

IESO 2007Q2 18-Month Outlook

FASC Meeting July 25, 2007



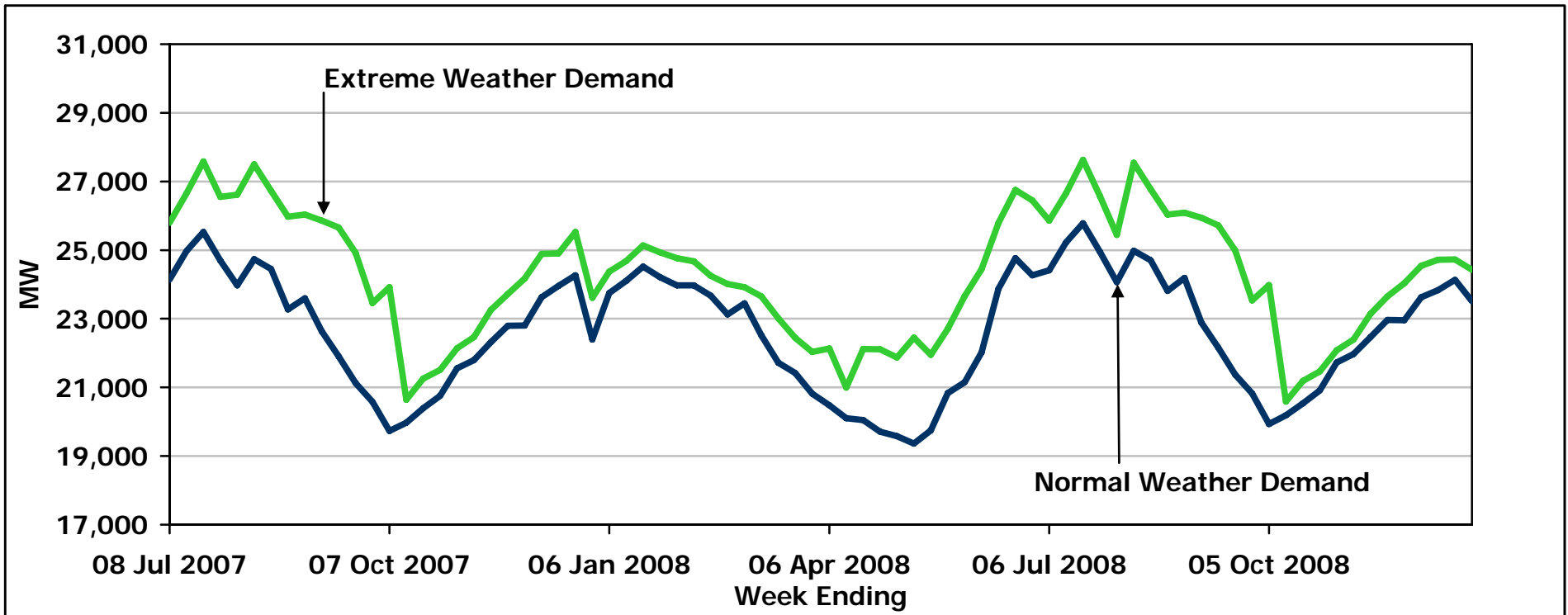
- Assumptions & Risks
- Firm Resource Scenario and Planned Resource Scenario
- Results
- Key Findings and Conclusions

- Reduction in the energy demand levels

| Season | Seasonal Normal Weather Peak (MW) | Extreme Weather Peak (MW) |
|----------------|-----------------------------------|---------------------------|
| Summer 2007 | 25,773 | 27,585 |
| Winter 2007-08 | 24,745 | 25,548 |
| Summer 2008 | 26,028 | 27,840 |

- **2006 energy (actual weather corrected):**
152.3 TWh (decrease 1.6%)
- **2007 energy:** 153.7 TWh (increase 0.9%)
- **2008 energy:** 155.9 TWh (increase 1.4%)

Weekly Demand Profile - Firm Resource Scenario



- Two Scenarios – Firm and Planned
 - Firm Resource Scenario includes:
 - Existing demand response programs (Dispatchable, OPA's DR 1 and loads under contract)
 - Existing conservation programs
 - Planned Resource Scenario includes:
 - Planned demand response programs (Dispatchable, DR1, DR2 & DR3 and loads under contract)
 - Targeted conservation savings – composed of energy efficiency, fuel switching, conservation and self-generation
- Targeted conservation starts in 2008

