



Blakes

NAEMA Spring Conference
**Future of Cross-
Border Electricity
Trading**

May 7, 2025

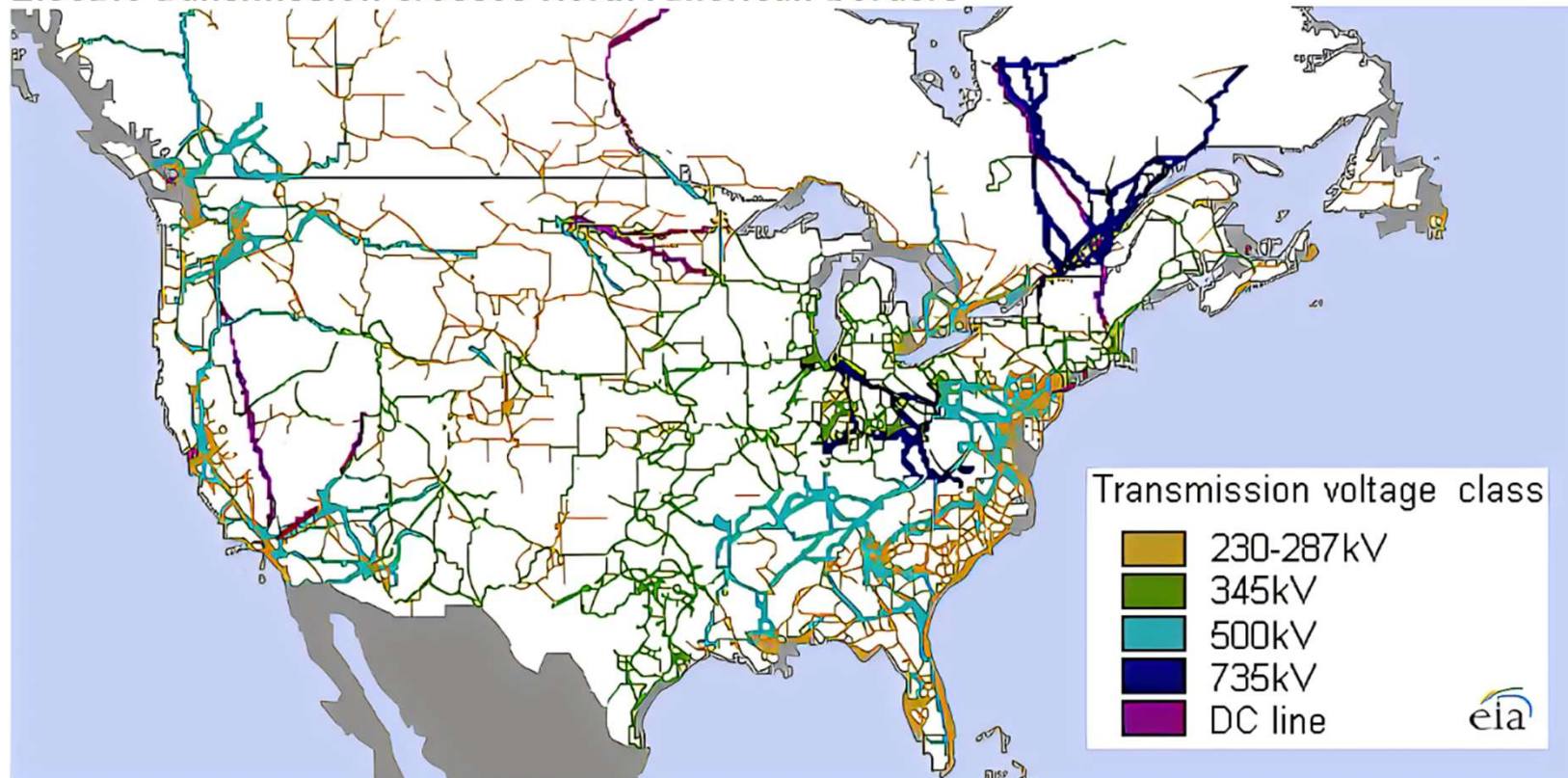
Agenda

1. Overview
2. Ontario's MRP and Alberta's REM
3. Trump's electricity tariffs
4. Canadian counter measures
5. Outlook

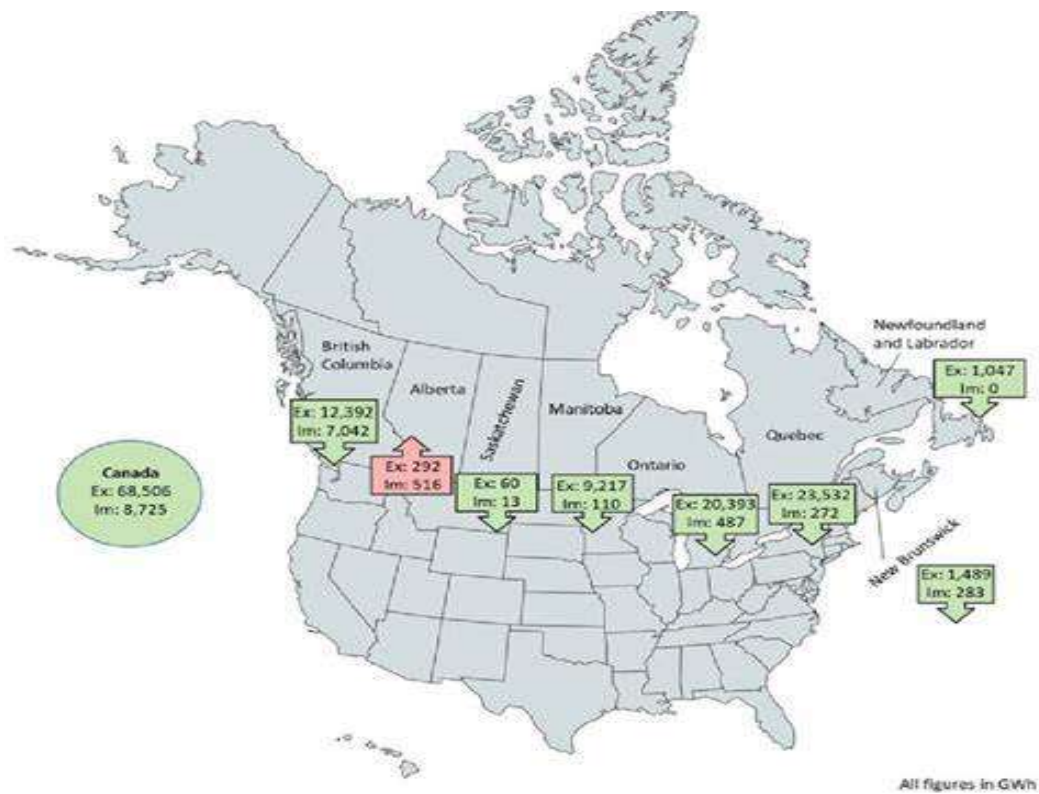


Cross-border electricity transmission infrastructure

