

Monthly Market Report

January 2011



Régie de l'énergie
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This report provides a summary of key market data from the IESO-administered markets. It is intended to provide a quick reference for all market stakeholders. In all cases, the data used to produce all graphs in this report, are available for download from the [Market Summaries](#) page of the IESO Web site. Any data used in this report is provided for information purposes only, and should not be used for settlement purposes.

1. Market Prices

1.1 Introduction

This section provides information on several of the key prices in the Ontario wholesale electricity market. A brief description of each displayed price item is included. For more information on any of the price items, please refer to appropriate market rules, market manuals and IESO Marketplace Training materials, or contact the IESO Customer Relations.

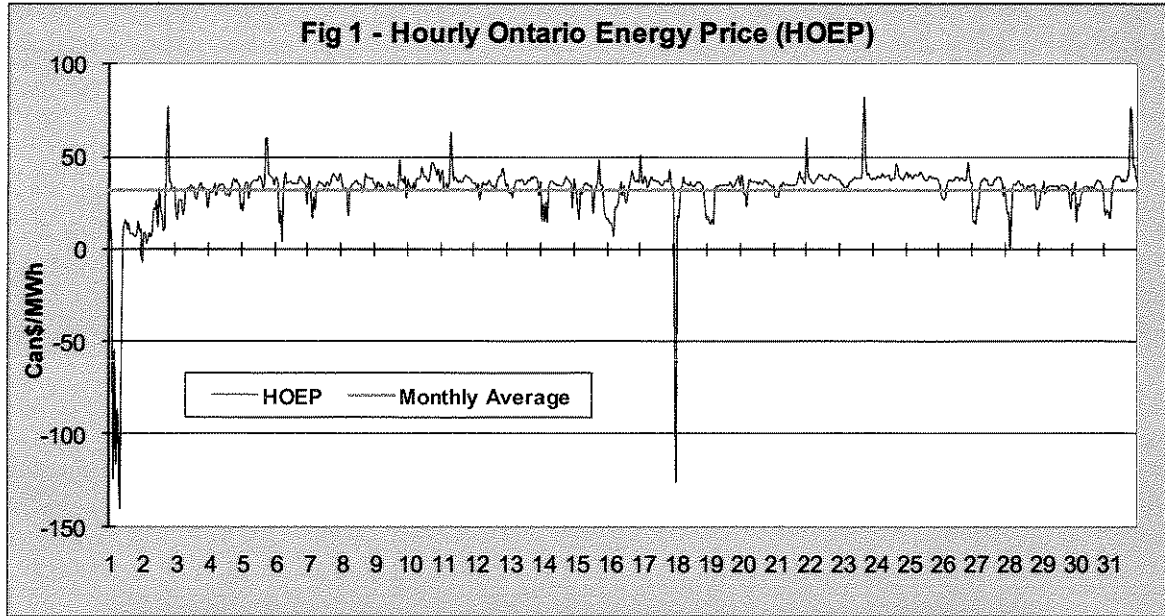
1.2 Hourly Ontario Energy Price (HOEP)

HOEP is the hourly price that is charged to Local Distributing Companies and other non-dispatchable loads. HOEP is also paid to self-scheduling generators. HOEP becomes the basis of the commodity charges in the Retail electricity market if customers receive their electricity from their Local Distributing Company. Customers who have arranged contracts with licensed Retailers are not affected by HOEP, but instead are charged their particular contract rate for the commodity.

Note: The IESO provides a convenient graph of HOEP prices for the current and previous day on the [Today's Market](#) page on the IESO Web site. These graphs also provide an estimate of future HOEP prices for the remainder of the day, and by afternoon, estimates for the next day. The estimates for future Hourly Ontario Energy Prices are extracted from an IESO report referred to as the pre-dispatch. Pre-dispatch data is updated every hour. All future prices are derived by simulating a supply/demand balance, using prices offered by suppliers in the market, prices bid by price-sensitive consumers in the market, and the IESO's forecast of the total demand for electricity in the province. The actual supply/demand balance can vary from these projections for a number of reasons:

- The actual demand for electricity can fluctuate as factors such as weather, (temperature, amount of cloud cover, wind etc.), affect the amount of electricity required by consumers.
- At the same time, operational difficulties or delays in a generation unit returning from an outage can result in higher priced generation being called on to fill the gap.
- Finally, any changes in price resulting from such variations can cause some price-sensitive loads to make alternative consumption decisions, or cause importers and exporters to revise their plans.

