POWER OUTLOOK: Winter 2010-2011

Issued: January 10, 2010

Ontario's supply outlook for the next 18 months remains positive. With 1,700 megawatts (MW) of new generation expected to come online, and a transmission system adequate to meet expected demands, the period from December 2010 to May 2012 presents no new reliability or adequacy concerns.

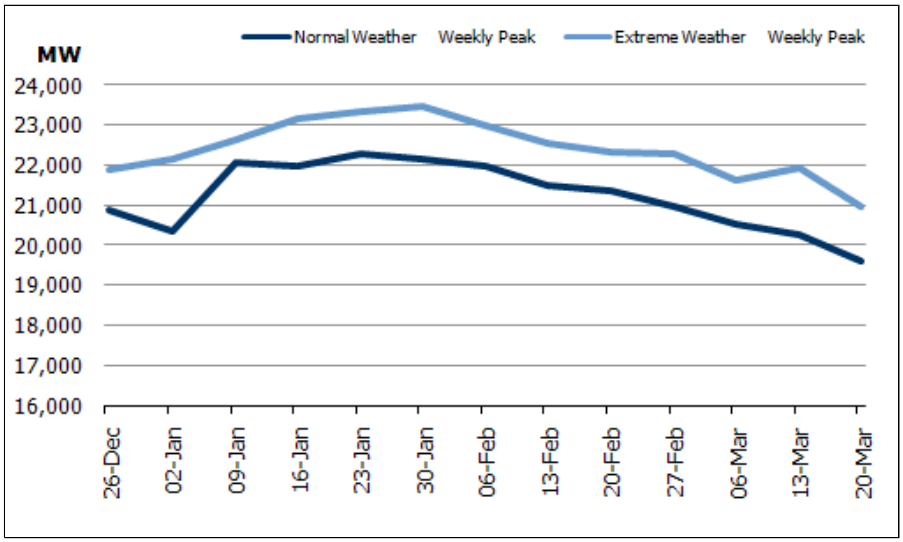
Of the 1,700 MW of new grid-connected generation, almost 1,000 MW represent renewable resources. In addition, approximately 1,400 MW of additional embedded renewables are expected to come into service by the end of May 2012. That year looks to be a real watershed in the evolution of Ontario's power system. Current projections for 2012 indicate new renewable resources will come into service at a rate of about 200 MW per month. Through this period – and beyond – the IESO will facilitate innovations in the way the province's bulk power system is operated, with an ongoing focus on reliability and efficiency.

The IESO is already preparing for tomorrow's renewable future. In order to effectively manage the forecast uncertainty inherent with these new types of resources and ensure reliability going forward, the IESO is actively developing new operational policies and processes. The priority is to integrate renewables in a way that leverages existing processes, and maintains the efficient and reliable scheduling and commitment of electricity supply on a daily basis. This means optimizing the use of existing and anticipated generation and providing mechanisms to efficiently dispatch variable resources.

Electricity demand over the next 18 months will continue to be shaped by a number of competing forces. Population growth, an increase in the number of energy-intensive end-use electrical devices and greater economic activity are pushing demand for electricity upwards. However, this growth in demand is being mitigated by conservation measures and increased contributions from embedded generation.

Ontario's economy has experienced modest economic growth over the course of 2010. Against this backdrop of low economic growth, conservation measures, embedded generation and time-of-use electricity rates will act to reduce peak demands throughout the forecast. Energy demand, on the other hand, will remain virtually flat in 2011 before showing a small increase in 2012. Energy consumption is expected to grow by 0.3% in 2011 and 0.6% in 2012.

DEMAND OUTLOOK - WINTER 2010-2011



DEMAND FORECAST

Seasonal Normal Weather Peak	22,271 MW
Extreme Weather Peak	23,346 MW

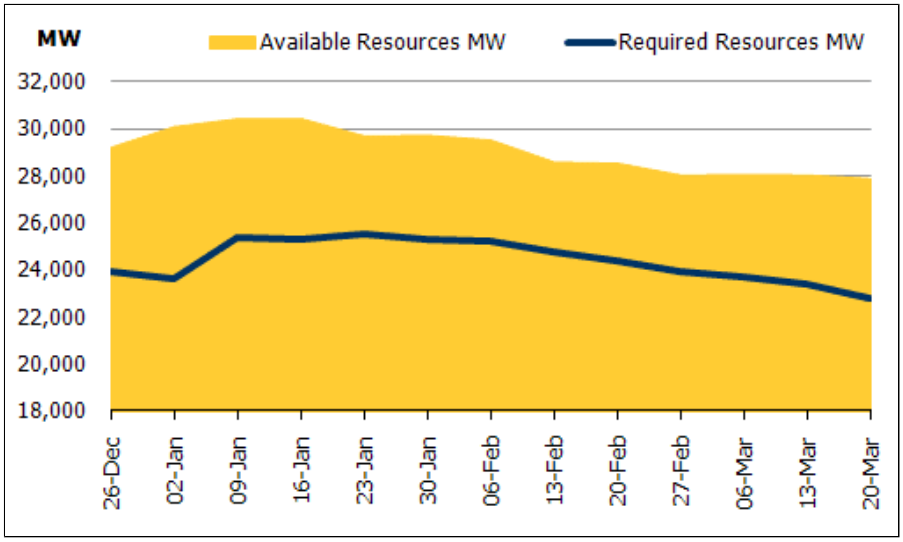
Demand Forecast

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 - WINTER 2010-2011

AVAILABLE GENERATION DURING SEASONAL PEAK (week of January 17)

Total Installed Resources	34,710



	MW
Outages or other reductions in capacity	5,763 MW
Demand Response	763 MW
Total Available Resources	29,710 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)