

Memorandum

To: Technical Panel

From: Adam Cumming

Date: September 30, 2025

Re: MR-00488-R00 – Capacity Auction Tie-break Methodology

Background

Attached for Technical Panel review and consideration are market rule amendments that introduce a multi-step tie-break process within the capacity auction clearing optimization.

At the September 9th Technical Panel meeting, the Panel voted to post the proposed market rule amendments for further stakeholder review and feedback. No stakeholder comments were received during that period.

Since the Technical Panel's September 9th review of the amendments, the following minor adjustments have been made to the proposed market rule amendment language to enhance clarity and consistency of language, based on feedback provided by a Technical Panel generator representative on September 8th:

- s.18.7.5: added clarifying language to specify that the tie-break mechanism is for the available auction capacity "remaining to be awarded";
- s.18.7.5.1: clarified that the value that is being rounded is the calculated value after the available auction capacity has been divided by the number of tied laminations;
- ss.18.7.5.1a. and 18.7.5.1b. – adjusted the language for consistency through sections a, b & c to "for any capacity auction offer lamination **for a quantity...**"
- s.18.7.5 – for consistency, used "s." instead of spelling out "section" when referencing a provision;
- s.18.7.5.2:
 - Adjusted the sentence structure for consistency between ss.18.7.5.2 and 18.7.5.3 to "If there is **available** auction capacity after completing the process in...";

- Adjusted the sentence structure to ensure clarity that it is the allotted proportional share that is being **rounded down to one**;
- s.18.7.5.3: Adjusted the sentence structure for consistency between ss.18.7.5.2 and 18.7.5.3 to “If there is available auction capacity after completing the process in...”;
- s.18.7.5.5: removed cross reference to s.18.5.2, as s.18.5.2 identifies that total value of capacity that is being potentially acquired through the capacity auction. Ss.18.5.3, 18.5.5 and 18.5.6 identify additional constraints that may be violated while solving for the total auction capacity.

The “Tracked Changes” version of the amendment proposal shows the above changes that have been incorporated.

In response to the request made by Technical Panel members at the September 9th meeting, a presentation has been prepared which includes examples of multiple constraints being simultaneously violated and how they would be solved for in accordance with the proposed s.18.7.5.5.

All previous stakeholder engagement materials can be found on the [Capacity Auction Enhancements webpage](#).

Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to recommend the proposed market rule amendment MR-00488-R00 to the IESO Board for approval at its October 24, 2025, meeting. Per the Technical Panel Terms of Reference, Panel members will be asked to provide reasons for their stated positions.

Accompanying Materials

- Presentation – Tie-Break Example;
- Market Rules Amendment Proposal
 - MR-00488-R00: Capacity Auction Tie-break Methodology;
 - MR-00488-R00: Tracked Changes Version (since the Technical Panel’s Sept 9, 2025 review);
- Technical Panel member (generator representative) comments submitted on September 8, 2025.