

# 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](mailto:engagement@ieso.ca) by June 15, 2026.**

## Internal Compliance Programs

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD’s design proposal on Internal Compliance Programs?	<p>OPG generally agrees with the benefits of an Internal Compliance Program (ICP). OPG’s concerns with the proposal focus on potential adverse impacts to efficiency related to the “assessment of the quality of an ICP”.</p> <p>Specifically, OPG is concerned that the assessment of ICPs may introduce procedural delays and also introduce ambiguity related to the assessment outcomes which are used by MACD in its determinations. As such OPG has the following follow-up questions:</p> <ol style="list-style-type: none"><li>1. How will MACD assess the quality and effectiveness of a Market Participant’s (MP’s) ICP?</li><li>2. What would happen if the MP disagrees with MACD’s assessment of the quality and effectiveness of the MP’s ICP?</li><li>3. How long will the assessment of the ICP take and who will perform such assessment?</li><li>4. How/when would MACD determine which MPs are selected for an ICP assessment? Would the ICP only be assessed by MACD during a compliance investigation, compliance audit, Self-Certification, or Spot Check, or a combination of the above?</li><li>5. Under this proposal, would MACD consider a process pursuant to which MPs can obtain a proactive assessment (and report card) of its ICP outside of a compliance investigation/audit/etc.?</li><li>6. As part of this effort, is MACD looking to make any changes to the scope and coverage of an ICP from what is currently provided in the MACD SOA over and above “reflect the mandating of the ICP”?</li><li>7. How exactly will MACD factor in a reduction in enforcement actions and/or financial penalties after assessing a MP’s ICP?</li></ol>

## Removal of Ring-fencing Language

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD's design proposal on the Removal of Ring-fencing Language?	<p>OPG believes appropriate segregation between MACD and the IESO is essential to ensuring MACD functions independently and as stated in Market Manual 2.6: "enforces compliance against both market participants and the IESO". OPG does not see the current wording of "operating in a ring-fenced structure" as problematic. Ring-fence structures are commonly used to ensure segregation between entities that are compelled to coexist for functional efficiency. As such, OPG recommends retaining the reference to the "ring-fence", with additional language to clarify the specific, limited interactions between MACD and the IESO that are permissible within this ring-fenced structure.</p> <p>OPG also proposes that MACD consider if additional safeguards (e.g., in the form of an audit) are required to ensure the appropriate function of the processes and measures required to maintain independence as described in MACD's proposal.</p>

## Information Gathering Powers

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD's design proposal on Information Gathering Powers?	<p>OPG is unclear on the need for the proposed change to MACD's existing "broad authority to monitor, gather and request information from Market Participants" through a non-exhaustive list of examples.</p> <p>As such, OPG has the following questions:</p> <ol style="list-style-type: none"><li>1. Could MACD articulate any gaps or challenges that MACD has encountered with its existing authority to gather and request information from market participants?</li><li>2. How did MACD arrive at the list of seven examples, and what other examples were considered but not included in this list, and why?</li><li>3. Could MACD clarify if all of the examples provided in its design proposal are current practices (i.e., investigative activities that MACD has used in its past interactions with market participants and third parties) or are some of the items on the list new and incremental to what MACD has used to date.</li><li>4. Could MACD clarify how has MACD decided, to date, which investigative activities are covered by its "broad authority to monitor, gather and request information from Market Participants".</li></ol> <p>In consideration of the list of examples, OPG has a general concern with MACD interviewing and information gathering from "former employees and contractors", contractors in general, and non-market participants; as these could raise concerns with objectivity, conflict of interest, and/or bias against the Market Participant in question.</p> <p>As such, OPG has following additional questions:</p> <ol style="list-style-type: none"><li>5. At what point would the Market Participant be notified that MACD is questioning a former employee or contractor on an investigation or enforcement matter? To ensure fairness and transparency, would the information gathered be shared with the Market Participant to validate/scrutinize the statements/evidence?</li></ol>

