

# Market Performance Update

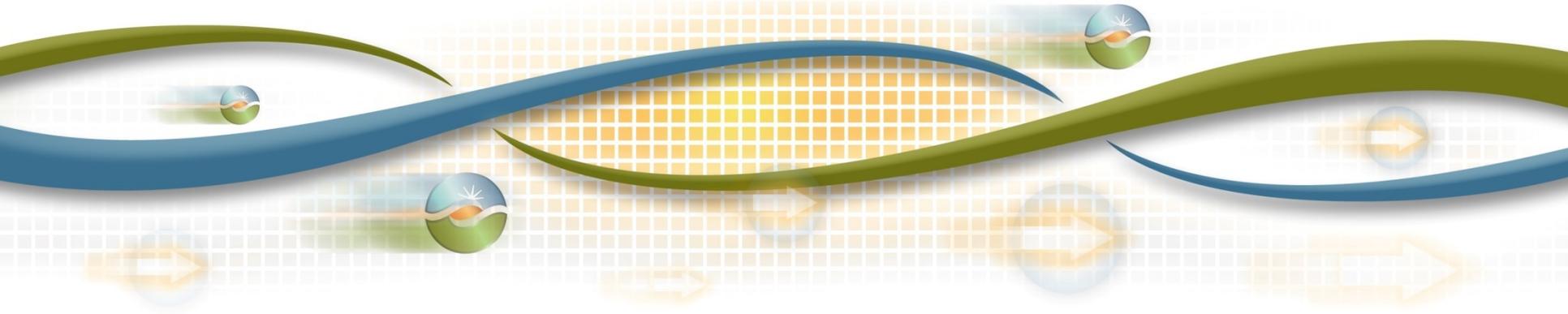
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Board of Governors

General Session

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Market performance improved since December update in several areas.

- **Improved performance areas:**

- Hour ahead and real-time prices convergence
- Real-time imbalance energy offset maintains low level
- Price correction events improves

