



Department for
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The Rt Hon Greg Clark MP

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Dear Mr Pettigrew

National Grid

Thank you for the reports of 19 October on Adjustments to the demand curve for the forthcoming early Capacity Market auction and the four-year ahead auction. I am writing to confirm adjustments to the auction parameters for those auctions, and for the forthcoming Transitional Arrangements auction.

T4 (Four year ahead auction)

Parameter	Value	Explanation
Target capacity for 2016 T4 auction	51.7GW	A small overall reduction reflecting primarily: <ul style="list-style-type: none"> prequalification evidence as to the participation in the CM of 500MW of larger scale embedded generation an amendment to reflect those with long-term STOR contracts assumptions as to the availability of certain specific plant in 2020/21
Maximum capacity at price cap	50.2GW	
Maximum capacity at £0/kW	53.2GW	

I am continuing to set-aside 0.6GW of the total estimated capacity needed in 2020/21 for the one-year ahead T-1 stage.


Early auction

Parameter	Value	Explanation
Target capacity for early auction for 2017/18	53.6GW	A very small overall reduction reflecting primarily: <ul style="list-style-type: none"> prequalification evidence as to the participation in the CM of 500MW of larger scale embedded generation an amendment to reflect those with long-term STOR contracts assumptions as to the availability of certain specific plant in 2017/18
Maximum capacity at price cap	52.6GW	
Maximum capacity at £0/kW	54.6GW	

Transitional Arrangements auction

I am making no revisions to the parameters for this auction, but note that I will have another opportunity to do so next year, before the auction itself.

Other parameters are unchanged.

Yours sincerely


THE RT HON GREG CLARK MP

Secretary of State for Business, Energy & Industrial Strategy