

Pricing Events – October 2007

December 6, 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

- **October Summary**
 - Average Hourly Market Demand: 17,194 MW
 - Average Hourly Ontario Demand: 16,006 MW
 - Average HOEP: \$ 48.91
- **Highlights**
 - Lowest October Ontario Demand of 11,908 GWh (previous lowest 11,962 GWh, October 2006)
 - 2nd Lowest October import of 704 GWh (lowest 378 GWh Oct 2006)
 - 2nd Highest October export of 884 GWh (highest 912GWh Oct 2006)
 - Total Wind Generation for October, 105 GWh

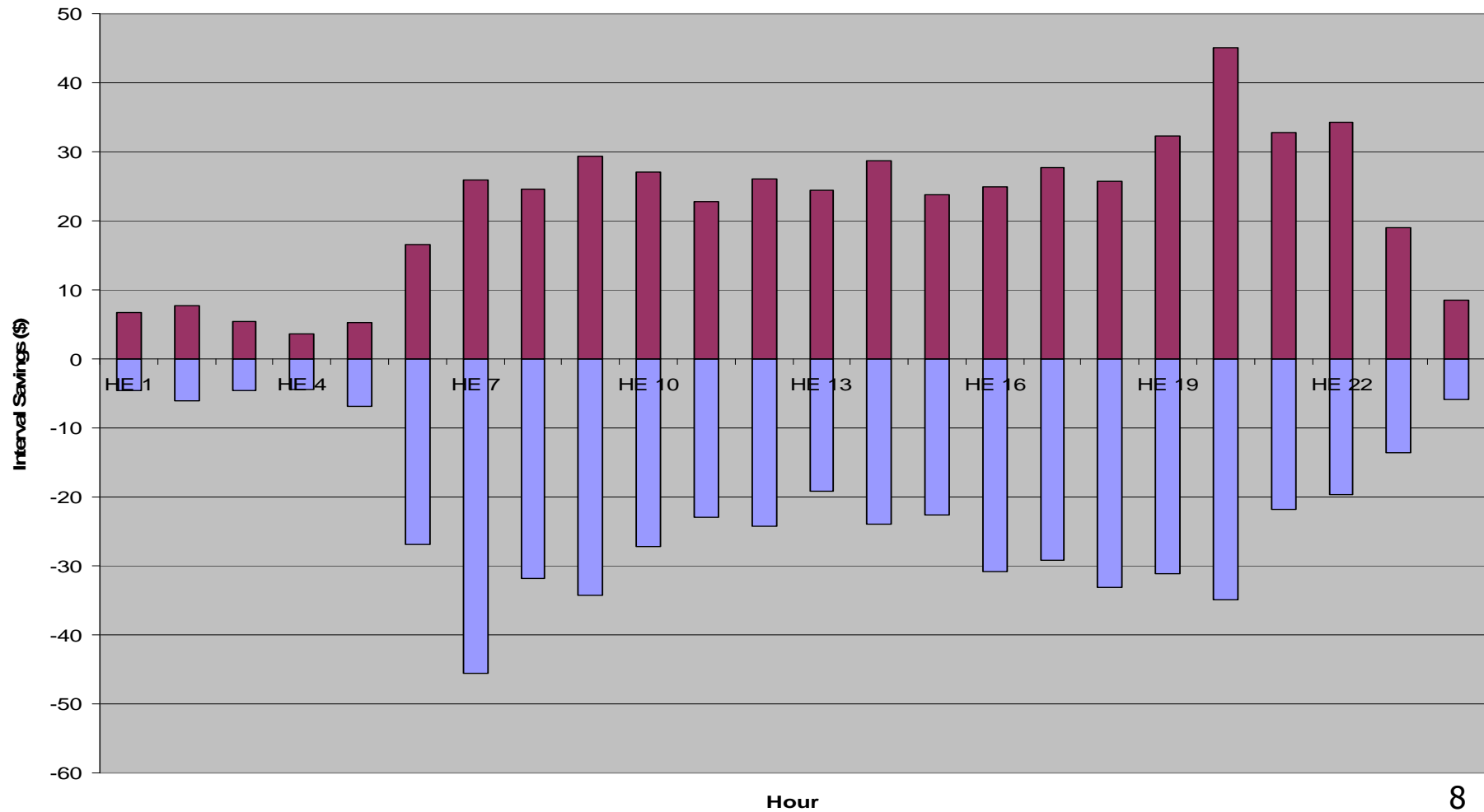
- There was 1 hour in October in which the HOEP was above \$200
- October 24 HE 18
 - HOEP was 294.52
 - Generator on outage but did not remove offers; result generator was scheduled in pre-dispatch, but not available in real-time, so more expensive generation was required

