



Update on Renewed Market Operations and Performance

APRIL 22, 2026

Welcome and Introduction

- Today's session will be recorded and available for viewing online
- The recording and presentation for this engagement can be found on the [Renewed Market Operations page](#)

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

Territory Acknowledgement

The IESO acknowledges the land we are delivering today's webinar from is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnawbe, 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 of the traditional territories across the province, which includes those of the Algonquin, Anishnawbe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee and Métis peoples.

Agenda

Today's engagement will cover the following topics:

- State of the Renewed Market
- Winter Operations
- Observations on Performance of the Renewed Market
- Resources



State of the Renewed Market

Transition to Steady State

- The IESO and market participants now have four seasons of experience and nearly a year of operating in the renewed market
- The renewed market continues to generally produce prices that are reflective of system conditions and generate efficient schedules for reliable operations
- The backlog of defects and workarounds identified over the initial months of operation is nearly cleared and assessments to identify resulting settlement adjustments are being processed
- IESO discussions with stakeholders are focused on reviewing specific instances when pricing or scheduling outcomes appear unintuitive or inefficient and will start to shift to identifying enhancements to improve market efficiency

Transition - Settlements and Invoicing

- IESO continues to work through the backlog of disagreements including those specifically related to the following system issues that impacted certain participants and are now corrected:
 - Intermittent issues causing incorrect calculation of Lost Opportunity Cost Make-Whole Payments in certain cases
 - Incorrect reference level applied for settlement mitigation on Non-Quick Start resources operating in Combined Cycle mode

Transition – Market Systems

- Two outstanding price related issues with an extended impact that require analysis to determine settlement adjustments to address any resulting harm:
 - Defect in the Ontario Demand calculation that caused 5-minute interval Ontario Demand values reported in real-time to be overstated when Hourly Demand Response (HDR) resources are on standby. The peak demands were correct, and most impacted intervals were addressed through administered pricing. The defect was fixed in November, and an impact assessment is underway.
 - Defect impacting published Operating Reserve prices starting in mid-February. The final dispatch schedules are correct, and impacted participants are receiving make-whole payments. The defect is expected to be fixed in April, and an impact assessment will be initiated.

Transition – Market Systems 2/2

- The interim Pseudo-Unit resource workarounds, which are explained in a Reference Card available here: [Training Materials](#), are still in effect as the IESO continues to determine a feasible permanent solution



Winter Operations in the Renewed Market

Heading into winter

- Following a summer with several heat waves and extreme demand, multiple outages were moved into the fall and early winter period. IESO provided flexibility to enable grid transformation and allow outages to continue to support capital projects and new connections
- In early December, multiple gas resources experienced varying mechanical issues causing complete or partial reduction in output that overlapped with planned generator outages and cold weather
- On December 2, IESO declared an Emergency Energy Alert level 1 with all resources committed, net importing over peak, *and no spare on the system*

Review of Winter Operations

- Winter Ontario demand peak was 22,042 MW on January 23 while market demand peaked at 24,747 MW on January 20
- The Reliability Outlook showed a forecast normal Ontario peak of 22,522 MW and extreme peak of 23,708 MW
- There were 9 instances where a Conservative Operating State was issued from December to February due to extreme weather
- ~800 MW of battery storage resources were available for the winter and performed well providing OR and Energy as needed

Winter Storm Fern 2026 (1)

- From January 23 to 27 a significant winter storm impacting large parts of Canada and the United States caused extreme low temperatures and significant ice and snowfall
- Conservative Operating State was declared on January 24
- Due to the widespread impact of the storm, demand and the price for natural gas increased in the United States and Canada

Winter Storm Fern 2026 (2)

- Ontario gas generators had issues securing gas at higher prices, or were physically restricted, and were severely energy limited as a result. Reduction in capacity of energy for up to 2400 MW was observed
- IESO worked closely with Market Participants to manage multiple derates and outages and ensure the limitations were reflected in the market tools
- Throughout, Ontario remained a net exporter, providing necessary support to our neighbours in Quebec, New York, Michigan and through Quebec, New England

