

Pricing Events – February and March 2008

May 16, 2008
MPWG



Agenda

1. Overview
2. Detail Discussion
 - High-price hours
 - Low-price hours
 - Negative MCP
 - MCP Volatility
 - Operating reserve activations
 - Emergency control actions
 - Market demand response programs
 - Uplifts
 - Administered Pricing
3. Wrap Up

- February Summary
 - Average Hourly Market Demand: 20,785 MW
 - Average Hourly Ontario Demand: 18,526 MW
 - Average HOEP: \$52.38
- Highlights
 - Highest February monthly Market Demand of 14,470 GWh (previous highest 14,216 GWh February 2007)
 - 2nd Highest February CMSC of \$11.5M (highest \$17.3M February 2003)
 - Negative HOEP on February 18, 2008 from hours 2 to 5 (-1.91, -2.72, -1.39, and -0.65 respectively)
 - Total Wind Generation for February, 95 GWh

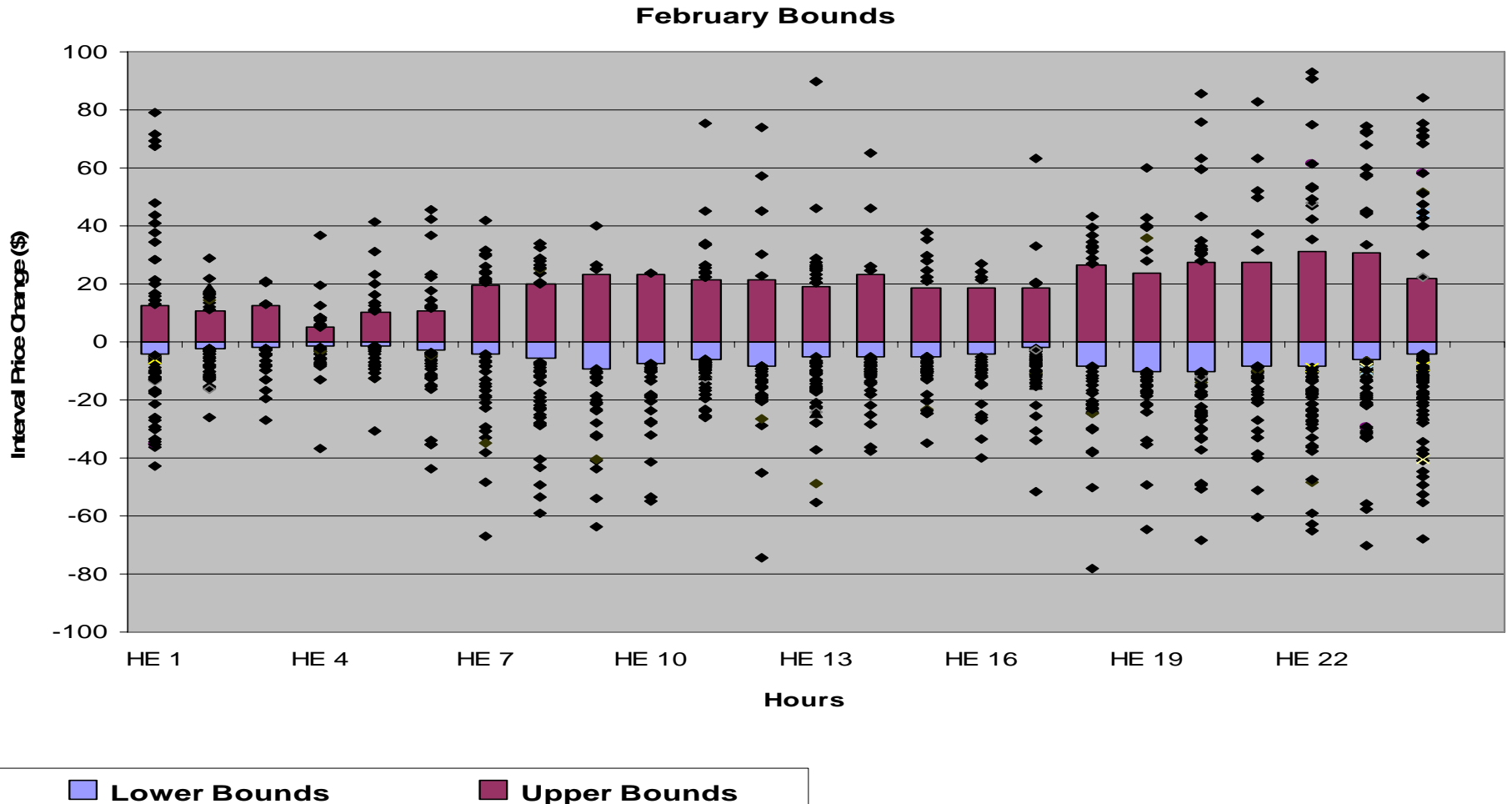
- March Summary
 - Average Hourly Market Demand: 19,918 MW
 - Average Hourly Ontario Demand: 17,479 MW
 - Average HOEP: \$56.84
- Highlights
 - Highest 2008 monthly average (\$56.84) and weighted average (\$58.21) HOEP
 - Highest 2008 hourly imports March 7, 2008, 3,152 MWh
 - Highest March monthly Market Demand of 14,819 GWh (previous highest 14,384 GWh March 2005)
 - Lowest March monthly Ontario Demand of 13,004 GWh (previous lowest 13,193 GWh March 2007)
 - Highest 2008 monthly CMSC \$12.9M (previous highest \$11.5M February)
 - Lowest 2008 monthly OR \$1.4M (previous lowest \$2.3M January)
 - Total Wind Generation for March, 115 GWh