- There were 36 hours in October where the HOEP was below \$20
 - There were 2 peak hours where the HOEP was below \$20
 - The lowest HOEP was \$2.74 and the average of these 45 HOEP values was \$9.96

- October 20 HE 1 (2 Intervals)
 - The HOEP price for this hour was \$16.71
 - Can be attributed to natural market behaviour under low demand conditions and typical base load offers

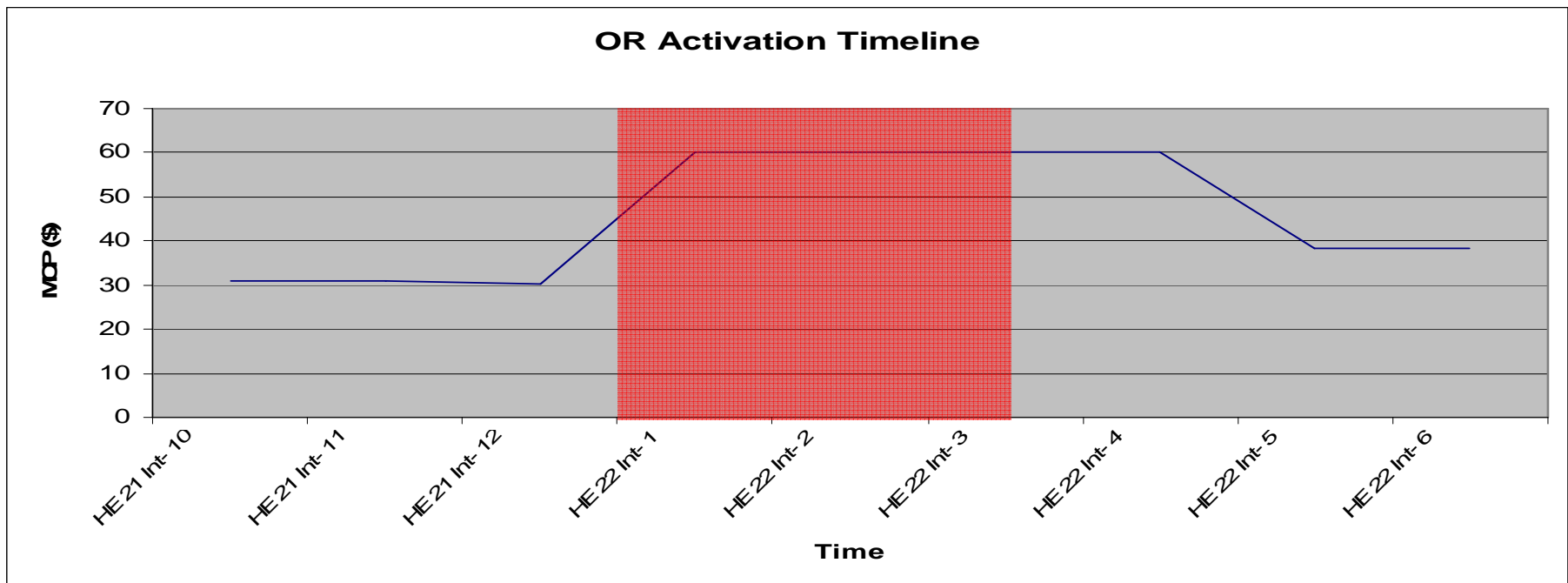
MCP Volatility – Hourly Price Bounds

October Bounds



- In October 2007 there were 437 intervals to interval changes that fell outside the bounds of the benchmark
- This represented 4.89% of the total number of intervals changes for the month , indicating this month experienced volatility slightly higher than the historic values
- Historic values against the new benchmark:
 - June 2007 – 3.08%
 - July 2007 – 2.71%
 - August 2007 – 1.53%
 - September 2007 – 3.10%

- 31 hours with OR activations
- Largest Reserve Activation occurred on October 18, 22:05
 - 600MW of OR were activated
 - Due to a combination of low frequency, load not dropping off as quickly as predicted and non-responsive AGC
 - OR was activated for 12 minutes



- No Emergency Control Actions were taken in October

- There were no market demand response programs issued in the month of October

- In October there were 6 instances where administered pricing was required
 - inaccurate input of data accounted for 22 intervals
 - planned outages accounted for 5 intervals

- There was 1 hour in October where the HOEP was above \$200
- There were 36 hours where HOEP was less than \$20
- There were 31 OR activations