

Review of Dispatch Algorithm's Compliance with Market Rules

Przemek Tomczak
Director, Audit/Risk Management
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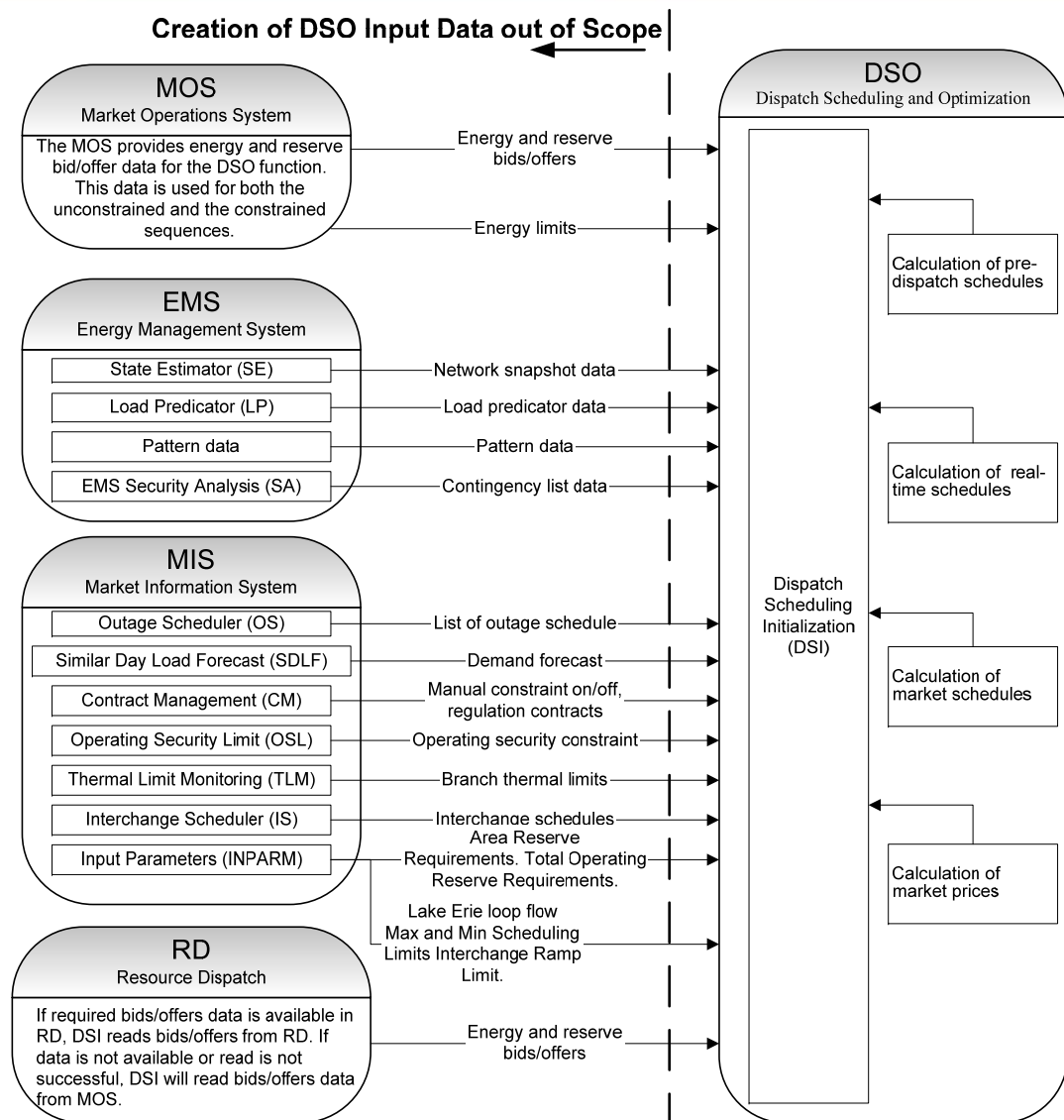
- The IESO commissions an independent review of the operation and application of the dispatch algorithm and related dispatch processes and procedures at least once every two calendar years as required by Market rule 7.4.2.4
- This review focused on IESO's compliance with Chapter 7.4 (The Dispatch Algorithm) and Appendix 7.5 (The Market Clearing and Pricing Process) of the Market Rules.
- This review was the third review conducted since Market Opening.
- The IESO engaged PricewaterhouseCoopers to perform this review.

Inputs:

The review included the proper use of the inputs where specified by the Market Rules.

