



Department for
Energy Security
& Net Zero

Rt Hon Claire Coutinho MP
Secretary of State

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Fintan Slye
Director of the System Operator at National Grid
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26 January 2024

Dear Fintan,

Update to the Capacity Market Auction Parameters 2024

Thank you for the recommended adjustments to the Demand Curve for the forthcoming one-year ahead (T-1) and four-year ahead (T-4) Capacity Market auctions, delivered by National Grid Electricity System Operator (NG:ESO) in its capacity as the Capacity Market Delivery Body on 12 January 2024.

I am writing to you to confirm the final auction parameters for those two auctions.

T-1 target

I have accepted your recommendation to increase the T-1 auction target by 0.3GW to account for technical considerations. I have decided to set an auction target of 7.7GW for the T-1 auction for delivery in 2024/25.

T-4 target

I have accepted your recommendation to increase the T-4 auction target by 0.5GW to account for technical considerations. This takes the capacity target for the 2027/28 delivery year to 45.0GW.

Consequently, I have decided to set the T-4 auction target at 44.0GW and to set-aside 1.0GW for the future T-1 auction.

I have set the final auction parameters for the forthcoming Capacity Market auctions as detailed below in Table 1.

Yours sincerely,

RT HON CLAIRE COUTINHO MP
Secretary of State for Energy Security & Net Zero