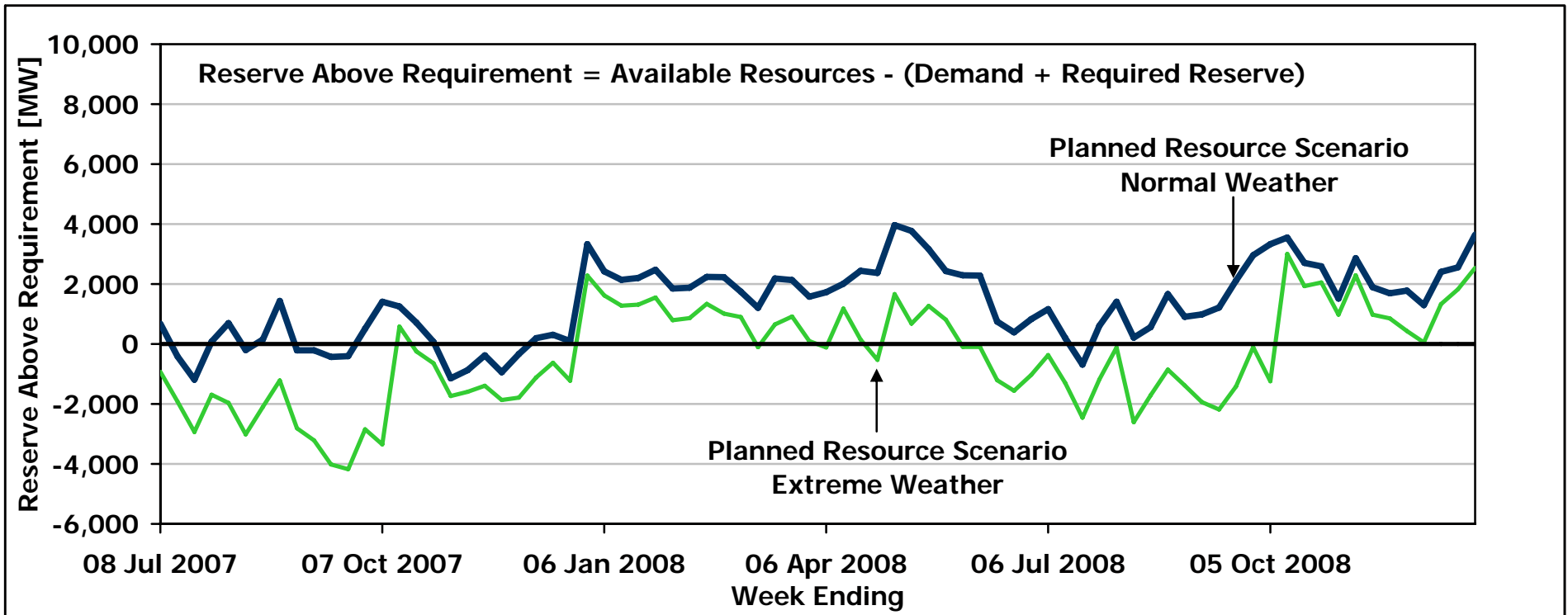
- Historic Hydro contribution updated based on additional actual data up to April 2007
- Firm Resource Scenario includes:
 - Existing resources plus capacity changes to existing resources
 - Additional resources that started commissioning or come into service in the first 3 months (none for this Outlook)
- Planned Resource Scenario includes:
 - Existing resources plus all planned resource changes

