

Minutes of the IESO Technical Panel Meeting

Meeting date: September 15, 2026
Meeting time: 9:00 a.m. – 11:00 a.m.
Meeting location: Virtual

Chair/Sponsor: Michael Lyle

Scribe: Trisha Hickson, IESO

Please report any suggested comments/edits by email to engagement@ieso.ca.

Invitees	Representing	Attendance Status Attended, Regrets
Rob Coulbeck	Importers/Exporters	Attended
Dave Forsyth	Market Participant Consumers	Attended
Jennifer Jayapalan	Energy Storage	Attended
Forrest Pengra	Residential Consumers	Attended
Robert Reinmuller	Transmitters	Attended
Cory Cook	Consumers (non-market participants)	Attended
Rupali Jain	Energy Related Businesses and Service	Attended
Margaret Koontz	Generators	Attended
Vlad Urukov	Market Participant Generators	Attended
Michael Pohlod	Demand Response	Attended
Matthew China	Energy Related Businesses and Services	Attended
Umar Waqas	Distributors	Attended
Devon Huber	IESO	Attended
Michael Lyle	Chair	Attended
Secretariat		
Trisha Hickson	IESO	Attended

IESO Presenters/Attendees

Presenters:

Josh Duru
Hok Ng
Adam Cumming
Darren Byers
Jonathan Parades
Darane Kim

Attendees:

Jo Chung
Laura Zubych
Eric Lui

Agenda Item 1: Introduction and Administration

Trisha Hickson welcomed everyone joining the meeting.

The meeting agenda was approved on a motion by Robert Reinmuller.

The June 9, 2026, meeting minutes were approved on a motion by Margaret Koontz.

Introductory Remarks from the Chair:

Michael Lyle, Chair welcomed Umar Waqas (GrandBridge Energy) as the newest Technical Panel member and noted that Umar brings more than 15 years of experience in the electricity sector, with expertise in the energy transition, distributed energy resources, and customer engagement.

Mr. Lyle announced that the IESO Board of Directors has reappointed Jennifer Jayapalan, Robert Reinmuller, Vlad Urukov, and Michael Pohlod to the Technical Panel and thanked them for their continued commitment and contributions. Mr. Lyle also noted that the Renewable Generators Representative position remains vacant and that recruitment efforts are ongoing.

Members were advised that the next Technical Panel meeting, originally scheduled for the morning of October 13, is proposed to be moved to the morning of October 14 due to a scheduling conflict.

Agenda Item 2: Engagement Update

Ms. Hickson provided an update on the prospective schedule which is posted on the Technical Panel webpage and identified upcoming sessions and noted that the October engagement days agenda would be included in the IESO bulletin.

Item 3: 2026 Capacity Auction Enhancements

Adam Cumming provided an update on the two Capacity Auction enhancement proposals previously discussed with the Technical Panel. The first proposed amendment relates to the settlement application of the in-period cleared UCAP adjustment charge when a Notice of Disagreement is filed. The second proposed amendment addresses an edge-case scenario in the Emergency Activation Payment (EAP) formula that could result in an hourly demand response resource receiving no emergency activation payment despite a successful activation. Mr. Cumming noted that the Technical Panel had previously voted to post the proposed amendments for stakeholder review and comment. One set of comments was received from Vlad Urukov, and several minor revisions were made in response. Section 4.13.8 was updated to improve consistency with the corresponding language in the main body of the provision, and a reference to subsection 6.8 was added in Section D. A missing closing bracket was added to the in-period UCAP adjustment formula, and the defined term Settlement Amount was italicized in subsection I in accordance with drafting conventions. Mr. Cumming further noted that the stakeholder feedback included questions regarding the treatment of situations where a Notice of Disagreement is filed. Laura Zubyck delivered a presentation illustrating how the proposed process would apply in an edge-case scenario where the application of a UCAP adjustment results in a Capacity Auction participant having less than 1 MW of UCAP. The associated materials are available on the [Technical Panel webpage](#).

- Mr. Urukov noted that examples are valuable when explaining complex market rule changes and encouraged the IESO to incorporate practical examples into Technical Panel materials whenever possible to support stakeholder understanding. He also sought clarification regarding the example presented on Slide 2, asking whether, in a scenario where the Notice of Disagreement process ultimately validates the IESO's initial application of the adjustment charge, the final settlement outcome would result in the same financial position for the participant once all settlement statements and adjustments have been completed.