Electric transmission crosses North American borders

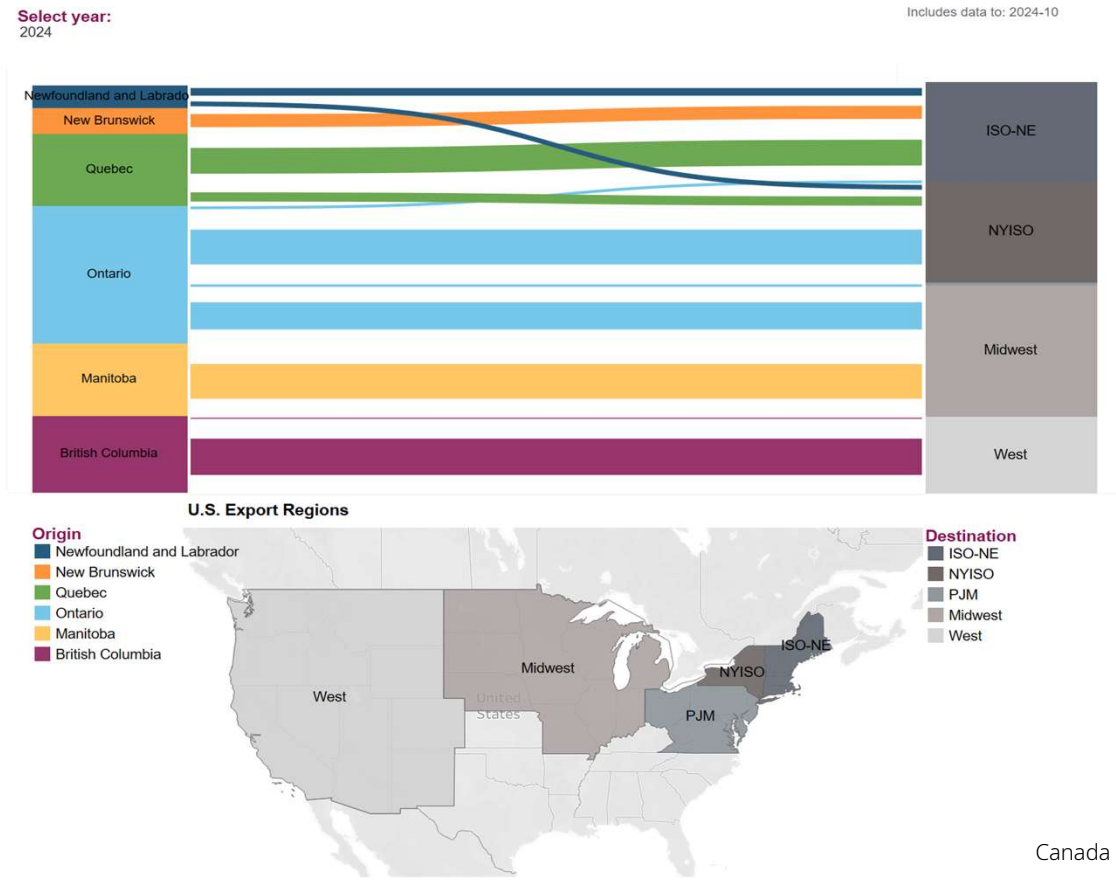


Power imports and exports



research.gate.net

Electricity export flows



Canada Energy Regulator, 2025.

Ontario – Market Renewal Program

Key Market Changes

Day-Ahead Market (DAM)