Spring 2026

- Darlington unit 4 returned mid-March from refurbishment ahead of schedule and Darlington unit 3 started a long duration outage at the end of March
- Volatility in the weather is typical for shoulder seasons and translates into variability in the demand forecast. This in combination with sudden changes in variable generation can impact system conditions and market prices
- IESO is anticipating a strong freshet this year (freshet – period when water inflows increase from snow melt and spring rains which commonly creates a shortage of operating reserve due to increased hydroelectric energy output)
- Over 1000 MW of large-scale battery storage resources available this spring compared to zero last spring



Observations on Market Performance

Market Performance

The renewed market continues to generally produce prices that are reflective of system conditions and generate efficient schedules for reliable operations.

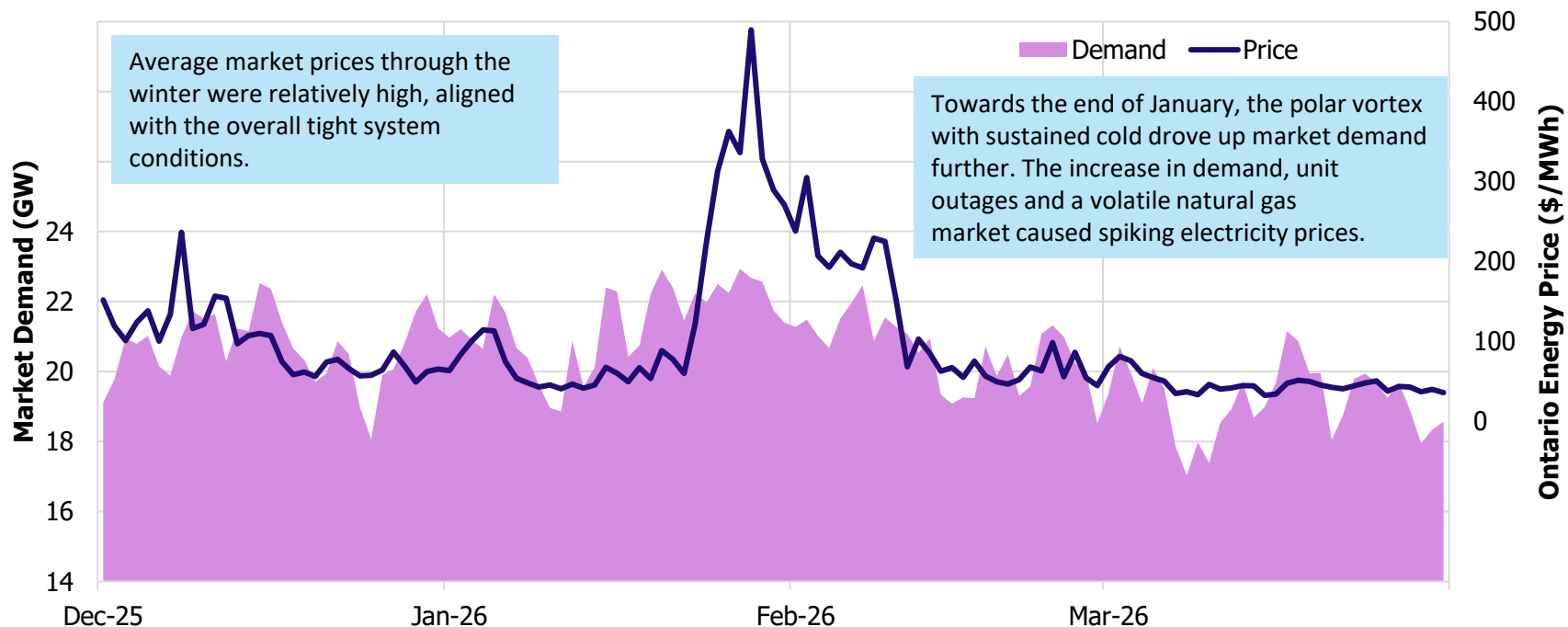
Spring: Abundant supply and seasonably low demand resulted in lower and occasional negative prices. Freshet impacted ability of some resources to provide operating reserve.

