

# Pricing Events – July 2007

August 23, 2007

MPWG



## Agenda

1. Overview
2. Detail Discussion
  - High-price hours
  - Low-price hours
  - Negative MCP
  - MCP Volatility
  - Operating reserve activations
  - Emergency control actions
  - Market demand response programs
3. Wrap Up

- July Summary
  - Average Hourly Market Demand: 18,922 MW
  - Average Hourly Ontario Demand: 17,260 MW
  - Average HOEP: \$ 43.90
- Highlights
  - Highest hourly exports of 3,298 MW (July 15 - HE 15)
  - Highest monthly exports of 1,237 GWh

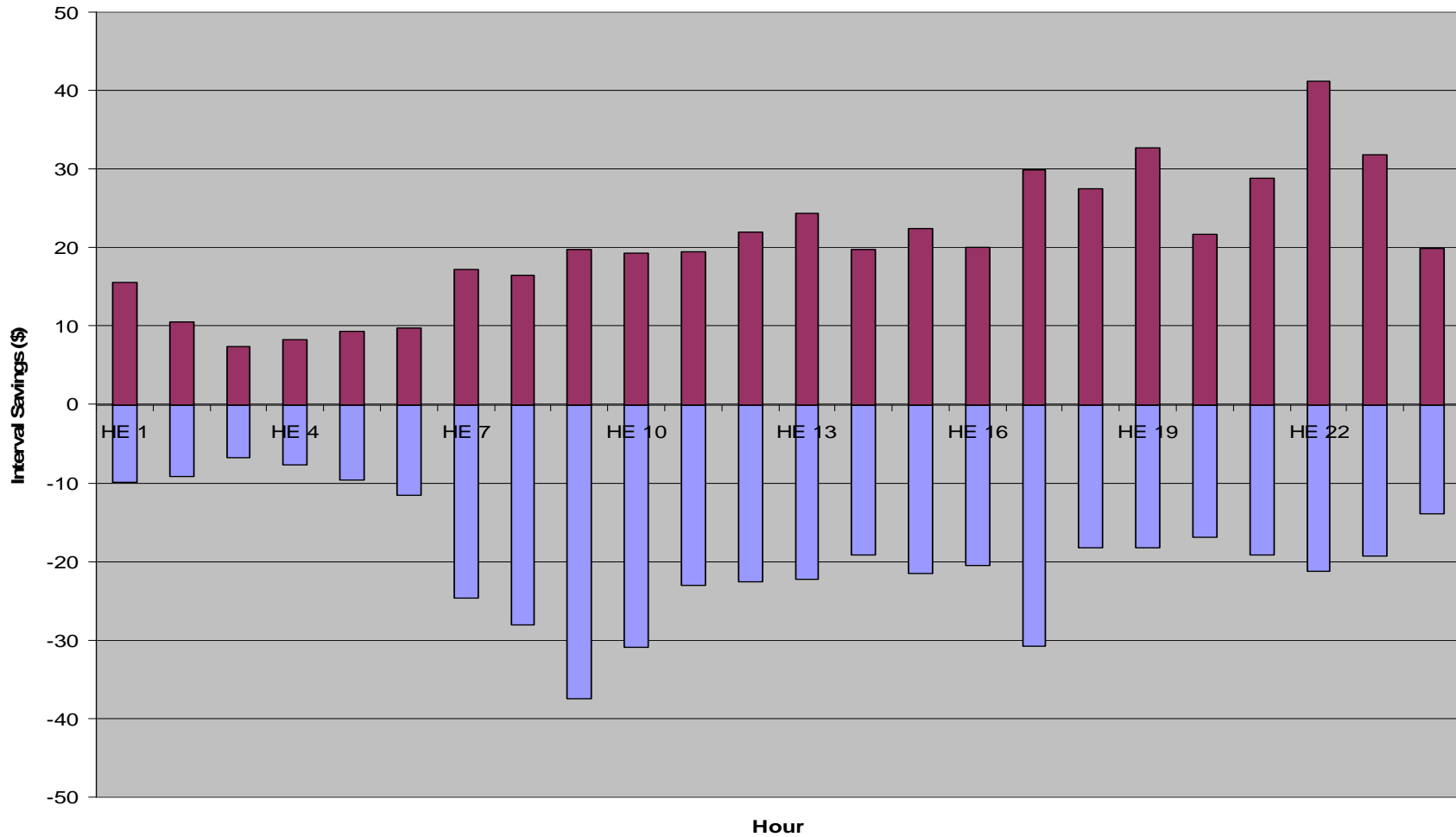
- There was one hour in July where the HOEP was above \$200
- July 17 HE 10
  - HOEP was \$271.40 for the hour
    - Demand exceeded forecast levels by slightly over 400MW
    - There was a 300 MW derate on a large fossil generation unit