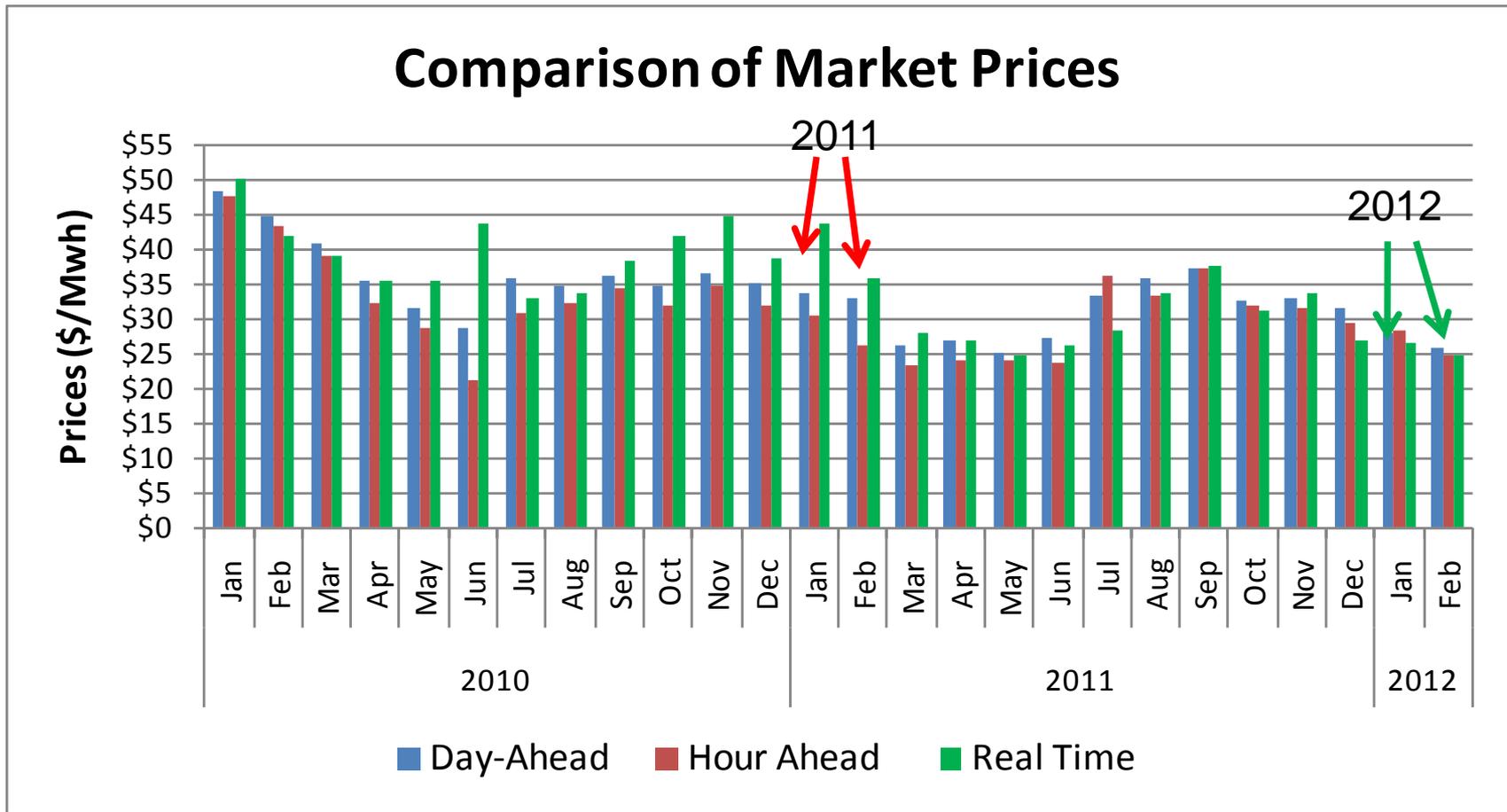
- **Opportunities for improvement:**

- Reduction in manual interventions is a corporate initiative
- Operational conditions resulting in moderate increases and in exceptional dispatch and bid cost recovery