Mr. Cumming confirmed that the financial outcome for a participant would be the same whether a Notice of Disagreement (NOD) was filed and ultimately resulted in no change to the IESO's initial determination, or whether no NOD had been filed at all. In either case, once all settlement adjustments have been completed, the participant would arrive at the same final financial outcome. Mr. Cumming explained that the intent of the proposed approach is to ensure there is no financial incentive for participants to file a NOD without a legitimate basis. Participants that file a NOD retain all associated obligations throughout the dispute process, including any operational requirements and activation obligations. If the NOD is ultimately resolved against the participant, the participant would still forfeit the applicable payments. As a result, the framework is designed to discourage frivolous NODs while preserving an appropriate mechanism for legitimate disputes.

Mr. Urukov acknowledged.

On a motion moved by Michael Pohlod, the Technical Panel unanimously voted to post the market rule

amendments for IESO Board approval.

Item 4: Chapter 3 Market Rule Amendment Process Refresh

Darren Byers presented proposed amendments to the Chapter 3 Market Rule Amendment Process and sought Technical Panel support for recommending the amendments and corresponding changes to the Technical Panel Terms of Reference (ToR) to the IESO Board for approval. He noted that the proposed changes are intended to clarify and modernize the market rules so that they better reflect the amendment process currently followed in practice and as described in the Technical Panel's Terms of Reference. Following the Panel's decision in July to post the proposal for stakeholder comment, one submission was received from Mr. Urukov. Mr. Byers noted that the feedback was reviewed and the IESO incorporated several suggested revisions, which were documented in the response materials. Mr. Byers also noted that the feedback identified ambiguity within the market manual change process. The IESO agreed that additional clarification would be beneficial and updated Market Manual 2.3 accordingly. Mr. Byers advised that an additional change had been made to the market manual after the version included in the meeting materials had been circulated. The revision explicitly permits the IESO to consolidate multiple minor amendments into a single omnibus package. He noted that this issue had been raised during the July panel meeting and has now been addressed in the version posted on the Technical Panel webpage. As a market manual document, the revised manual will also be posted in October as part of the baseline review process.

Mr. Byers further advised that, following comments received from Mr. Urukov on the Technical Panel ToR, two minor amendments were being proposed. The first amendment corrects a numbering error in Section 4.4.1. The second amendment replaces references to "committee" with "panel" in several sections of the Terms of Reference to avoid potential confusion with the Stakeholder Advisory Committee and to more accurately reflect the Technical Panel's role. Mr. Byers concluded by recommending that the Technical Panel vote to recommend the proposed Chapter 3 market rule amendments to the IESO Board for approval at its October meeting. He also recommended approval of the corresponding updates to the Technical Panel Terms of Reference to ensure alignment between the governance documents and the proposed rule changes. The associated materials are available on the [Technical Panel webpage](#).

- Mr. Urukov expressed support for the proposed changes and thanked the IESO for its efforts to align the market rules, Technical Panel Terms of Reference, and related governance documents. He noted that the revisions help provide a clearer and more consistent framework for the Technical Panel's processes and responsibilities. Mr. Urukov also thanked the IESO for incorporating the proposed changes to Market Manual 2.3. He commented that the revisions address an existing gap and provide greater clarity regarding circumstances in which market manual changes may be subject to Technical Panel oversight. He further acknowledged the constructive engagement and responsiveness of IESO staff throughout the review process.

The IESO acknowledged.

On a motion moved by Robert Reinmuller, the Technical Panel unanimously voted to recommend the market rule amendments for IESO Board approval.

Item 5: Changes to the Establishment and Publication of Market Parameters

Josh Duru noted that at the July Technical Panel meeting, the IESO provided an educational presentation on its proposed approach to market parameter governance. The approach would codify foundational market parameters directly within the market rules, while allowing constraint violation penalties to be established and maintained by IESO management through the market manual change process. Mr. Duru advised that the purpose of the current proposal is not to modify any existing market parameter values. Rather, the proposed market rule amendments would establish the governance framework under which these parameters would be maintained and updated going forward. The IESO requested a Technical Panel vote to post the proposed market rule amendments for stakeholder review and comment. The associated materials are available on the [Technical Panel webpage](#).

