POWER OUTLOOK: SUMMER 2010

Issued: June 30, 2010

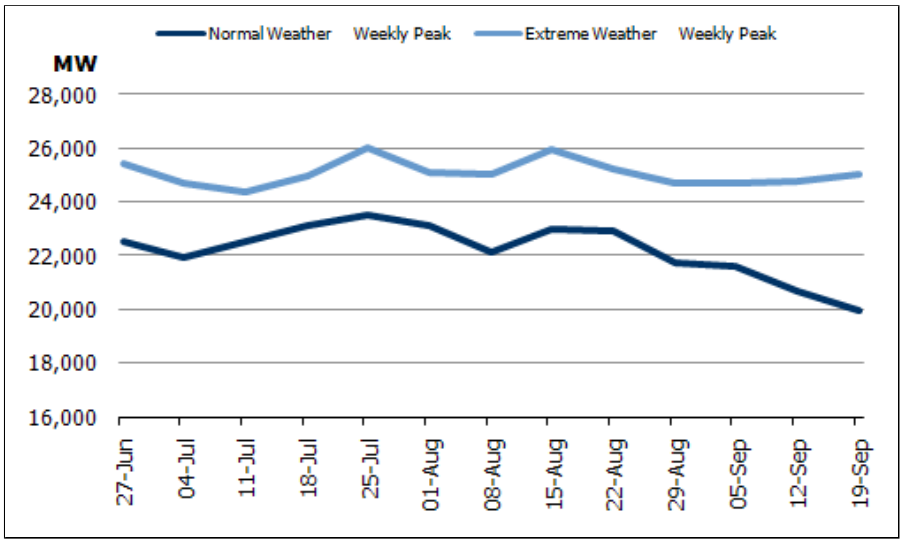
Ontario's supply outlook for the next 18 months remains positive with sufficient resources available to maintain the reliability of Ontario's electricity system, and to supply communities across the province. From June 2010 to November 2011, approximately 2,900 megawatts (MW) of new and refurbished supply are scheduled to enter commercial operation. Of that, approximately 470 MW of new generation has been announced under the Feed-in Tariff (FIT) program and 180 MW contracted under the Renewable Energy Supply III (RES III) program.

As a result of the positive supply conditions, the deregistration of four coal-fired units at Lambton and Nanticoke – representing 2,000 MW of energy supply and capacity -- has been approved by the IESO for early fall of 2010. The replacement fleet for these units has demonstrated reliable operation over the last two peak periods and the shutdown of these units is not expected to unduly impact either energy adequacy or reliability of supply in Ontario.

Over the coming months, the IESO continues to expect a relatively high likelihood of surplus baseload generation (SBG) conditions in summer off-peak periods, compared to the winter and shoulder-period months. However, limited precipitation this past winter and spring has contributed to uncertainty around hydroelectric capability over the summer months and lower than forecast hydroelectric production would reduce surplus conditions.

Demand will be shaped by three main factors: the economy, conservation and the growth in embedded generation from Ontario's renewable initiatives. Although the risks of Ontario's economy slipping back into recession have moderated, world economies remain fragile due to high national debt loads, high oil prices and the prospects of higher borrowing costs. Energy consumption in Ontario is expected to show modest growth in 2010 and 2011 with increases of 1.3 per cent and 1.0 per cent respectively. Peak demand is expected to remain fairly flat as growth is offset by targeted conservation programs. These efforts, in combination with improved energy efficiency and the deployment of smart meters, will result in both lower consumption and a shift in consumption patterns.

DEMAND OUTLOOK - SUMMER 2010



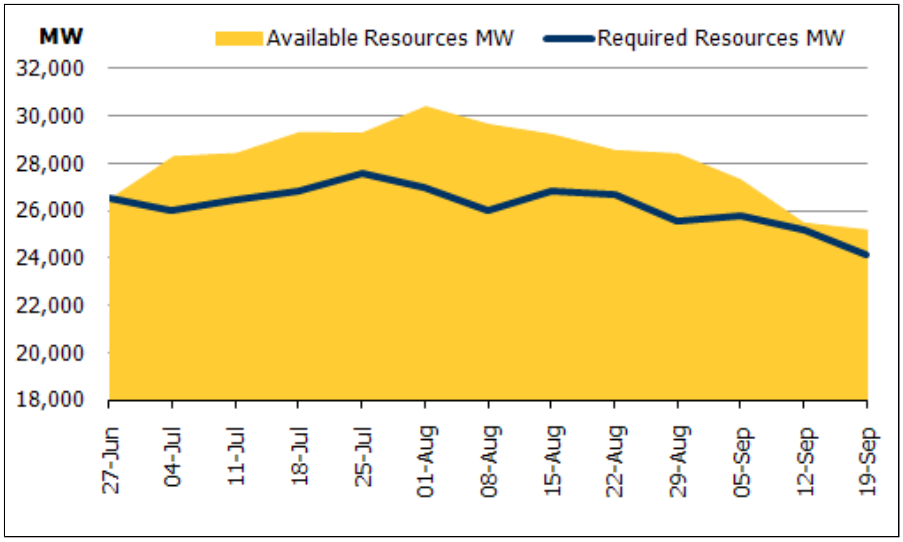
DEMAND FORECAST	
Seasonal Normal Weather Peak	23,498 MW
Extreme Weather Peak	25,998 MW

Demand Forecast

The mid-term forecasts contained in the Power Outlooks are determined based on econometric models and weather scenarios. These forecasts are superseded by nearer-term forecasts that are used in the operation of the power grid, and employ similar-day scenarios. Each day's projected peak is posted on the Price and Demand page.

SUPPLY OUTLOOK - SUMMER 2010

AVAILABLE GENERATION DURING SUMMER PEAK (Week of July 25)	
Total Installed Resources	35,781 MW
Outages or other reductions	7,435



in capacity	MW
Demand Response	951 MW
Total Available Resources	29,297 MW

Matching Supply and Demand

The resource scenario shown above incorporates planned outages that generators have requested in order to perform maintenance on their equipment. Should the IESO determine that there is a potential reliability concern due to a generator outage, the outage co-ordination process allows for the IESO to reject or recall outages. In addition, Ontario has the capability to import electricity.

These supply forecasts are superseded by nearer-term forecasts, that are available 34 days before the day-at-hand.

More information about IESO forecasts is available:
- Demand Forecasts | 18-Month Outlook | Ontario Reliability Outlook
- Security and Adequacy Assessment Report (forecasts for the month ahead)