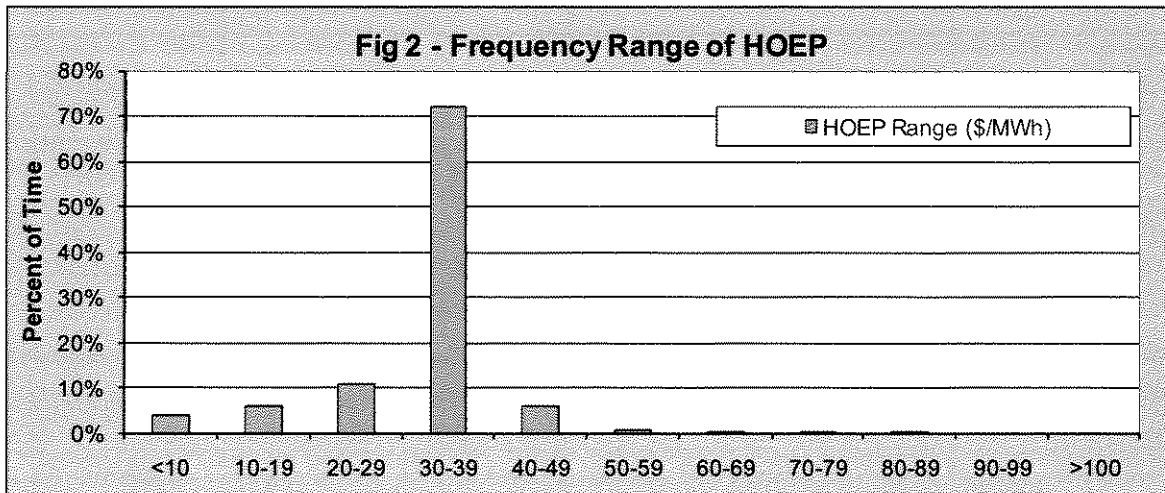
In this report, two graphs of HOEP are provided; the first shows a chronological graph of hourly HOEP prices for the month. The second graph shows the frequency at which the HOEP fell within specific price bands.



| Hourly Ontario Energy Price \$/MWh | | | |
|------------------------------------|---------------|---------|----------|
| | For the month | On-Peak | Off-Peak |
| Average | 31.92 | 37.27 | 27.88 |
| Maximum | 81.25 | 75.70 | 81.25 |
| Minimum | -138.43 | 28.18 | -138.43 |

Monthly Weighted Average based on Ontario Demand = \$32.99/ MWh or 3.30 ¢/kWh.
This weighted average is provided as information, and may be of use to customers whose consumption pattern, or that of their local distributing company, approximates that of the total Ontario system.

Note: On Peak average price is the straight arithmetic average of HOEP in hours 8 to 23 (EST), Monday to Friday (5 x 16). Off Peak average price is the straight arithmetic average of HOEP for all remaining hours in the week. The wholesale market does not use a formal definition of on and off-peak hours. The IESO is providing this calculation purely for information purposes, and will continue to use this definition throughout the year.