- There was 1 hour in February in which the HOEP was above \$200: February 1, hour 12, HOEP was \$563.62
- There were no hours in March in which the HOEP was above \$200

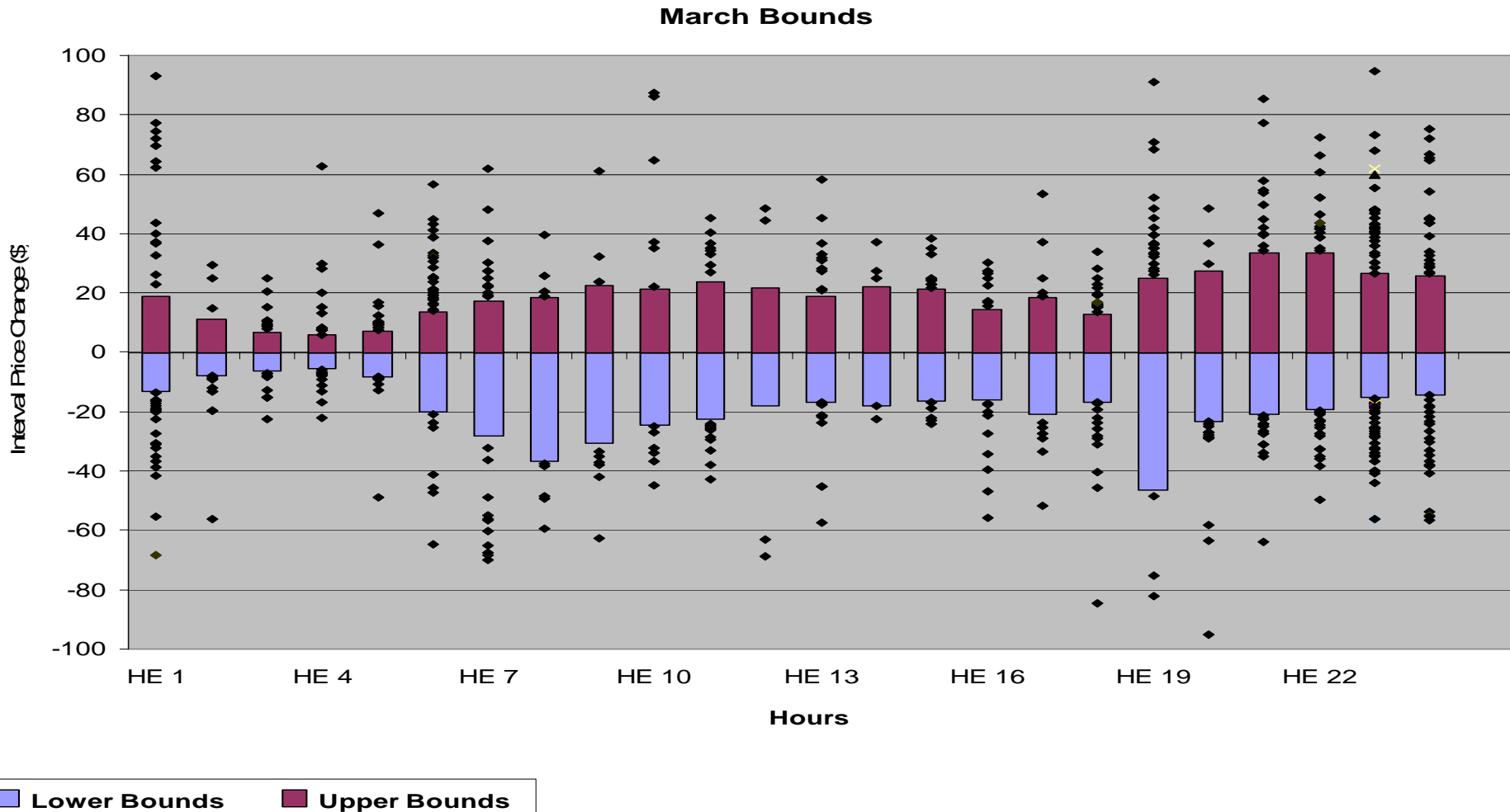
- There were 30 hours in February where the HOEP was below \$20
 - There were 2 peak hours where the HOEP was below \$20
 - The lowest HOEP was \$-2.72 and the average of these 30 HOEP values was \$7.56
- There were 4 hours in February where the HOEP was negative
- There were no hours where the HOEP was below \$20 in March

