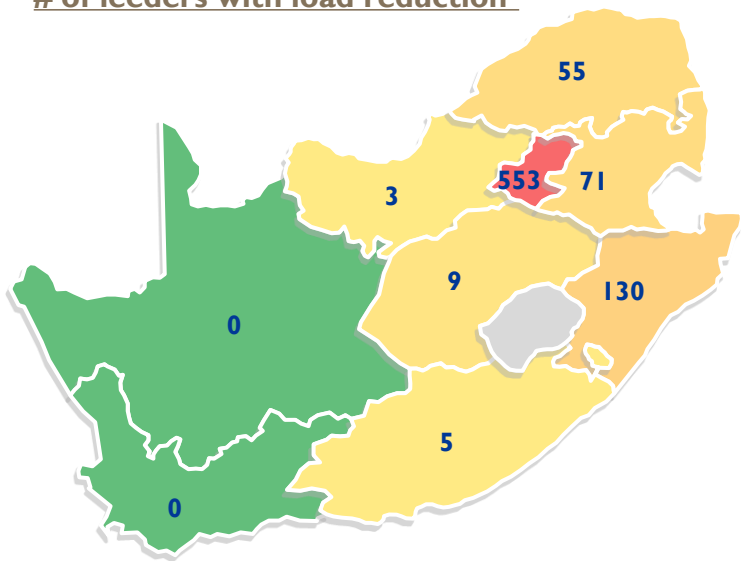
Current status

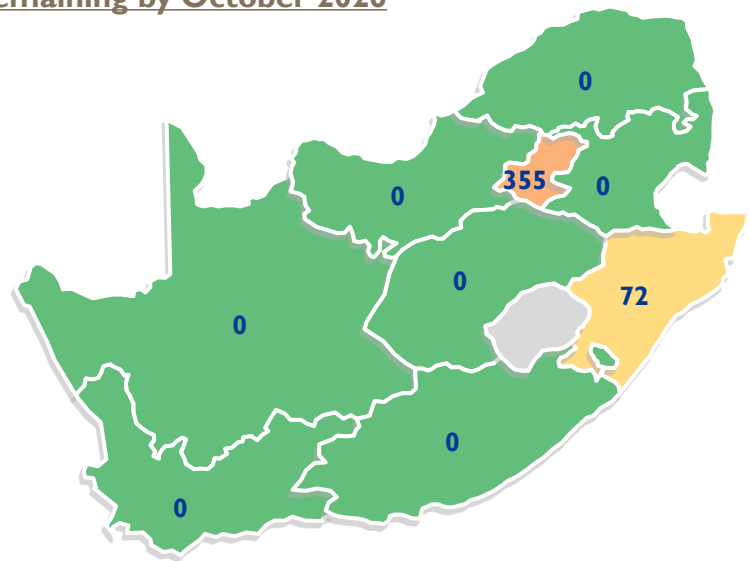
# of feeders with load reduction[1]



Load reduction reduced from 529 MW to **~440MW[2] since Sept 2025, through targeted interventions on over 200 feeders across all provinces**

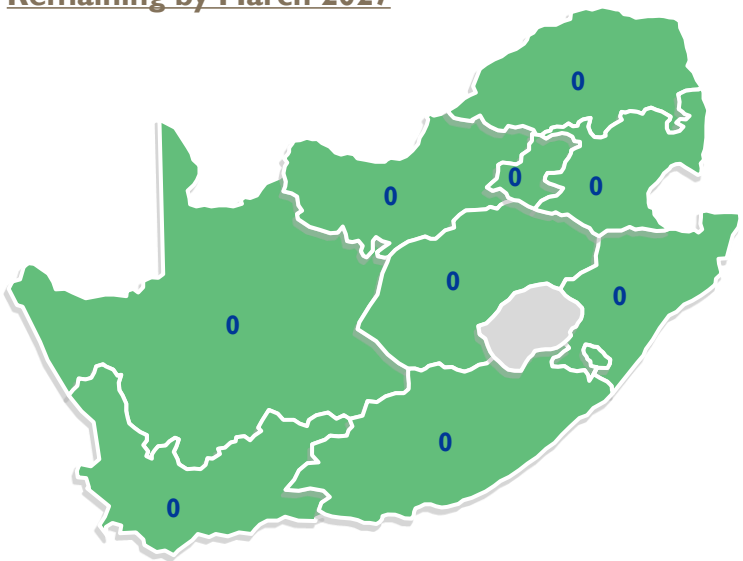
On track to eliminate load reduction by March 2027

Remaining by October 2026



✓ **624 feeders addressed** resolving EC, NW, MP and LP (with significant reduction in GP and KZN)

Remaining by March 2027



✓ **Total of 971 feeders addressed**, resolving load reduction over all remaining provinces

Key focus areas to resolve load reduction

- **Interventions** are being **implemented** to **upgrade metering infrastructure** including ~1.69 m smart meters in the load reduction areas **by Mar 2027**, **reducing equipment failure**, **zero-buyers** and **addressing illegal vending**
- **Collaborating with Department of Electricity and Energy to strengthen community participation mechanisms** to mitigate ongoing challenges
- Additional **supporting levers** to reduce load reduction include **ensuring Free Basic Electricity (FBE) covers all indigent beneficiaries** and **rolling out of distributed energy resources**

