



Manitoba Hydro

Wholesale Electricity Business Workshop
Closing Remarks

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Basic Premise

- Operate existing and plan future system to
 - A. First satisfy Manitoba requirements
 - B. Then maximize net export revenue; converse: minimize net cost to MB customers
- Advance new generation to take advantage of extra-provincial opportunities



Transmission is Key

- Allow to market surpluses
- Permit import under critical conditions
 - Transmission contingencies
 - Low Water events
- Enable sharing of reserves
- Optimize development sequences (MH's and Counterparties')
- Optimize operations- energy and financial
- Long Term Contracts
 - Enable new Transmission and Generation
 - Firm up portion of Revenues
 - Enable Influence in market



Interconnections

- Need a partner(s)
- Potential partners all have customer and regulatory obligations
- Contracts need to meet customers' requirements
 - Timing and duration
 - Quality; Quantity
 - Competitive with their assessment of alternatives
- Long term opportunities few, far between and with limited windows



Extra-Provincial Activities are an Integral Part of Corporate Strategy

- Provide customers with exceptional value (Rates, Reliability)
- Maintain a strong financial structure.
- Strengthen relationships with Aboriginal peoples
- Promote cost effective energy sustainability, conservation and innovation.




The Nature of the Wholesale Electricity Business

- Complex; Specialized
- Constantly changing – Need for nimbleness
- Competitive, freely negotiated
- Extra-Provincial opportunities an integral part of Operations and Development Planning

The Nature of the Wholesale Electricity Business

- Canadian Crown Corporation doing business in (primarily) a foreign country
- Transactions 5 minutes to 25 years
- Real time operations
- Uncertainty in future loads, economic situations, regulatory environments, energy values, water conditions are a fact of life!
- Comprehensive and rigorous internal and external management processes and governance. Including active engagement by MHEB.

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- Test Papers to be handed in at the door!
 - Thank you for your participation