

IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

Date: February 6, 2008

Subject: **Day-Ahead Market (SE-21)**

Information Item

IESO Board Decision Date: June 2008

In December 2007, the Stakeholder Advisory Committee and IESO management recommended, and the Board approved, further investigation of the unconstrained day-ahead market (DAM) that the IESO and stakeholders have been discussing since August 2007. This continued investigation will culminate in a recommendation to the IESO Board in June 2008 on the proposed path forward for day-ahead mechanisms.

A revised SE-21 stakeholder plan has been posted (on January 10, 2008) which outlines the schedule of activities leading to the Board decision in June. The significant events on the timeline are:

January to March 2008 - Further meetings with technical support groups on cost benefit analysis and production cost guarantee development.

April 11 2008 - Stakeholder meeting to discuss DAM design issues and the cost-benefit analysis.

April 16, 2008 - Deadline for written stakeholder comments to provide input prior to IESO publishing its recommendation.

May 2, 2008 - IESO publishes a recommendation on the path forward with regard to improved day-ahead mechanisms.

May 15, 2008 - Stakeholder meeting to present recommendation and gather input in order to provide additional stakeholder input to Board.

June 4, 2008 - Stakeholder Advisory Committee meeting to gather input and advice for the IESO Board of Directors regarding the recommendation.

June 19, 2008 - Present the recommendation to IESO Board for consideration including how stakeholder input was used.