



Department  
of Energy &  
Climate Change

The Rt Hon Amber Rudd MP  
Secretary of State

Department of Energy & Climate Change  
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[www.gov.uk/decc](http://www.gov.uk/decc)

Cordi O'Hara (Director, UK System Operator)  
National Grid  
National Grid House  
Warwick Technology Park  
Gallows Hill, Warwick  
CV34 6DA

6 May 2016

Dear Cordi,

Under regulation 10(1)(b) of the Electricity Capacity Regulations 2014, I am required to determine by 15 June whether a T-4 auction is to be held in the auction window starting on 1 September this year; under regulation 10(5), I am required to publish that determination as soon as reasonably practicable after making it.

I can confirm that I have determined that a T-4 auction will be held in the auction window starting on 1 September 2016 for delivery in 2020/21.

I can also confirm that it is my intent to determine that an early capacity auction will be held in the auction window starting on 1 September 2016 for delivery in 2017/18. I will write again to formalise this position once the Electricity Capacity (Amendment) Regulations 2016 have been approved by Parliament and come into force.

Regulation 29 of the Electricity Capacity Regulations 2014 also provides for a DSR transitional auction to take place in the auction window starting on 1 September 2016 for delivery in 2017/18.

Auction parameters for all three auctions will be published in due course.

Yours sincerely

**AMBER RUDD**