

# Market Performance Update

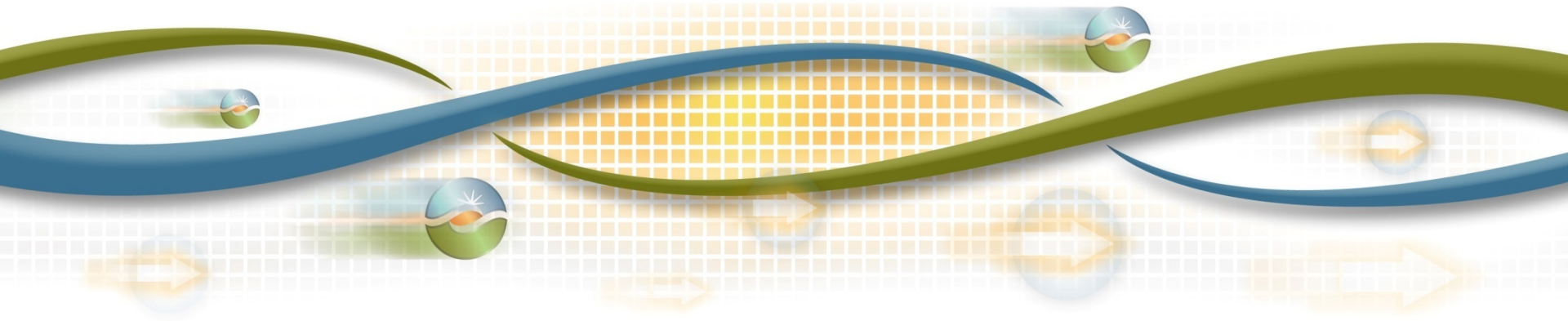
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Board of Governors Meeting

General Session

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Market performance improved following a challenging summer operating season.

## Highlights:

Improvements across most market metrics:

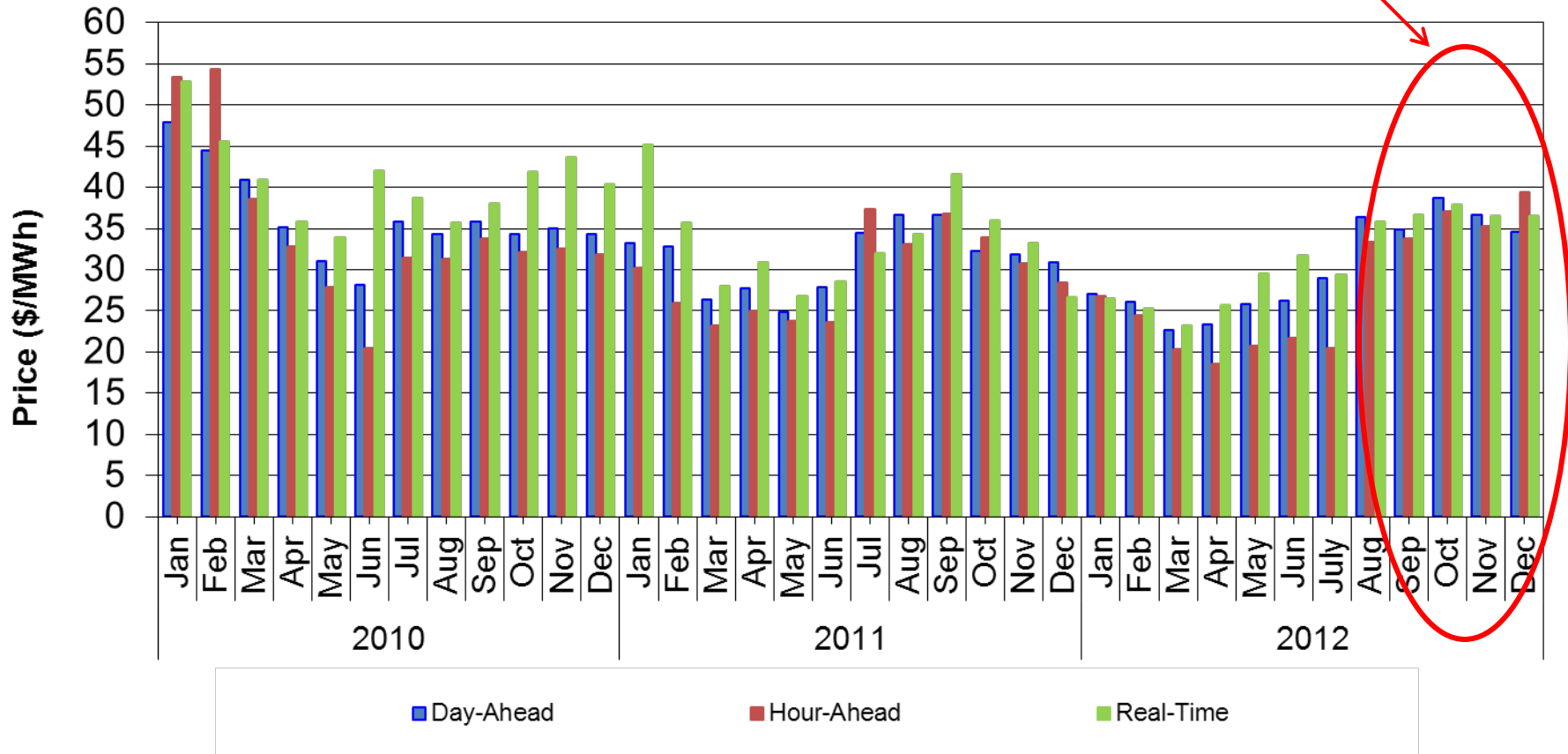
- price convergence,
- real-time imbalance energy offset,
- real-time congestion offset,
- bid cost recovery, and
- exceptional dispatch.