- February 18, 2008, the 5 minute MCP was negative during hours 1-5 (inclusively) for a total of 35 intervals
 - Exports failed in every hour
 - Net interchange scheduling limit was binding
- There was no negative MCP for March

- The following slides show MCP volatilities as measured by interval to interval price changes
- Hourly upper and lower bounds based on historic values were applied to current data to flag significant interval to interval fluctuations
- The bounds, which represent 95% of historic interval to interval changes, were created based on the past 4 years of February and March MCP data
- The number of significant interval to interval price fluctuations for February and March 2008 are represented by those points that lie outside these bounds

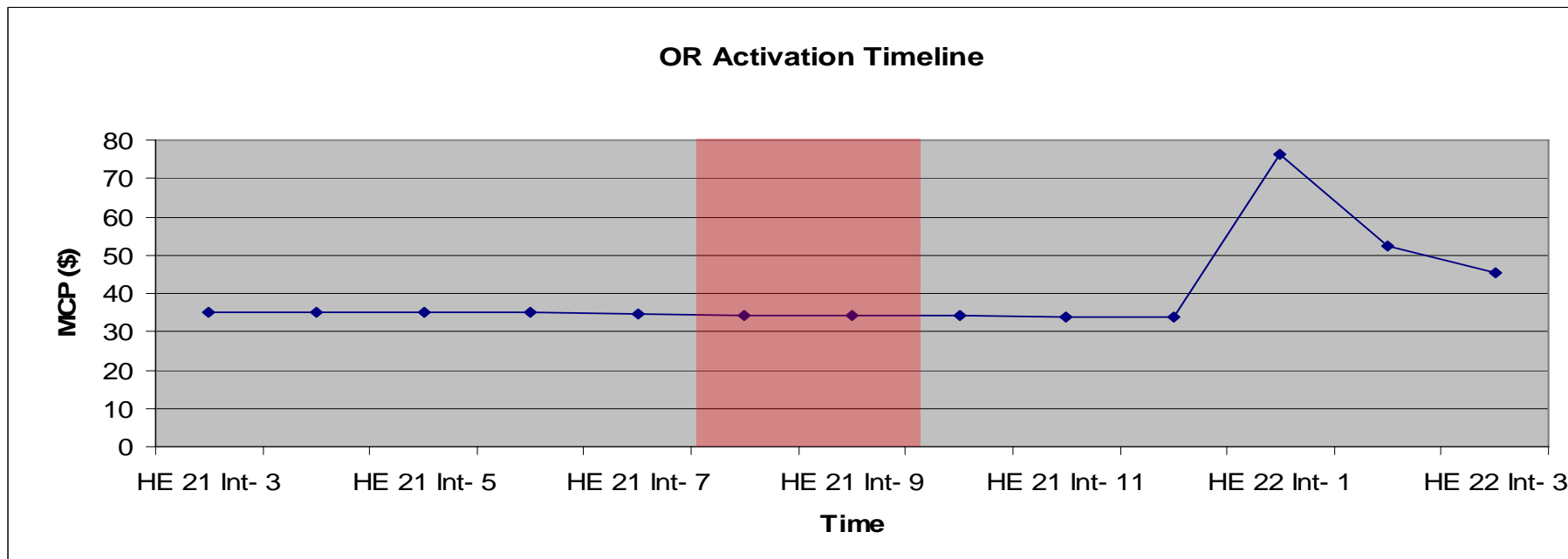


- In February 2008 there were 1,034 interval to interval changes that fell outside the bounds of the benchmark
- This represented 12.34% of the total number of interval to interval changes for the month, indicating this month experienced volatility higher than recent values
 - October 2007 – 4.89%
 - November 2007 – 2.30%
 - December 2007 – 1.97%
 - January 2008 – 4.55%