1: As of 2 March 2026; 2: Average between Oct – Dec 2025 (Morning + evening peak)

Initiatives in the Distribution sector are intended to increase electrification and enhance customer experience

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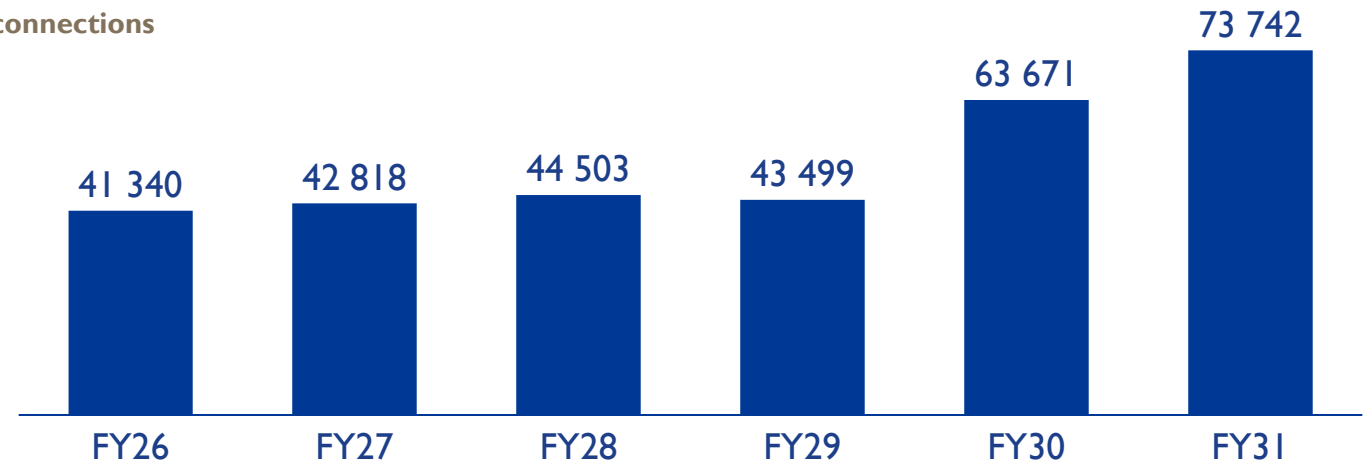
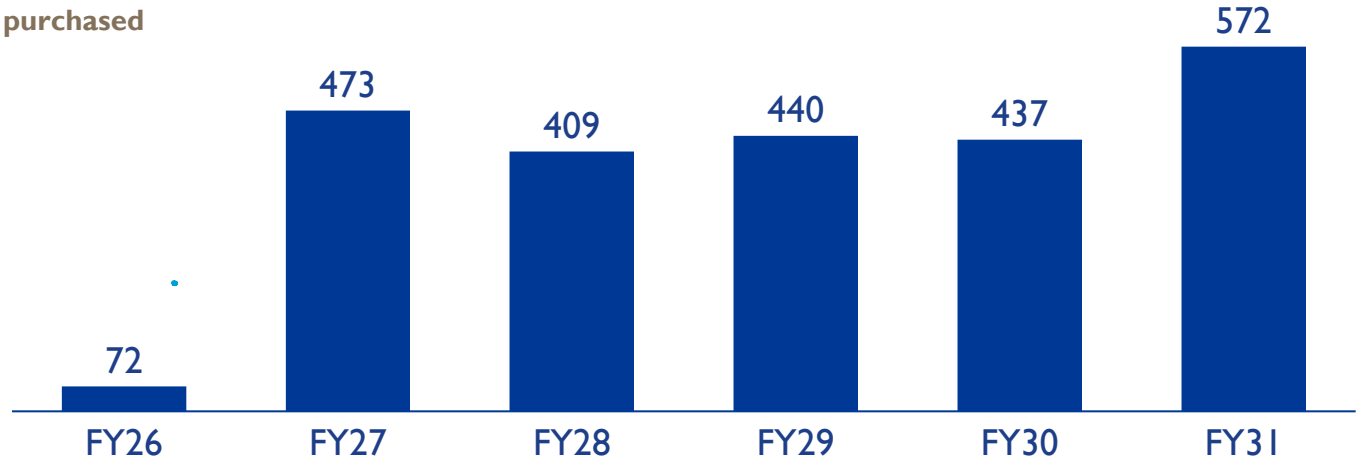
Grid electrifications

connections



Electric Vehicles purchased

purchased



Insights

- **67 578 grid connections were completed in FY26**[1], with **2 119 households connected via DERs** with electrification volumes projected to rise to **73 742 by FY31.**
- Distribution aims to deliver **1 714 km of lines and 1 110 MVA of capacity by FY31** to support growth, DER integration and network reliability.
- **Customer-centric modernisation is progressing,** including USSD, WhatsApp Alfred and Customer Engagement App. **Interactive Voice Response upgrades and customer accessibility has been significantly expanded via** re-opened **service hubs** and the introduction of **Hubs-on-Wheels** in FY26**.**
- **Planned enhancements** include a unified customer platform, **AI-enabled contact centres**, a new CRM system, improved customer data, and **completion of smart-meter rollout.**
- **610 223 smart meters** installed by **March 2026** toward the FY26 target of 800 000; Distribution plans to install **2 million smart meters in FY27** and **3.4 million in FY28**, enabled by the Smart Meter Operations Centre (SMOC).
- **EV deployment accelerated in FY26**, with purchases planned to scale to **572 EVs by FY31**, supported by charging infrastructure and renewable supply at charging sites