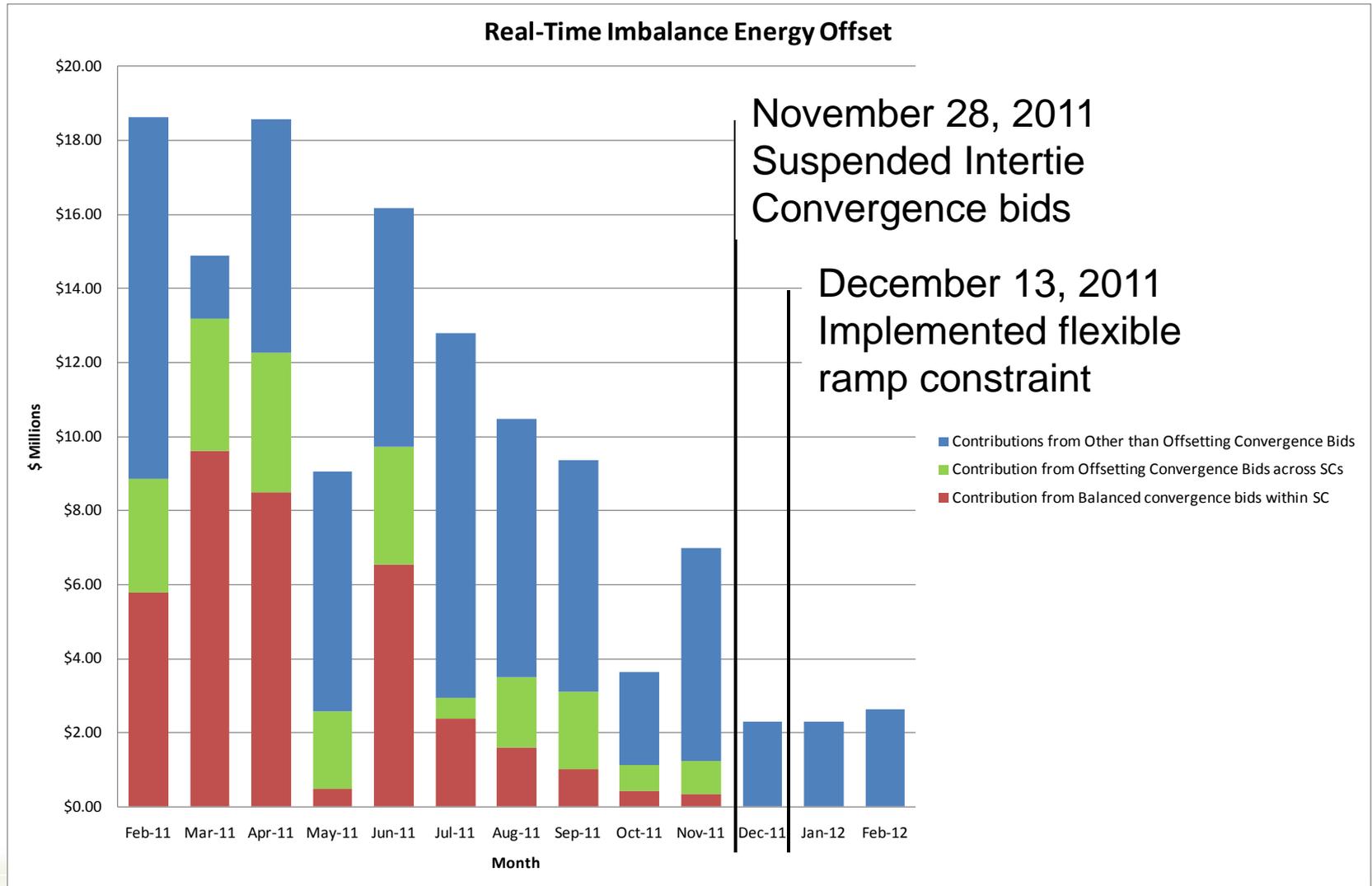
- **Recent developments:**

- Flexible ramping constraint settlement negotiations
- Proposed solutions to return convergence bidding on the intertie

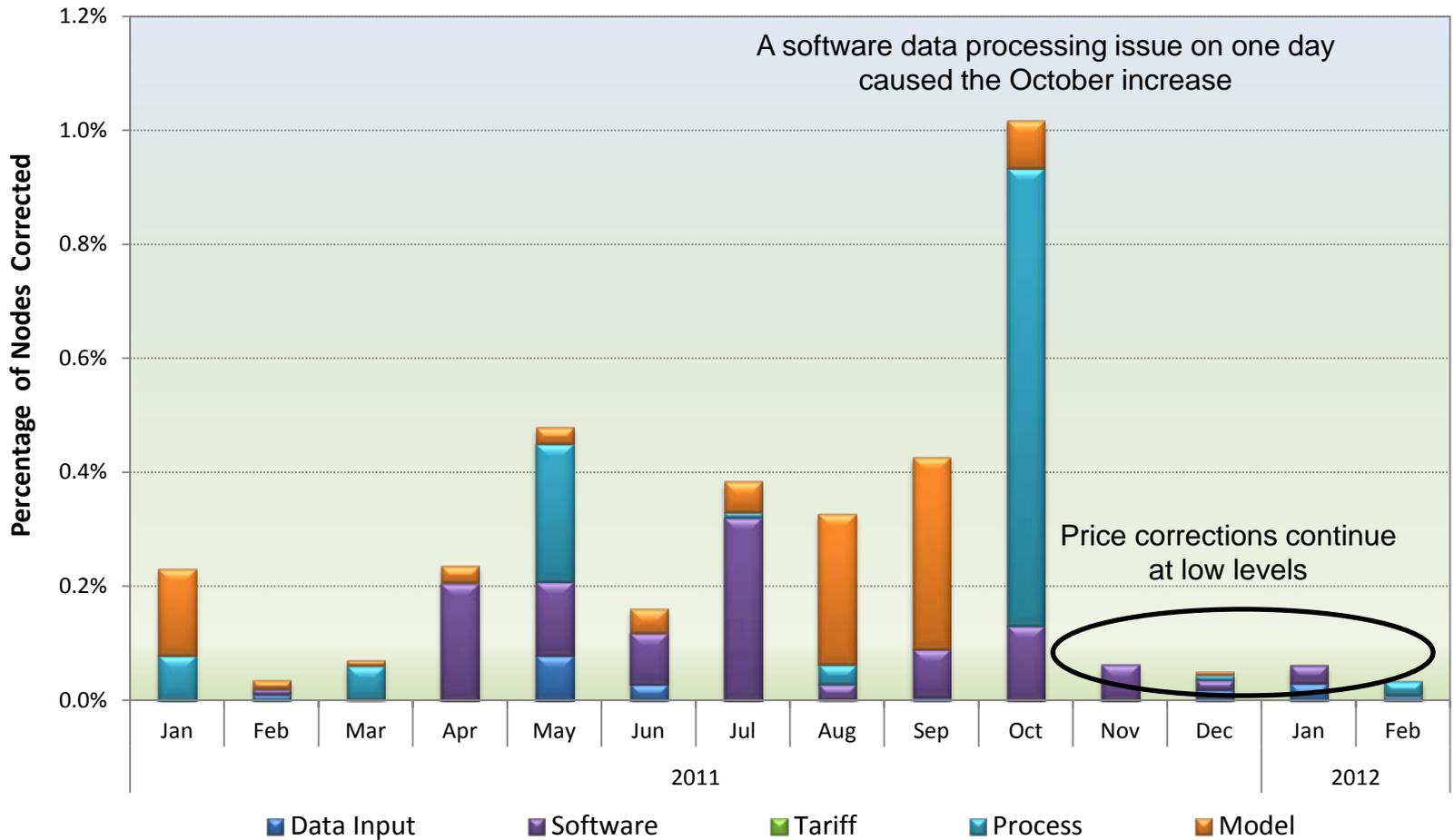
Price convergence improved continued to improve over when compared to same period in 2011.