## Information Gathering Powers

Item	Feedback
	<p data-bbox="781 268 1500 380">6. How will confidentiality and commercially sensitive information be addressed with respect to current or former contractors who are under an NDA?</p> <p data-bbox="781 407 1500 793">7. OPG requests further clarification for the statement: "MACD is further proposing to codify in the Market Rules that an adverse inference may be drawn from a failure to provide information". How would this proposal be applied to a Market Participant who has declined to produce information due to confidentiality and/or commercial sensitivity concerns? What will be the adverse inference cited by MACD and how will it specifically be used in MACD's subsequent enforcement steps?</p> <p data-bbox="732 821 1500 1010">OPG believes there could be valid circumstances where the MP needs to decline providing certain information, as such OPG disagrees with the broad inference that codifying such refusal to disclose as an action that carries adverse impact to the MP.</p> <p data-bbox="732 1037 1500 1388">OPG believes that MACD's proposal related to the ability to gather information from non-market participants is problematic when considered alongside MACD's proposal to have the ability to share confidential information with third parties. These proposals, taken together, could materially expand the flow of confidential or commercially sensitive information beyond the current confidentiality protections ensured by the Market Rules, unfairly increasing the risk to a Market Participant.</p> <p data-bbox="781 1415 1500 1562">8. Could MACD elaborate how the principle of "fairness" is maintained in instances when MACD has or is proposing to share confidential and/or commercially sensitive information?</p>

## Information Sharing

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD's design proposal on Information Sharing?	<p>OPG is unclear on the rationale behind MACD's proposal to introduce changes to the existing Information Sharing provisions. Specifically, OPG seeks more clarity on MACD's comment on being "hindered in its ability to share ... information for enforcement purposes". As such, OPG is also unclear what specific additional provisions MACD is seeking in its proposal. In OPG's view, based on information provided to date, incremental changes that provide MACD with new abilities to unilaterally decide on the parameters of minimal disclosure do not follow the principles of efficiency and fairness.</p> <p>OPG has the following questions, seeking to better understand MACD's proposal:</p> <ol style="list-style-type: none"><li>1. What existing roadblocks or challenges is MACD seeking to solve by the proposed changes? Could MACD provide examples?</li><li>2. Will MACD notify MPs of its intent to share confidential information with third parties, including other market participants, non-market participants, other regulators and government agencies contemplated?</li><li>3. Will MACD seek MP concurrence in advance of sharing commercially sensitive and safety/cyber security information?</li><li>4. How will MACD address instances when a Market Participant objects to the sharing of confidential information on account of concerns with deficiencies in the framework (including information sharing technology) used by MACD and/or a third party? For example, for confidential information that is commercially sensitive or safety/cyber security related, can the Market Participant object to this information being shared with a third party?</li><li>5. Could MACD provide an exhaustive list of the types of non-market participants, other regulators and government agencies contemplated in its proposal as possible recipients of MACD sourced information;</li></ol>

## Information Sharing

Item	Feedback
	<p>and for each such third party clearly explain the specific “enforcement purposes” that, in MACD’s view, would necessitate the disclosure?</p> <ol style="list-style-type: none"><li data-bbox="781 407 1495 558">6. What framework (including information sharing technology) will be in place to ensure the confidentiality of market participants’ information in the transfer/disclosure process to the third party?</li><li data-bbox="781 583 1495 735">7. Will the framework include enforceable confidentiality agreements and information retention policies to return/destroy the confidential information?</li><li data-bbox="781 760 1495 911">8. How will the Market Participant be notified if there is a breach or loss of their confidential information? In this situation, what recourse does the Market Participant have?</li><li data-bbox="781 936 1495 1087">9. Could MACD comment on how its proposal benchmarks against the information sharing processes of other ISOs’ compliance/enforcement organizations?</li></ol>

## Investigation Process

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD's design proposal on the Investigation Process?	<p>OPG agrees that there are opportunities to enhance the efficiency, effectiveness and clarity of the compliance and investigation process that also include considerations to fairness. However, MACD's proposal does not provide the necessary specificity to allow OPG to comment on the merits of MACD's contemplated changes. For example, MACD refers to a plan to provide participants to "settle at any point in the process" while also proposing to move the first meeting between a MP and MACD "until later in the investigative process". OPG suggests that MACD provides a specific outline of its proposal in order for market participants to provide meaningful feedback before MACD advances to the stage of proposing Market Rule changes.</p> <p>Additionally, OPG believes that a Market Participant should be able to dispute MACD's application of a specified penalty without facing the risk of higher penalties solely because of exercising that right. Creating a financial deterrent to disputing MACD's determination would undermine procedural fairness and discourage market participants from raising legitimate concerns regarding the application of a penalty.</p> <p>Lastly, OPG strongly believes that penalty amounts should be in the Market Rules and not the Market Manuals.</p> <p>OPG also has the following specific questions:</p> <ol style="list-style-type: none"><li>1. What investigation processes do other ISOs have in place?</li><li>2. Do NERC and the Regional Entities (e.g., NPCC), or other ISOs use a similar approach to MACD's proposed specified penalty regime ("ticketing") provisions? If not, are NERC and the Regional Entities, or other ISOs, moving toward a similar approach?</li><li>3. What criteria will be used to determine "complex matters" from other investigations that do not fall into this category? Will there be a process where the MP could challenge this determination if it does not agree?</li></ol>

