

# Market Insights

## May-July 2025

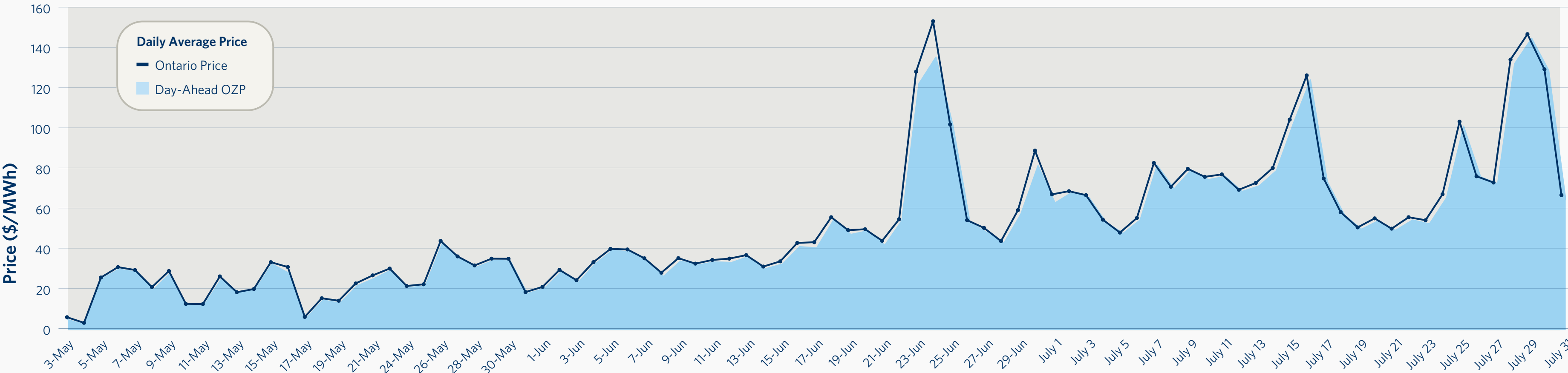
Results from the first months of operations are consistent with the goals of market renewal - increased efficiency, transparency, and competition. Wholesale prices reflect system conditions and vary throughout the province according to changes in supply, transmission, capacity, and demand.



The Ontario Price is the wholesale price of electricity paid by large businesses who buy electricity through LDCs, as well as customers who purchase electricity directly through the IESO. It smooths out differences between prices in the day-ahead and real-time markets.

### Day-Ahead and Final Ontario Prices Follow the Same Trends

The Day-Ahead Ontario Zonal Price (OZP) provides a reliable signal of the final market price for electricity and adds greater financial and operational certainty for both consumers and suppliers.



Note: Prices for May 1, 2 and 22 were settled in the Real-Time Market and are not included in the graph.