Footnote: DER – Distributed Energy Resources; USSD – Unstructured Supplementary Service Data.; AI- Artificial intelligence

Implementing sustainable solutions to arrest municipal debt and electricity theft is critical to ensure a sustainable electricity supply industry

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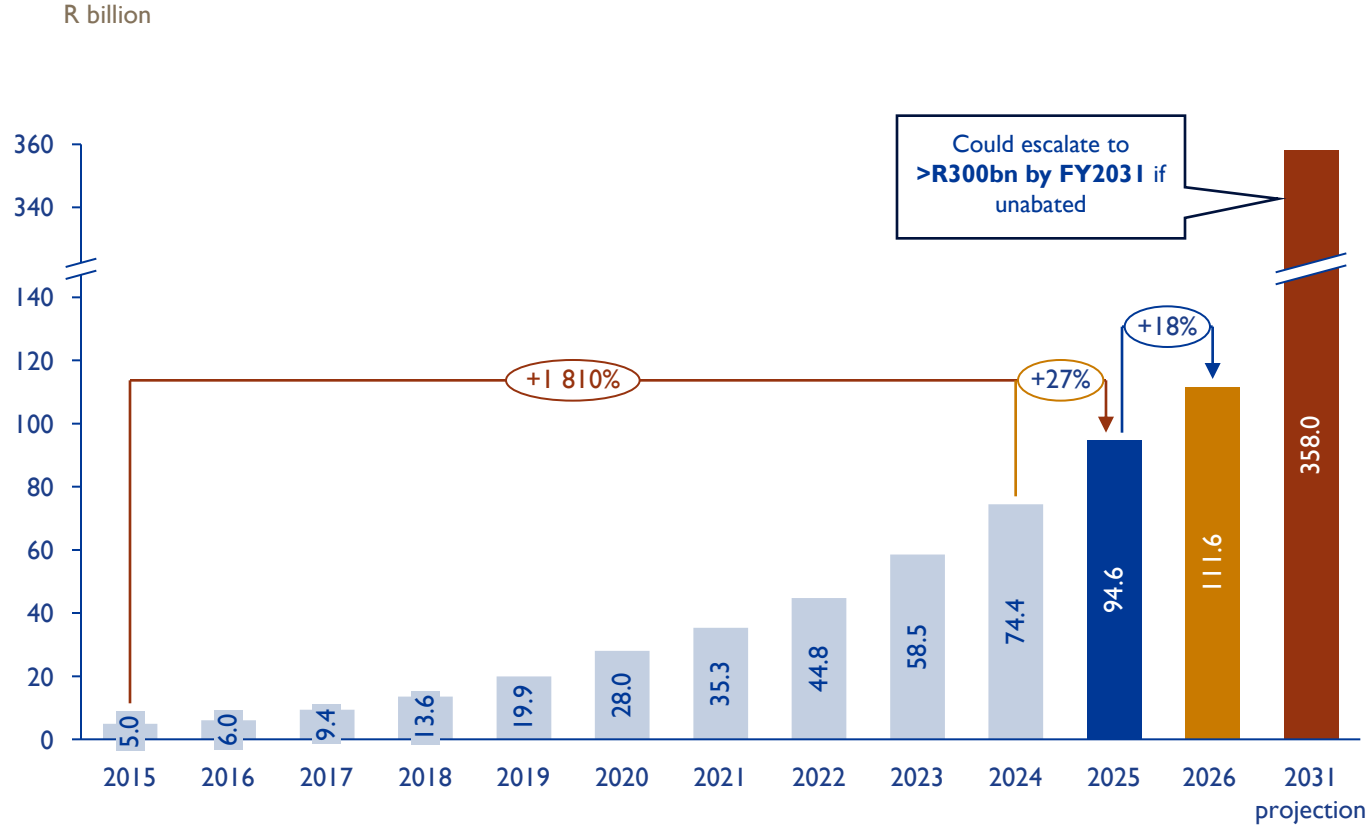
Arrear municipal and metro debt growth



Eskom will continue collaboration with Government to ensure municipal debt and energy loss challenges are addressed

- Eskom and Government collaborating on alternative solutions, including **distribution agency agreements (DAAs) and prepaid supply models**
- DAAs will support municipalities in ensuring **sustainable local service delivery while contributing to Eskom's financial sustainability** through improved billing and revenue collection.
- Municipal cumulative arrear debt balance for the municipalities is R111.6bn, with a FY26 net growth of R17.0bn. Interventions continue, including National Treasury debt relief processes and DAAs in place with 3 of the top defaulting municipalities. Key actions in this period include issuing of 14 PAJA notices.
- In FY26 the total distribution **electricity losses reduced to 19.7 TWh** from 20.5TWh in FY25.
- Interventions include: smart meter rollout, improved analytics, normalising illegal connections, and disconnecting zero-buyer PPUs
- Enhancing Free Basic Electricity (FBE) allocations and strengthening community partnerships will support compliance, reduce losses, and improve network sustainability