- Mr. Urukov sought further clarification regarding the distinction between the Operating Reserve Demand Curve (ORDC) and other constraint violation penalties (CVPs). Referring to the IESO's earlier response that CVPs are bounded by foundational market parameters such as the Maximum Market Clearing Price (MMCP), Minimum Offer Reference Price (MORP), and the settlement floor price, he asked whether the ORDC should be viewed differently given that its values already operate within those established bounds.

Hok Ng confirmed that the ORDC is bounded by the foundational market parameters and must remain within those limits.

- Mr. Urukov noted that, unlike some other CVPs, the ORDC currently operates within the MMCP, MORP, and settlement floor price boundaries without approaching those limits. He suggested that this makes the ORDC somewhat distinct from other parameters that could potentially exceed those thresholds.

Mr. Ng agreed with that characterization and explained that certain CVPs associated with the scheduling process may exceed those thresholds because they are not directly settled. In contrast, because ORDC values can directly affect settled market prices, they cannot exceed the foundational market parameters, including the maximum and minimum market clearing prices.

- Mr. Urukov acknowledged the distinction and observed that the ORDC occupies a unique position within the broader set of CVPs because changes to ORDC values can directly influence market prices without further mitigation. While maintaining the view that the ORDC is a distinct type of parameter, he indicated that he was not opposed to the proposed approach, particularly in light of the previously approved amendments that provide market participants

with opportunities to review and discuss future parameter changes through the market manual process. He thanked the IESO for the clarification.

On a motion moved by Rob Coulbeck, the Technical Panel unanimously voted to post the market rule amendments for broader stakeholder comment.

Item 6: Pseudo-Unit Updates

Darane Kim introduced three proposed design enhancements to pseudo unit modelling that are intended to better align pseudo unit scheduling with the physical capabilities of generating facilities. A high-level overview of the enhancements was provided, with examples available in the presentation appendix for reference. She explained that, following the launch of the new market, both the IESO and market participants operating pseudo units identified design limitations that, under certain conditions, could produce infeasible scheduling outcomes. Interim workarounds were developed shortly after implementation to reduce the impacts of these limitations, while longer-term solutions were prioritized for development. The proposed enhancements are intended to address these issues and eliminate the need for certain temporary workarounds. Associated market rule amendments are required to support implementation of the changes. The associated materials are available on the [Technical Panel webpage](#).

- Mr. Urukov asked whether the proposed change to the Energy Offer Price (EOP) calculation would result in any market rule formula amendments. He noted that, if no rule changes were being proposed, he wanted to understand where the change would be implemented and whether it would exist solely within the scheduling or settlement systems.

Ms. Kim explained that the change would be implemented within the settlement engine and would not require amendments to the market rule formulas.

- Mr. Urukov then asked whether market participants would be informed of the specific EOP calculation changes, particularly in cases where participants attempt to independently validate or shadow settlement outcomes.

Ms. Kim responded that the implementation details would not be explicitly reflected in the market rules. She explained that the change is intended solely to align the settlement logic with the revised derating logic being applied in scheduling. Should a participant identify a discrepancy between scheduling outcomes and settlement results, the matter could be investigated through the Notice of Disagreement process.

- Mr. Urukov acknowledged the clarification.
- Mr. Reinmuller commented that his primary concern was ensuring that sufficient consultation and validation had been conducted with market participants to confirm that the modelling

assumptions accurately reflect operational realities, including unit capabilities and ramp rate limitations. He acknowledged that some differences may always exist between model assumptions and actual operating conditions but expressed hope that the IESO had received adequate participant feedback to validate the proposed approach and minimize the risk of unforeseen implementation issues.

- Mr. Urukov sought clarification regarding the second proposed enhancement. He understood that, under the current design, pseudo units are not dispatched between zero and their minimum loading point (MLP), whereas the proposed change would allow dispatch within that range in certain circumstances. He noted that the IESO had indicated this capability is desirable in some cases and asked whether the change could create the opposite issue in situations where participants do not wish to operate between zero and MLP, potentially resulting in unwanted dispatch outcomes.

