Stakeholder Feedback and IESO Response

Changes to the Establishment and Publication of Market Parameters

Following the June 18, 2026 Changes to the Establishment and Publication of Market Parameters engagement session, the IESO invited stakeholders to provide comments and feedback on the materials presented by July 2, 2026.

Following the session, the IESO received written feedback from:

- Ontario Power Generation
- Ontario Rivers Alliance

The presentation materials and stakeholder feedback submissions have been posted on the engagement webpage for this engagement. Please reference the material for specific feedback as the below information provides excerpts and/or a summary only.

If you have any questions or concerns, please contact engagement@ieso.ca.

Category

Stakeholder Feedback	IESO Response
Request for Proposed Market Manual Changes • OPG indicated that the absence of redlined Market Manual revisions related to constraint violation penalties (CVPs) limits stakeholders' ability to fully assess the proposed governance framework. • OPG requested that the IESO publish the redlined Market Manual changes before the engagement concludes and prior to Technical Panel education.	The IESO acknowledges the importance of stakeholders having visibility into the complete set of proposed changes associated with this initiative. In this case, there are no proposed market manual changes related to constraint violation penalties. The values are not changing and the existing content in Appendix A of Market Manual 4.3 – Operation of the Real-Time Market will remain as is.

Category

Stakeholder Feedback	IESO Response
Foundational Parameters and Placement of Parameters in Market Rules versus Market Manuals • OPG requested a clear definition of "foundational parameters" and the criteria used to determine whether parameters are placed in the Market Rules or Market Manuals. • OPG questioned why CVPs are treated differently from other market parameters listed together in Chapter 7, section 1.6.1. • ORA recommendation that CVPs should be treated the same as the other market parameters and placed in the market rules as part of this proposed market rule amendment.	The distinction between parameters proposed for inclusion in the Market Rules and those proposed to remain in the Market Manuals is based on the role each parameter plays within the market design framework. As discussed during the June 18 engagement, the IESO considers the maximum market clearing price, maximum operating reserve price, settlement floor price, and offer floor prices for variable generation and flexible nuclear generation to be foundational market parameters because they establish the upper and lower bounds within which market outcomes may occur. These parameters form core elements of the market design and directly define market price boundaries. By contrast, Constraint Violation Penalties are operational and reliability-based parameters used within optimization and dispatch processes to reflect the relative importance of satisfying system constraints when reliability trade-offs arise and, market outcomes associated with CVPs are bounded by the foundational market parameters such as MMCP, MORP and the settlement floor price. The IESO's view is that these parameters are more appropriately managed through Market Manuals, where updates can be informed by operational assessments and reliability considerations. The IESO recognizes that some stakeholders are seeking greater clarity regarding the distinction between foundational and other market parameters. While there is no single determining test for identifying a foundational parameter, the IESO's assessment considers the function and purpose of the parameter, including whether it establishes a core element of market design, such as an absolute upper/lower boundary of market

	participation, or whether it is primarily an operational parameter used to support the reliable operation of the power system as specified above.

Category

Stakeholder Feedback	IESO Response
Request for all Parameters to be Subject to Technical Panel Oversight • OPG indicated support for the removal of the requirement for direct IESO Board establishment of the identified market parameters is contingent upon all parameters within the scope of the engagement remaining subject to Technical Panel oversight for future changes.	The revised proposal was developed in response to stakeholder concerns regarding governance, transparency, and oversight. Under the revised approach, the identified foundational parameters would be codified directly in the Market Rules. As a result, any future changes to those parameters would require a Market Rule amendment and would therefore be subject to the existing governance framework, including stakeholder engagement, Technical Panel review, and Board approval. For the reasons stated in the June 18th engagement materials and response above, the IESO is of the view that CVPs are operational and reliability-based parameters which should reside in market manuals. The IESO believes this approach appropriately balances governance oversight with operational efficiency and is responsive to concerns expressed by stakeholders during earlier consultations.

Category

Stakeholder Feedback	IESO Response
Clarity of Settlement Floor Prices for Variable Generation Resources • For the proposed amendments to MR Ch.7 s.1.6.2, OPG recommended explicitly linking each floor price to the applicable variable generation resource type. • OPG suggested aligning the drafting approach with that used for flexible	The additional detail identifying which floor prices apply to specific variable generation resource types is already set out in Market Manual 4.1, section 2.1.1.1. This existing market manual content is not changing as part of the market rule amendment. The IESO has maintained the reference to the applicable market manual within the proposed market rule amendment to direct market

nuclear generation to provide greater clarity and avoid ambiguity.	participants to the additional details regarding the application of variable generation floor prices.

Category

Stakeholder Feedback	IESO Response
Consistency of Market Rule Versus Market Manual Content - Enforcement Modernization Initiative • OPG noted that proposed enforcement framework changes contemplate certain penalty and sanction values being maintained in a Market Manual. • OPG suggested that penalty-related parameters should remain in the Market Rules, consistent with the governance principles discussed in this engagement. • OPG requested that future governance approaches for enforcement parameters align with the principles being applied to market parameters in this initiative.	The IESO notes OPG's comments regarding the MACD Enforcement Framework Modernization initiative. That initiative remains subject to a separate stakeholder consultation process, and comments related to that engagement are out of scope of this initiative. The IESO appreciates the feedback regarding consistency of governance principles and will ensure it is considered as discussions on the Enforcement Framework Modernization initiative continue.

Category

Stakeholder Feedback	IESO Response
Governance, Independence, and Conflict-of-Interest Safeguards • ORA requested public disclosure of Board recusal and conflict-of-interest protocols applicable to decisions related to market-parameter governance. • ORA indicated that stakeholders should have confidence that governance decisions are made independently and free from actual or perceived conflicts of interest.	The IESO acknowledges the importance of maintaining stakeholder confidence in its governance processes and decision-making framework. Before considering market rule amendments, the Chair of the IESO Board provides directors with an opportunity to declare any actual, potential, or perceived conflicts of interest relevant to the matter under consideration. The outcome of that inquiry is documented in the "Reasons of the IESO Board in response of an amendment to the market rules" which is published on the IESO website

• ORA emphasized the importance of visible governance safeguards to maintain public confidence.	following an IESO Board determination on a market rule amendment. The matters raised regarding Board governance, recusal requirements, and conflict-of-interest protocols are beyond the scope of this engagement, which is focused on the establishment and publication of market parameters. Accordingly, the IESO has not considered these recommendations as part of the proposed amendments.

Category

Stakeholder Feedback	**IESO Response**
Transparency Regarding Ministerial Directives and Technical Analysis • ORA recommended that the IESO publicly identify instances where ministerial direction differs from the IESO's technical analysis. • ORA suggested that the IESO disclose its assessment of reliability and ratepayer impacts in such circumstances. • ORA emphasized the importance of transparency where policy direction and technical analysis may differ.	The IESO acknowledges ORA's comments regarding ministerial directives, technical analysis, and public transparency. The governance of ministerial directives and related reporting practices are beyond the scope of this engagement, which is focused on the establishment and publication of market parameters. Accordingly, the IESO has not considered these recommendations as part of the proposed amendments.