Committed and Contracted Generation Resources

| Proponent/Project Name | Zone | Fuel Type | Capacity MW | Estimated Effective Date | Considered in Resource Scenario | |
|---|-----------|-----------|----------------|-----------------------------|------------------------------------|-----|
| | | | | | FRS | PRS |
| Retirement of Sandy Falls 25 Hz generation to convert to 60 Hz | Northeast | Water | -3 | 2007-Q3 | Yes | Yes |
| Ripley Wind Power Project | Southwest | Wind | 76 | 2007-Q4 | | Yes |
| Lac Seul Project - English River | Northwest | Water | 13 | 2007-Q4 | | Yes |
| Nuclear Upgrade | N/A | Uranium | 27 | 2007-Q4 ⁽¹⁾ | Yes | Yes |
| Abitibi Canyon Runner Upgrade | Northeast | Water | 10 | 2008-Q1 | Yes | Yes |
| Great Northern Tri-Gen | West | Gas | 12 | 2008-Q1 | | Yes |
| Retirement of Lower Sturgeon 25 Hz generation to convert to 60 Hz | Northeast | Water | -5 | 2008-Q1 | Yes | Yes |
| Umbata Falls Hydroelectric | Northwest | Water | 23 | 2008-Q2 | | Yes |
| Durham College District Energy | Toronto | Gas | 2 | 2008-Q2 | | Yes |
| Countryside London Cogen | West | Gas | 12 | 2008-Q2 | | Yes |
| Portland Energy Centre Phase I | Toronto | Gas | 250 | 2008-Q2 | | Yes |
| Retirement of Wawatin 25 Hz generation to convert to 60 Hz | Northeast | Water | -11 | 2008-Q2 | Yes | Yes |
| Warden Energy Centre | Toronto | Gas | 5 | 2008-Q2 | | Yes |
| Kruger Energy Port Alma Wind Power Project | West | Wind | 101 | 2008-Q4 | | Yes |
| Nuclear Upgrade | N/A | Uranium | 27 | 2008-Q4 ⁽¹⁾ | Yes | Yes |
| Greenfield Energy Centre | West | Gas | 1,005 | 2008-Q4 | | Yes |
| Melancthon II Wind Project | Southwest | Wind | 132 | 2008-Q4 ⁽¹⁾ | | Yes |
| Wolfe Island Wind Project | East | Wind | 198 | 2008-Q4 | | Yes |
| Return of Sandy Falls as a 60 Hz station | Northeast | Water | 6 | 2008-Q4 | Yes | Yes |
| Greenfield South Power Plant | Toronto | Gas | 280 | 2008-Q4 | | Yes |
| Enbridge Ontario Wind Power Project | Southwest | Wind | 200 | 2008-Q4 | | Yes |
| Total | | | 2,359 | | | |

