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IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee
Date: January 24, 2007
Subject: **Day-Ahead Commitment Process (Board Decision)**

Information Item

Board Approves Continuation of DACP November 21, 2006

The Board of Directors of the Independent Electricity System Operator has approved a management recommendation for the continued use of the Day Ahead Commitment Process (DACP). The DACP was put in place earlier this year to help address reliability issues that surfaced in the summer of 2005, and a review of the program concluded that the DACP successfully met its objectives during its first five months in operation. The Board has approved its continuation until such a time as another program is implemented that provides at least equivalent reliability benefits. Management has committed to publishing an annual review of the program's operation, taking into account both IESO and market participant assessments. At its meeting last Friday, the Board also discussed the replacement of the 12 times multiplier. No decision was taken and the Board will address this matter again in the future.

For further information, please contact Customer Relations at: customer.relations@ieso.ca or by phone at (905)403-6900 or toll-free: 1 (888)448-7777