Ms. Kim explained that the enhancement is focused on how the DSO processes outage slip submissions. Under the proposed approach, a pseudo unit seeking to operate below its MLP would communicate that through an outage slip submission. The DSO would then recognize and process that information differently than it does today. She noted that the current system assumes the MLP represents the unit's minimum stable operating point and therefore lacks the logic required to maintain a dispatch level below that threshold. The proposed enhancement would introduce that capability in real time, allowing the DSO to respect operating requests below the MLP when supported by outage information.

- Mr. Urukov acknowledged the clarification.

Item 7: Adding De-Rates to the Real Time Lost Cost Economic Operating Point

Jonathan Paredes provided an overview of a proposed enhancement to incorporate derates into the real-time lost cost Economic Operating Point (EOP) calculation. He noted as part of routine monitoring activities, the IESO identified a specific scenario in which Real-Time Make-Whole payments were being calculated incorrectly. He explained that the issue arises from the interaction between derates and the real-time lost cost EOP calculation for pseudo units. Mr. Paredes emphasized that the DSO scheduling, pricing, and related calculations remain correct under the current design. The issue is limited to the EOP calculation methodology. To address the issue, the IESO is proposing amendments to the EOP formulas in the market rules, along with corresponding updates to supporting tools, to ensure that the calculation appropriately accounts for derates and eliminates the identified payment discrepancy. The associated materials are available on the [Technical Panel webpage](#).

- Mr. Urukov questioned whether the issue should be characterized as being specific to pseudo units (PSUs). He noted that, based on the formula itself, the proposed change did not appear to be inherently limited to PSUs and asked whether the IESO had assessed the potential for

unintended impacts on other dispatchable generation resources.

Mr. Paredes explained that the issue is isolated to pseudo units because of the interaction between the physical generating units and the associated pseudo units. He noted that, for a conventional dispatchable resource, failing to model a derate in the EOP calculation would simply result in a higher EOP value than intended and would not create an inappropriate make-whole payment. The issue arises specifically because of the relationship between pseudo units and their underlying physical units, which can create circumstances where the EOP calculation does not properly reflect the impact of a derate. Based on the analysis completed to date, the IESO is confident that the issue is confined to pseudo units and their associated physical resources.

- Mr. Urukov asked whether this conclusion was based solely on the theoretical analysis or whether testing had been performed to validate that the proposed solution would not create unintended impacts for non-PSU resources.

Mr. Paredes responded that the IESO had reviewed a significant amount of market data and identified instances where the issue occurred. All observed cases involved physical units associated with pseudo units. He acknowledged that implementation testing had not yet been completed but indicated that all dispatchable generation resources would be included in future testing because the proposed rule change would apply broadly across dispatchable generators.

- Mr. Urukov further asked when such testing would occur in relation to implementation of the market rule amendment.

Mr. Paredes stated that he did not have a definitive answer regarding the testing schedule and would take the question away for follow-up.

- Ms. Koontz asked how the proposed approach would operate in a scenario where combustion turbines submit derates that would ordinarily require additional output from the associated steam turbine, but the steam turbine is already operating at its maximum capability. She noted that, in such circumstances, it would not be possible to simply transfer the lost capability to the steam turbine and requested clarification on how scheduling outcomes would be managed.

Mr. Paredes explained that the DSO would not schedule the steam turbine beyond its available capability. In the scenario described, if the steam turbine could only increase output by a portion of the required amount, the steam turbine schedule would be adjusted up to its maximum feasible level and the associated pseudo unit schedule would be reduced accordingly to reflect the physical limitations of the facility. He noted that this scenario was not included in the presentation examples because it represents a more complex variation of the same underlying principle. The objective of the proposed enhancement is to ensure that the EOP accounts for derates in the same manner as the DSO. By

aligning the treatment of derates across both processes, the conditions giving rise to inappropriate make-whole payments would be removed, regardless of the specific operating scenario.

