

# Pricing Events – May 2007

July 19, 2007

MPWG



## Agenda

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

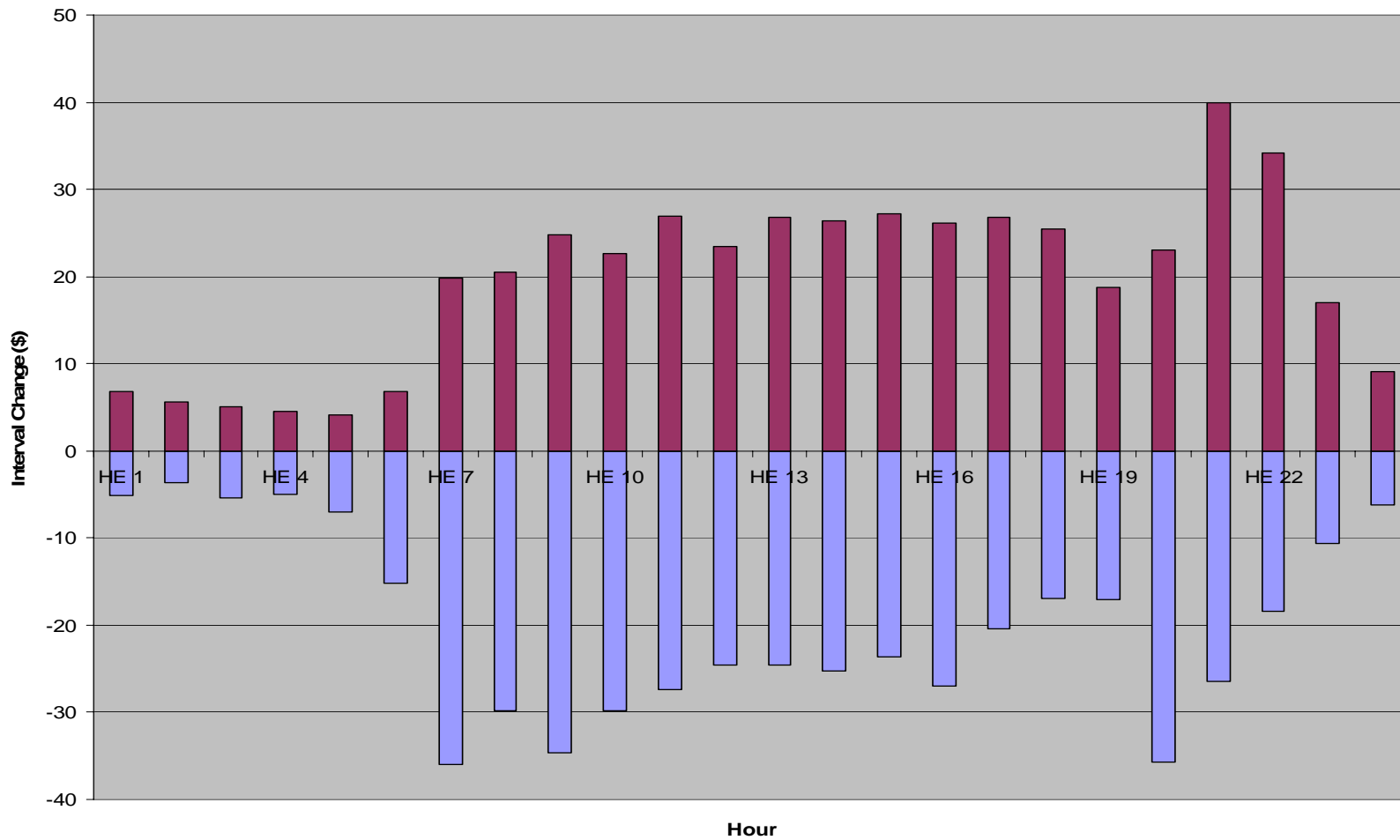
- May Summary
  - Average Hourly Market Demand: 17,282 MW
  - Average Hourly Ontario Demand: 15,855 MW
  - Average HOEP: \$ 38.50
- Highlights
  - Lowest May OR costs (approximately \$1M)
  - Highest 2007 monthly CMSC (approximately \$12.4M)