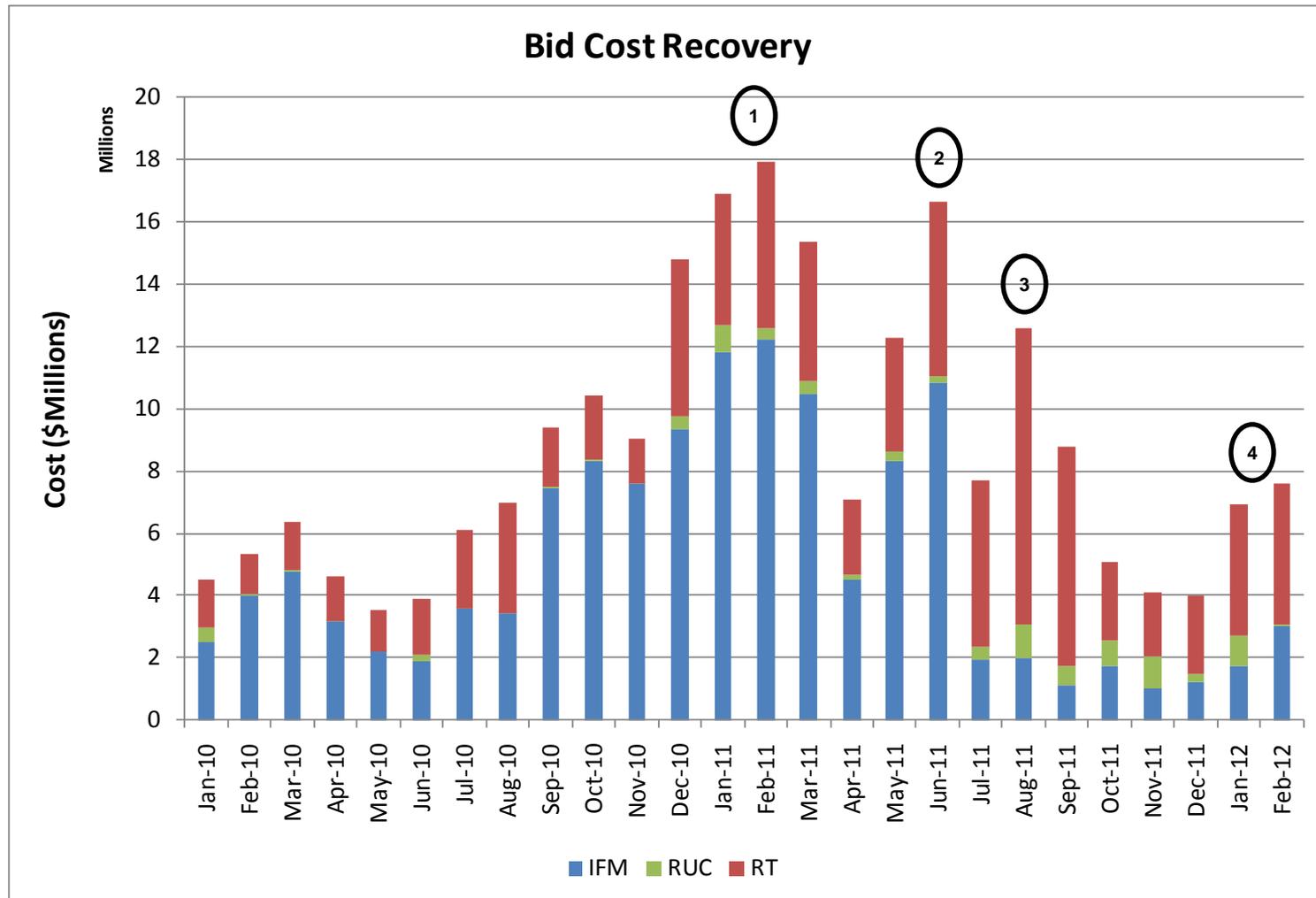
# Offset costs remain low since suspension of intertie convergence bids and flexible ramp constraint