- Ms. Koontz acknowledged the clarification.
- Mr. Reinmuller expressed support for the direction of the proposed enhancement and noted that the discussion had helped improve the Panel's understanding of the issue and the intended solution. He indicated that the proposed approach appeared appropriate but encouraged the IESO to provide additional information when the amendment returns for approval. Mr. Reinmuller suggested that, once verification and testing activities are complete, the IESO provide the Technical Panel with a summary of the testing results, including how the proposed formula performs when applied to historical market data and operational scenarios. He noted that such information would help demonstrate that scheduling outcomes, operational ranges, and settlement calculations remain aligned under the revised approach and would provide the Panel with greater confidence that the change achieves its intended results without creating unintended discrepancies. He concluded by encouraging the IESO to share the outcomes of its validation work before seeking final Technical Panel approval.
- Mr. Forsyth referred to the earlier discussion on pseudo unit scheduling workarounds that had been implemented following market opening. He asked whether the issue described had resulted in inappropriate make-whole payments prior to the proposed amendment and whether such payments were continuing to occur.

Mr. Paredes confirmed that the issue remains ongoing and can arise when participants submit derates under the conditions described. He noted that whether a make-whole payment is triggered depends on the associated market prices and offers, but the underlying issue continues to exist and is expected to persist until the proposed market rule amendments and system changes are implemented.

- Mr. Forsyth asked whether any inappropriate payments that had already been made would be subject to recovery or claw back.

Mr. Paredes explained that the proposal is a market rule amendment that would apply on a prospective basis only. Payments that have already been calculated and settled under the existing rules would remain unchanged, and the proposed amendment is intended solely to address the issue going forward once implemented.

- Mr. Forsyth asked how the existing workarounds operated and whether they were implemented within the framework of the current market rules, noting that the issue nonetheless appeared to be generating the payments under discussion.

Ms. Kim explained that the workarounds implemented following market opening were developed and

operated within the existing market rules. The approach relied on the use of outage slip submissions to ensure that resource limitations were appropriately reflected and that scheduling outcomes remained feasible from an operational perspective. She noted that the workarounds were intended to help the DSO recognize operational constraints that might not otherwise be captured correctly, thereby reducing the risk of infeasible scheduling outcomes. She explained that the process involved coordination between market participants and the IESO Control Room to address situations where scheduled outcomes did not fully align with the known physical capabilities of the underlying units. Ms. Kim further clarified that the workarounds were not a rule-based exception, but rather an operational process used to account for discrepancies between the scheduling model and the actual capabilities of the facilities until a permanent design solution could be implemented.

Mr. Forsyth acknowledged, expressing some concern.

Item 8: Intertie Offer Guarantee – Adjustments to Payment Conditions

Hok Ng provided an overview of the Intertie Offer Guarantee (IOG) and the rationale for reviewing its continued application in the renewed market. He explained that the IOG was introduced at the original market opening to ensure that importers receive at least their offered price when real-time market prices fall below that level. The mechanism was designed to support importer participation and contribute to reliability by encouraging imports into Ontario. He noted that under the renewed market design, import transactions that clear in the day-ahead market are settled at day-ahead prices. However, import transactions scheduled in real time after the day-ahead market remain eligible for IOG payments. As the purpose of the IOG is to secure incremental reliability benefits from imports, the associated costs are recovered from consumers through uplift charges. Mr. Ng advised that, in September 2024, the Market Surveillance Panel (MSP) reviewed IOG payments and recommended that the IESO assess the benefits and costs of maintaining the real-time IOG following implementation of the renewed market. The MSP further recommended that the IESO determine whether the mechanism should be retained, modified, or eliminated. He added that the IESO introduced the topic to stakeholders during an engagement session in August and has since received stakeholder feedback. He noted that responses to that feedback will be presented at the next stakeholder meeting in September. He then passed the presentation to Megan Cairns. The associated materials are available on the [Technical Panel webpage](#).

- Mr. Coulbeck thanked the IESO for the presentation and requested clarification regarding the Economic Operating Point (EOP) calculation. Referring to the example presented, he asked whether the loss cost EOP calculation continues to be based on the pre-dispatch locational marginal price (LMP) and the associated pre-dispatch schedule, as has historically been the case.

Ms. Cairns confirmed that the loss cost EOP remains based on the pre-dispatch schedule and associated

pre-dispatch pricing inputs and that there is no proposed change to that aspect of the calculation.

