



Department for
Business, Energy
& Industrial Strategy

Rt Hon Kwasi Kwarteng MP
Minister of State for Business, Energy and
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Dear Duncan,

Thank you for your report of 3 February on your recommended adjustments to the demand curve for the forthcoming four year ahead (T-4) Capacity Market auction. I am writing to you to confirm that I have accepted the recommendations from NG:ESO to reduce the T-4 target capacity, setting it at 43.1GW, and to adjust the demand curve in accordance with the updated target capacity.

Parameter	T-4 Auction for delivery in 2023/24
Target capacity for T-4 2023/24 Capacity Auction	43.1GW
Demand curve co-ordinate - target volume at price cap	42.1GW
Demand curve co-ordinate - target volume at £0/kW	44.1GW
Reliability standard	3 hours LOLE
Net CONE	£49/kW/yr
Price cap	£75/kW/yr
Price Taker Threshold	£25/kW/yr
15-Year Minimum £/kW Threshold	£275/kW de-rated capacity
3-Year Minimum £/kW Threshold	£135/kW de-rated capacity
Indexation base period	2018/19

Yours sincerely,

RT HON KWASI KWARTENG MP
Minister of State for Business, Energy and Clean Growth