Agenda

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- **Part 2: NTCSA**
  - **NTCSA Board Chair Opening Remarks**
  - System Operator winter outlook
  - Progress in expanding the Grid (TDP)
  - SAWEM readiness
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No loadshedding (LS) is expected over the coming winter period if unplanned losses remain below 14 000MW (likely scenario of 12 000MW)

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Likely scenario

Winter 2026: 1 April to 31 August 2026 (153 days)							
Scenarios		**Base Case:** 12 000MW UCLF		**Base Case + 1 000MW:** 13 000MW UCLF		**Base Case + 2 000MW:** 14 000MW UCLF	
Number of LS days OCGT costs[1]		0 Days R 0 bn		0 Days R 0 bn		0 days R 0 bn	
Highest stage of LS		-		-		-	
Month	**Peak Residual Forecast**	**Loadshedding days**	**Max Loadshedding stage**	**Loadshedding days**	**Max Loadshedding stage**	**Loadshedding days**	**Max Loadshedding stage**
April	**24 871**	0	0	0	0	0	0
May	**26 902**	0	0	0	0	0	0
June	**27 028**	0	0	0	0	0	0
July	**27 651**	0	0	0	0	0	0
August	**26 925**	0	0	0	0	0	0

- **Improved availability of Eskom's fleet** resulted in the **base case** for unplanned losses **reducing to 12GW** (13GW assumed in previous outlook)
- **Forecasted demand** is **~10% lower** than the previous winter outlook (from ~30GW in 2025 to ~27GW in 2026)
- **Planned maintenance of ~4892MW** is slightly lower than levels of maintenance of 5 293MW in the previous winter period
- The above culminates in **Eskom forecasting surplus peak capacity of >5GW** over the winter 2026 period
- Projected OCGT excludes minimum offtake to meet contractual obligations with IPP OCGTs

Note: The Capacity Plan 12 February 2026 utilised, with an unplanned assumption of 12 000MW. Acronyms: UCLF – Unplanned Capability Loss Factor
It is important to note that the Weekly System Status report is not a loadshedding forecast, but only reflects potential reserve shortfalls without considering the available short term reserve and demand side levers

Positive Progress: 26GW already forward booked, exceeding IRP 2025 renewable requirements ahead of 2030 schedule

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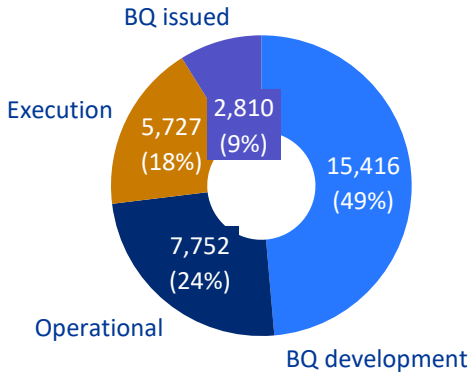
Generation customer connections data dashboard

Generation Budget Quotation (BQ)

No. of projects	Total MW
332	31 706

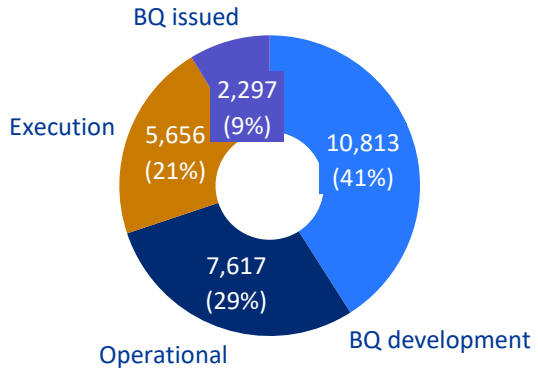
MW by status



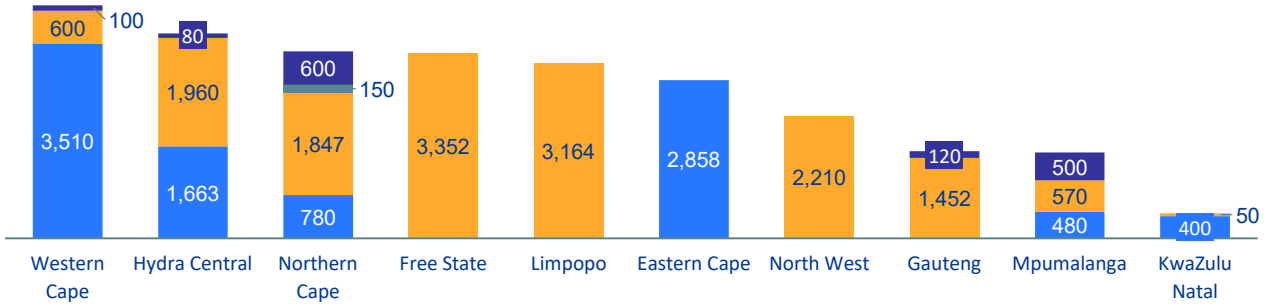
Utility-scale PV and Wind Budget Quotations (BQ)

