

New Engagement: Enforcement Modernization

We are pleased to announce that the Market Assessment and Compliance Division (MACD) of the IESO will be commencing a new engagement relating to its Enforcement Modernization project this fall. With this engagement, MACD is seeking input from market participants, consumers, community representatives and other stakeholders with respect to modernizing the enforcement processes to support reliability, market efficiency and market integrity.

The Enforcement Modernization engagement offers stakeholders the opportunity to take part in a comprehensive review of the enforcement provisions. These provisions have not been modernized since inception in 2002.

This engagement is being launched in direct response to stakeholder feedback raised during the Market Rule Amendments: Chapter 3 engagement which was focused on specific, targeted enhancements to Chapter 3, "Administration, Supervision and Enforcement" of the market rules. Those who participated in the previous engagement shared that they would benefit from being able to review and respond to a more comprehensive package of amendments with the opportunity for further engagement. In May 2024, MACD paused the targeted engagement in favour of conducting a full review of its enforcement provisions and processes included in Chapter 3 of the Market Rules.

The intended changes coming out of this robust review will include market rule and manual amendments to drive some of the following outcomes:

- Improve the efficiency of the enforcement regime (e.g. reduce regulatory burden, streamline the dispute resolution process);
- Improve the effectiveness of the enforcement regime (e.g. incentivize compliance, ensure penalties are calibrated for sufficient deterrent effect, simplify the penalty assessment factors); and
- Clarify the enforcement regime (e.g. further definition and specificity of terms, concepts and powers).

As part of this effort, we are also looking to market participants, consumers, community representatives and other stakeholders for their insights and suggestions for additional objectives they would like to see included.

To get started, MACD is looking to arrange consultations over the course of fall 2025 with market participants, consumers, community representatives and other stakeholders for input

into the scope and substance of amendments to market rules and manuals that would enhance the efficiency and effectiveness of its enforcement processes. Interested parties are encouraged to email MACD at MACD@ieso.ca by November 26, 2025. Market participants who express interest will be contacted by MACD with further details regarding timing and methods of engagement. Those who do not respond to this particular outreach will have future opportunities to participate in subsequent phases of this engagement.