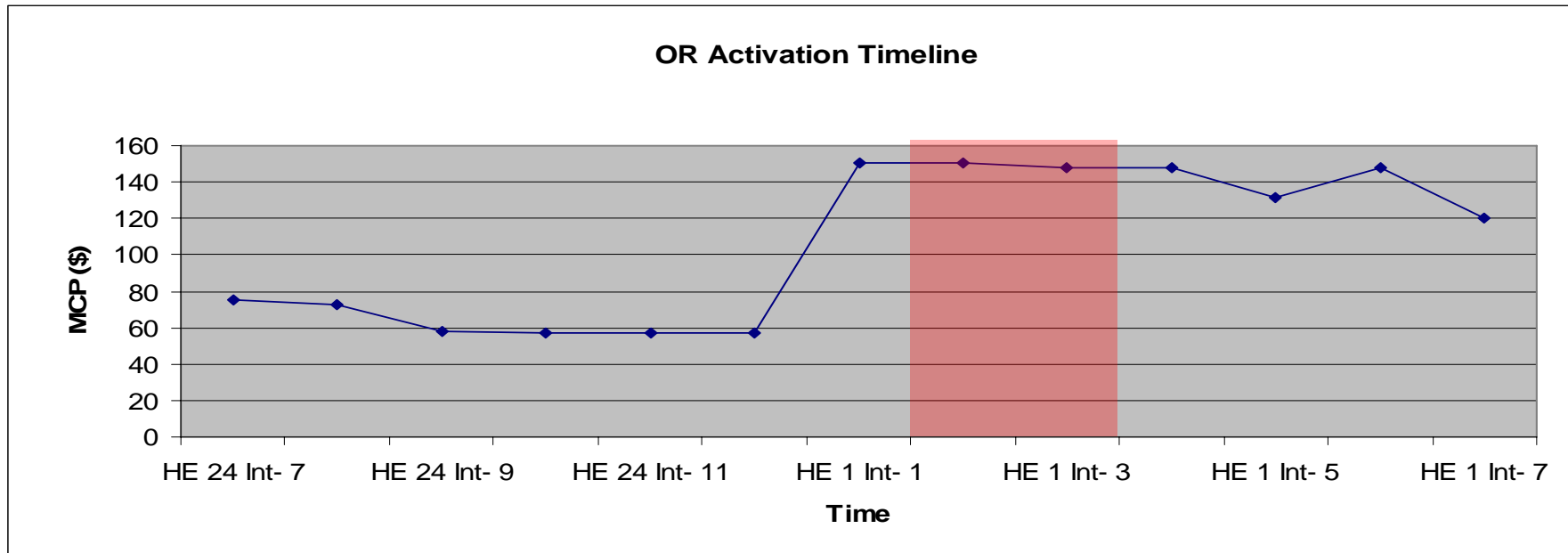
- In March 2008 there were 537 interval to interval changes that fell outside the bounds of the benchmark
- This represented 6.01% of the total number of interval to interval changes for the month, indicating this month experienced volatility slightly higher than recent values
 - November 2007 – 2.30%
 - December 2007 – 1.97%
 - January 2008 – 4.55%
 - February 2008 – 12.34%

- 54 hours with OR activations
- Largest Reserve activation occurred on February 1 at 21:34
 - 700 MW of OR were activated
 - Resulting from a unit runback
 - OR was activated for 12 minutes



March Operating Reserve Activations

- 39 hours with OR activations
- Largest Reserve activation occurred on March 5, 2008 at 0:04
 - 500 MW of OR were activated
 - Resulting from imports being cut because of ramp limitations
 - OR was activated for 15 minutes



- There were no Emergency Control Actions reported for February and March

- There were no IESO Demand Response Programs activated in February and March

- February 18, 2008 during hours 2-5 (inclusively) the uplifts were greater than the HOEP

Hour	HOEP	Uplift
2	-1.91	2.07
3	-2.72	2.24
4	-1.39	2.72
5	-0.65	1.94

- There were no uplifts above the HOEP in March

- In February there were 6 events where Administered Pricing was required
 - tool problem accounted for 18 intervals
 - inaccurate input of data accounted for 40 intervals
 - planned outages accounted for 7 intervals
- In March there were 3 events where Administered Pricing was required
 - inaccurate input of data accounted for 13 intervals
 - planned outages accounted for 7 intervals

- There was 1 hour in February where the HOEP was above \$200
- There were 30 hours in February where HOEP was less than \$20: 4 hours where HOEP was less than \$0
- There were 54 OR activations in February

- There were no hours in March where the HOEP was above \$200
- There were no hours in March where HOEP was less than \$20
- There were 39 OR activations in March