Improvements are in part a result of seasonal conditions.

# Good overall price convergence in the last three months of 2012.

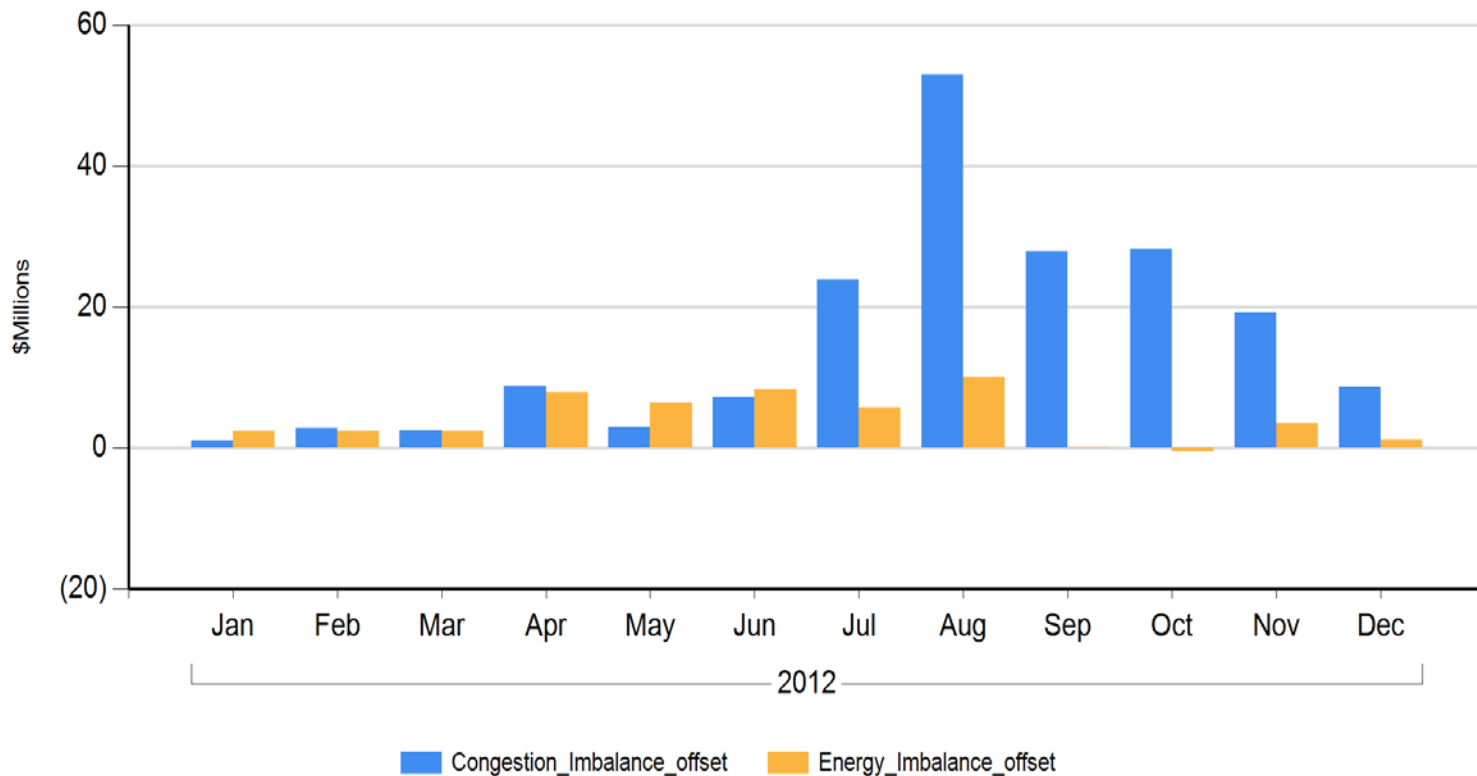
