



Capacity Auction Enhancements

June 24, 2026

Capacity Auction Team



Welcome!

We will begin momentarily. Please ensure your microphones are muted. Thank you.

Territory Acknowledgement

The IESO acknowledges the land from where we are delivering today's webinar is the traditional territory of many nations including the Mississaugas of the Credit, the Anishinaabeg, the Chippewa, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit First Nation.

As we have attendees from across Ontario, the IESO would also like to acknowledge all the traditional territories across the province, which include those of the Algonquin, Anishinaabeg, Ojibwe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee, Métis, and Inuit peoples.

Engagement Principles

This engagement is conducted in accordance with the IESO's [External Engagement Framework](#), which includes the following principles:

- **Purposeful** – Initiate meaningful conversations that move the sector forward
- **Inclusive** – Invite many voices and diverse perspectives to the table
- **Timely** – Seek input and insight when it can have the most impact
- **Accessible** – Ensure we meet people where they are on their energy journey
- **Traceable** – Allow everyone to follow the path that is being taken
- **Transparent** – Show how engagement helped shape the final outcome

Shared Commitment to Respectful Participation

To support a focused and constructive discussion:

- We will take questions one at a time; please use the raise-hand feature to enter the speaking queue
- We encourage concise and focused comments to allow time for multiple perspectives
- Participants are encouraged to raise relevant points during the discussion and provide more detailed feedback through the written submission process
- We ask that all participants maintain a respectful and professional tone throughout the session
- Facilitators will guide the discussion and manage participation to stay aligned with today's focus and agenda
- Where necessary, we may disable a participant's microphone to manage participation

Participation

- For questions and comments click on the “Raise hand” icon (hand symbol) at the top of the application window. This will indicate to the host you would like to speak
- To unmute audio, click on the microphone icon at the top of the application window
- Audio should be muted when not asking a question
- Connection issues contact engagement@ieso.ca or Microsoft Office Support

Today's Discussion

The IESO will provide an update on the HDR Standby Trigger Price, including proposed updates to Market Manual 4.3 and exclusion of the Point in Time Provisions.



HDR Standby Trigger Price Update

HDR Standby Trigger Price - Background

- **Definition:** HDR standby trigger price is a price threshold used by the IESO to issue standby notifications for HDR resources.
- **Purpose:** It provides advance signal of potential system tightness, allowing HDR to prepare for possible activation during tight system conditions.
- The HDR standby trigger price has been adjusted over time by the IESO to balance timely readiness signals with efficient market outcomes.

HDR Standby Trigger Price - Background

2022

- The IESO updated the HDR standby trigger price using [a methodology](#) that aligned HDR standby frequency with the frequency of dispatch of gas peaking resources.
- At the time, dispatch of gas peaking resources was used as a proxy for system stress/scarcity conditions when HDR resources should be put on standby.
- **Outcome:** by using this methodology the HDR standby trigger price was determined to be \$200/MWh.

HDR Standby Trigger Price - Background

2026

- A review of HDR standby trigger price was completed using the same methodology as was used in 2022.
- **Outcome:** The results showed no change to the current threshold of \$200.
- The IESO recognizes that maintaining the trigger price at \$200 may continue to generate standby notices at the current frequency, reducing the effectiveness of the standby signal. As such, the IESO has re-evaluated the methodology and made changes where appropriate.

HDR Standby Trigger Price - Revised Methodology

- The IESO reviewed the standby trigger using a revised methodology where capacity margin was used as the proxy for system stress/scarcity conditions.
 - Capacity margin* is a system condition where the available capacity is ≤ 500 MW
- The IESO considers such capacity margin an appropriate proxy to signal tight supply conditions and therefore necessitate standby notifications for HDR facilities.
- An assessment of pre-dispatch (PD) prices issued at 7 a.m. (HE7) was performed for dispatch days exhibiting a capacity margin ≤ 500 MW over the availability window, from May 1, 2025, to April 30, 2026. **PD prices corresponding to periods of limited supply cushion were approximately \$350/MWh.**

* Capacity Margin value is sourced from “Capacity Excess/Shortfall” in the Adequacy Report issued by the IESO.

HDR Standby Trigger Price - Revised Methodology

- A comparison of two standby trigger prices and their impact on total number of standby notices since May 1, 2025:

Standby Trigger Price	Number of Standby Notices	Activation to Standby Ratio
\$200	~120	~1:6
\$350	~54*	~1:2.5

- The IESO believes that a trigger price of \$350/MWh appropriately signals system stress and the need to put HDRs on standby.**

*A standby trigger price of \$350/MWh since May 1, 2025 would have resulted in far less standby notices without impacting reliability

HDR Standby Trigger Price - Next Steps

- The IESO will continue to monitor HDR standby notices, and if appropriate, explore changes to the methodology to determine the trigger price.
- In order to update the HDR standby trigger price, Market Manual 4.3, Section 5.2 must be updated.

Milestones	Actions
Post pending changes to MM4.3	June 25 – July 9, 2026
Final approval, preparation for publication, IT implementation	July 10-13, 2026
Effective Date	July 14, 2026, for Dispatch Day July 15, 2026. Participants may start to receive HDR standby trigger notices based on the new price of \$350, starting on July 14 for dispatch day July 15.

Important information for Market Participants:

The proposed change to Market Manual 4.3, section 5.2 is expected to come into effect on publication, which is scheduled for July 14, 2026 **for dispatch day July 15, 2026**. Pursuant to MR Ch. 7, section 18.1A.1.1, the IESO will be expressly excluding the application of the point-in-time provisions, found in MR Ch. 7, section 18.1A.2 with respect to this change.

Disclaimer

This presentation and the information contained herein is provided for informational purposes only. The IESO has prepared this presentation based on information currently available to the IESO and reasonable assumptions associated therewith, including relating to electricity supply and demand. The information, statements and conclusions contained in this report are subject to risks, uncertainties and other factors that could cause actual results or circumstances to differ materially from the information, statements and assumptions contained herein. The IESO provides no guarantee, representation, or warranty, express or implied, with respect to any statement or information contained herein and disclaims any liability in connection therewith. In the event there is any conflict or inconsistency between this document and the IESO market rules, any IESO contract, any legislation or regulation, or any request for proposals or other procurement document, the terms in the market rules, or the subject contract, legislation, regulation, or procurement document, as applicable, govern.

Thank You

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