## Investigation Process

Item	Feedback
	<ol style="list-style-type: none"><li data-bbox="781 268 1463 380">4. Could MACD share the benchmarking for the specified penalty regime (“ticketing”) and for the associated penalty amounts?</li><li data-bbox="781 407 1479 638">5. How will MACD apply the proposed penalty table (Table 1), including how penalties are set within stated ranges? For example, would the penalty be based on the Violation Risk Factor and Violation Severity Factor for the associated NERC Standard Requirement?</li><li data-bbox="781 665 1503 814">6. Has MACD considered approaches adopted by NERC and the Regional Entities (e.g., NPCC), such as Compliance Exceptions or Find/Fix/Track (reference: NERC Rules of Procedure, Appendix 4C)?</li><li data-bbox="781 842 1503 991">7. Is MACD going to issue tickets for self-reports, or is the ticket system triggered when MACD assessed that market participants have been in violation? And would the self-report nullify the ticket?</li><li data-bbox="781 1018 1487 1167">8. How does the self-report process interact with the “ticketing” approach? Specifically, would market participants have the ability to agree or disagree in going into the parking ticket process?</li><li data-bbox="781 1194 1495 1306">9. Could MACD comment on how its proposal benchmarks against the investigation processes of other ISOs’ compliance/enforcement organizations?</li></ol>

## Sanctions

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD's design proposal on Sanctions?	<p>OPG does not believe sufficient information has been provided to allow OPG to comment on the merits of MACD's contemplated changes. OPG notes that the section "Investigation Process" includes an example of a penalty table for certain type of events; however no further specific information about the proposed "single penalty table" in the "Sanctions" section has been provided to date. OPG recommends MACD provide an exhaustive table that reflects its proposal with supporting information regarding the determination process for numerical penalty values, to allow participants to assess and provide comments.</p> <p>OPG does not support the "per day" aspect of the proposed penalty framework as it is not aligned with the stated objectives of fairness. While the highest penalty amount in the current framework is \$1M per occurrence, a hypothetical event under the proposal that lasts 20 days would now be subject to a \$30M sanction – a 30x increase (with a possible further inflation related increase). MACD has not provided rationale for such significant increase, nor with any examples where the existing sanction ceiling has been demonstrated as deficient to affect MACD's intent for deterrence and protection of market efficiency.</p> <p>OPG is unclear on the rationale behind MACD's proposal to introduce expansions to its existing abilities to "order non-financial sanctions". OPG recommends MACD explicitly identify and explain the additional abilities it seeks, including justification for such changes that demonstrate the deficiency of the existing provisions and how the proposed changes maintain procedural fairness.</p> <p>OPG supports a sanction regime which should have clear assessment criteria that limit subjectivity in favour of numerical rubrics that are consistently used to determine relative placement and computationally.</p> <p>OPG has the following additional questions:</p> <ol style="list-style-type: none"><li>1. Could MACD provide a summary of analysis and benchmarking for the development of increases in penalties?</li></ol>

## Sanctions

<b>Item</b>	<b>Feedback</b>
	<ol style="list-style-type: none"><li data-bbox="781 247 1502 363">2. Could MACD provide additional details on the methodology MACD will use in assessing the Nature of the Breach (i.e., low, medium, or high)?</li><li data-bbox="781 384 1515 615">3. Could MACD provide additional details on the specific criteria it will use for the various factors (a to f) proposed in the assessed tier? For example, could MACD explain how it will determine “impact” and “potential impact” in relation to reliability and Market Rule breaches?</li></ol>

## Publication of Enforcement Outputs

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD's design proposal on the Publication of Enforcement Outputs?	<p>OPG is unclear on all the specific changes MACD is proposing over and above the current framework that already enables MACD to publish summaries in the Negotiated Settlement and Sanctions pages of MACD's website.</p> <p>OPG does not agree that publishing all enforcement outputs meets the objective of efficiency or effectiveness and markedly goes against the principle of fairness. In OPG's view, enforcement inquiries and events often mature through successive interactions between MACD and market participants, and a final determination may be markedly different than earlier submissions by MACD. Additionally, in the context of fairness, it is not clear to OPG if documents submitted by market participants will also be subject to similar disclosure.</p> <p>Overall, OPG sees the proposal as inconsistent with fairness as it gives MACD unbalanced powers of disclosure. Further, OPG is unclear how this proposal will be used in the context of negotiated settlement matters, especially given MACD's intent to "settle at any point in the process".</p> <p>OPG has the following additional questions:</p> <ol style="list-style-type: none"><li>1. Could MACD provide an exhaustive list of documents it considers as "final enforcement outputs"?</li><li>2. Could MACD provide an explanation on how it will use discretion as related to publication of documents?</li><li>3. Could MACD articulate what additional recourse market participants would be granted under the proposed changes, if any?</li><li>4. What type of disclosure would be afforded to the MP in order to present its own position and at what stage(s) in the process?</li></ol>