# Price correction events maintained low levels in February.



# Bid cost recovery increased in January and February.



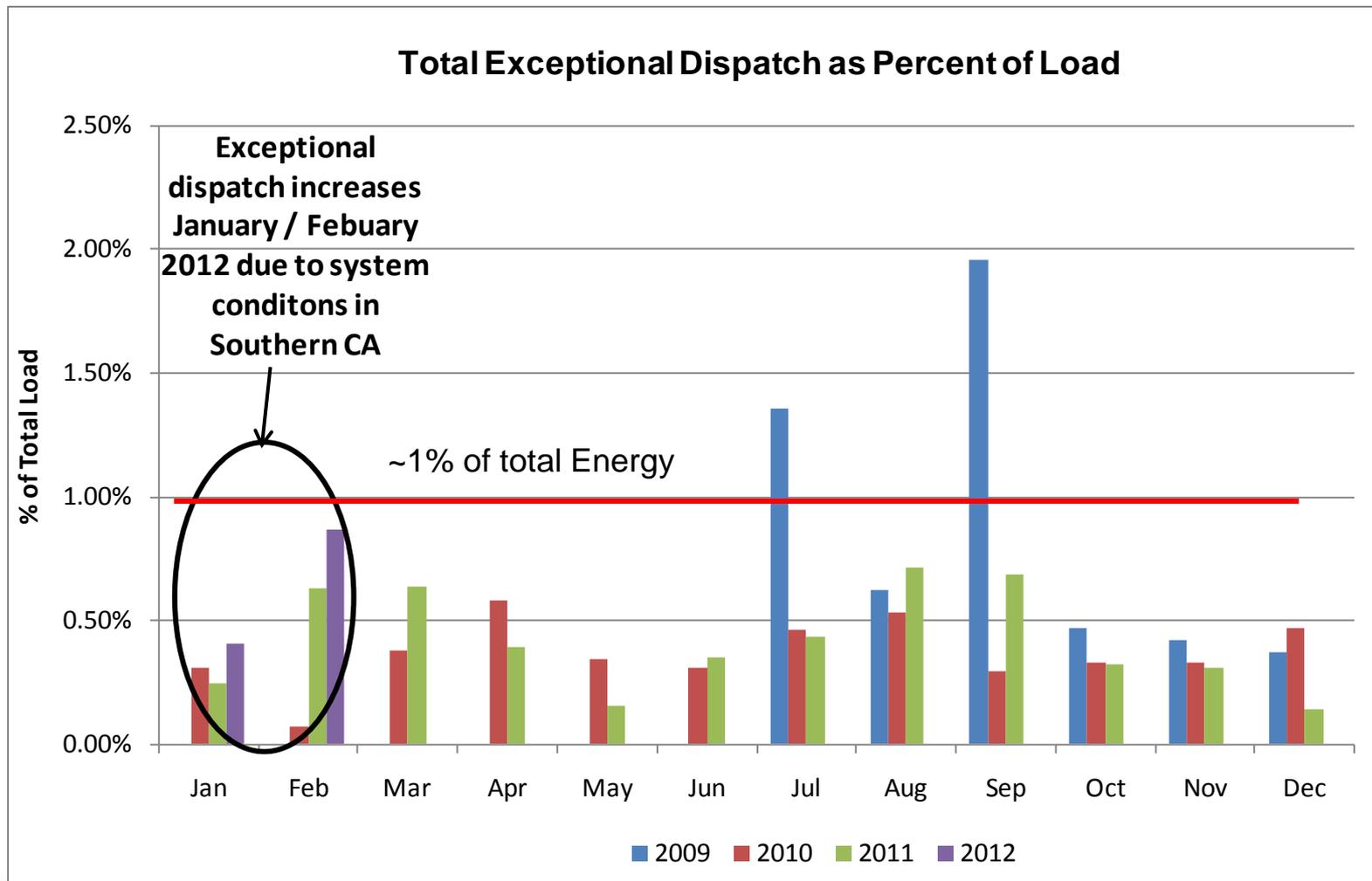
Note 1: Bid cost recovery increase due to bidding and scheduling practice related to March tariff filing

Note 2: Bid cost recovery increase due to bidding and scheduling practice related to June tariff filing

Note 3: August increase due to post day ahead reliability commitments

Note 4: January/February increases due to operational conditions

Exceptional dispatch volumes remained relatively low but increased for some months relative to 2010.



# The following future improvements are planned:

- Flexible ramping
  - Constraint is in settlement negotiations
  - Full product policy in development
- Proposed solutions to return convergence bidding on the interties
- Address conditions leading to manual intervention including exceptional dispatch
- Enhance management of resource fleet
- Enhance price validation and correction process