2. Market Demand

2.1 Market Demand Definitions and Graphs

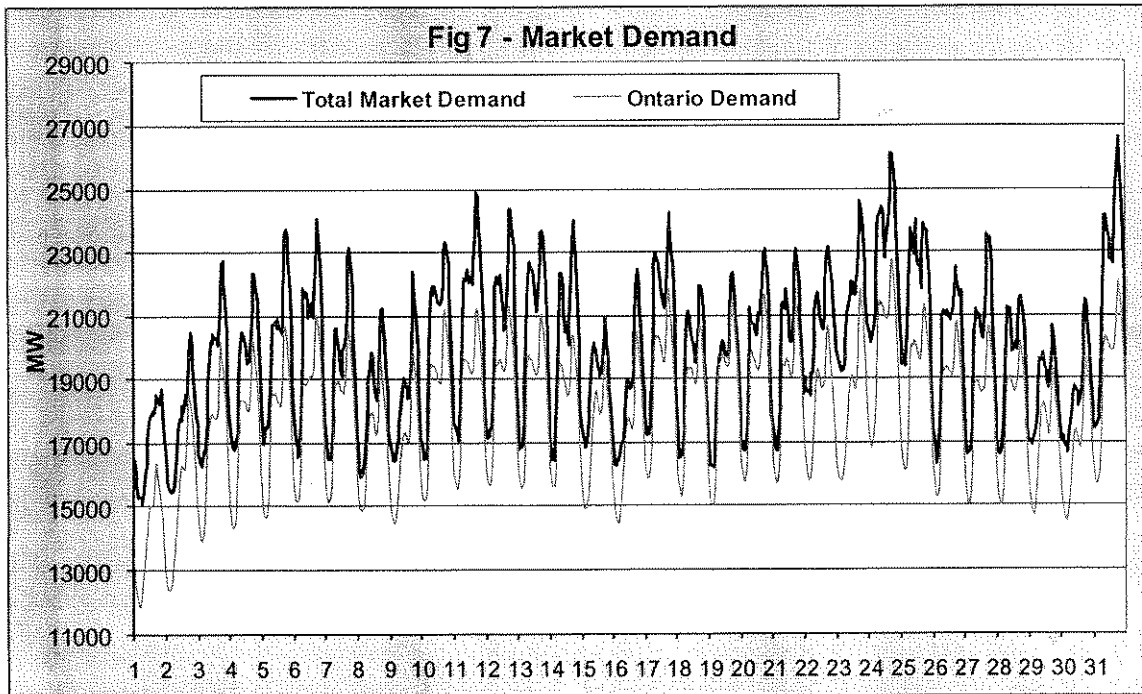
The graph below plots values for both Total Market Demand and Ontario Demand.

Total Market Demand represents the total energy that was supplied from the IESO-Administered Market.

The IESO calculates Total Market Demand by summing all output from generators registered in the Market plus all scheduled imports to the province. It is also equal to the sum of all load supplied from the Market plus exports from the province, plus all line losses incurred on the IESO-controlled grid.

Ontario Demand represents the total energy that was supplied from the IESO-Administered Market for the sake of supplying load within Ontario.

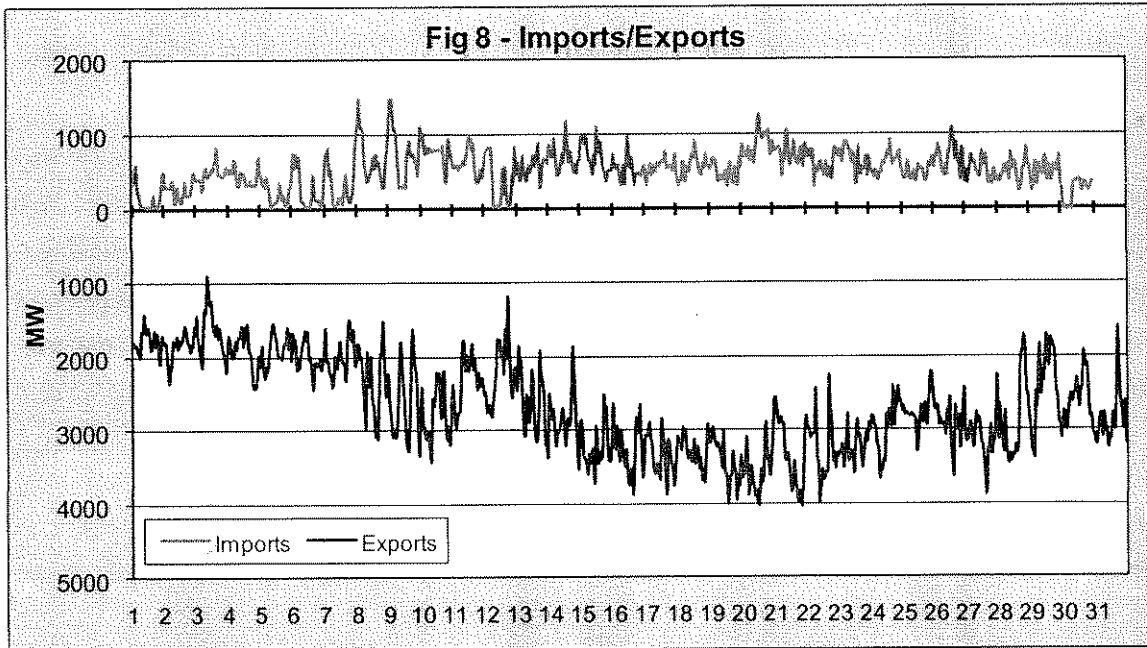
The IESO calculates Ontario Demand by subtracting exports from the Total Market Demand quantity. It is also equal to the sum of all load within Ontario which is supplied from the Market, plus all line losses incurred on the IESO-controlled grid.



