

Feedback Form

Enforcement Modernization – May 22, 2026

Feedback Provided by:

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Date: June 15, 2026

To promote transparency, feedback submitted will be posted on the Enforcement Modernization engagement page unless otherwise requested by the sender.

- Yes – there is confidential information, do not post**
- No – comfortable to publish to the IESO web page**

Following the May 22, 2026 Enforcement Modernization engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the [Enforcement Modernization](#) page.

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by June 15, 2026.

Internal Compliance Programs

Item	Feedback
Do you have any feedback on MACD's design proposal on Internal Compliance Programs?	<p>Capital Power supports the introduction of internal compliance programs (ICPs) as a mechanism to facilitate compliance, provided that such requirements remain non-prescriptive and risk-based.</p> <p>To ensure proportionality and avoid unnecessary administrative burden, the IESO should:</p> <ul style="list-style-type: none">• Clearly articulate minimum expectations and guiding principles for ICPs, rather than prescriptive requirements;• Recognize and deem compliant existing programs that meet or exceed baseline standards;• Avoid duplicative or overlapping requirements with existing regulatory or corporate governance frameworks. <p>Capital Power further notes that the use of ICP maturity as a factor in penalty assessment should be applied cautiously and transparently, with clear guidance on how such assessments will be conducted.</p>

Removal of Ring-fencing Language

Item	Feedback
Do you have any feedback on MACD’s design proposal on the Removal of Ring-fencing Language?	<p>Capital Power has no material concerns with MACD’s proposal to remove ring-fencing language and formalize its delegated enforcement authority. While the proposal appears largely administrative – clarifying MACD’s independence and authority – there may be broader implications depending on how this separation is operationalized in practice (e.g., discretion, accountability, and checks on enforcement authority).</p> <p>Capital Power expects that governance arrangements will be transparent and clearly separated, and that MACD’s independence will be clearly demonstrated and maintained in practice as the framework evolves.</p>

Information Gathering Powers

Item	Feedback
Do you have any feedback on MACD's design proposal on Information Gathering Powers?	<p>Capital Power recognizes the importance of robust information-gathering powers to support effective enforcement. However, the proposed authority to request information from "any person" represents a material expansion in scope that raises concerns regarding proportionality, governance, and procedural fairness.</p> <p>In particular, the ability to seek information from third parties without clearly defined thresholds or safeguards may create the perception that information provided by the Market Participant under investigation is insufficient or unreliable. This risks undermining the principle that participants are expected to act in good faith and cooperate with enforcement processes.</p> <p>Capital Power recommends that the IESO:</p> <ul style="list-style-type: none">• Establish clear criteria governing when third-party information requests are appropriate;• Define the thresholds and justification required to expand an investigation beyond the participant;• Provide transparency regarding how such information will be assessed relative to participant-provided information; and• Provide Market Participants with the ability to review, respond to, and correct information obtained from third-party sources to ensure accuracy and completeness prior to reliance on such information in enforcement determinations. <p>These measures would help ensure that the proposed authority is exercised in a targeted and proportionate manner, consistent with principles of fairness and procedural integrity.</p>

Information Sharing

Item	Feedback
Do you have any feedback on MACD's design proposal on Information Sharing?	<p>While the ability to share information may be necessary to support enforcement, the current proposal lacks sufficient detail regarding the governance, controls, and safeguards that would apply to the use and disclosure of confidential information.</p> <p>In the absence of clearly defined guardrails, the proposal introduces material risks relating to the protection of commercially sensitive information, the potential for onward disclosure beyond the original enforcement context, and the erosion of participant confidence in the confidentiality of engagement with MACD.</p> <p>Capital Power submits that the IESO:</p> <ul style="list-style-type: none">• Establish formal governance frameworks governing information sharing;• Clearly define permitted recipients, permitted purposes, and restrictions on onward disclosure;• Require the application of anonymization or aggregation wherever feasible;• Provide participants with advance notice and an opportunity to raise confidentiality concerns prior to disclosure. <p>These safeguards are necessary to ensure that the proposed framework maintains commercial integrity and does not inadvertently disincentivize cooperation with enforcement processes.</p>