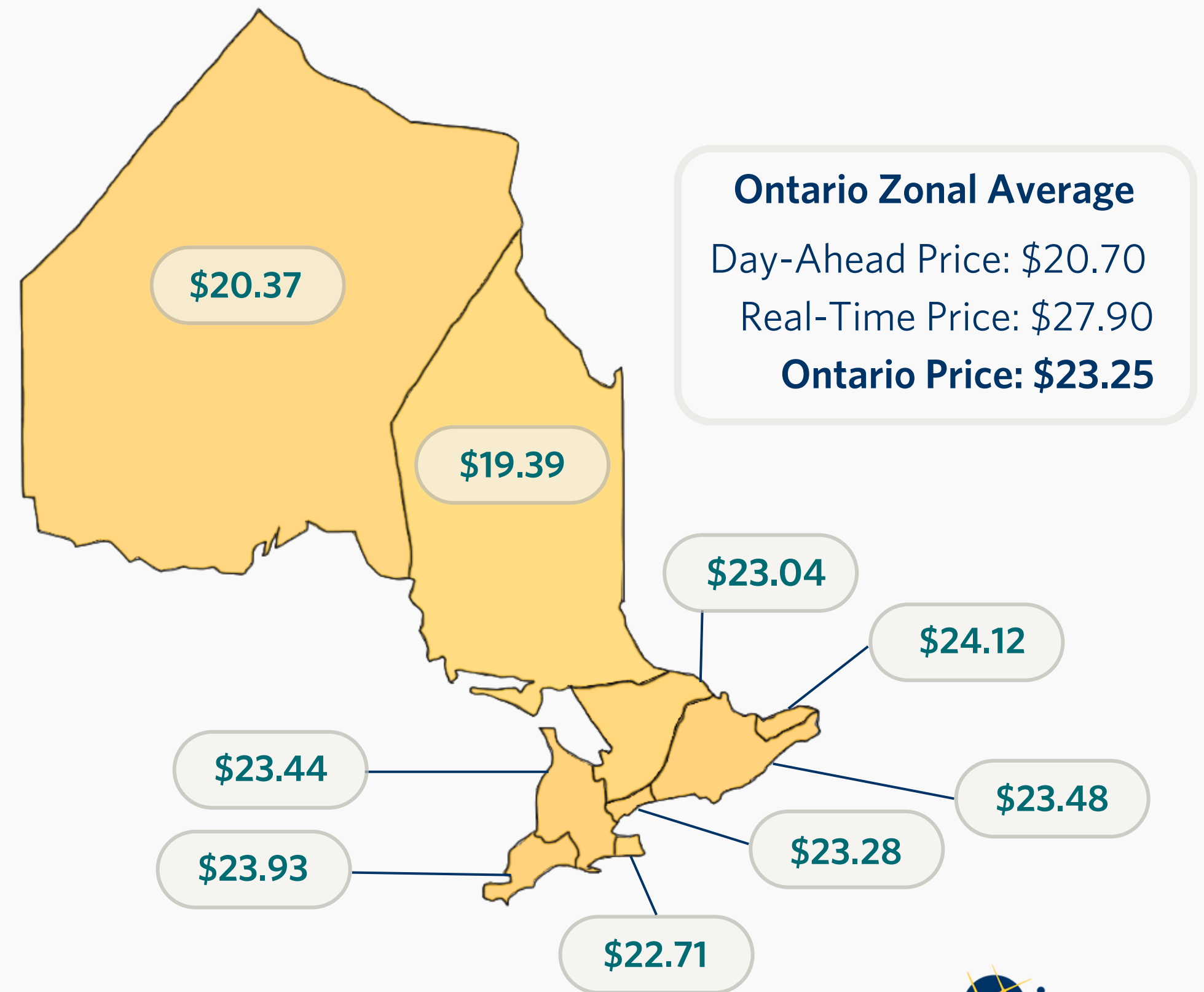
# May electricity prices reflected typical spring conditions

Given increased hydro supply, prices are lower in the North, particularly as additional transmission capacity is needed to deliver supply to the South.



In its first month of operation, 97 per cent of electricity demand in May was cleared in the Day-Ahead Market, with the day-ahead price representing 99 per cent of the final cost consumers paid.

## Ontario Zonal Day-Ahead Prices – May 2025



Arithmetic Average of LMPs for each zone (\$/MWh)

