Reasons of the IESO Board in respect of an amendment to the market rules

Terms and acronyms used herein that are italicized have the meanings ascribed thereto in Chapter 11 of the *market rules*.

The following sets out the *IESO Board's* reasons for its decision on the proposed *amendment* to the *market rules* identified in Part 1 below (the "**Amendment**").

PART 1 – MARKET RULE INFORMATION

Identification No.: MR-00488-R00
Title: Capacity Auction Tie-Break Methodology

The *IESO Board* convened to consider the Amendment on the date and location set out in Part 2 below.

PART 2 – BOARD MEETING INFORMATION

Date: October 24, 2025

Prior to considering the Amendment, the directors of the *IESO Board* were asked whether any director had a conflict of interest to declare, the result of which is set out in Part 3 below.

PART 3 – CONFLICTS OF INTEREST

☒	No conflict was declared.
☐	Any director declaring a conflict of interest abstained from voting on the adoption of the Amendment.

The *IESO Board* was presented with the materials in respect of the Amendment identified in Part 4 below (the "**Materials**"), all of which is *published* on the *IESO's* website subject to such redactions as *IESO* staff determined reasonably necessary.

PART 4 – MATERIALS

- Memorandum from the *Technical Panel* Chair
- *Market Rule* Amendment Proposal as recommended by the *Technical Panel*
- *IESO* Staff memo to the *Technical Panel*
- *Technical Panel* member vote and rationale
- Consumer Impact Assessment (this assessment is required to support the *Ontario Energy Board market rule* amendment review process)
- *Technical Panel* and Stakeholder Comments (this assessment is required to support the *Ontario Energy Board market rule* amendment review process)

Having considered the Amendment and the Materials, the *IESO Board* decided as identified in Part 5 for the reasons set out in Part 6.

PART 5 – DECISION

☒ The *IESO Board* decided in favour of the adoption of the Amendment.

☐ The *IESO Board* referred the Amendment back to the *technical panel* for further consideration and vote.

☐ The *IESO Board* decided against the adoption of the Amendment.

PART 6 – REASONS

The *IESO Board* reviewed the Materials including the *Technical Panel's* unanimous vote to recommend MR-00488-R00 for approval by the *IESO Board*.

The Markets Committee of the *IESO Board* discussed the Amendments and subsequently recommended them for adoption at the October 24, 2025, *IESO Board* meeting.

The *IESO Board* decided to adopt the Amendments recommended by the *Technical Panel*.

The *IESO Board* adopted the Amendments for the following reasons:

1. The Amendments will introduce a more equitable tie-break solution into the Capacity Auction clearing optimization.
2. The *IESO's* Capacity Auction helps meet Ontario's *reliability* needs in a cost-effective manner while allowing the *IESO* to adjust to changing system needs.
3. The Amendments incorporate feedback received from stakeholders and the *Technical Panel*.
4. The Technical Panel reviewed the Amendments and unanimously recommended that they be approved; and
5. The *IESO's* management recommended that the *IESO Board* accept the unanimous recommendation of the *Technical Panel* to approve the Amendments.