Summer: High electricity needs from sustained hot weather led to high prices as more expensive resources and imports were required. Prices were more volatile as supply was operating near capacity and very sensitive to small changes.

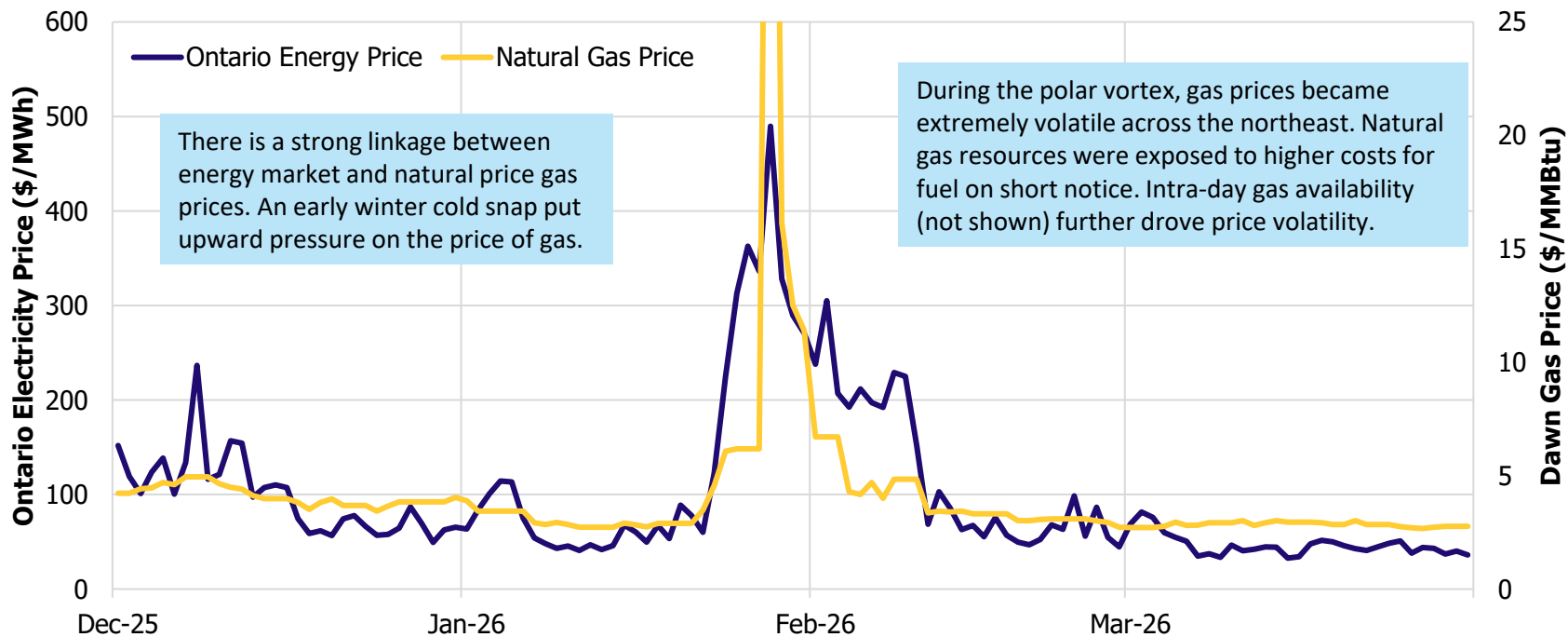
Fall: Lower demand levels brought prices back to moderate levels. Occasional price volatility occurred as planned resource outages reduced available supply ahead of winter.