## System Marginal Energy Cost

Good convergence of energy price across markets

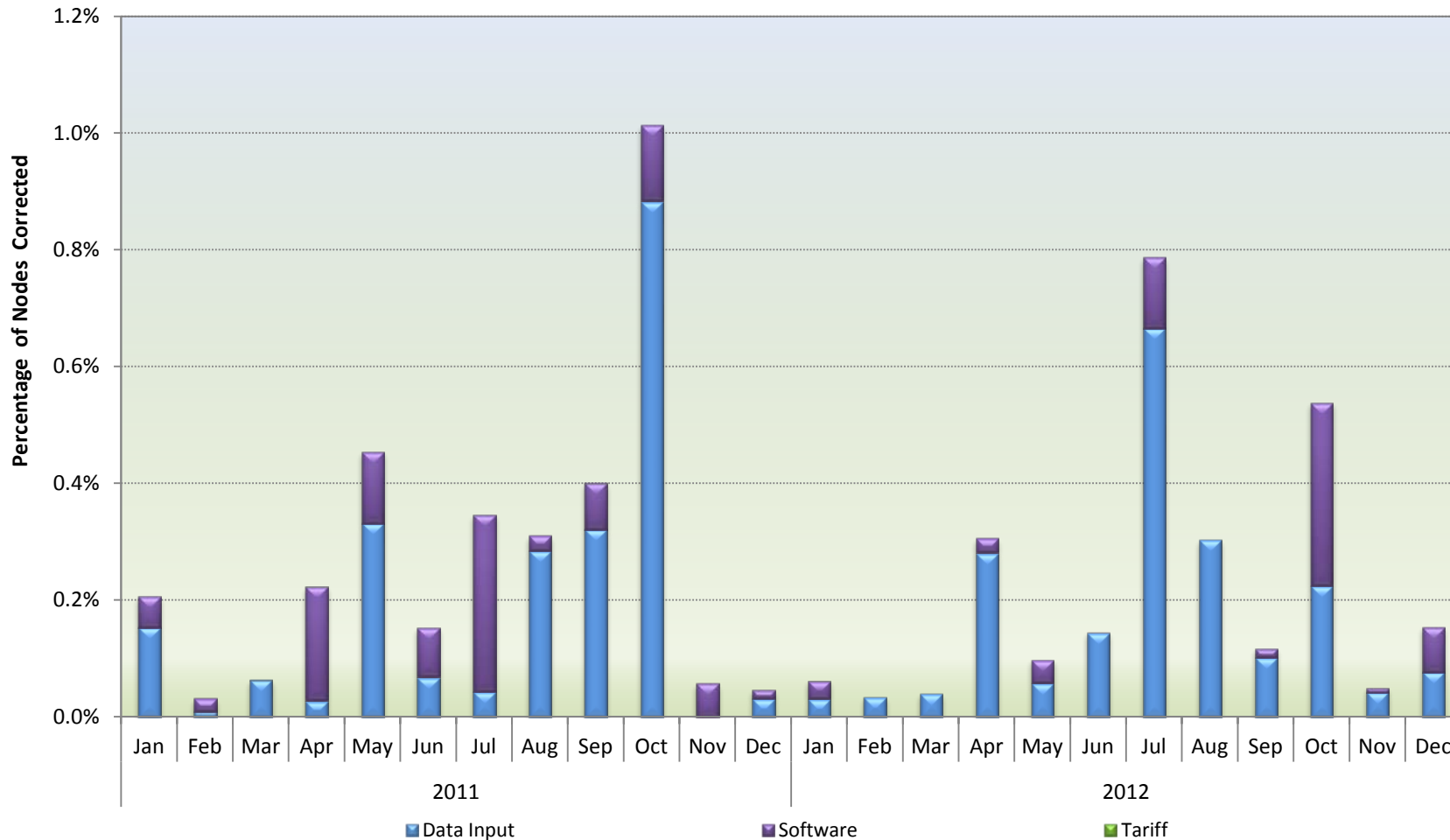


Real-time congestion offset continued to trend lower from