

Pricing Events – August 2007

October 29, 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
 - Administered Pricing
3. Wrap Up

- August Summary
 - Average Hourly Market Demand: 19,561 MW
 - Average Hourly Ontario Demand: 18,084 MW
 - Average HOEP: \$ 53.62
- Highlights
 - 2nd highest 2007 monthly weighted average Price of \$57.30/MWh (highest \$60.80/MWh February 2007)
 - 2nd highest 2007 monthly Ontario Energy Demand of 13,455 GWh (highest 13,758 GWh January 2007)
 - 2nd Highest 2007 monthly Imports of 630 GWh (highest 648 GWh March 2007)
 - 2nd Lowest monthly OR \$0.6M (lowest June 2006 \$0.5M)
 - Total Wind Generation for August, 61 GWh

Hours in which HOEP > \$200

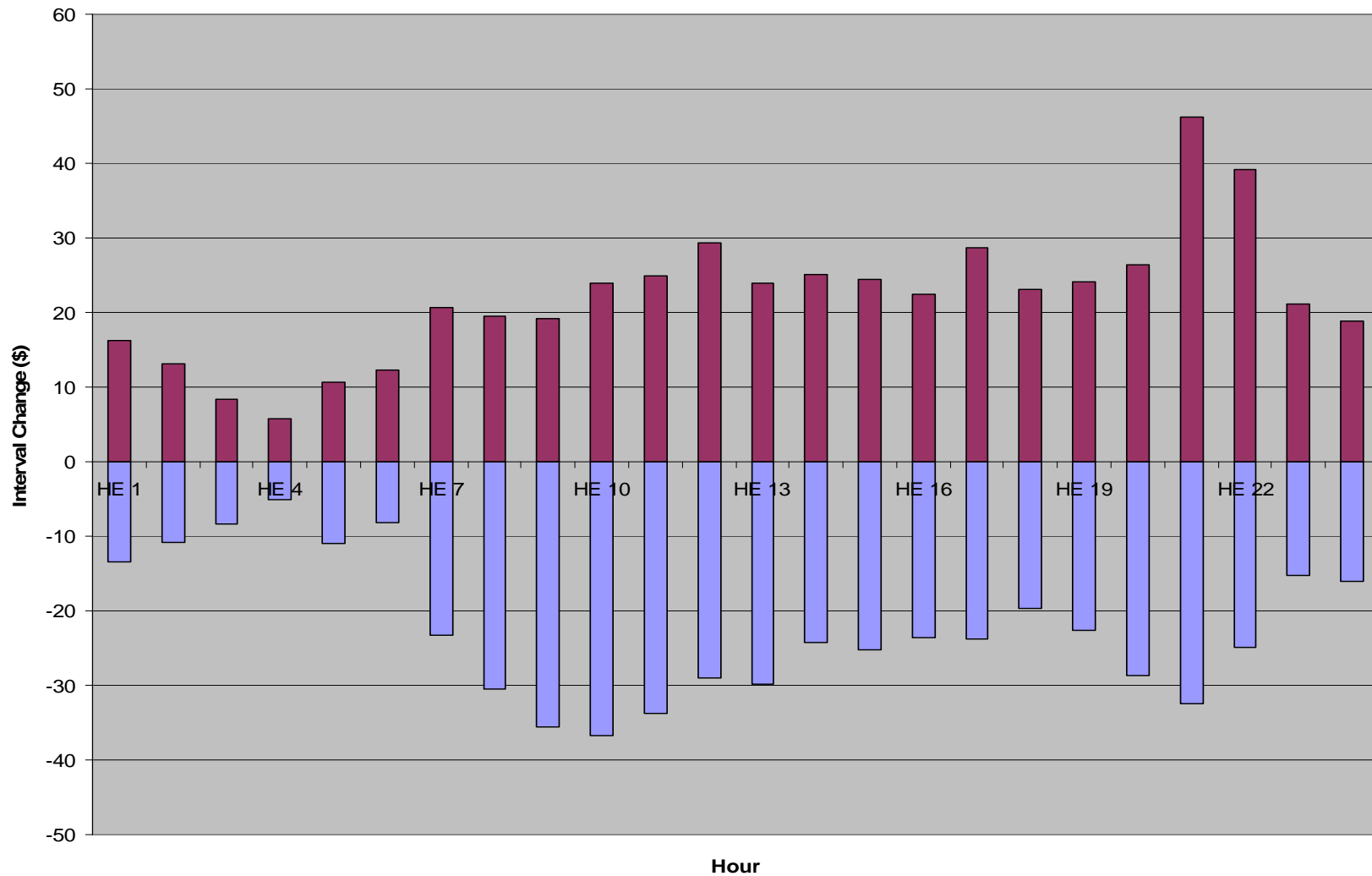
- There were no hours in August in which the HOEP was above \$200