Winter: Tight supply margins throughout the season led to higher average prices. The polar vortex further pushed up demand and increased the cost of supply.

Prices Tracking to Demand & Supply Conditions

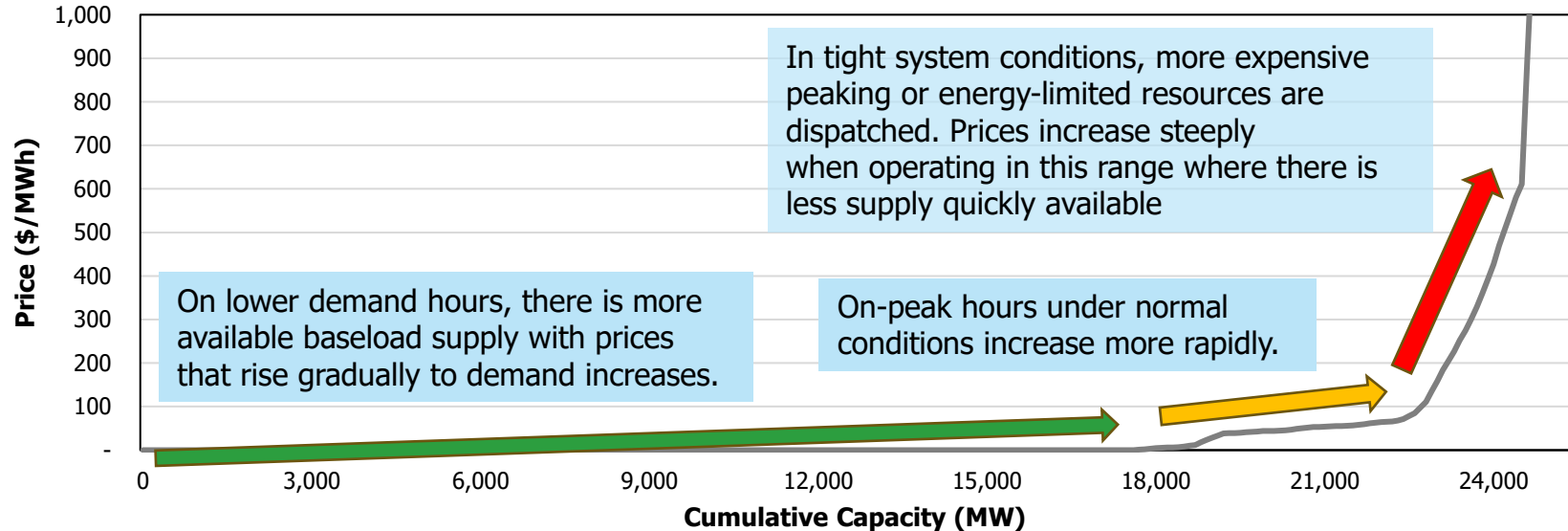


Prices Influenced by Natural Gas Prices