the peak in August. Real-time energy imbalance offset stayed at lower levels.

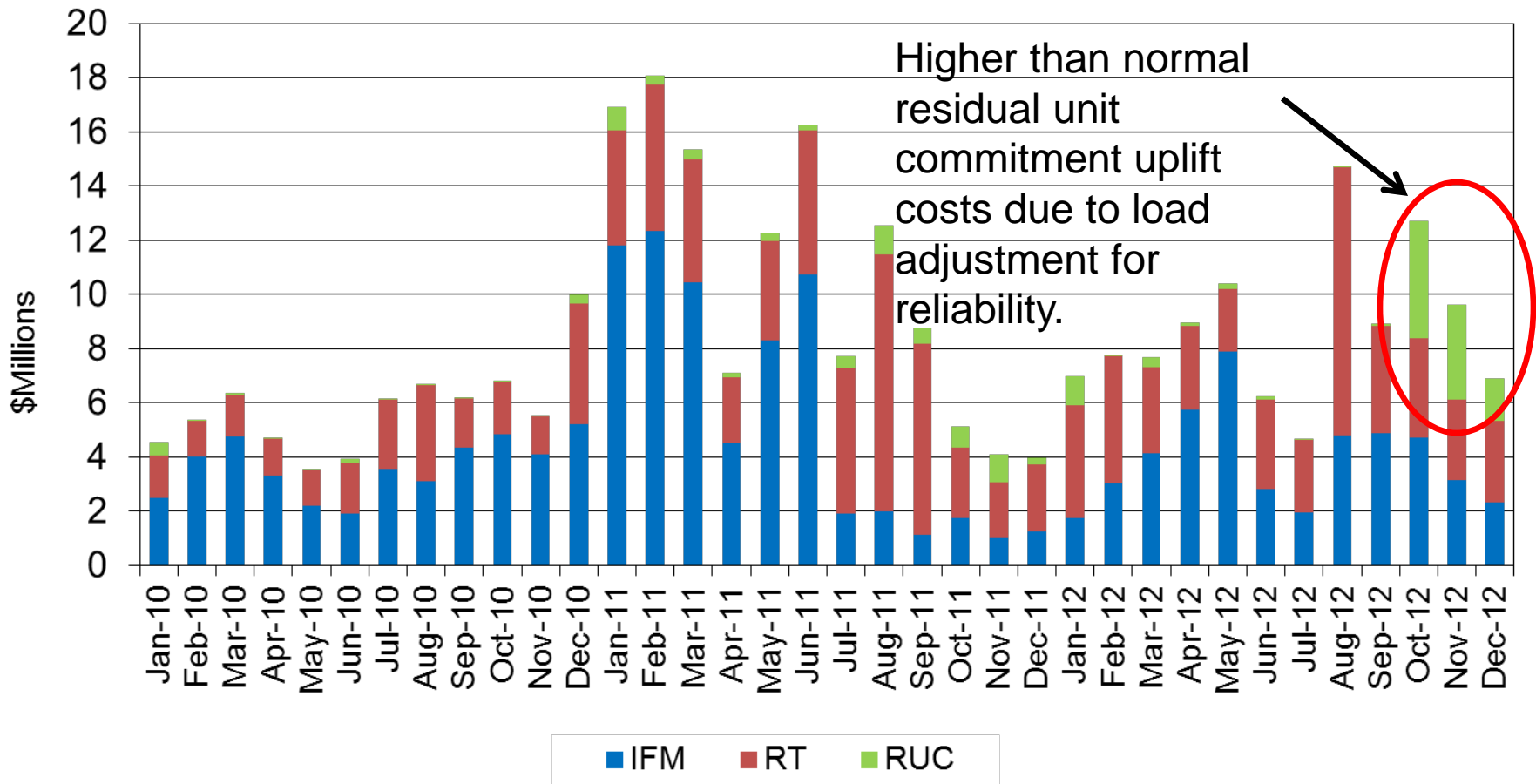
Real-Time Congestion and Energy Imbalance Offset Cost