- There were 57 hours in July where the HOEP was below \$20
  - The 57 hours in July were spread over 13 days
  - There were 2 peak hours where the HOEP was below \$20
  - The lowest HOEP was \$2.41 and the average of these 57 HOEP values was \$12.57

- July 8 HE 7 – Intervals 1 and 2
  - The MCP was \$4.90 in HE 6 Interval 12 and then fell to -\$4.06 in HE 7 Interval 1
  - By Interval 2 the MCP had risen to -\$3.78, before reaching \$0 in interval 4
  - The MCP remained positive for the rest of the hour, resulting in a HOEP of \$2.41
  - Can be attributed to natural market behaviour under low demand conditions and typical base load offers

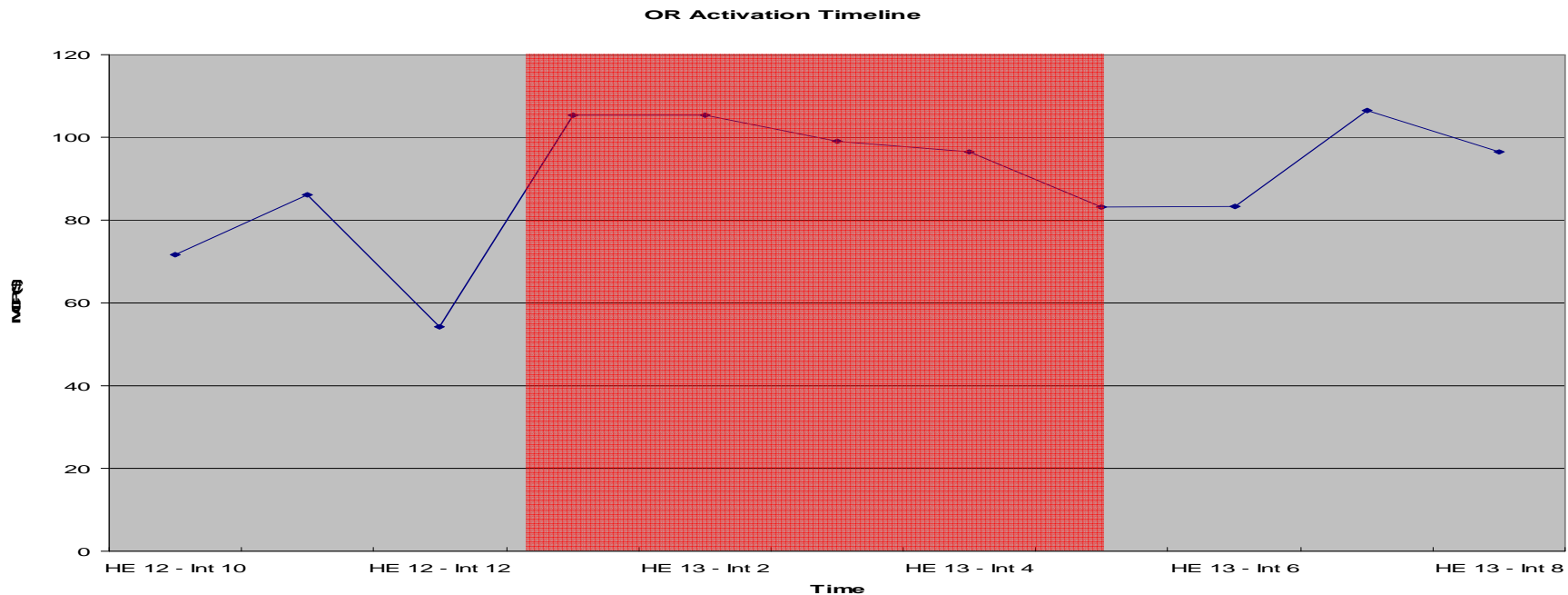
# MCP Volatility – Hourly Price Bounds

July Bounds



- In July 2007 there were 242 intervals to interval changes that fell outside the bounds of the benchmark
- This represented 2.71% of the total number of intervals changes for the month, indicating this month experienced volatility inline with historic values
- Historic values against the new benchmark:
  - March 2007 – 5.98%
  - April 2007 – 6.21%
  - May 2007 – 3.22%
  - June 2007 – 3.08%

- 16 hours with OR activations
- Largest Reserve Activation occurred on July 25, 11:58
  - 500MW of OR and 371MW of SAR were activated
  - Result of forced outage on a large generating unit
  - OR was activated for 22 minutes



- No emergency control actions were used in July

- No market demand response programs were used in July

- There was 1 hour in July where the HOEP was above \$200
- There were 57 hours where HOEP was less than \$20
- There were 16 OR activations