

### Minutes of Meeting

<b>Date held:</b> July 15, 2008	<b>Time held:</b> 11:00 – 2:00	<b>Location held:</b> Room 216
<b>Invited/Attended</b>	<b>Company Name</b>	<b>Attendance Status</b> (A)ttended; (R)egrets; (S)ubstitute
Bell, Brian	OPG	A
Bellissimo, Vittoria	OPA	A
Cary, Rob	Sithe Global	A
Kuntz, Margaret	TransCanada Energy	A
Loughren, Chris	Bruce Power	A
Prodan, Hugh	NGX	Teleconference
Ruzycki, Nola	Energy Savings Group	Teleconference
Shah, Sushil	OPG	A
Van, Sam	OPG	Teleconference
Wight, Gary	Constellation Energy Group	A
Zastawny, Dan	NGX	Teleconference
Chung, Jo	IESO	A
Huber, Devon	IESO	A
Kamstra, Pat	IESO	A
Martinello, Anthony	IESO	A
Rivard, Brian	IESO	A
Springgay, Guy	IESO	A

All meeting material is available on the IESO web site at:  
[http://www.ieso.ca/imoweb/consult/consult\\_se21-efm.asp](http://www.ieso.ca/imoweb/consult/consult_se21-efm.asp)

Pat Kamstra (IESO) outlined the objectives of the EFM technical support group and clarified the current design.

#### Members Questions, Comments and Discussion

1. It was noted that there is a difference in settlement timing between the real time market (monthly) and the EFM (weekly) which could affect settlement synergies. The shorter settlement cycle may reduce the amount of prudential required.

2. The OPA indicated that if an EFM were to be developed and considered an official IESO administered market, they hope to transition CES contract pricing to the day ahead price, which could improve liquidity of the EFM.
3. There was significant discussion regarding the level of participation needed to obtain sufficient liquidity. A stakeholder questioned how a voluntary market could encourage participation when the current NGX/ICE market has seen minimal participation to date. It was suggested that incentives may be necessary to promote participation by load. One suggestion is the introduction of uplift avoidance if loads provide firm forecast of consumption day-ahead. The concept of LSE/CEA was discussed briefly. Participation of financial players was also mentioned as a necessary component of the EFM.
4. NGX indicated that they consider a market liquid if it has, at minimum, 10 to 15 active participants and no chance of zero trade days. They referred to the depth and breadth of the market. The quantity is not as critical a factor.
5. There was a general discussion about the market design and how alterations could enhance an EFM design, but the group agreed that market structure changes are outside the scope of work of the technical support group. It was noted that much of the generation in Ontario is under regulated contracts/pricing, and it is the groups' objective to develop an EFM that complements an enhanced DACP in the context of the current market structure.
6. The IESO plans to work toward an EFM design that, to the extent possible, appeals to a broad group of stakeholders, promotes liquidity, and harmonizes prudentials.
7. A stakeholder summarized some benefits and limitations of an EFM through the IESO versus an external exchange such as NGX:
  - The IESO has greater potential to harmonize forward market and real time prudentials.
  - The IESO EFM system allows for hourly (rather than block) bidding, but only for day-ahead commitments.
  - NGX products run from same day to 5 year forward commitments.
8. There may be more support for a continuous bid/offer clearing mechanism versus a market clearing price.
9. Several stakeholders noted that participation in the technical support group does not suggest support for option 2 but rather a willingness to consider and participate in enhancing an EFM design. Their preference is Option 3 (UDAM).

Action Item Summary				
#	Date	Action	Status	Comments
1		IESO to prepare high level alternate design scenarios, to be reviewed at next meeting July 29.		