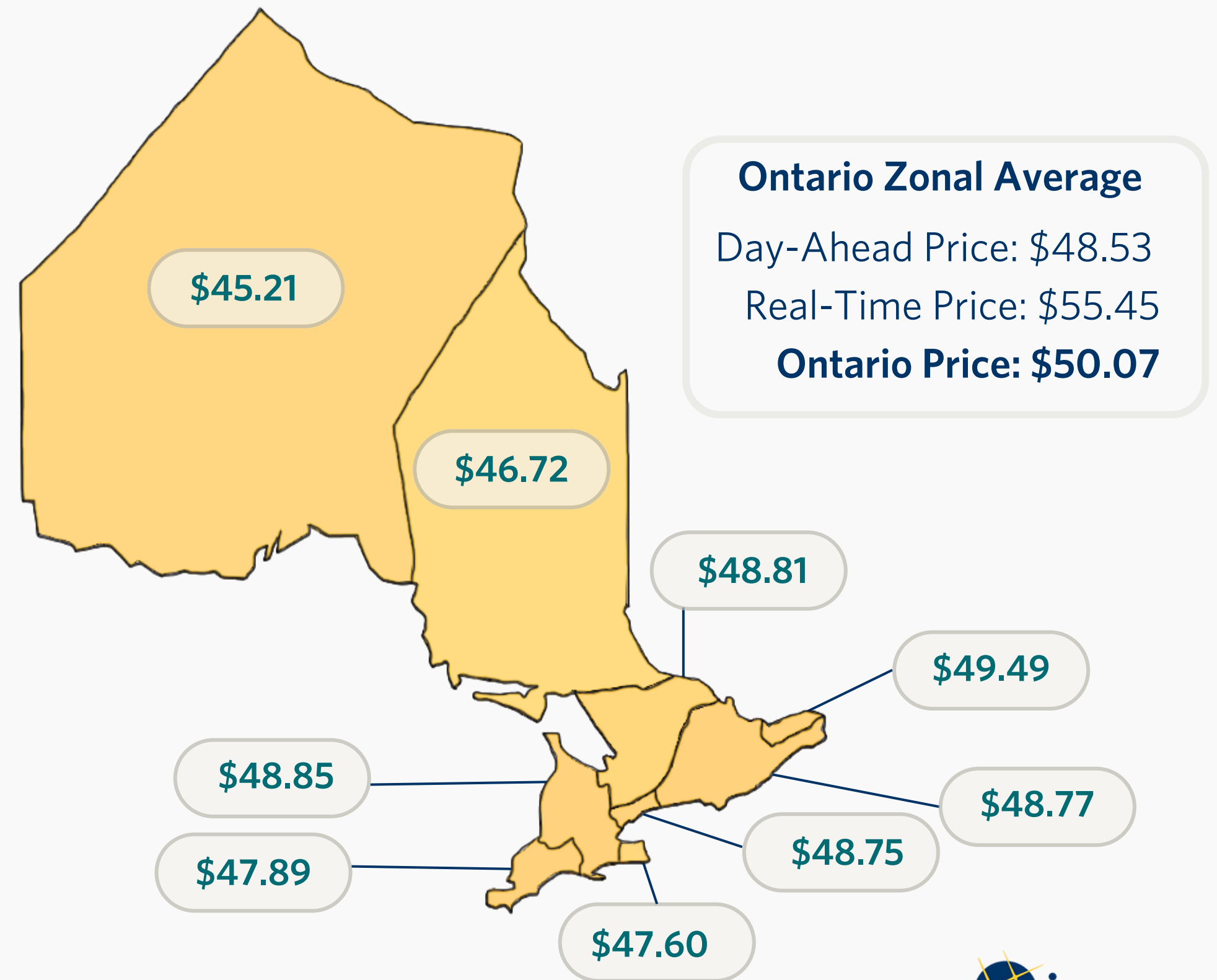
# Higher June temperatures drove demand up with all forms of supply serving the grid to meet customer needs

Sustained daily temperatures in the 30s resulted in higher electricity demand and prices more typical of the summer season. The new market efficiently secured the supply needed – ensuring that prices reflected the true cost of providing electricity throughout the province.



Grid-scale battery storage is already providing flexibility to Ontario's grid. The Oneida battery facility started operations in May and supplied enough power to cool more than 50,000 homes during the June heatwave.

## Ontario Zonal Day-Ahead Prices – June 2025



Arithmetic Average of LMPs for each zone (\$/MWh)