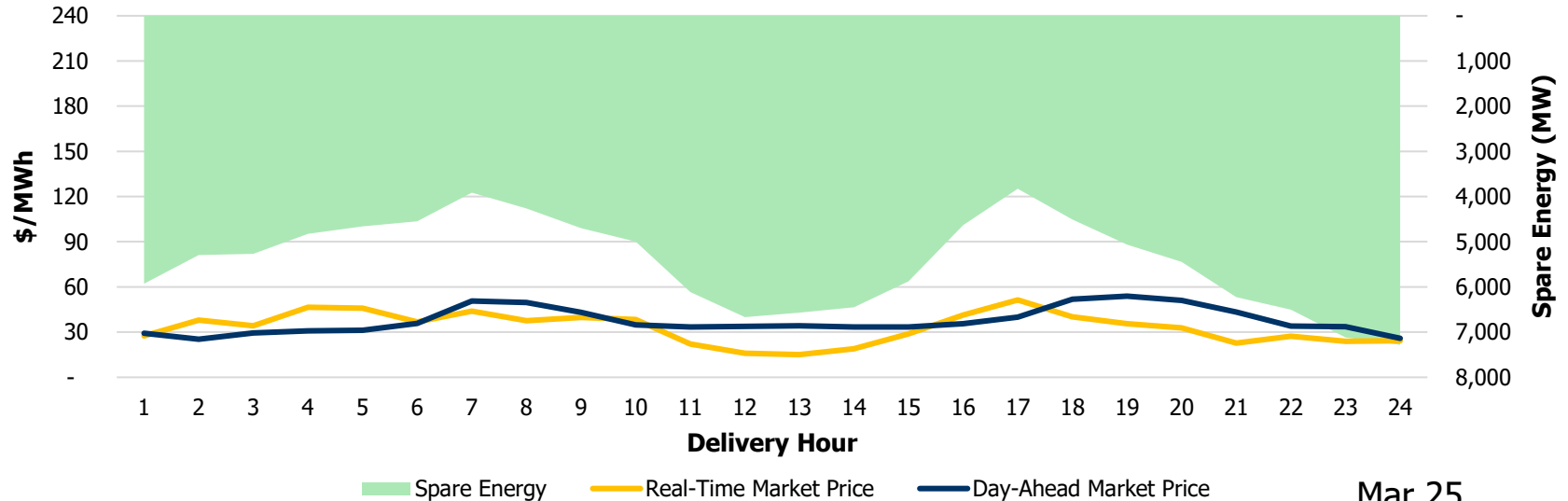
Pricing Depends on Shape of Supply Curve

Typical Winter Supply Curve (2025/26)



Early Spring Day With Available Spare Energy

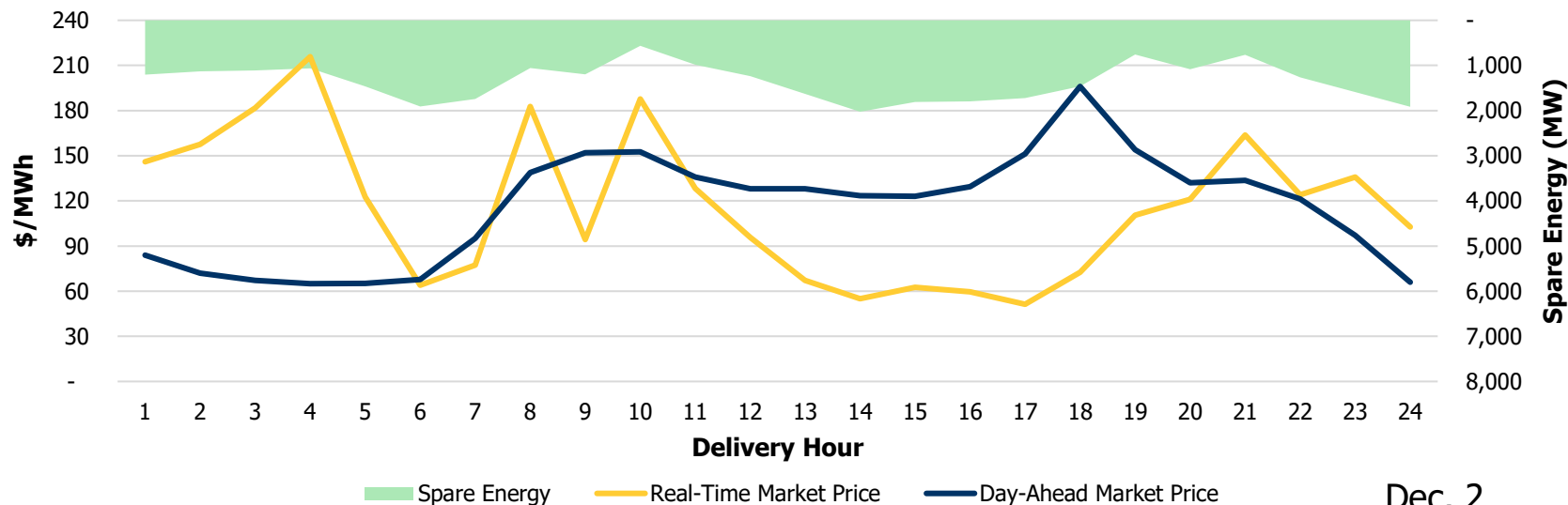
The demand cleared in the middle part of the supply curve resulting in gradual price changes.