- There were 11 hours in August where the HOEP was below \$20
 - There were 0 peak hours where the HOEP was below \$20
 - The lowest HOEP was \$4.63 and the average of these 11 HOEP values was \$10.14

- There was no Negative MCP in the month of August

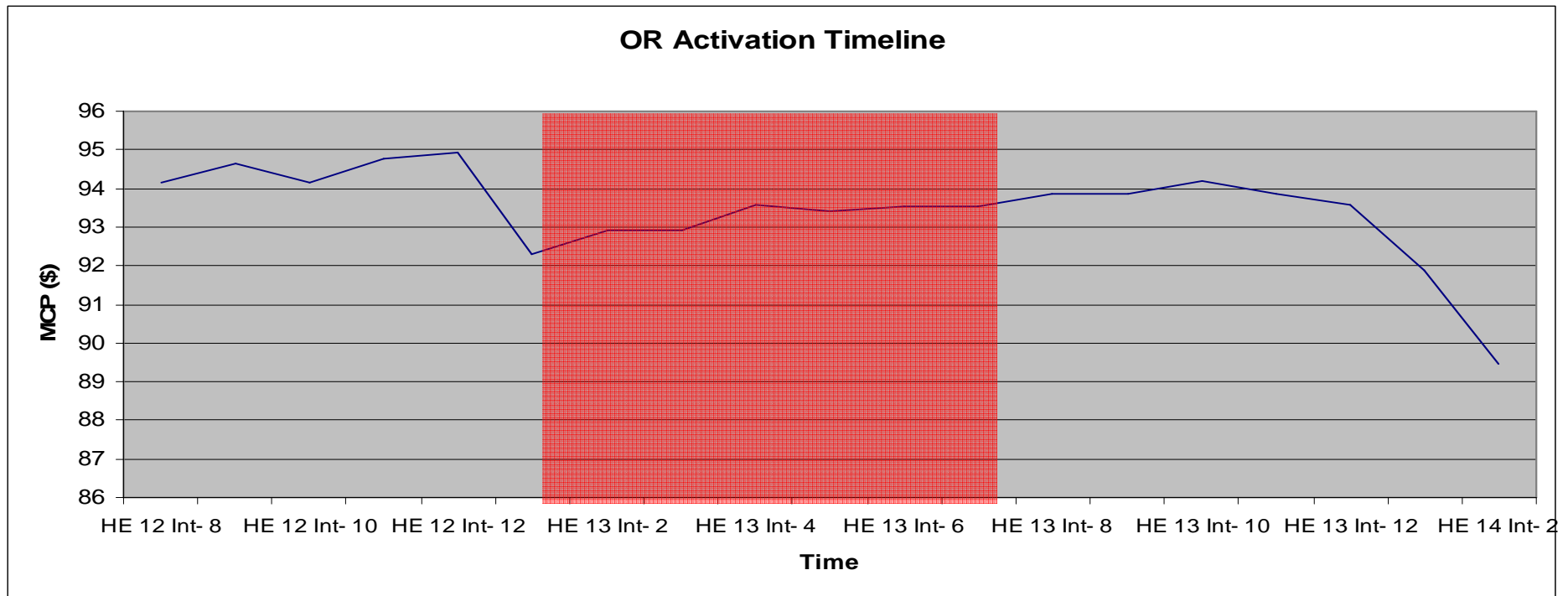
MCP Volatility – Hourly Price Bounds

August Bounds



- In August 2007 there were 137 intervals to interval changes that fell outside the bounds of the benchmark
- This represented 1.53% 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:
 - April 2007 – 6.21%
 - May 2007 – 3.22%
 - June 2007 – 3.08%
 - July 2007 – 2.71%

- 22 hours with OR activations
- Largest Reserve Activation occurred on August 16, 13:08
 - 400MW of OR and 359MW of SAR were activated
 - Result of large generating unit tripping
 - OR was activated for 30 minutes



- A Power Advisory was issued on Thursday, August 2 asking consumers to reduce their use of electricity during peak demand times between 12 and 8 pm

- A notification was sent to ELRP participants on August 2 for possible reduction in hours 13 – 20, but the program was not activated

- In August there were 2 instances where administered pricing was required for a total of 3 intervals
- Inaccurate input data was the cause for both instances

- There were no hours in August where the HOEP was above \$200
- There were 11 hours where HOEP was less than \$20
- There were 22 OR activations