

Memorandum

IESO BUSINESS UPDATE

To: Stakeholder Advisory Committee

From: Kim Warren , VP, Market & System Operations and COO

Date: January 27, 2016

Subject: Gas-Electric Coordination Enhancements

Information Item

In May 2015, the IESO initiated a stakeholder engagement to present proposed changes to stakeholders and solicit their feedback.. After careful consideration of stakeholder feedback and concerns, the IESO acknowledges that, at this point in time, the current Market Rules place sufficient obligations on Market Participants to communicate any fuel supply limitations and enable the IESO to conduct reliable planning and operations.

The IESO has issued an RFP to engage a consultant to study the challenges and opportunities associated with the gas-electric alignment in Ontario, with a focus on the consequences of the timeframe difference between the IESO's day-ahead commitment process and the gas market. Information gathered through the study may assist future market development and stakeholder engagement.

Next steps include the closure of the existing Gas-Electric Coordination Stakeholder Engagement with a commitment to continue monitoring the Gas-Electric coordination and operations.