Agenda Item - Summary

ieso
Power to Ontario.
On Demand.

Date of Meeting: June 16, 2011

Agenda Item: Market Metrics

Strategic Priority: 3,4[1]

Executive Summary: The Ontario wholesale electricity market has produced outcomes that are generally representative of recent changes to demand and supply conditions. A low average HOEP accurately reflects the abundance of low marginal cost generation and moderate demand. The high global adjustment reflects plentiful supply resources, with high fixed costs.

There is an abundance of supply relative to demand. Not only is the total quantity of supply (installed capacity) increasing, but the marginal cost of that supply is decreasing. Output from renewable resources has increased, and the price of natural gas has stabilized at relatively low levels. This contributes to a lowering of market prices in both on and off-peak periods, all else held equal. Depending on renewable and nuclear development, changes to the supply mix will undoubtedly have an impact on market prices going forward.

Significant Issues:[2] None

Decision being Sought: None

Attachments: Yes

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[1]
1. Delivering reliable electricity supply on demand.
2. Developing Ontario's electricity market through evolution of the IESO-administered markets.
3. Providing value in all our services and products.
4. Responding to the needs and concerns of our stakeholders.
5. Earning the trust of stakeholders as a just administrator and capable advisor.

[2] Consider contentious issues and significant risks.