No. of projects	Total MW
273	26 383

MW by status



MW by technology per supply area



Insights

- The NTCSA has **31.7GW of generation customer connections currently** in progress (Budget Quotation phase and beyond), demonstrating a robust and real grid connection pipeline
- **26GW of utility-scale PV and wind** capacity, is significantly exceeding the Integrated Resource Plan (IRP) 2025 renewable energy targets
- **7.7GW of projects are already connected**
- These figures provide a **clear and reliable window into actual market execution** against IRP policy objectives, based on committed projects rather than speculative interest
- **Significant progress** has been made towards **achieving the IRP 2025** renewable energy requirements

Current forecasts indicate oversubscription for Solar PV, however greater focus required to ensure delivery against forecasts and expediting BESS procurement

Improving generation flexibility, accelerating gas and battery storage is critical to support the growth in Variable Renewable Energy (VRE) penetration

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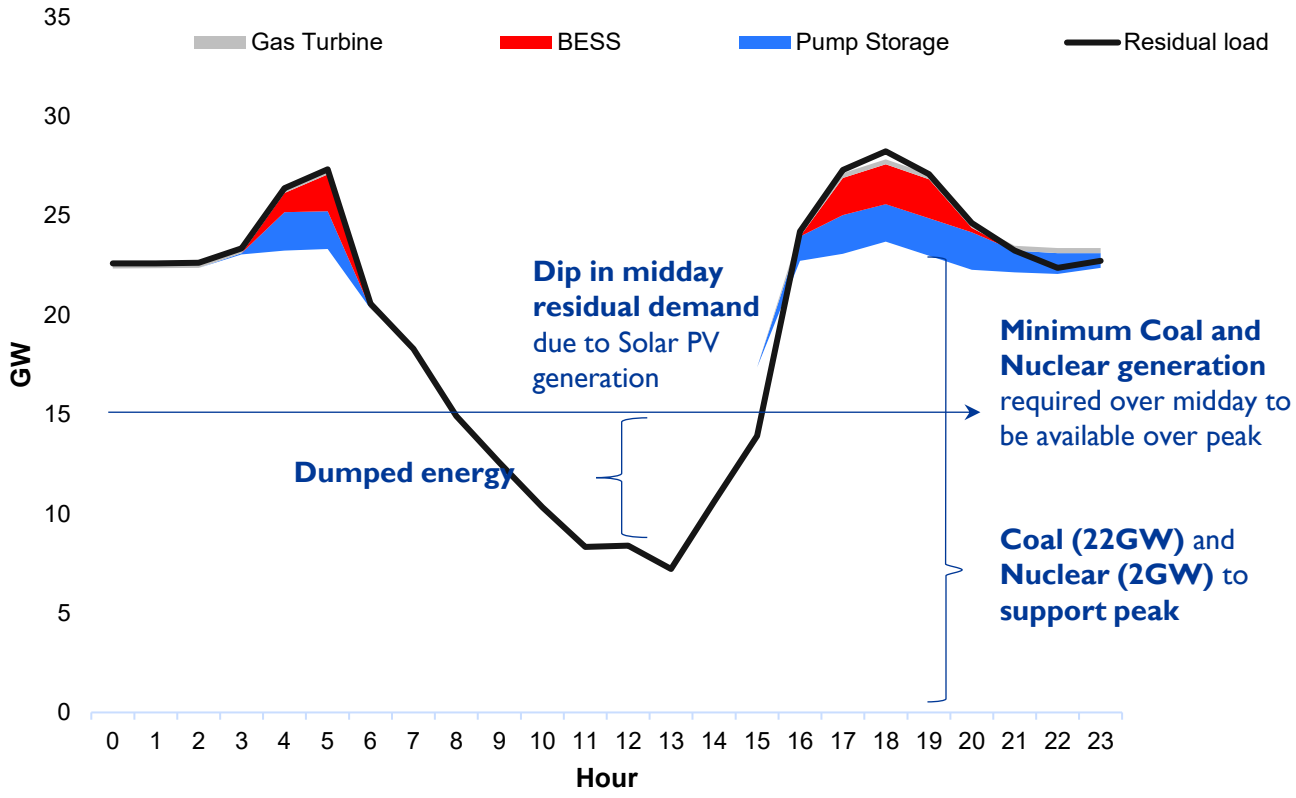
Demand vs. supply overview of typical day in 2028



- Medium term system outlook illustrates the **importance of flexible generation (like gas-to-power and storage)** and a **balanced approach to capacity expansion,** as variable renewable energy penetration results in increased dumped energy forecasts
- **Annual dumped energy** can increase to **over 5TWh** by 2028 if all planned Solar PV projects materialise
- **Dumped or excess energy** must be **minimised** in order to **ensure cost-efficiency of electricity supply** in South Africa
- NTCSA will **continue with key initiatives** to manage the **variability risk** and associated **impact on cost-efficiency**, including:
  - **Improving flexibility** of the existing generators
  - Investing in **Battery Energy Storage** and **demand management programmes**
  - **Advocating for cost reflective tariffs** to ensure correct price signals are sent to consumers and suppliers (current energy dominant tariff does not adequately incentivise flexibility)