| | <u>Total Market Demand</u> | <u>Ontario Demand</u> |
|--------------------------------------|----------------------------|-----------------------|
| Average hourly values for the month: | 19,944 MW | 17,879 MW |
| Maximum hourly values for the month: | 26,614 MW | 22,733 MW |
| Minimum hourly values for the month: | 15,087 MW | 11,835 MW |
| Total Demand for the month: | 14,838,646.95 MWh | 13,301,691.27 MWh |

2.2 Imports & Exports

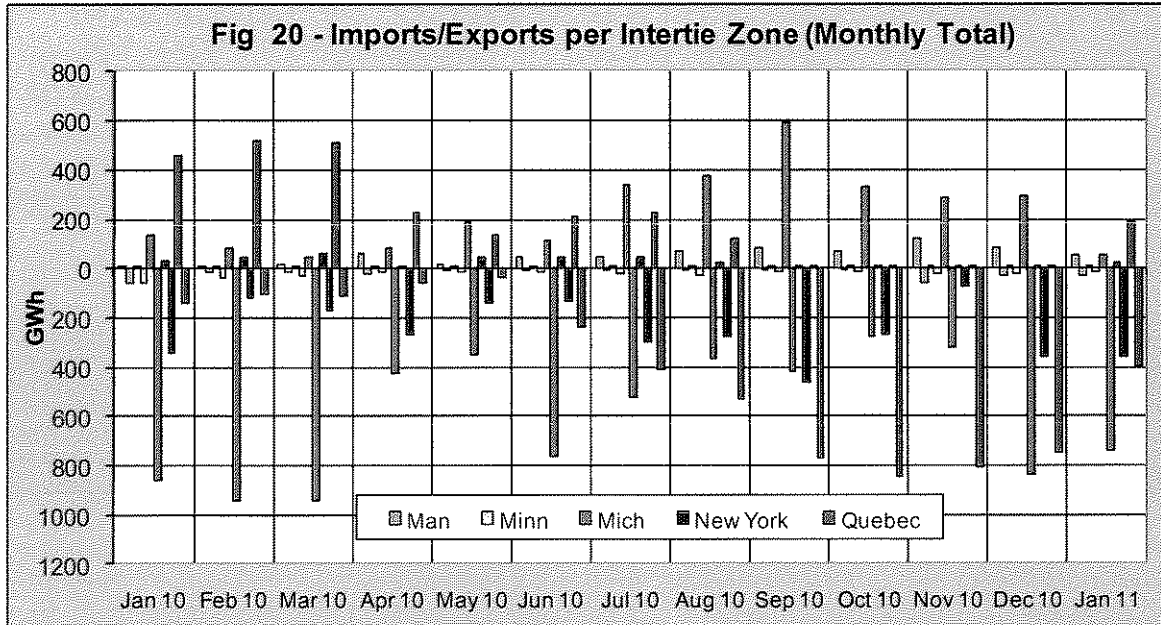
The graph below plots both imports to Ontario and exports from Ontario during the month. Economic **imports** and **exports** are scheduled into/out of Ontario on an hourly basis, up to the physical capabilities of the Grid and the interconnections between the systems.



Average export schedule for the month = 2,066 MW
 Average import schedule for the month = 448 MW
 Average net intertie schedule = 1,618 MW net export

6.10 Imports/Exports per Intertie Zone (Monthly Total)

Note: Imports are depicted as above zero, whereas Exports are depicted as below zero



6.11 Weekly Average Hourly Uplift Charges Trends