- New market to commit resources the day before real-time through financially binding schedules, increasing operational and price certainty

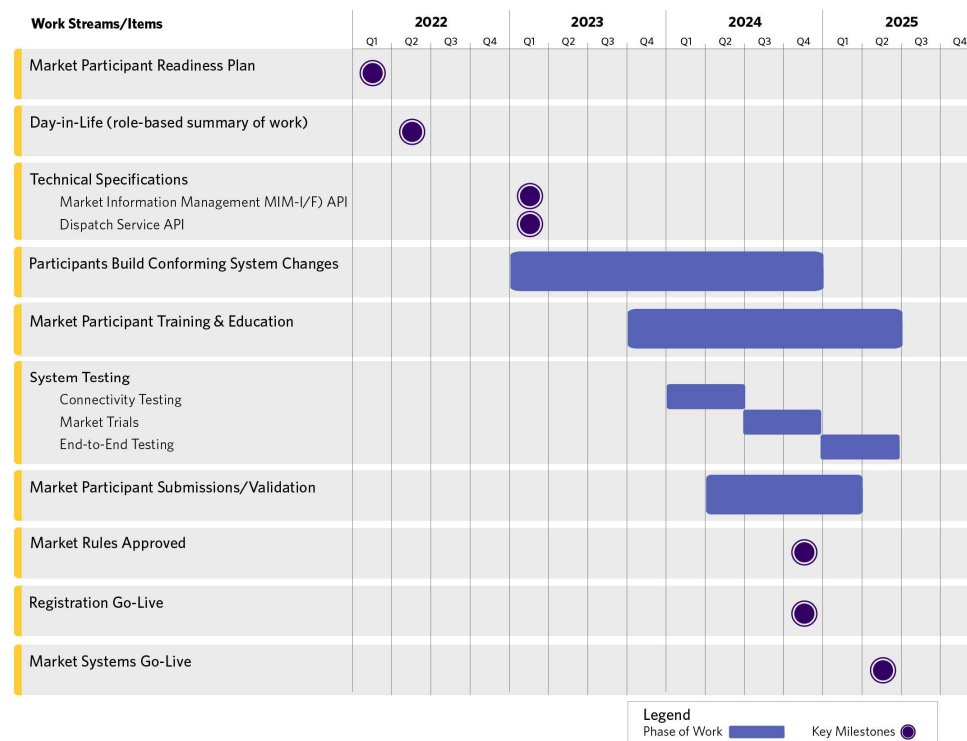
Enhanced Unit Commitment

- Enhancements to resource scheduling process (occurs 3-27 hours before operation) to ensure optimal mix of resources are scheduled to deliver reliability at lowest cost

