

Press release: Capacity Market confirms guaranteed electricity security for next winter at low cost

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Auction closes at a low price to consumers and ensures that homes and businesses have a reliable electricity supply all year round

With the conclusion of the latest round of the Capacity Market this Government continues to guarantee homes and businesses have a reliable electricity supply all year round.

The auction closed today at the low final price of £6.95/kWh, providing guaranteed electricity capacity at a low cost to bill payers. Having capacity guaranteed in advance protects bill payers from increases in their electricity bills.

This Government has set out exactly how electricity capacity will be guaranteed for the entirety of this Parliament. We are also making progress in decarbonising the energy system in a way that is affordable for households and businesses. Following the Government's proposals to phase out unabated coal power generation by 2025 there is a significant reduction in the role that it will play in the Capacity Market year on year; with over 30% less coal capacity winning agreements for 2021 than for 2018.

We are also seeing more innovative, low carbon technologies coming into the capacity mix, such as battery storage.

Energy Minister Jesse Norman said:

"Reliable power supplies are essential for businesses to thrive and succeed. Thanks to this auction, homes and businesses can have confidence in the availability of that electricity at the lowest possible cost.

"More widely, the composition of the UK's electricity supply is now clear beyond the end of this Parliament."

The Capacity Market auction ensures that extra electricity capacity is available in case of unexpected power station outages or peaks in demand. Agreements won in this week's auction run from the start of winter 2017 to the beginning of winter 2018, at which point agreements already secured in previous auctions will commence to provide electricity capacity in the years

up to and including 2021.

[Provisional results report](#)

Notes to Editors

- Within two working days of the Capacity Market closing, the Auction Monitor must report to the Secretary of State on whether the procedures in the Rules and Action Guidelines have been properly followed.
- The Secretary of State decides whether the auction results should stand based on the Auction Monitor's report. Unless instructed otherwise by the Secretary of State, National Grid will then make public the Final Auction Results within eight working days of the Capacity Auction concluding.
- National Grid will then issue capacity agreement notices to those awarded a Capacity agreement within 20 working days of the auction results day.