- There were no hours in May where the HOEP was above \$200

- There were 116 hours in May where the HOEP was below \$20
  - The 116 hours in May were spread over 21 days
  - There were 17 peak hours where the HOEP was below \$20
  - The lowest HOEP was \$2.95 and the average of these 116 HOEP values was \$11.80

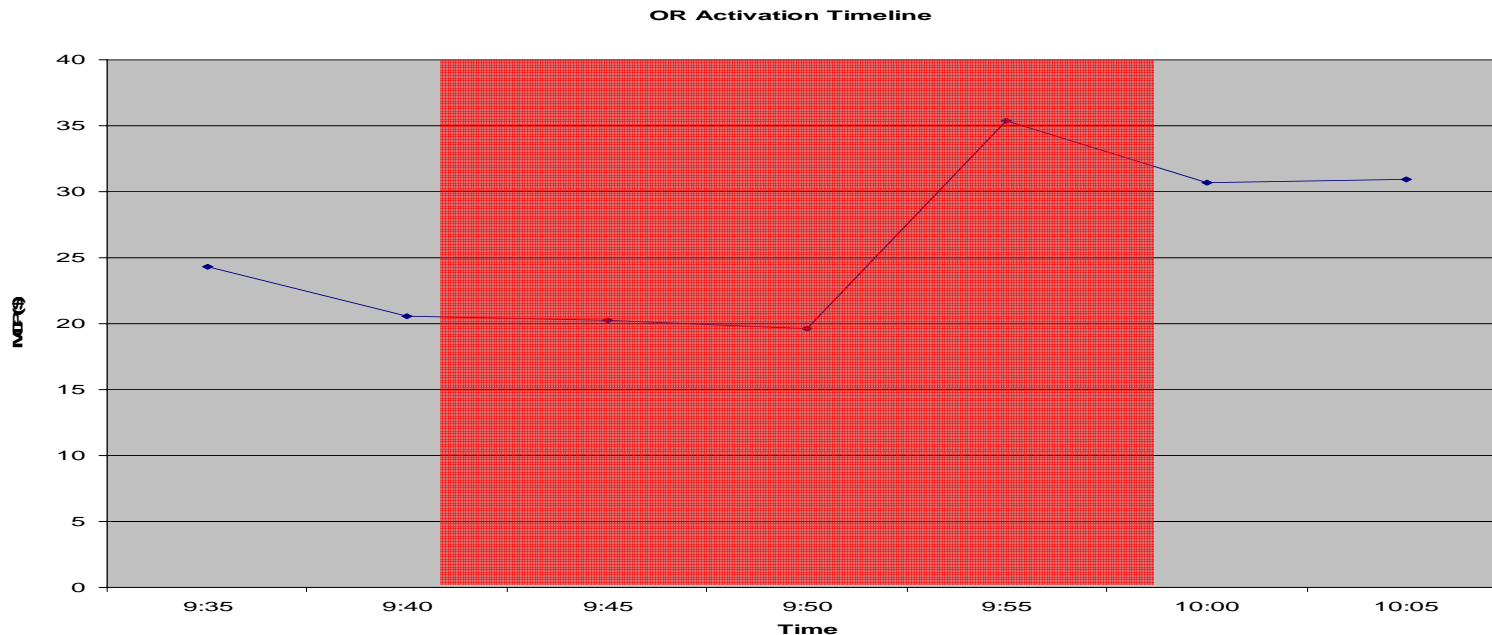
# MCP Volatility – Hourly Price Bounds

May Bounds



- In May 2007 there were 288 intervals which fell outside bounds of the benchmark
- This represented 3.22% of total number of intervals for the month
- Historic values against the new benchmark:
  - January 2007 – 2.65%
  - February 2007 – 5.72%
  - March 2007 – 5.98%
  - April 2007 – 6.21%

- 35 hours with OR activations
- Largest Reserve Activation occurred on May 13, 9:41
  - 850MW of OR and 400MW of SAR were activated
  - Result of forced outage on a large generating unit
  - OR was activated for 18 minutes



- No emergency control actions were used in May

- No market demand response programs were used in May

- May 12 HE3
  - The HOEP was \$5.72 while the hourly uplifts were \$6.36
  - Hourly uplifts resulted from high constrained on payments to consumers
    - The majority of these CMSC payments were later deemed to be self-induced and were subsequently clawed back

- There were no hours in May where the HOEP was above \$200
- There were 116 hours where HOEP was less than \$20
- There were 36 OR activations