

Day-ahead Market Evolution

June 3, 2008

Intertie Jurisdictional Trading Standing Committee



- Imports/exports perhaps the most responsive participants to real-time prices
- Day-ahead markets typically provide better information in advance - price and quantity of real-time operations
- Currently there are several outstanding seams issues that could impede efficient real-time import/export response

- May 2008 assessment document did not identify and attribute efficiency gains related to import/export activity to Option 3
- A financially binding day-ahead market may allow participants to better plan their import/export activity a day in advance
- Financial day-ahead market positively affects seams issues.

1. How does a UDAM allow you to be more responsive in real-time than other options?
 2. After achieving unit commitment improvements, would there be efficient import/export transactions that would not occur because of Ontario's lack of day-ahead financial commitment?
 3. How does a UDAM overcome current outstanding seams issues?
 4. Does an unconstrained financial position that is not aligned with a physical advisory pose problems? How would you factor in this difference?
- **IESO needs the help from the experts to provide the analysis on how a UDAM provides higher efficiency gains to Ontario than other options presented**