

# **Price Forecasting in Day-Ahead Ontario Electricity Market (OEM)**

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## **Abstract**

In the framework of competitive electricity markets, power generations and consumers need accurate price forecasting tools to forecast day-ahead electricity price when planning bidding strategies in order to maximize their benefits and utilities. The Ontario Electricity Market (OEM), which opened in May 2002, is relatively new and is still under change. Due to the lack of market maturity and high complexity, the electricity price forecasting is quite challenging in OEM. This paper considers a time series ARIMA forecasting techniques to predict 24 hours market-clearing prices of a day-ahead electricity market OEM. The forecasting results of ARIMA are compared with those obtained by naive test. The comparison suggests that ARIMA has considerable value in forecasting one-day-ahead electricity price in OEM.