Mar 25

Early Winter Day With Limited Spare Energy

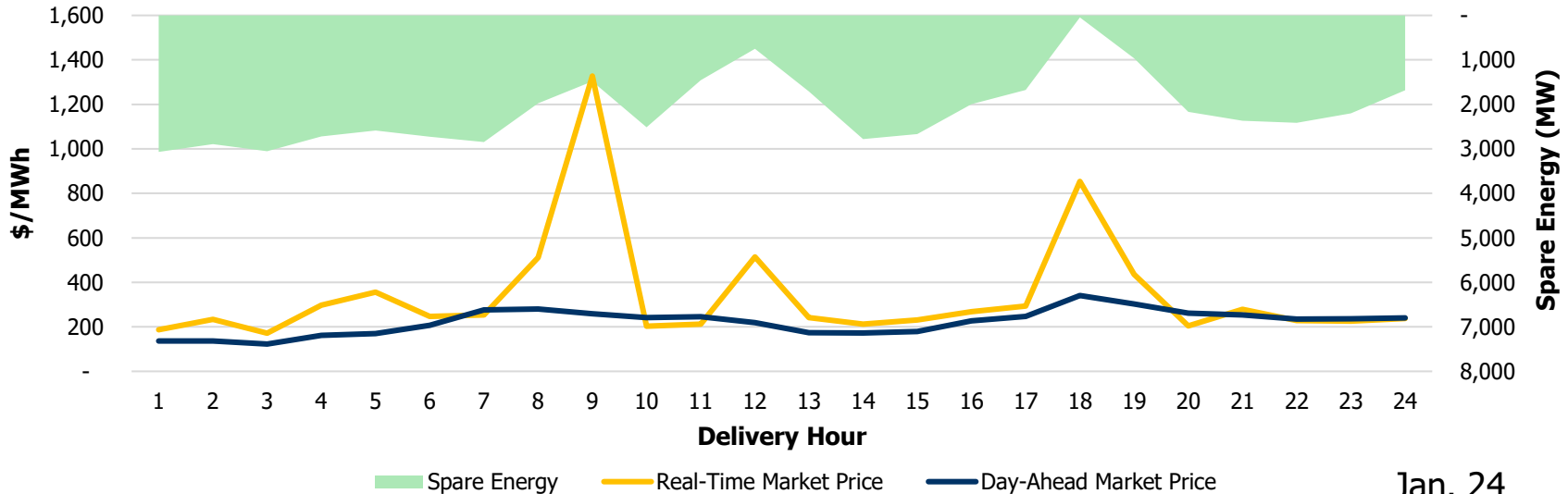
Average prices were high with limited spare putting the system on the steep part of the supply curve. Rapidly changing conditions between DA and RT are reflected.