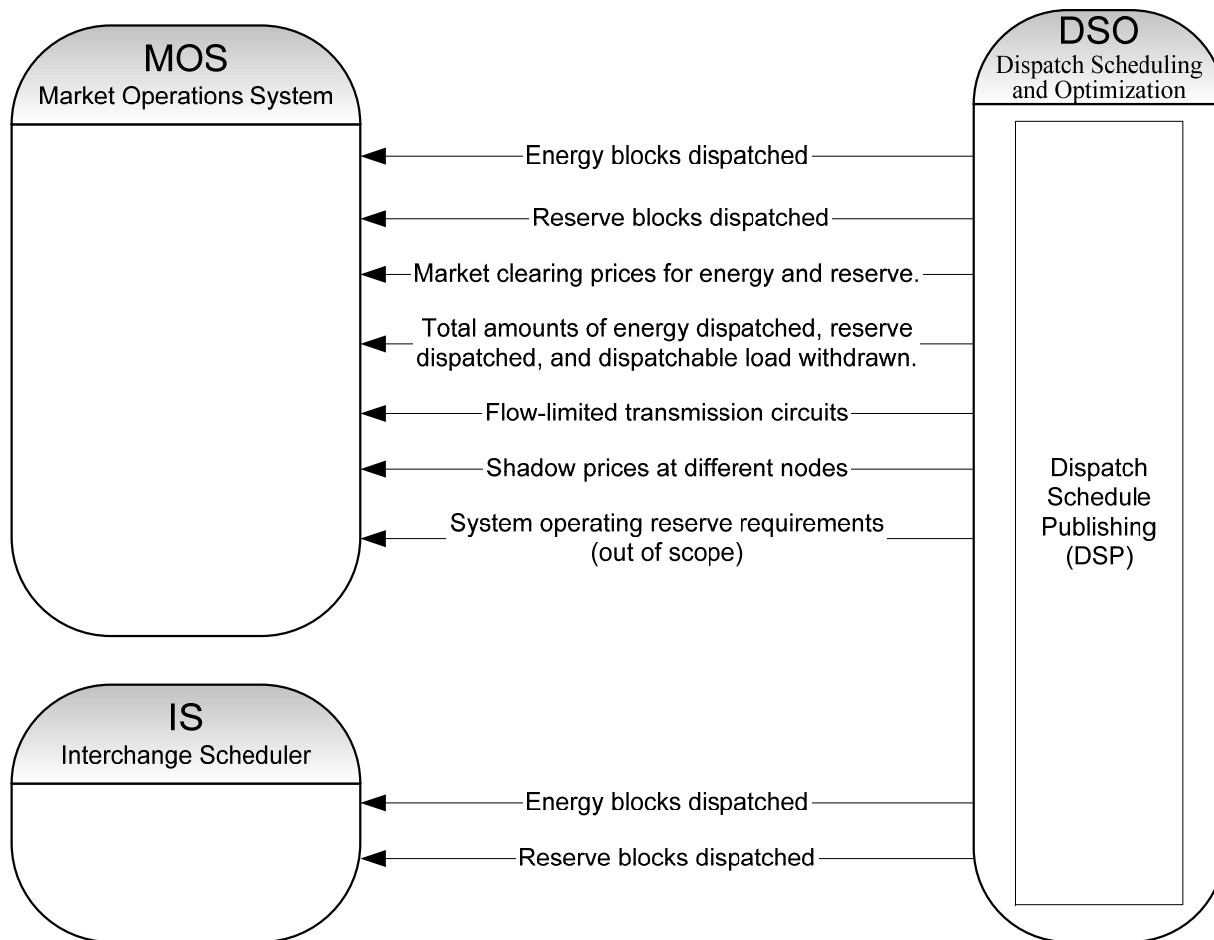
Out of Scope

The validity or accuracy of inputs to the Dispatch Scheduling and Optimization (DSO) tool as outlined in the diagram was outside of the scope of this review.



Outputs:

This review included the outputs of the DSO tool depicted in the diagram with the exception of the system operating reserve requirements that are developed in a different system and are not modified by the DSO tool.



- Understand applicable Market Rules and related processes and procedures
- Developed and executed Automated Screening Tests
 - Screening the DSO schedules for February 12, 2009 to identify individual dispatches that were sub-optimal or in violation of the unit's limits or the security constraints
 - Reviewing archived historical outputs of the DSO tool for conditions in direct violation of limits defined in the Market Rules
 - Developing screens that tested other implications of the Market Rules
- Base Case and Save Case Testing
- Comparison of DSO tool input/output data to DSO save case and IESO website
- Reporting any material issues that came to PwC's attention that caused them to believe that the dispatch algorithm and related processes and procedures are not operating in accordance with the rules

Extract from the April 15, 2009 report:

“Based on our review, nothing has come to our attention that causes us to believe that **on February 12, 2009** that the IESO was not operating in compliance with Chapter 7.4 (The Dispatch Algorithm) and Appendix 7.5 (The Market Clearing and Pricing Process) of the Market Rules, inclusive of the interpretations made by IESO management”