

December 7, 2010

To: Market Participants and Other Interested Parties

**Re: Supply Surplus – New Report**

The AESO is pleased to inform participants of a new report called the Supply Surplus Report that will be available on the AESO's website.

Information is an important enabler for allowing the market to respond to supply surplus conditions on its own without AESO intervention. Similar to the approach taken with the Supply Adequacy Report, the AESO intends to provide a forecast of supply surplus events prior to real time so that participants can respond to market signals and adjust accordingly.

To accommodate the new report, there will be a planned upgrade of the Energy Trading System (ETS). This upgrade is scheduled for **Wednesday, December 8, 2010 at approximately 1:15 pm MST**, pending any real-time issues, and will last approximately 35 minutes. During this upgrade, the ETS will be fully functional, although participants may experience minor interruptions. Once the ETS upgrade has been completed, the report will be available.

The new Supply Surplus Report uses the current pool price forecast methodology, extending it to six hours ahead and indicating when the forecast system marginal price (SMP) is \$0/MWh. The specific calculation is as follows:

For each forecast settlement interval the pool price forecast methodology forecasts six SMPs, one for each ten minute clock period. If the forecast SMP is \$0/MWh a supply surplus event will be forecast for that ten minute clock period. If all six SMPs are forecast to be \$0/MWh then that settlement interval will be forecast to settle at \$0/MWh.

The report will provide the following indicators for the next six hours:

2 (presented in green): All the SMPs forecast for the hour ending are forecast to be greater than \$0/MWh.

1 (presented in light blue): At least one (but not all) of the forecast SMPs for the hour ending are forecast to be equal to \$0/MWh, meaning pool price is forecast to settle at greater than \$0.

0 (presented in dark blue): All six SMPs forecast for the hour ending are forecast to be equal to \$0/MWh meaning that pool price is forecast to settle at \$0.

The Supply Surplus Report will be updated every five minutes and will be available on the [trading page](#). The report may be accessed by following the path: [www.aeso.ca](http://www.aeso.ca) > Market and System Reporting > Current and Historical Market Reports > Current > Supply Surplus. An example of the report is shown below.

### Supply Surplus Report ?

Date (HE)	Status
11/01/2010 12	0
11/01/2010 13	1
11/01/2010 14	1
11/01/2010 15	0
11/01/2010 16	2
11/01/2010 17	0

- 2** = All forecast marginal prices are greater than \$0/MWh
- 1** = At least one of the forecast marginal prices is \$0/MWh
- 0** = All forecast marginal prices are equal to \$0/MWh

#### Report Disclaimer

The information posted on this page is subject to the AESO's website "Legal" notice.

We would like to thank participants for their cooperation during this period. If you have any questions, please call AESOfirstcall at ph: 1-888-588-AESO (2376) during the business hours of 8:00 am – 5:00 pm, MST, Monday to Friday.

Yours truly,

Doug Simpson  
 Director, Market Operations, AESO

cc: Kelly Gunsch, Vice-President, Market Services, AESO