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TDP delivery requires a step-change in the NTCSA and industry capacity to deliver on one of South Africa's largest capital programmes

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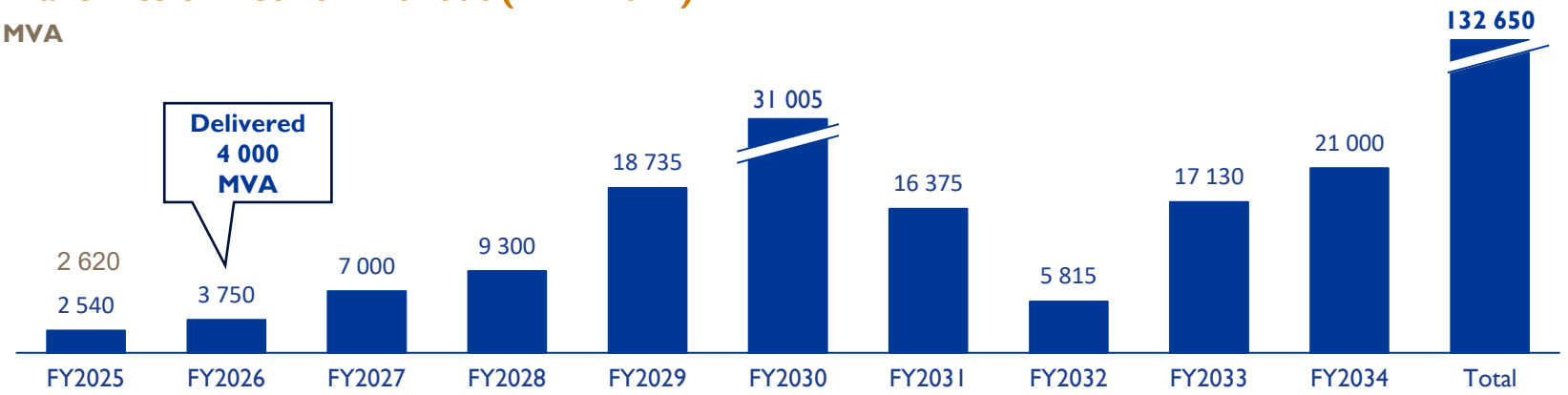
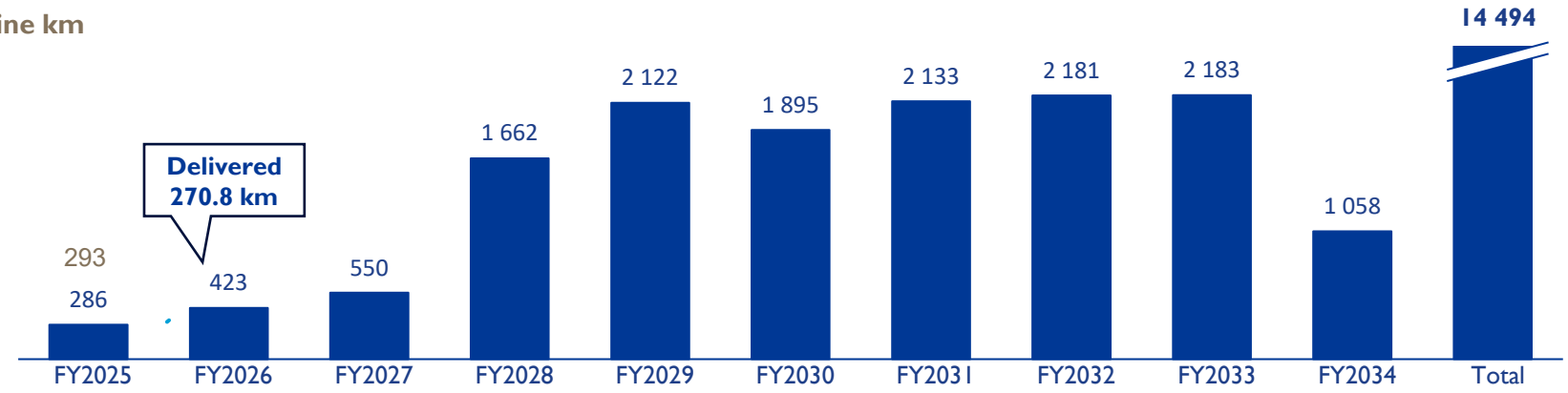
Transmission network rollout (TDP 2024)

MVA



- **Cumulative Planned MVA (FY 26) = 6 290MVA**
- **Cumulative Actual MVA (FY 26) = 6 620MVA**

Line km



- **Cumulative Planned km (FY 26) = 709 km**
- **Cumulative Actual km (FY 26) = 563 km**

Insights

- A total of **4 000 MVA** was commissioned in the **previous financial year** (FY26) against a target of 3 750MVA
- A total of **270.8 km of transmission lines** were constructed in the **previous financial year** (FY26) against a target of 423 km - primarily driven by contractor financial constraints and underperformance on several projects.
- The target for the **current financial year** (FY27) is to construct **550 km** of transmission lines and **commission 7 000 MVA of transformer capacity**
- **Considerable progress has been made** on key enablement initiatives i.e. **Owner's Engineer** (OE) panel contracts, **Engineer, Procure and Construct** (EPC) lines and substation contracts, **transformer contracts**, the **line construction incubation programme**, **steel suppliers** etc. for the delivery of the TDP

The ERAA supports the fast-tracking of the TDP by introducing a procurement mechanism that enables the Minister of Electricity and Energy to acquire new transmission infrastructure through ITPs.

