



## Apples to Apples: Fixing Ontario's Electricity Price Mismatch

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Toronto, Ontario - In *"Apples to Apples: Fixing Ontario's Electricity Price Mismatch"* author Greg Baden analyzes why Ontarians pay as much as \$60 per megawatt-hour (or 6 cents per kilowatt-hour) more for their own electricity than do those in surrounding US states who import from Ontario. He finds that Ontario's export pricing practices assume all markets are similar but in fact Ontario's market structure is significantly different to its neighbours.

Baden confirms his earlier recommended remedy of equalizing in-province and export prices by changing the monthly Global Adjustment calculation to an hourly one and adding it to the real-time market price to give a "true" hourly price. He then goes on to recommend that Ontario align with its export markets by giving generators and customers the option of committing to prices and quantities in a Day-Ahead market as an alternative to the Real-Time market. Ontario is unique among the regional electricity markets into which it exports in not having a Day-Ahead market - analogous to selling apples in a marketplace for oranges.

Greg Baden has over 30 years of experience in the gas and electricity industry. He founded BECL and Associates in 2006 prior to which he was vice president for electricity sector business development for Shell Trading/Coral Energy. With Shell, he was responsible for the commercial arrangements of Ontario's Brighton Beach power station and now advises clients in both Ontario and Alberta on energy markets and commercial matters.

*CCRE Commentary* is published occasionally with each issue covering a single topic. Previous issues covered redesign of the feed-in-tariff, ensuring customers benefit from utility mergers, re-establishing realistic electricity prices, gaining public acceptance for energy infrastructure and an analysis of Ontario's long term energy plans.

The Council for Clean & Reliable Electricity (CCRE) is a forum for reasoned analysis on subjects related to energy policy. In the past the Council has sponsored conferences on the Auditor General's report on Ontario's renewable energy program, clean coal technology, nuclear power, governance models in the electricity sector, biomass energy opportunities and rationalizing electricity distribution.

For more information:  
CCRE website: [www.thinkingpower.ca](http://www.thinkingpower.ca)

Greg Baden, Author  
[greg.baden@beclandassociates.com](mailto:greg.baden@beclandassociates.com)  
(403) 771-5887

Jan Carr, Editor CCRE Commentary  
[jan.carr2@gmail.com](mailto:jan.carr2@gmail.com)  
(416) 319-8090

Glen Wright, Chairman CCRE  
[gwright@leancor.com](mailto:gwright@leancor.com)