Investigation Process

Item	Feedback
Do you have any feedback on MACD's design proposal on the Investigation Process?	<p>Capital Power supports efforts to improve efficiency through a streamlined investigation process, including the introduction of differentiated pathways for simple and complex matters.</p> <p>Capital Power also supports the concept of a specified penalty (or "ticketing") regime for low-risk or administrative issues, provided that such a regime is appropriately scoped.</p> <p>To ensure effectiveness and fairness, the IESO should:</p> <ul style="list-style-type: none">• Establish clear, objective criteria distinguishing "simple" from "complex" matters;• Preserve full dispute rights, including access to an expedited dispute pathway;• Clearly define the scope and application of specified penalties to avoid expansion beyond minor or low-impact infractions. <p>Absent these elements, the proposed framework may introduce uncertainty and shift, rather than reduce, regulatory burden.</p>

Sanctions

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Do you have any feedback on MACD's design proposal on Sanctions?	<p>Capital Power acknowledges the IESO's objective of strengthening the deterrent effect of enforcement through revisions to the sanctions framework. However, the proposed increase in maximum penalties, combined with the introduction of a benefit/harm-based approach, represents a significant expansion in potential exposure.</p> <p>In particular, Capital Power emphasizes that penalties should remain proportionate to actual market harm and should not disproportionately reflect financial outcomes driven by contractual arrangements or hedging positions that may amplify exposure without corresponding market impact.</p> <p>To support a fair and effective framework, the IESO must clearly articulate how market impact, intent, and conduct will be differentiated and weighted within the penalty determination process.</p> <p>Capital Power supports efforts to simplify penalty factors to improve clarity, provided that sufficient flexibility is retained to account for case-specific circumstances and to ensure outcomes remain proportionate and predictable.</p>

Publication of Enforcement Outputs

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Do you have any feedback on MACD's design proposal on the Publication of Enforcement Outputs?	<p>Capital Power has significant concerns with the proposed expansion of publication, particularly the introduction of early-stage or discretionary disclosure prior to the completion of dispute processes.</p> <p>Early publication of allegations or preliminary findings may:</p> <ul style="list-style-type: none">• Result in reputational and commercial harm prior to the completion of due process;• Undermine the integrity of the dispute resolution process;• Disincentivize self-reporting and cooperative engagement. <p>Capital Power recommends that the IESO adopt a staged publication framework, whereby:</p> <ul style="list-style-type: none">• Identifiable participant information is not published until all dispute rights are exhausted;• Early-stage disclosures, if required, are provided on an anonymized or aggregated basis;• Publication protocols clearly distinguish between active, disputed, and concluded matters. <p>This approach would support transparency while maintaining procedural fairness and market confidence.</p>

Settlements/Dispute Resolution Process

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Do you have any feedback on MACD's design proposal on the Settlements/Dispute Resolution Process?	<p>Capital Power recognizes the value of earlier engagement and settlement opportunities within the enforcement process. Though, the proposed reduction in dispute timelines – from two years to 20 business days – raises concerns regarding procedural fairness and practical feasibility, particularly for complex matters.</p> <p>While shorter timelines may improve certainty and reduce prolonged exposure, they may also limit the ability of Market Participants to conduct internal analysis, gather relevant information, and engage meaningfully with MACD. This creates a risk that disputes are compressed rather than resolved efficiently.</p> <p>Capital Power recommends that the IESO adopt a more flexible approach, including:</p> <ul style="list-style-type: none">• graduated timelines based on case complexity;• the ability to grant extensions where warranted; and• clear guidance on the structure and expectations for pre-determination settlement discussions. <p>These adjustments would better balance the objective of efficiency with the need to preserve procedural fairness and effective engagement.</p>

MACD Service Standards

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Do you have any feedback on MACD's design proposal on MACD Service Standards?	<p>Capital Power supports the introduction of service standards as an important step toward improving timeliness and certainty in the enforcement process.</p> <p>To enhance effectiveness, the IESO may consider publishing target timelines for key stages of investigations, providing regular status updates to affected Market Participants, and report on aggregate enforcement cycle times to improve transparency and accountability.</p> <p>These measures would represent a meaningful improvement and align with stakeholder feedback provided during earlier engagement.</p>

General Comments/Feedback

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Do you have any additional feedback not addressed above related to the proposed design to modernize enforcement to support the efficiency, effectiveness, and clarity of the enforcement regime?	<p>Capital Power appreciates the opportunity to provide feedback on the IESO's Enforcement Modernization engagement. While the current proposal reflects ongoing engagement with stakeholders, several key areas of feedback raised during earlier consultations – particularly with respect to confidentiality safeguards, publication timing, and proportionality in sanctions – would benefit from further refinement to ensure alignment with the IESO's stated objectives of efficiency, effectiveness, and clarity.</p> <p>Capital Power encourages continued stakeholder engagement as the design progresses to ensure that these considerations are appropriately addressed in the final framework.</p>