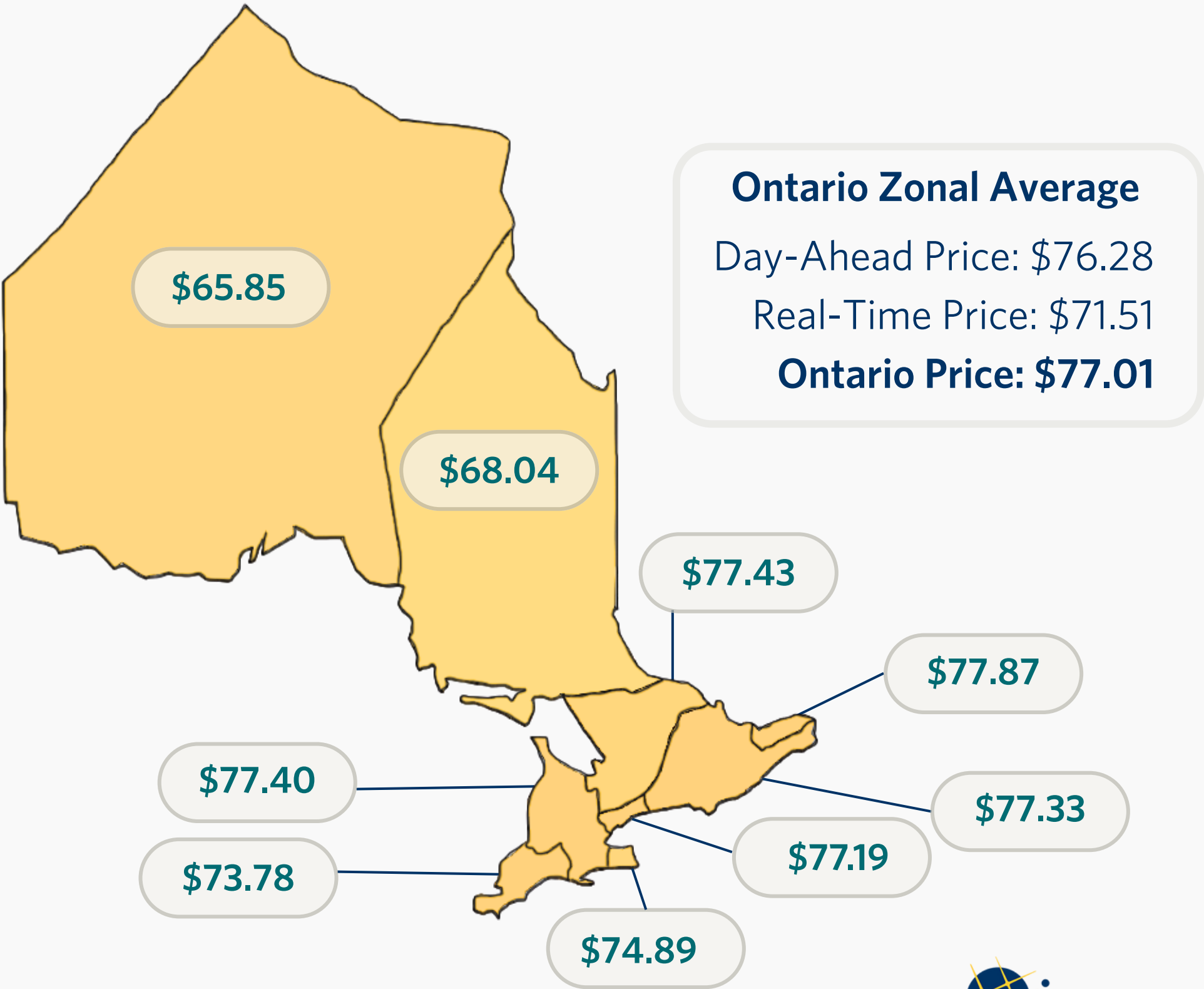
The renewed market performed especially well under hot weather conditions in July, improving the IESO's ability to ensure reliability by providing a firmer view of next day's commitments.

Electricity conditions can change quickly, even from minute to minute. Some power sources can respond fast to these changes, but usually cost more to operate. During high demand and limited supply, real-time prices encourage fast-acting supply to jump in and help meet customer needs.



Local marginal prices reflect local supply, demand, and transmission limits – and represent the true cost of power. Efforts are underway to increase transfer capacity from Northern Ontario to deliver more supply to Southern Ontario, where demand is highest.

## Ontario Zonal Day-Ahead Prices – July 2025



Arithmetic Average of LMPs for each zone (\$/MWh)