Locational Pricing

- Locational pricing ensures the cost of energy at all pricing points on the grid transparently reflects the costs of energy, losses and congestion
- Locational marginal prices replace uniform five-minute prices for dispatchable resources and is the basis of the new Ontario Electricity Market Price for non-dispatchable consumers

These new features will work together to lower costs to consumers and are essential to creating the platform needed to efficiently integrate emerging resource types such as DERs, storage, and hybrids



www.ieso.ca

Alberta's Restructured Energy Market (REM)



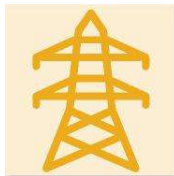
New Day-Ahead Markets

Financial day-ahead market and physical day-ahead commitment (DAC) helps price discovery and meets reliability needs



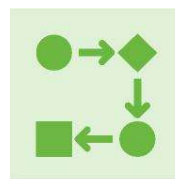
•New Reserve Products

- New products support reliability attributes markets to balance real-time supply and demand



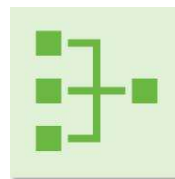
•Dispatch to Manage Reliability

- Better tools needed to manage increasingly complex system



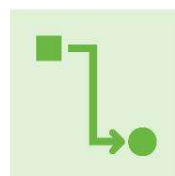
Wider Price Range and Scarcity Pricing

Better values reliability attributes when needed most, without relying on large participant actions



•Co-optimization

- Minimizes operating reserve costs by allowing offers for one product to fulfill requirements for another



•Market Power Mitigation

- Ensures affordable outcomes for consumers by implementing safeguards against excessive market power

Alberta's Restructured Energy Market (REM)



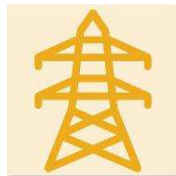
New Day-Ahead Markets

Financial day-ahead market and physical day-ahead commitment (PDAC) helps price discovery and meets reliability needs



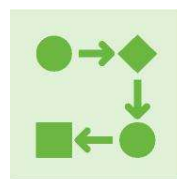
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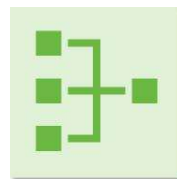
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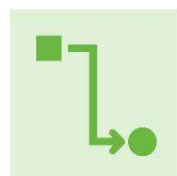
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Tariffs timeline

Date	Who	What
Tariffs in Effect		
March 4, 2025 (originally expected on Feb. 4, 2025)		25% U.S. tariffs on products of Canada 10% U.S. tariffs on energy resources and critical minerals from Canada
		25% Canadian retaliatory tariffs on U.S. products included in Phase 1 list of goods (\$30B)
March 7, 2025		Exemption on U.S. tariffs for any products of Canada that are CUSMA-compliant
March 12, 2025		25% U.S. tariffs on all steel and aluminum imports (no CUSMA-exemption)
March 13, 2025		25% Canadian retaliatory tariffs on additional select U.S. products (includes steel, aluminum and miscellaneous consumer products) (\$29B)
April 3, 2025		25% U.S. tariffs on auto imports
April 5, 2025		10% baseline “reciprocal” tariffs on U.S. imports (does not apply to Canada)
April 9, 2025		25% Canadian retaliatory tariffs on U.S. auto imports
Future Tariff Measures		
Paused		25% Canadian retaliatory tariffs on U.S. products included in Phase 2 list of goods (\$125B) (originally expected March 25, 2025)
Paused (for 90-days from April 9, 2025)		Additional country-specific “reciprocal” tariffs (does not apply to Canada), except for China which are still in effect from April 9, 2025