Dec. 2

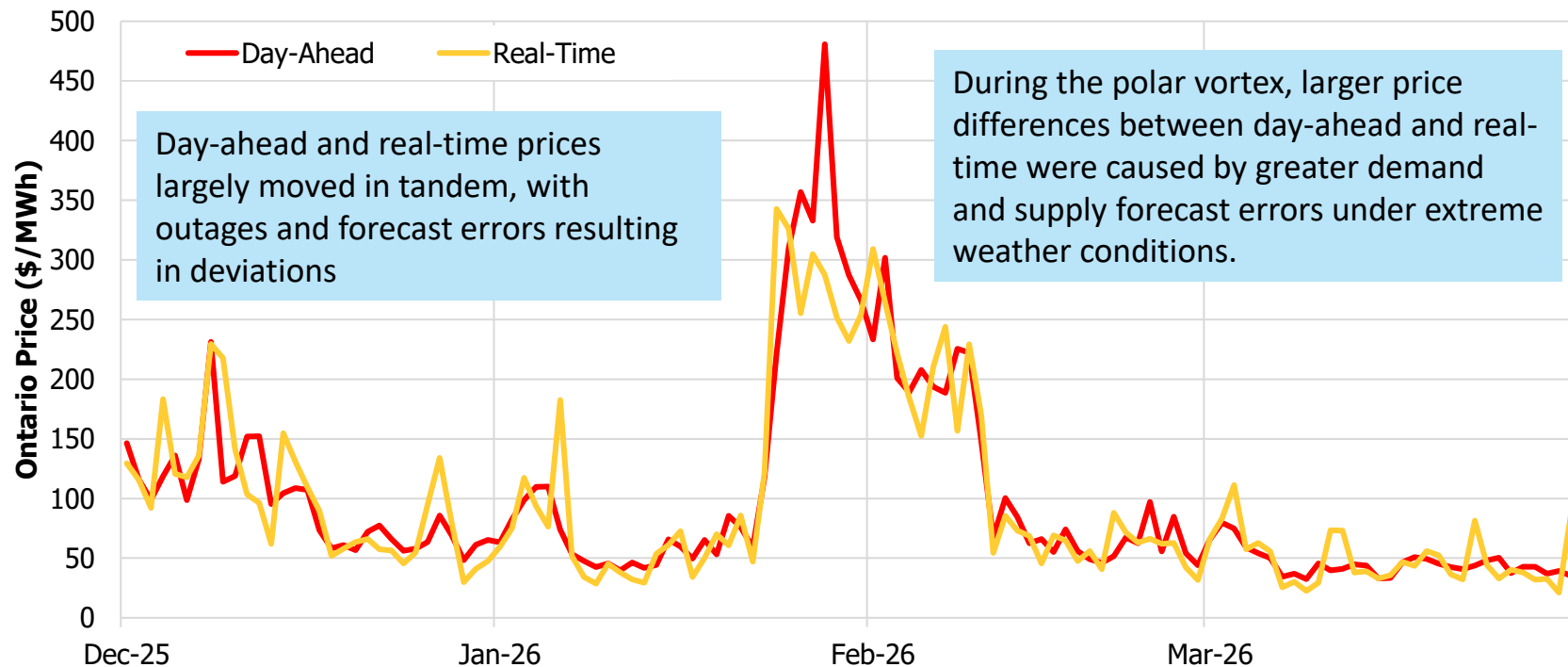
Polar Vortex – Low Spare Energy, High Gas Prices

High gas prices shifted the cost of supply up considerably when there was limited spare energy. Unanticipated outages or forecast error in real-time can increase volatility.

