

## Notes from 3<sup>rd</sup> Meeting of the Market Pricing Working Group

Friday June 11, 2004, 9:00 – 12:00

Toronto Congress Centre

### Attendees:

<b>Name</b>	<b>Company</b>	<b>Name</b>	<b>Company</b>
Benner, Ryan	Dofasco Inc.	Simpson, Mark	Wescast Industries Inc.
Brown, David	Ontario Energy Board	Snelson, Ken	AMPCO
Cary, Rob	Cardinal Power	Stein, Victor	Energy Supply & Competition Branch
Chute, Russell	Ontario Energy Board	Vasquez, Noralyn	TransCanada Energy Ltd.
Coulbeck, Rob	Ontario Power Generation	White, Adam	Ontario Energy Association
Duzy, Margaret	TransCanada Energy Ltd.	Yang, Bunli	E4 Inc.
Gregg, Lauri	Falconbridge Limited	Findlay, Al	IMO
Harwood, Shane	Coral Energy Canada	Haynes, Daryl	IMO MPWG Team
Heaton, Randy	Ontario Power Generation	Maria, Gamal	IMO MPWG Team
Kerr, Paul	Coral Energy Canada	Pietrewicz, Andrew	IMO MPWG Team
Miles, Tony	Hydro One Networks	Rivard, Brian	IMO MPWG Team
Poyton, Cliff	Epcor Merchant & Capital L.P.	Sergejewich, Peter	IMO MPWG Team
Samant, Sushil	Northland Power Inc.	Wilbur, Bill	IMO MPWG Team

### Item #1: Review of Action Items from May 25 Meeting

- 2.1 There is nothing new to report regarding a residential advocate for the MPWG. - **Open**
- 2.2 Terms of Reference changes will be addressed in Item #2 – **Closed**
- 2.3 Reviewed recommended changes to Issue Tracking document. The document was accepted with the changes and will be utilized as a Issue tracking mechanism moving forward. – **Closed**
- 2.4 Guiding Principles changes will be addressed in Item #3. – **Closed**
- 2.5 IMO to provide sample data collected during MIO testing. IMO staff discussed the need for MPWG members to sign a non-disclosure agreement. Some data released to the MPWG members may have some inaccuracies, or could be detrimental to the efforts of the Working Group if released to a broader audience without the proper context. Coral is opposed to the requirement for MPWG members to sign a non-disclosure agreement. Data will be released following signing of the non-disclosure agreement. – **Closed**
- 2.6 There is nothing new to report regarding the MPWG utilizing sandbox environment following MIO testing. – **Open**

Action 3.1: IMO staff to provide a non-disclosure agreement prior to next meeting via email for review by MPWG members.

### Item #2: Update Terms of Reference and Objectives Document

- Reviewed the revised ToR/Objectives document.
- It was recommended adding the requirement to sign a non-disclosure agreement under the Business Practices section.

Action 3.2: IMO staff to add wording regarding the non-disclosure agreement to the Terms of Reference.

### Item #3: Guiding Principles for Pricing Issues Discussions

- The five principles were discussed individually. There were a number of recommendations for changes to the principles. These change requests were noted by IMO staff for inclusion in the document.

- Suggested a statement should be included in the Considerations section indicating any recommendations are not “hemmed in” by the tool.
- It was agreed the statement regarding the MPWG offering or providing alternative solutions to an issue should be removed.
- A statement should be added indicating the numerical sequencing of the principles has no bearing on the weighting of the principles.

Action 3.3: IMO staff to make revisions to Guiding Principles document and forward to MPWG members for comment prior to the next meeting.

#### **Item #4: 12 Times Ramp Issue**

- IMO staff provided a presentation on 12 times vs. 1 times ramp rates and the effect on price. The presentation was based on data obtained during the ongoing MIO testing. Following the presentation, the loads indicated they were concerned with the risk and volatility associated with 1 times ramp rate. It was agreed that the IMO should continue to gather as much comparison data as possible.
- The 12 times Ramp Rate pricing issue report text was reviewed. It was suggested that there should be a statement in the background section indicating the Market Rules allow for the IMO to set the ramp rate. The document should also include a statement on the requirements to change to a different ramp rate.

Action 3.4: IMO staff to make additions and revisions to 12 Times Ramp Rate document prior to next meeting.

Action 3.5: MPWG members to forward any impacts of 12 times vs. 1 times ramp rate issue in order to be included in the pricing issues report document.

#### **Issues Tracking Document**

- The Issues Tracking document was reviewed following the recommended changes from the previous meeting. The structure of the document was accepted by MPWG members.
- Issues 18, 22, 23, 25, 26, 27 have been added since the last meeting.
- The Issue of Compensation under Administrative Pricing should be added to the document.
- Issue #7 – Imports Setting Price – DAM group has a clearer description of the issue and this will be represented in the next version of the document.

Action 3.6: IMO to provide an updated version of the Issues Tracking document prior to the next meeting.

**Next Meeting:** Friday June 25, 2004, 09:00 – 15:00  
Toronto Congress Centre