## Settlements/Dispute Resolution Process

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD's design proposal on the Settlements/Dispute Resolution Process?	<p>OPG believes a dispute resolution process should be anchored in procedural fairness with efficiency and effectiveness as secondary considerations. OPG would only supports changes that maintain the current balance of rights. OPG recommends MACD articulate in more detail the shortcomings of the existing Dispute Resolution regime.</p> <p>OPG also believes that shortening NOD filing periods to a period outside of the existing limitation (20 days vs. 2 years) is a fundamental change to the current Market Rules. Further, this change, when compared to the MACD's currently unbounded time period for enforcement matters, introduces significant asymmetry and violates the principle of fairness.</p> <p>Additionally, OPG would like to ask the following question:</p> <ol style="list-style-type: none"><li>1. Could MACD clarify how it defines "specified penalties and simplified investigations" in the context of matters that will have good faith negotiation and mediation as a procedural step? Absent a view into MACD's entire single penalty matrix, OPG is unable to assess which items would fall into the category of "specified penalties" in order to further test the merits of MACD's proposal.</li></ol>

## MACD Service Standards

<b>Item</b>	<b>Feedback</b>
Do you have any feedback on MACD’s design proposal on MACD Service Standards?	<p>OPG believes that the proposed MACD Service Standards are primarily administrative (i.e., acknowledgements and status updates), and do not provide Market Participants with a timeline on the resolution of compliance/enforcement matters.</p> <p>OPG also believes that the current lack of a limitations period related to MACD enforcement activities creates unfair and unbalanced risk for market participants. As such, OPG agrees that further clarity and efficiency regarding MACD’s enforcement processes are consistent with the foundational principles of the modernization effort, including the principle of fairness.</p> <p>OPG would like to request that MACD provide a summary of the data used to benchmark against with “comparator agencies”. OPG would like to understand if there are service standards that were considered but discarded from the proposed list.</p> <p>OPG recommends that MACD includes additional service standards (to those presented in the table) tailored to each type of enforcement matter. Specifically, OPG finds the single performance standard of providing a status update or related communication at least once every six months for 70% percent of cases as insufficiently specific and granular. Under the current proposal, 30% of enforcement matters would have no associated service standards and goes against the stated intent of providing market participants with “further clarity and efficiency to MACD’s enforcement processes”.</p> <p>OPG has this following question:</p> <ol style="list-style-type: none"><li>1. What would be the envisioned outcome in instances where MACD does not meet the relevant service standards?</li></ol>

## General Comments/Feedback

Item	Feedback
<p>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>	<ul style="list-style-type: none"><li>• OPG recommends the formal inclusion of fairness (both in procedural and general terms) as a foundational principle of MACD’s modernization efforts. OPG further recommends that each of MACD’s proposals is evaluated against these principles with articulation of how the changes meet the stated objectives.</li><li>• OPG does not believe the Design Proposal contains sufficient specificity in many areas to allow for a thorough and informed review. OPG recommends for MACD to expand on the document and provide more specific information, including examples, to highlight existing barriers and shortcomings as well as to, in a more specific way, articulate the incremental changes it’s seeking to address current limitations of the existing framework.</li><li>• In OPG’s view, based on the information provided to date, the proposed framework, and specifically the proposed changes to MACD’s information gathering powers, information sharing, investigative process and sanctions, creates an asymmetric compliance framework that disproportionately creates incremental financial burden and risk for market participants.</li><li>• OPG would like to highlight the importance of benchmarking to other jurisdictions’ compliance regulations and practices, to ensure consistency, standardization, moderation and alignment with established practices. OPG also recommends MACD share the finding of such benchmarking efforts, where available.</li></ul>

OPG thanks the IESO/MACD for the opportunity to provide feedback on the review and refresh of enforcement provisions within the IESO Market Rules and Manuals and look forward to further engagement on this topic.