



Department for
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Dear Cordi

I am writing to confirm that the only amendment I am making to the parameters for the Transitional Arrangements auction planned for 22 March 2017 is to increase the tolerances around the target to +/-200MW.

The parameters are set out in the Table below.

Parameter	Value	Explanation
Target capacity for 2017 TA auction	300MW	Unchanged
Maximum capacity at price cap	100MW	An increase in the target tolerances to +/-200MW reflecting primarily: <ul style="list-style-type: none">• a greater than anticipated amount of capacity prequalifying (735MW)• uncertainty around the amount of prequalified capacity that will drop out ahead of the auction
Maximum capacity at £0/kW	500MW	

Net cone proxy	£49/kW	Unchanged
Price cap	£75/kW	Unchanged
Price-taker threshold	£25/kW	Unchanged
Time-banded capacity obligation adjustment factor	70% of the auction clearing price	Unchanged

Yours Sincerely



JESSE NORMAN MP
Minister for Energy and Industry