Footnote: TDP – Transmission Development Plan, ERAA – Electricity Regulation Amendment Act. CEL: Cost Estimate Letter; BQ: Budget Quotation; ITP: Independent Transmission Projects

Key enablers to ensure successful delivery of the TDP

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	Challenges	Progress	Mitigations
Line Construction Capacity	• Current local industry capacity is approximately 800 km per annum. • The required build-out rate averages 1450 km per year and peaks at 2183 km.	• Incubation programme commenced , 2 companies have successfully completed the programme. • EPC lines and substation engineering panel contract established.	▪ Further scaling of contractor pool and incubation of additional companies required ▪ Support for localisation incentives to rapidly up-scale local contractor capacity.
Commodity Sourcing (Transformers & Steel)	• Single supplier for Class 3 (not currently producing) & no local supplier for Class 4. • 36–48 month lead times due to global demand. • Historically there was one supplier of fabricated structural steel in SA.	• The NTCSA has pre-qualified 23 international factories. • Proactive sourcing - 101 Transformer panel contract established for Class 3 transformers. • 6 Steel suppliers were invited to prepare prototype towers. The 6 suppliers' prototypes were completed, with final inspection done.	• Expedited designation and support for local transformer manufacturing (Class 3 & 4). • Government facilitation of technology transfer and investment in local production capacity.
Execution (Land & Servitude Issues + Security)	• Landowner holdouts delaying project commencement. • Servitude encroachment and informal housing creating safety risks and access problems.	• Projects escalated to National Energy Crisis Committee (NECOM) for increased focus. • NTCSA has acquired 7,700 km of land, more than 50% of TDP requirements which is critical in de-risking projects.	• Government to strengthen servitude protection measures.
Capacity (Project development & resources	• Limited internal delivery capacity facing a massive TDP rollout.	• Engineering, Procurement, and Construction (EPC), Owners Engineer (OE) and Independent Transmission Projects (ITPs) have been identified as mechanisms to assist with implementing the TDP.	• NTCSA working closely with DoEE and National Treasury to advance the participation of ITPs. • Currently building full internal engineering, project management and delivery capacity.

Agenda

- Part 1: Eskom
- **Part 2: NTCSA**
  - NTCSA Board Chair Opening Remarks
  - System Operator winter outlook
  - Progress in expanding the Grid (TDP)
  - **SAWEM readiness**
- Conclusion

Strong collaboration between NTCSA, Government, NERSA, and Industry is advancing the transition to a competitive electricity market

MB

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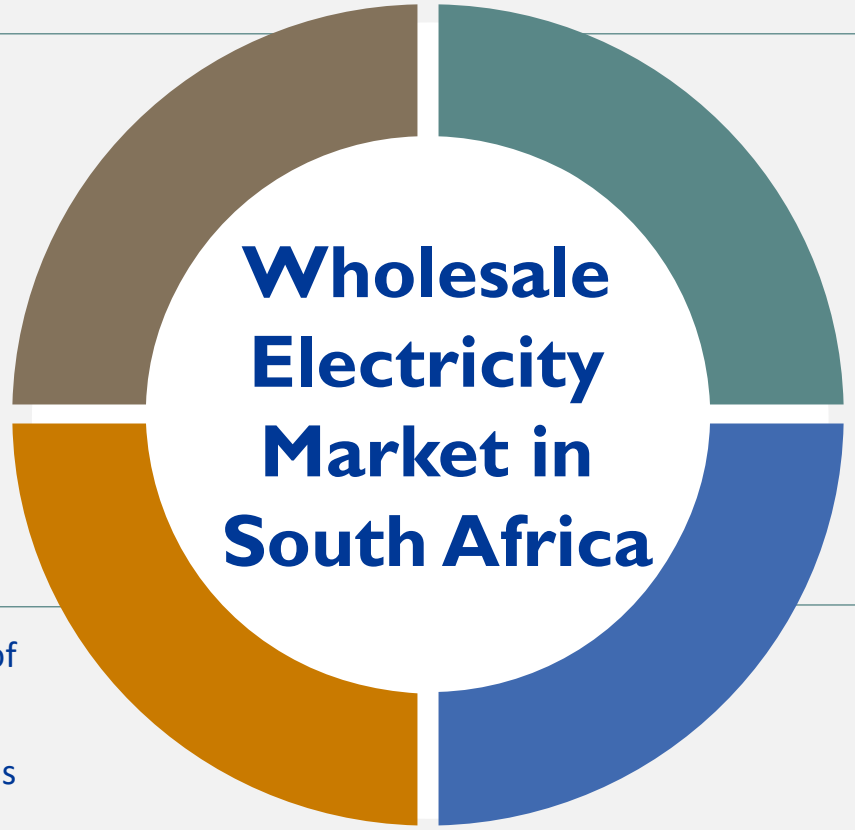
Institutional and regulatory readiness

- Market Ecosystem consists of many players in addition to the Market Operator (Govt, NERSA, market participants, other stakeholders)
- The Market Operator is being established with full independence, dedicated systems and a distinct identity. Licence T&Cs expected from NERSA soon

System stability and customer protection

- The transition is phased to protect security of supply while introducing competition.
- No disruption to customers expected as existing supply arrangements remain in place.
- Risk management measures ensure alignment with current tariffs and limit cost impacts.



