

Update on Financially Binding Status in the Day Ahead Commitment Process

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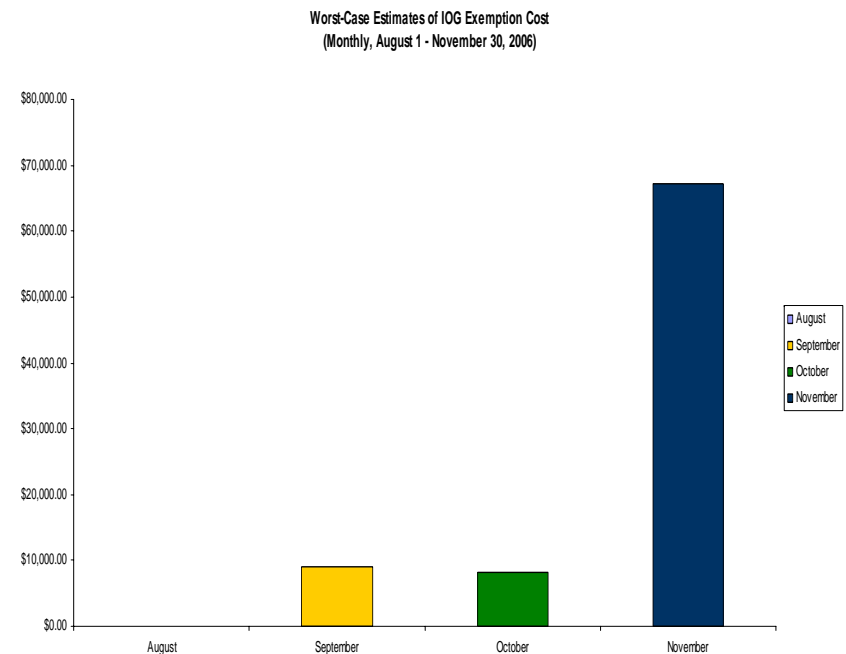
Financially Binding Status – An Update



- IESO Board made a decision in November to continue the Day Ahead Commitment Process (DACP) indefinitely, until another program provides at least equivalent reliability benefits
- IESO will undertake an annual review to the Stakeholder Advisory Council on the performance of the DACP
- Data to support Financially Binding Status determination will continue to be provided by MISO until June 1, 2007, pending the negotiation of a “seams agreement” between MISO and the IESO
- Conference call is planned for December, between IESO and NYISO to facilitate data exchange to support determination of Financially Binding Status in NY
 - Data is not as straightforward as was the case with MISO
 - December meeting is to explore options

Financially Binding Status - Results

- Maximum estimated impact of offering Financially Binding Status on MISO interface from August 1 to end of November was \$87k. Total IOG paid out for the same period was \$13 million.
- Up to end of October, only a handful of MW that could have gained FBS actually had positions in the MISO market.
- In general, traders have not made great use of FBS.



Financially Binding Status - Future



- Given the difficulty in implementing FBS on the NYISO interface, and the general lack of uptake for FBS status by traders, is it worthwhile to keep it?