



Power to Ontario. On Demand.

IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

Date: February 6, 2008

Subject: Briefing note on Summer Reliability Outlook & Preparations

Information Item

Overall, the outlook for the summer of 2008 Ontario's electricity system is positive.

Supply:

More new supply is scheduled to come into service, for example;

- Portland's phase 1 project will add 250 MW for this summer
- Two hydro-electric projects amount to an additional 36 MW
- Four combined heat and power (CHP) projects total 31 MW

The summer production of hydro-electric generation is highly dependent on the upcoming spring rain. Snow pack surveys will be completed in mid February and will provide a better indication of conditions to come.

Under the normal weather scenario, sufficient resources will be available within Ontario to meet expected requirements during all but a one week period in July. Ontario may need to rely on imports from neighbouring jurisdictions for this.

Supply-demand balance: The supply-demand balance has slightly improved from 2007. The available resources are up by approximately 300 MW, and the forecast peak demand is up by 275 MW. Incremental demand management programs are expected to offset the increase in peak demand. Additional conservation measures could further reduce peak demand by 600 MW¹.

Ontario may need to rely on imports from neighbouring jurisdictions to maintain reliability if extreme weather occurs or if equipment performance is below normal. Import availability is good if this becomes necessary.

¹ The 600 MW was provided by the Ontario Power Authority for use in the 18-month Outlook, December, 2007, Volume 2 Issue 2.



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Transmission: The Ontario transmission system is expected to be adequate to supply the normal demands over the summer. The timely completion of proposed transmission facilities remains a key component to addressing future reliability needs.

Greater Toronto area: Reliability within the GTA for the summer 2008 is expected to be sufficient, but this will depend on the availability of the autotransformers feeding the GTA, the availability of the Pickering Generating Station units, and the planned addition of the Portland's Energy Centre mentioned above.

In addition, improved operational flexibility has been provided with the John-Esplanade link to add load transfer capability that will help in providing relief to overloaded transformers.

Emergency Preparedness: Workshops with market participants will be held in eight cities across the province prior to the summer. A review of procedures related to managing contingencies, shortfalls and recovery of major generating stations will be done as part of these system restoration exercises.

Reduced voltage tests: No voltage reduction tests are planned or foreseen for the summer.