

Non Emitting Resource Subcommittee

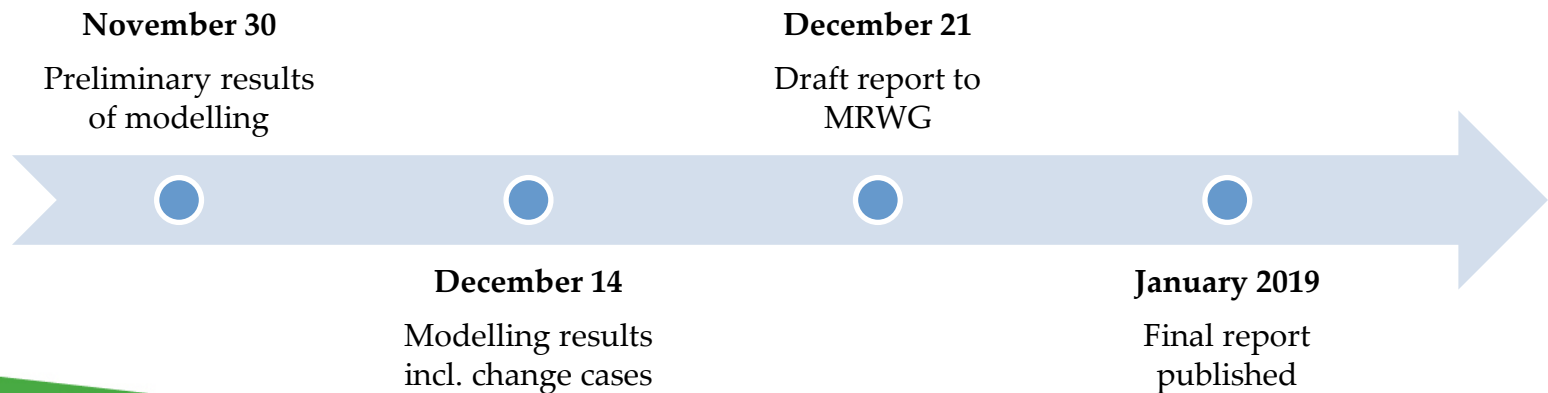
November 30, 2018

Update on NERSC Work Plan

- **Phase 2**, market efficiencies, is nearing completion and consists of (i) the modelling exercise, and (ii) a look into negative pricing which will be addressed at today's meeting
- After discussion with the MRWG **Phase 3**, commercial mechanisms, will no longer be pursued within the NERSC
- Areas for future consideration that arise from the NERSC will be rolled into the work of the Markets Committee

Next Steps

- The **results** of the modelling exercise, including change cases, will be presented to the NERSC on December 14
- A **draft report** of Phase 1 and 2 of the NERSC scope of work will be published for stakeholder review by December 21
 - Stakeholders are invited to provide comments on the draft report by January 14, 2019



IESO and Stakeholder Perspectives on the Modelling Results

Key Findings

Reduced customer commodity costs

- Markets reduce customer commodity costs relative to today across all scenarios

Opportunities for investment

- Market revenues will be robust enough to create opportunities for investment in existing and new assets

Large scale grid defection unlikely (In short term)

- A high customer premium is needed to incent grid defection at significant levels

Before discussing the modelling results, stakeholders are invited to highlight areas of the modelling that is of interest to them. These will be noted and addressed during today's meeting.