Preparation Progress

- From 1 April, a day-ahead and intra-day trading platform is operational for **internal participants.**
- This provides a controlled environment to test systems ahead of the broader market rollout.

Looking ahead

- Insights from the pilot phase will refine systems, rules and governance before expansion.
- Reform approach is aligned with international best practice and local system needs.

Market "Go Live" to be triggered by "Ecosystem" Readiness, not a fixed date.

NTCSA remains focused on a reliable, flexible and equitable electricity future for South Africa

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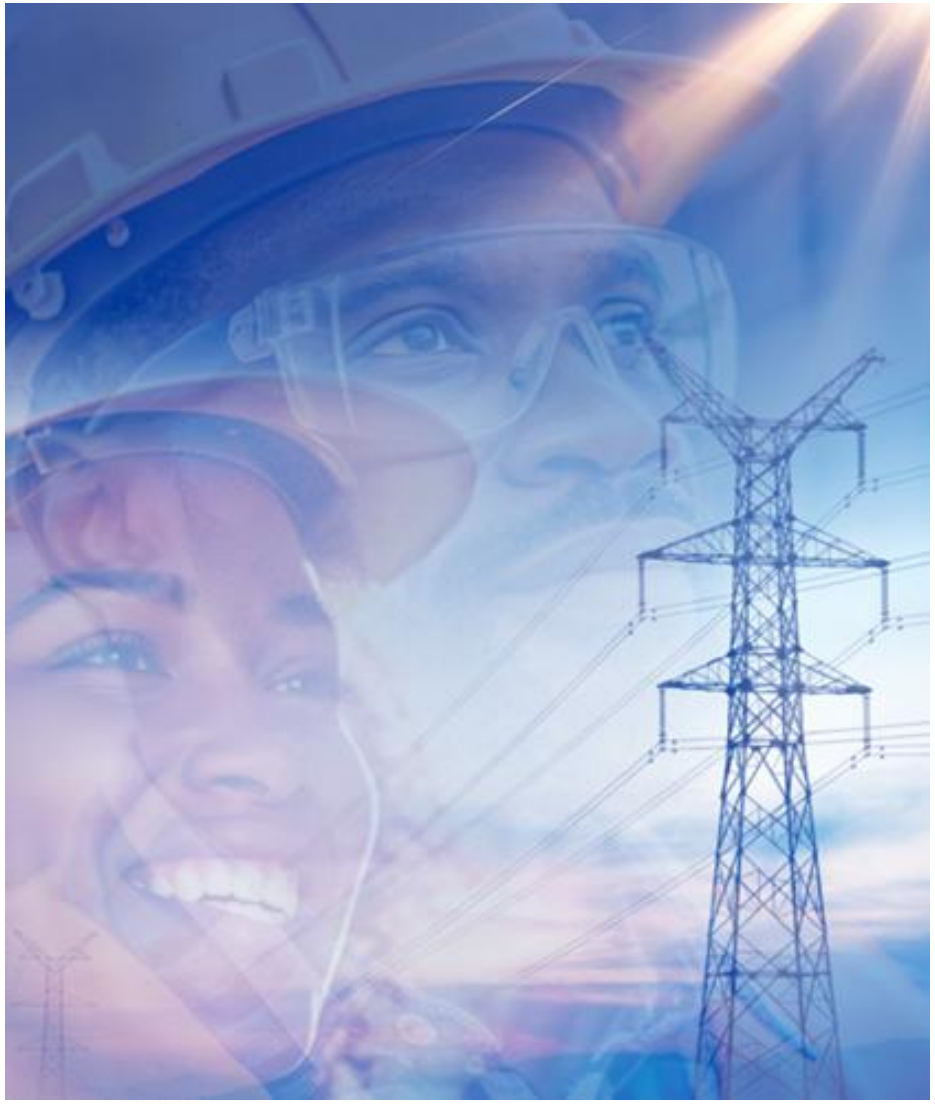

- System Operator winter 2026 outlook is positive: **no loadshedding expected under base-case assumptions**.
- Significant progress made in new capacity connections, with forward-booked capacity exceeding IRP 2025 targets for PV and wind, demonstrating the **NTCSA's proactive grid enablement**.
- Post 2030 **system reliability is assured through front loaded** TDP investments, focusing on **flexibility** to manage renewable variability and avoid curtailment.
- Progress has been achieved on **TDP delivery**. Key challenges in construction capacity, equipment supply, and statutory approvals are being addressed through incubation programmes, EPC contracts, and international factory pre-qualifications.
- **Progress made on SAWEM readiness** through close collaboration with Government, NERSA, and Industry; to enable the transition to a **competitive wholesale electricity market.**

Agenda

- Part 1: Eskom
- Part 2: NTCSA
- **Conclusion**

End