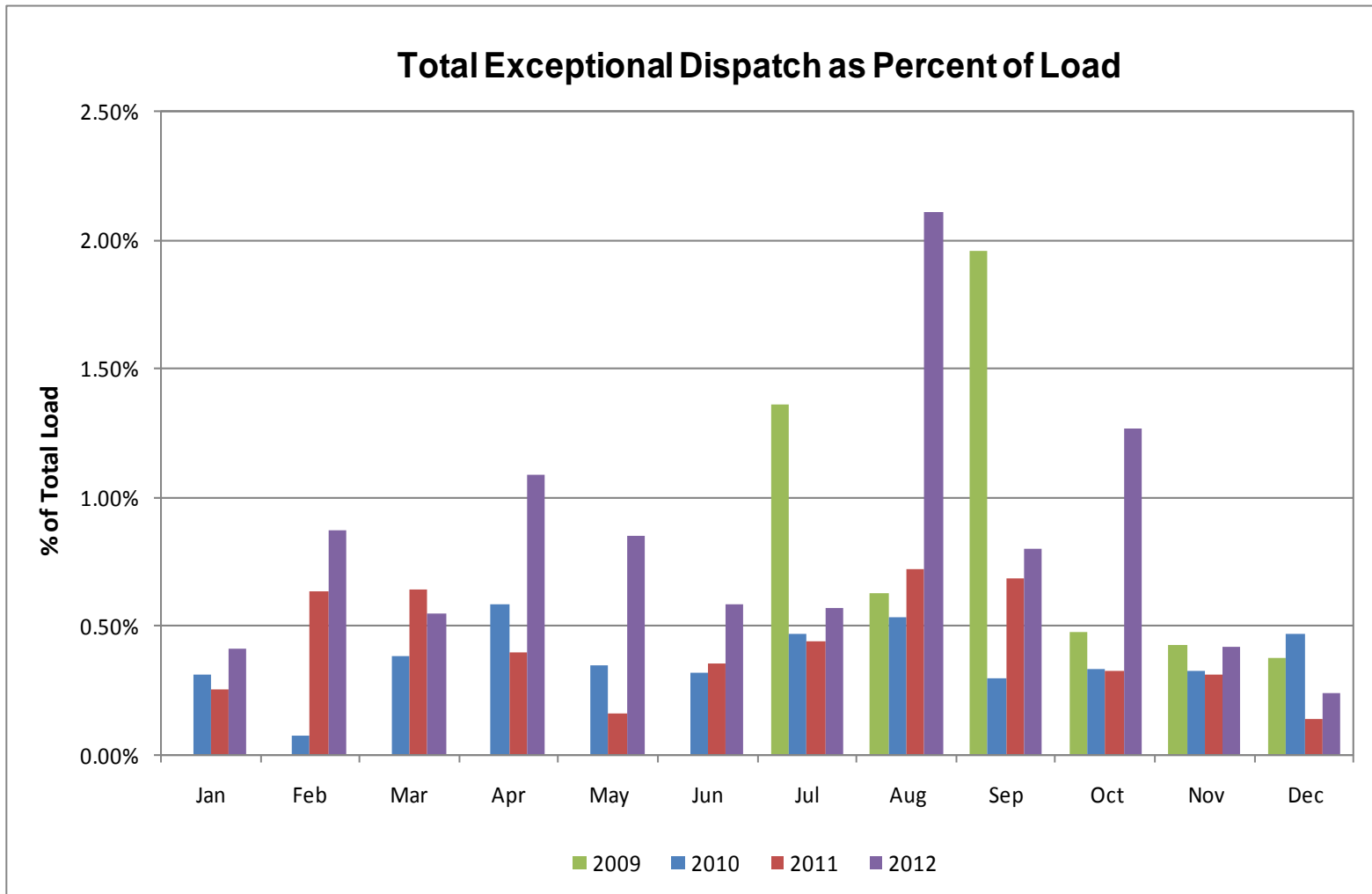
# Price corrections remained at relatively high levels in Q4.