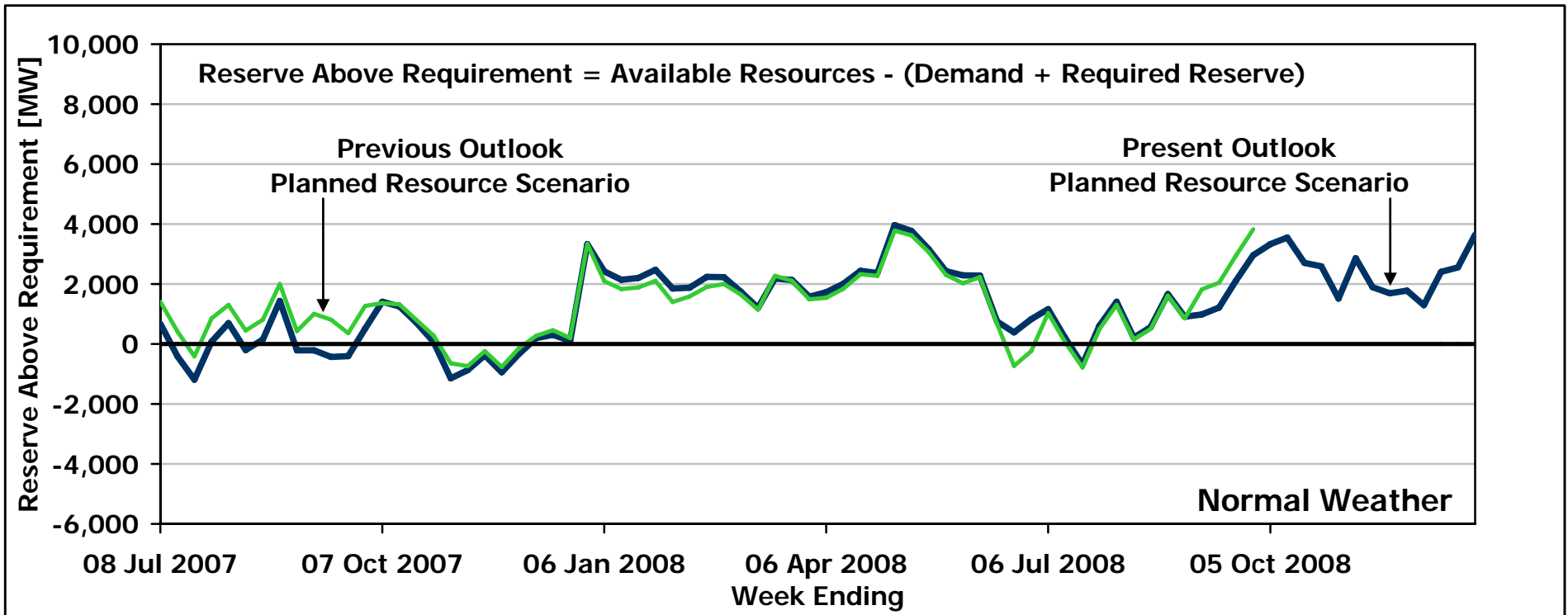
Reserve Above Requirement

Planned Resource Scenario: Normal and Extreme Weather



Reserve Above Requirement

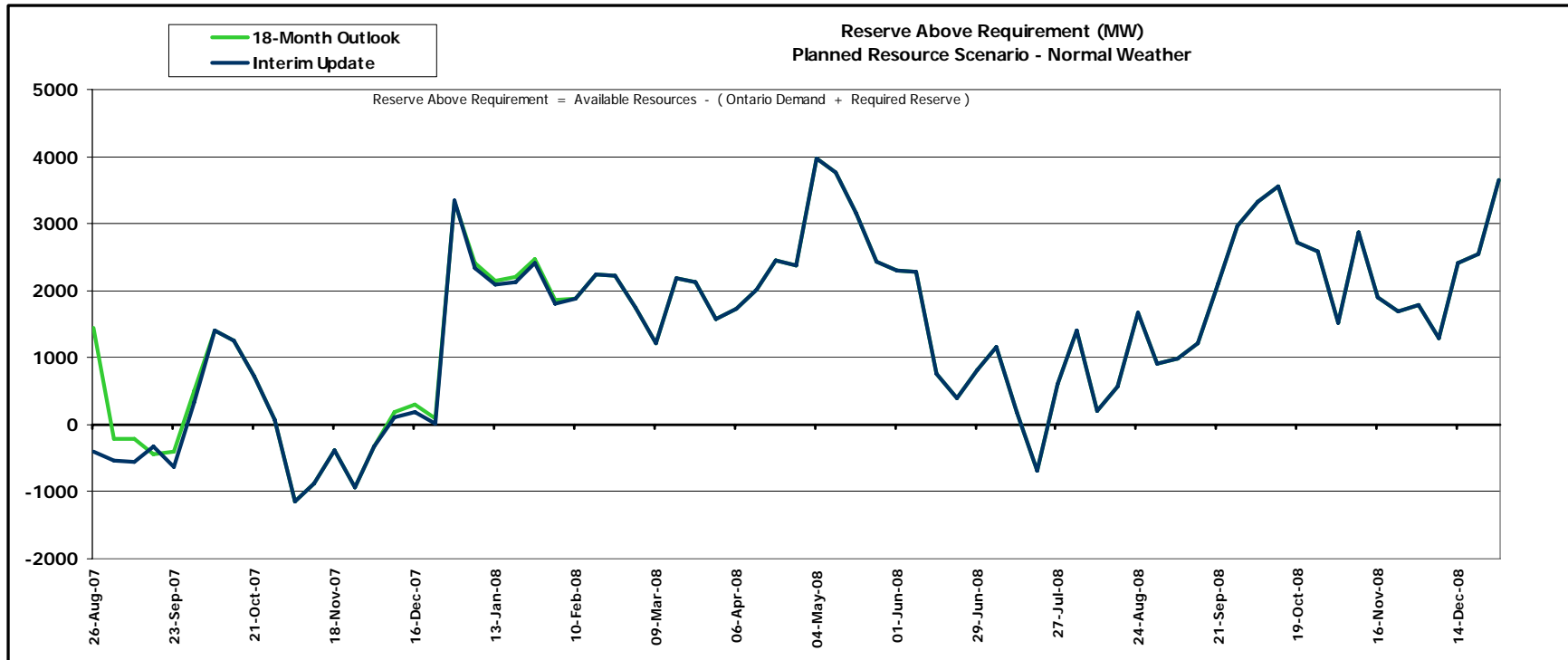
Normal Weather Scenario: Present and Previous Outlook



- Reserves meet or exceed requirements in 65 of 78 weeks in the Planned Resource Scenario
- If extreme weather occurs and equipment performance is worse than normal, the IESO may need to implement measures such as the Emergency Load Reduction Program and emergency purchases to maintain reliability

- Remedial actions are now complete for all shunt capacitors except the damaged Richview capacitor
- Without Goreway GS in service, the power flows over the Trafalgar, Claireville and Cherrywood autotransformers, are approaching the maximum station capability. The Claireville autotransformers are the heaviest loaded of the three.
- IESO expects to be able to supply the extreme weather demand even if any transformer is out of service but there is no margin following a second transformer contingency during extreme weather
- 11 new and upgraded load supply transformer stations will be placed in service during the timeframe of this Outlook and shortly after

The end



1. This update reflects changes to generator outages as submitted by Market Participants. Outage information affecting "Total Reductions to Resources" is based on information available as of July 9, 2007.
2. The extended outages to two units at Pickering Nuclear Generating Station A have caused shortfalls for a week in August 2007.