President Trump's electricity tariffs

S&P Global

Commodity
Insights

◀ Latest News - Energy & Commodities

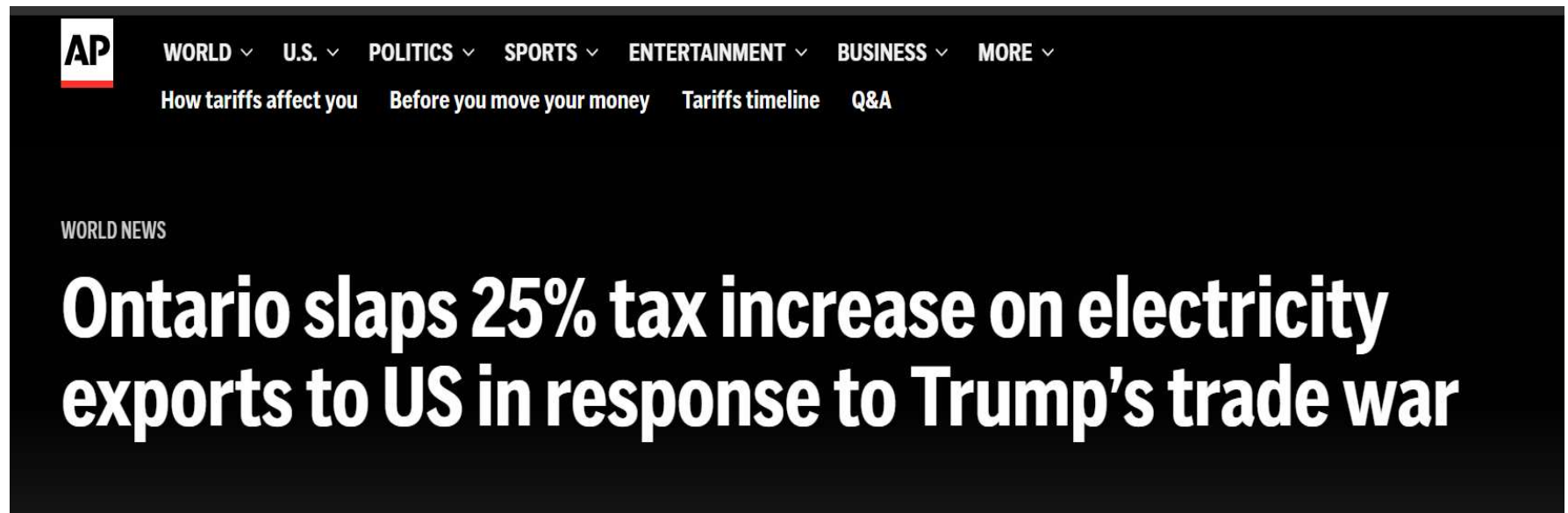
COAL, ELECTRIC POWER, NATURAL GAS

February 02, 2025

Trump tariffs include 10% carve-out for Canadian gas, power, minerals

www.spglobal.com, February 2, 2025

Provincial counter tariffs

A screenshot of the top portion of an AP News article. The background is dark. At the top left is the AP logo. To its right is a horizontal navigation bar with categories: WORLD, U.S., POLITICS, SPORTS, ENTERTAINMENT, BUSINESS, and MORE, each followed by a downward arrow. Below this bar are four links: 'How tariffs affect you', 'Before you move your money', 'Tariffs timeline', and 'Q&A'. Further down, the text 'WORLD NEWS' appears in a smaller font. The main headline is in large, bold, white text, stating that Ontario has imposed a 25% tax increase on electricity exports to the US as a response to Trump's trade war.

AP

WORLD ∨ U.S. ∨ POLITICS ∨ SPORTS ∨ ENTERTAINMENT ∨ BUSINESS ∨ MORE ∨

How tariffs affect you Before you move your money Tariffs timeline Q&A

WORLD NEWS

Ontario slaps 25% tax increase on electricity exports to US in response to Trump's trade war

www.apnews.com, March 10, 2025

“ Based on Ontario, Canada, placing a 25% Tariff on ‘Electricity’ coming into the United States, I have instructed my Secretary of Commerce to add an ADDITIONAL 25% Tariff, to 50%, on all STEEL and ALUMINUM COMING INTO THE UNITED STATES FROM CANADA, ONE OF THE HIGHEST TARIFFING NATIONS ANYWHERE IN THE WORLD. ”

— President Trump, March 11, 2025

Later on March 11....

 **CNN Business**

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Markets →			Fear & Greed Index →
DOW	41,317.43	1.39% ▲	
S&P 500	5,686.67	1.47% ▲	
NASDAQ	17,977.73	1.51% ▲	

Trump reverses new tariffs threat on Canada after Ontario rescinds electricity charges

www.cnn.com, March 11, 2025

Future prospects

Mark Carney wins race to replace Trudeau as Canada's prime minister

Carney promises to fight Trump's tariffs

REUTERS

10 Mar, 2025 WORLD



Mark Carney, Ottawa, March 9, 2025. REUTERS

Q&A Session

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