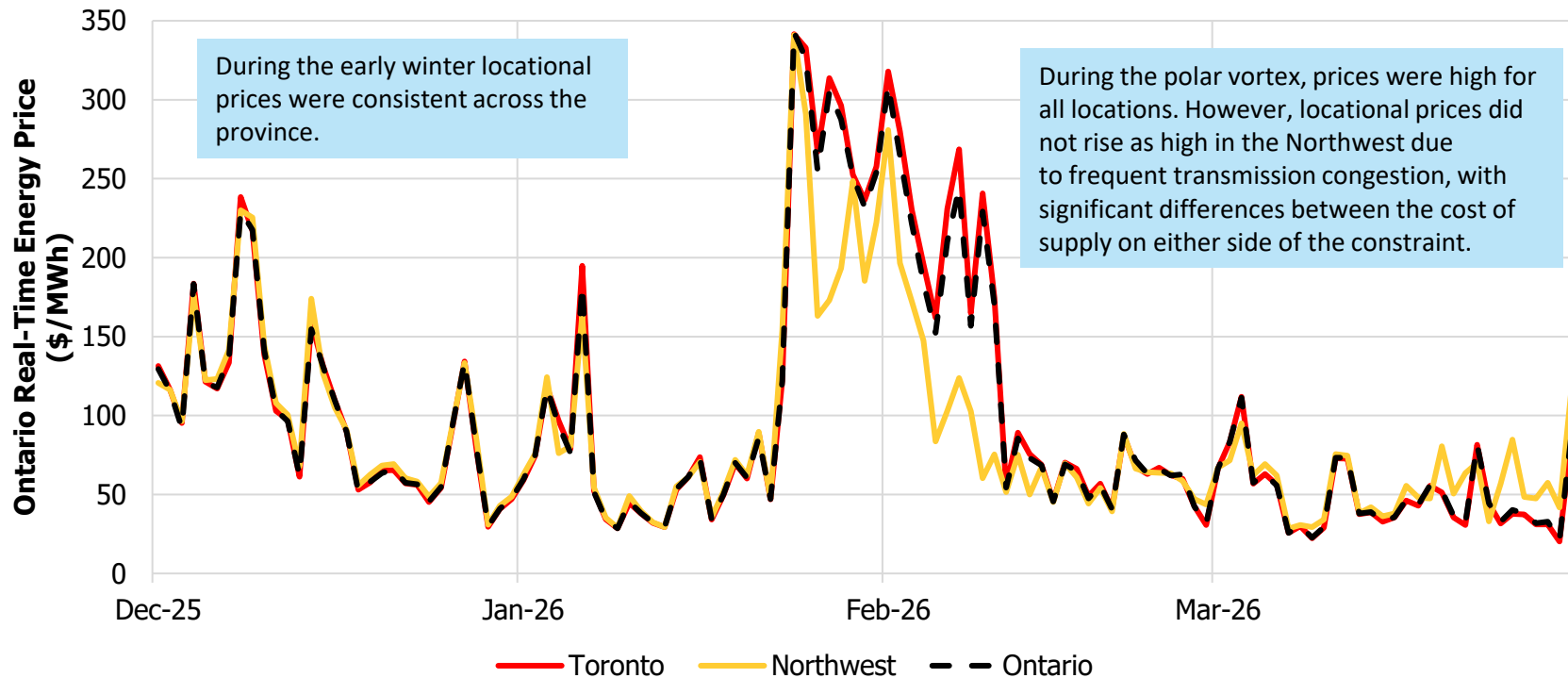


Jan. 24

Day-Ahead and Real-Time Prices



Price Separation Corresponding to Locational Conditions



Renewed Market Advisory Forum

- The **Renewed Market Advisory Forum** was established in Q1 with membership that represents a diverse cross-section of experience and expertise to support collaborative discussions on market operations and dynamics in Ontario's electricity markets
- The group began meeting in April and provides a formalized channel to gather insights, identify potential concerns, and collaboratively discuss enhancements to Ontario's electricity market



Resources

Training Resources

[Training Materials](#) and [IESO Academy](#) eLearning courses are available on the IESO website including for new participation and resource types, as well as information on pricing in the renewed market and how the calculation engines for the renewed market operate:

- [Price Responsive Loads](#)
- [PRL Quick Take eLearning Course](#)
- [Introduction to Virtual Trading](#)
- [Prices in Ontario's Electricity Markets](#)
- [Guide to IESO Market Calculation Engines](#)
- [Prudential Training Guide](#)

For More Information

- The recording and presentation for this engagement can be found on the [Renewed Market Operations page](#)
- If you have any questions on the information shared today, please contact IESOCustomerRelations@ieso.ca

Thank You

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