- Mr. Coulbeck then sought confirmation that the proposal does not alter the underlying EOP methodology, but instead removes the Intertie Offer Guarantee (IOG) component from the current approach and replaces it with a real-time lost opportunity cost framework. He asked whether the proposal is therefore limited to changing the compensation mechanism rather than the underlying EOP calculation itself.

Ms. Cairns confirmed Mr. Coulbeck's understanding was correct.

- Mr. Urukov requested clarification regarding a statement on Slide 6, specifically the reference to "all other instances." He asked whether the statement related to the first scenario previously discussed or whether it was intended to apply to the second scenario described in the presentation.

Ms. Cairns clarified that the statement pertains to the second scenario. She explained that when there is no Conservative Operating State or other relevant system declaration in effect, imports would no longer be eligible for an Intertie Offer Guarantee payment and would instead be eligible only for lost opportunity cost make-whole payments.

- Mr. Urukov acknowledged the clarification.
- Mr. Coulbeck acknowledged the additional analysis provided and commented on stakeholder concerns regarding the continued gap between pre-dispatch and real-time prices. He observed that stakeholders had identified significant price differences between the two timeframes and questioned whether the IESO had assessed how the proposed changes would have performed during recent periods of tight supply, such as the winter cold snaps, particularly in scenarios where major generation resources such as Pickering were unavailable. Mr. Coulbeck expressed concern that reducing incentives for import participation during non-emergency conditions could discourage intertie trader participation over time, potentially resulting in fewer market participants, reduced competition, and higher prices when imports are needed most. He noted that similar outcomes had been observed following earlier market changes and urged consideration of the long-term impact on market participation.

Mr. Ng responded that the IESO routinely performs adequacy assessments and reliability planning activities to evaluate system conditions and identify periods when imports provide incremental reliability value. He explained that where reliability risks are identified, mechanisms would remain available to support import participation. However, where adequacy assessments indicate that imports do not provide an incremental reliability benefit, he indicated that it is difficult to justify continuing to provide Intertie Offer Guarantee (IOG) payments. Mr. Ng noted that this conclusion aligns with observations made by the Market Surveillance Panel and has been reinforced through the IESO's post-market renewal

analysis. With respect to differences between pre-dispatch and real-time prices, he explained that the two markets serve different purposes and operate using different assumptions and time horizons. Pre-dispatch relies on forecasts and multi-hour commitment optimization to support reliability, while real-time dispatch reflects actual system conditions on a five-minute basis. As a result, price differences can arise due to forecast uncertainty, changing system conditions, and the differing objectives of the two processes. He further noted that assigning market risks to participants generally promotes more efficient market outcomes and price transparency. In their view, limiting IOG payments to circumstances where imports provide a demonstrable reliability benefit supports more efficient market participation by ensuring that market participants respond appropriately to prevailing market conditions and risks.

- Mr. Coulbeck acknowledged the explanation but observed that differences between pre-dispatch and real-time prices are not solely attributable to forecast uncertainty. He noted that differences in the resources that can influence prices in each timeframe may also contribute to price divergence, particularly given the role of imports and exports in pre-dispatch versus the real-time dispatch process. He suggested that these structural differences may continue to create pricing gaps and emphasized the importance of considering their impact on intertie participation and market incentives. Mr. Coulbeck also raised a concern regarding real-time contingency events. He noted that a system that appears adequately supplied in the day-ahead and pre-dispatch timeframes could experience a significant resource outage in real time, resulting in a need for imports before additional internal resources can be brought online. He asked whether the proposed framework would allow sufficient flexibility to declare the appropriate operating state and secure imports quickly enough to support reliability during such events.

Mr. Ng responded that differences between pre-dispatch and real-time outcomes are largely driven by the differing time resolutions of the two markets, with intertie scheduling occurring on an hourly basis and real-time dispatch operating on a five-minute basis. He noted that the dynamic nature of real-time system conditions makes complete convergence between the two markets difficult without more granular scheduling processes. With respect to contingency events, Mr. Ng indicated that the operating reserve framework is designed to manage the loss of major resources and provide sufficient response capability to maintain reliability following such events. He noted that reserve requirements are established based on the system's largest contingencies and are intended to provide coverage while longer-term recovery actions are implemented.

