

A and B

- Financial swap, bid/ask
- Currently available in the market
- No IESO involvement
- Low liquidity to date, no viable DA price

A is offered only by NGX at this time; they provide system and act as clearinghouse.

B is exchange, broker or OTC; bilateral.

C and D

- Physical contract, bid/ask
- Option for MPs to transfer quantity and price data to IESO
- DA prudentials thru exchange or between parties to transaction
- Possible IESO RT prudential reduction due to netting of RT and DA quantities
- Non-MPs may be able to participate if DA price can be determined appropriately

C is exchange based, cleared, no posted products currently, proposed by NGX.

D is exchange/broker/OTC, numerous parties, bilateral, may be traded currently without IESO knowledge.

E and F

- Financial swap, IESO administered
- Not available to the market currently
- Build IESO system or use external system (with data transfer to IESO)
- IESO provides settlement and establishes DA price
- No netting of quantity against RT
- Little, if any, RT prudential reduction since additional DA prudentials needed

E is bid/ask while F is auction (preliminary assessment EFM if existing system and rules enabled).

G and H

- Physical contract, IESO administered
- Not available to the market currently
- Build IESO system or use external system (with data transfer to IESO)
- IESO provides settlement and establishes DA price
- Netting of RT and DA quantities
- Limited RT prudential reduction even with netting of quantities since additional DA prudentials needed

G is bid/ask while H is auction.

I – current IESO physical bilateral

- Uses physical bilateral mechanism in market rules to transfer transaction quantity data to IESO
- No price information provided to IESO
- No DA price discovery
- DA prudentials between parties to transaction
- Possible IESO RT prudential reduction due to netting of RT and DA quantities