

Memorandum

To: Stakeholder Advisory Committee

From: JoAnne Butler, Market and Resource Development

Date: January 27, 2016

Subject: IESO Business Update – Capacity Exports

Information Item

The IESO is recommencing discussions with stakeholders to investigate the potential for allowing Ontario generators to export their capacity to other jurisdictions.

This engagement is intended to enable those capacity resources that are in excess of Ontario's needs to export their capacity. Enabling capacity exports portends to offer several benefits to the sector. Enabling capacity exports:

- Provides Ontario based resources an opportunity to monetize capacity not required for Ontario reliability.
- Offers an alternative to facilities that would otherwise choose to idle or shut down due to Ontario market conditions.
- Improves the efficient utilisation of assets regionally.

Following the launch of the Capacity Exports stakeholder engagement, the IESO held a series of meetings with stakeholder during the first half of 2015. Along with a discussion of issues and scope, the original workplan contemplated a first phase in which generators with unregulated/uncontracted capacity could participate in a short-term capacity auction held by NYISO. At the time, while interested in principle, no generators were able to commit to the specific timeframe for that auction. The IESO communicated to stakeholders that it would regroup

internally and develop a plan that would consider capacity exports on a broader scale and a timeline for implementation.

The IESO plans to re-engage with stakeholders to discuss capacity exports at a meeting February 4th. At this meeting, the IESO will review the current status of issues and present a revised workplan and proposals for discussion.