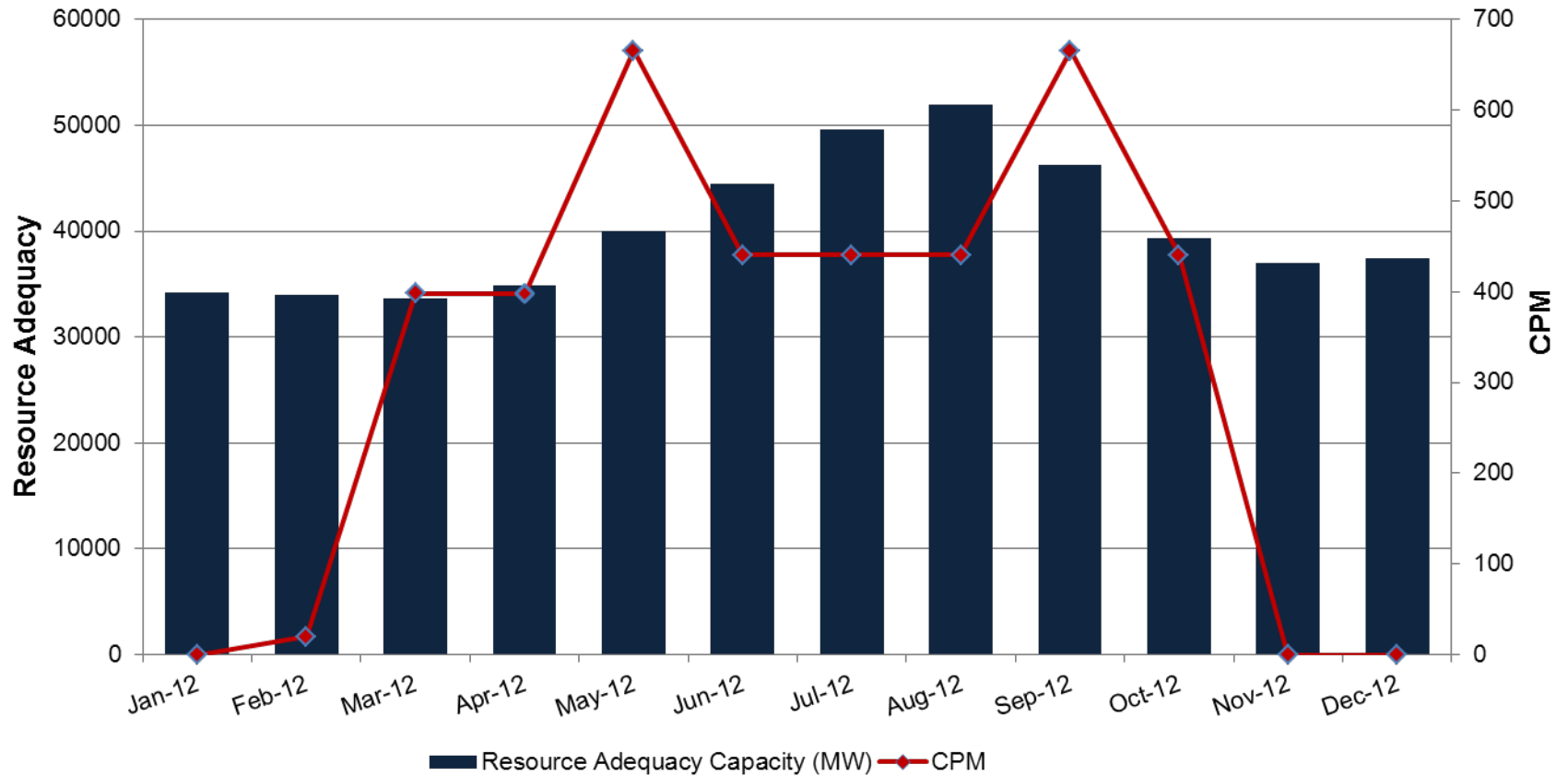
# Bid cost recovery trended lower from the August high.



# Exceptional dispatch level reduced to below 0.5% of total energy in November and December.



# Use of the capacity procurement mechanism dropped to zero in November and December.





# Good market performance overall but improvements needed in the following areas:

- Address the need for exceptional dispatch by adding new constraint capability
- Address root causes to drive down the need for price corrections
- Improve forecast conditions leading to better convergence of prices