

## Notes from 9<sup>th</sup> Meeting of the Market Pricing Working Group

Friday October 1, 2004, 08:30 – 12:00

**Attendees:**

<u>Name</u>	<u>Company</u>	<u>Name</u>	<u>Company</u>
Benner, Ryan	Dofasco	Vasquez, Noralyn	TransCanada Energy
Cary, Rob	Cardinal Power	Wu, Lawrence	TEAM
Coulbeck, Rob	Ontario Power Generation	Yang, Bunli	E4
Duzy, Margaret	TransCanada Energy		
Heaton, Randy	Ontario Power Generation		
Miles, Tony	Hydro One Networks	Haynes, Daryl	IMO MPWG Team
Poyton, Cliff	Epcor Merchant & Capital	Maria, Gamal	IMO MPWG Team
Simpson, Mark	Wescast Industries	Pietrewicz, Andrew	IMO MPWG Team
Snelson, Ken	AMPCO	Sergejewich, Peter	IMO MPWG Team
Stein, Victor	Ministry of Energy	Wilbur, Bill	IMO MPWG Team

**Item #1: Review of Action Items from September 3 Meeting**

- 2.1 – IMO staff continuing to examine methods to gain residential representation on the MPWG - Open
- 3.5 – MPWG members requested to forward impacts of the pricing issues discussed at previous meeting – Open
- 5.4 – IMO staff to find out how NYISO handles line loss factors – NYISO currently uses static penalty factors similar to IMO although they may make seasonal changes. However, the NYISO’s new market systems, SMD2, expected in service this fall, will be using dynamic penalty factors. - **Closed**
- 8.1 – IMO Staff to verify energy shortage price result with existing CAOR energy offer and current algorithm. – Open

**Item #2: Questions/Comments on Previously Discussed Pricing Issues**

- There were no comments or questions on the Pricing Issues discussed at previous meetings.

**Item #3: Pricing Issues for Discussion**

- Issue 8 – Systematic Differences Between the Day-Ahead and Real-Time Markets – Reviewed the revised report document. It was suggested that the table of differences be expanded to include Pre-dispatch as well as DAM and RT. Members expressed concern that Real-time price should be as robust as possible prior to proceeding with DAM, since DAM price will converge to RT price.

Action 9.1 – IMO Staff to request Andrew Hartshorn of LECG to attend next meeting to further discuss differences and economic theory between Day-Ahead and Real-Time markets.

**Item #4 Continue Issue Prioritisation Discussion**

- One email was received indicating the work packages were satisfactory.
- Some discussion was held regarding any costs that may be associated with the priority items. IMO staff indicated anything involving code changes within the algorithm would involve significant costs.
- A request was made from MPWG members to have some commitment from the IMO that it would move forward with any recommendations made by the MPWG. As is expressed in the MPWG Terms of Reference document, any recommendations made by the MPWG will have to be prioritised against