- Mr. Coulbeck acknowledged the response but reiterated that, in some circumstances, additional imports may still be required to support the system during the period between a major contingency and the availability of replacement resources.
- Mr. Urukov raised a broader question regarding the presentation's use of the terms reliability and adequacy, noting that the concepts appeared to be used interchangeably at times. He observed that the proposed solution relies on declarations such as a Conservative Operating

State or Emergency, which he viewed as being more closely associated with reliability considerations. He asked whether the proposed framework appropriately captures adequacy concerns as the basis for determining when IOG payments are warranted.

Mr. Ng responded that, more precisely, the issue relates to system adequacy. He explained that adequacy can generally be assessed in advance through forecasting and planning processes, allowing the IESO to determine whether sufficient capacity exists to meet expected demand. Reliability, by contrast, encompasses broader operational considerations, including security constraints, contingencies, and transmission limitations. He noted that adequacy assessments inform advanced commitment decisions and help identify periods when imports may provide incremental value. In situations where all available resources have been committed and system conditions become tight, imports may provide additional adequacy and reliability benefits that support the rationale for IOG payments.

- Mr. Urukov then asked whether there may be circumstances in which emerging adequacy concerns exist before the system reaches the point where a Conservative Operating State or similar declaration is made. He suggested that the transition from normal conditions to reliability concerns exists along a continuum and questioned whether the proposed trigger appropriately captures that progression.

Mr. Ng acknowledged that such situations are possible. He explained that imports can also provide localized reliability and security benefits, including support in constrained areas of the system. The IESO can identify many of these conditions in advance and, where appropriate, make the necessary operational declarations ahead of time. He reiterated that when there are no significant local security concerns or broader adequacy issues, it becomes difficult to justify continued IOG payments because the incremental reliability benefit provided by imports is limited.

- Mr. Urukov commented that adequacy and reliability concerns can be viewed as existing along a spectrum, with adequacy issues gradually developing into more acute reliability challenges. He emphasized the importance of ensuring that the proposed framework appropriately identifies the point along that spectrum where the continued use of IOG payments becomes justified. He concluded by noting the comment for consideration and thanked the IESO for the discussion.

Mr. Ng acknowledged the observations and feedback.

Item 9: Adjustments to Real-Time Make Whole Payments – Update

Mr. Byers presented a follow-up to the commitment made by the IESO at the February Technical Panel meeting regarding the treatment of make-whole payments for hydroelectric resources with forbidden operating regions. He recalled that the analysis presented in February showed that approximately 95%

of schedules occurring at the boundary of a forbidden region were the result of the market engine appropriately respecting the operating constraints of the resource. Based on those findings, the IESO had concluded that a reduction in make-whole payments was appropriate. At that time, Panel members asked whether the results would remain consistent during the spring freshet period, when hydro operating conditions can differ significantly. Mr. Byers reported that the IESO subsequently monitored outcomes from January through mid-June, including the spring freshet period, and found that the proportion remained consistent with the earlier analysis. As the results aligned with the original assessment, the IESO concluded that no further action is required at this time. The associated materials are available on the [Technical Panel webpage](#).

Mr. Urukov acknowledged the follow-up and thanked the IESO for its efforts.

Other Business

Mr. Urukov noted that the October 7 action item could likely be closed, as the matter had been addressed through the Chapter 3 amendments that were being advanced to the IESO Board for consideration.

Mr. Lyle agreed that the action item could be considered complete. He then asked whether there were any additional items for discussion. Hearing none, he thanked members for their participation and adjourned the meeting. Members were advised that the next meeting would take place in October.

Adjournment

The meeting adjourned at 11:00 a.m.

The next regular TP meeting will be held on October 14, 2026.

Action Item Summary

Date	Action	Status	Comments
Oct. 7, 2025	The IESO to report back to the Technical Panel on possible changes to enhance the market manual process once the assessment is complete.	Closed	Addressed as part of the Ch.3 Market Rule Amendment Process Refresh.
Feb. 10, 2026	MR-00490-R00: Adjustments to RT MWPs For item 1: OR Lost Opportunity Cost and forbidden regions,	Closed	The IESO provided the Technical Panel with a post freshet update at the September 15, 2026 Technical

			Panel meeting.
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