Reliability Outlook Seasonal Update

July 2026 – December 2027

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1. Seasonal Update

Ontario's electricity system is prepared for summer 2026, with adequate supply to meet demand. More than 625 MW of energy storage and 415 MW of gas-fired generation have been added to the grid since last summer, bolstering the supply outlook. A nuclear unit, Bruce Power Unit 3, also returned to service earlier than originally planned, making it available during the summer and further improving the outlook.

Many jurisdictions across North America have been experiencing tight grid conditions because of extreme weather and growing demand. In Ontario, an especially hot summer in 2025 resulted in the highest peak demand in 12 years (24,775 MW), and the previous year's peak (23,803 MW) was surpassed eight times. This year, under extreme weather conditions, the IESO is forecasting peak demand could reach close to 26,000 MW.

Tightening grid conditions across the continent have led the IESO to re-evaluate its import assumptions. Based on import availability over the past year, forecasts will now assume up to 1,800 MW can be depended on, reduced from the previous assumption of 2,000 MW for the summer period. While all jurisdictions rely on imports to varying extents, Ontario has been an increasing net exporter in recent years, reflecting its relatively strong reliability position.

This summer there will continue to be a growing role for energy storage and demand-side management. In a first for Ontario's provincial grid, large-scale batteries began contributing to meeting peak needs last summer. There are now 17 projects providing more than 1,050 MW of capacity connected, more than three times the amount available last summer. The IESO continues to work with the storage community to maximize the value of these facilities, such as by gaining visibility into batteries' state of charge to best anticipate their potential contributions.

For demand-side management, the number of consumers that are contributing to the reliability of the electricity system continues to grow. More than 320,000 residential and small business consumers participating in the Save on Energy Peak Perks demand response program are capable of providing more than 200 MW of demand reduction, and this summer will mark the introduction of Peak Performance, a similar program designed for commercial and institutional facilities.

For other large consumers, the Industrial Conservation Initiative (ICI) will continue to offer the opportunity to reduce exposure to global adjustment costs while helping the system reduce peak demand periods. While market conditions have shifted the dynamics of the ICI program, the IESO continues to expect about 1,500 MW of demand reduction, reflecting the shared benefits the program provides to participating businesses and the electricity system.

Looking beyond summer, the IESO continues to refine its operating plans in anticipation of the shutdown of Unit 5 at Bruce NGS and the "B" units at Pickering NGS starting in October 2026,

for refurbishment work (the Pickering decision pending federal approval) and a scheduled vacuum building outage at Darlington in the first half of 2027.

By the end of 2026, demand is forecast to grow 0.5 per cent, slower than previous forecasts, as a result of ongoing geopolitical developments that are slowing economic growth globally. Demand is expected to rebound in 2027, increasing 2.3 per cent, which includes planned EV facilities and data centres connecting. Adequate supply is forecast to meet demand except for two weeks in April 2027, which will be managed by shifting planned outages. Market participants are advised to avoid any planned outages during this time.

As always, the IESO is actively co-ordinating and planning with market participants to ensure reliability, first and foremost. Under periods of tighter supply conditions, planned generator and transmission maintenance outages are challenging to accomodate and require close co-ordination. Market participants are advised not to schedule outages during periods when reserves are forecast to be low and are strongly encouraged to plan ahead and co-ordinate the timing of outages with IESO staff.

Figure 1: Reserve Above Requirement, Planned and Firm Scenario, Expected Weather

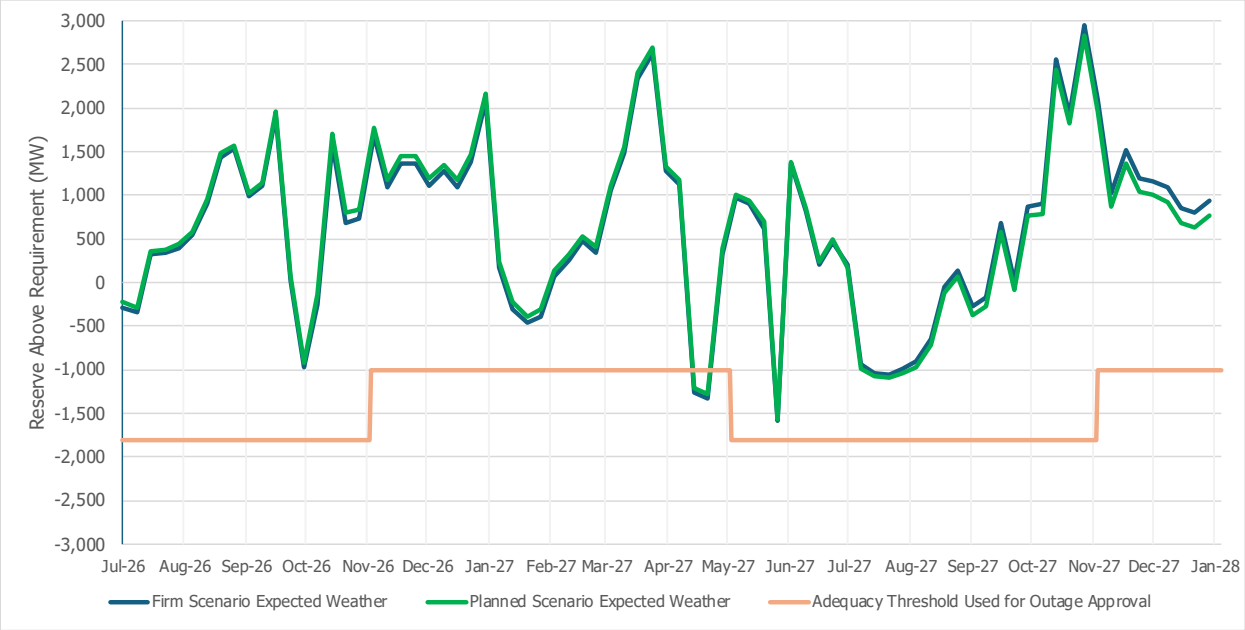

Table 1: Forecast Energy Demand Summary

Year	Normal Weather Energy Firm Scenario (TWh)	% Growth in Energy Firm Scenario	Normal Weather Energy Planned Scenario (TWh)	% Growth in Energy Planned Scenario
2026	146.2	0.55%	146.2	0.59%
2027	148.2	1.40%	149.6	2.30%

Table 2: Forecast Seasonal Peaks

Season	Firm Normal Weather Peak (MW)	Firm Extreme Weather Peak (MW)	Planned Normal Weather Peak (MW)	Planned Extreme Weather Peak (MW)
Summer 2026	23,593	25,888	23,593	25,888
Winter 2026-27	22,692	23,736	22,731	23,777
Summer 2027	23,950	26,311	24,123	26,482

Table 3: Committed Generation and Electricity Storage Resources Status over the 18-month Reliability Outlook Period

Project Name	Zone	Fuel Type	Estimated Effective Date	Project Status	Firm (MW)	Planned (MW)
Expedited – Long Term 1 Projects (within next 18 months)	Various	Various	2026-Q2 to 2027-Q2	Under Development	0	246
Long Term 1 Projects (within next 18 months)	Various	Various	2026-Q2	Under Development	0	22
Pickering B	Toronto	Nuclear	2026-Q4	Facility Out of Service	-2,064	-2,064
Total					**-2,064**	**-1,796**

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