

Memorandum

To: Technical Panel

From: Darren Byers

Date: October 7, 2026

Re: Pseudo-Unit Updates

Background

Attached for Technical Panel review and consideration are market rule amendments that improve how pseudo-units (PSUs) are scheduled in day-ahead, pre-dispatch and real-time. This improvement will more accurately reflect outages, de-rates, constraints, and ramp rates within the Dispatch Scheduling Optimizer (DSO) when producing dispatch outcomes.

Since the launch of the renewed market, situations have emerged where the scheduling logic for these resources produces infeasible dispatch outcomes. Three enhancements have been identified to improve the scheduling logic:

- 1- Improve the treatment of steam turbine de-rate allocations when there are outages on the combustion turbine(s);
- 2- Recognize de-rates and constraints below calculated PSU minimum loading points; and
- 3- Improve the ramp rate modelling when combustion turbines and steam turbines synchronize at different times.

Each of these enhancements will require updates to the Calculation Engines, contained in the appendices to Chapter 7 of the market rules.

At its September 15, 2026 meeting, the Technical Panel received an educational presentation on the proposed enhancements to the scheduling of PSU resources. The presentation described issues identified following implementation of the renewed market that can result in infeasible dispatch outcomes under certain PSU scenarios. The proposed changes would improve the treatment of outages, derates, constraints and ramp rates in the dispatch scheduling optimization process, with corresponding amendments to the market rules and calculation engines to better align dispatch outcomes with the physical capabilities of PSU resources.

The presentation also summarized stakeholder feedback received during consultations on the proposed amendments. To recap, stakeholders were generally supportive of the change and did not raise any material concerns. No written comments were received by the stakeholder engagement submission deadline. ■

All materials related to this stakeholder engagement can be found on the [Pseudo-Unit Updates](#) webpage.

Recommendation - Priority

The IESO recommends that the Technical Panel assign a regular priority to the development of these market rule amendment proposals.

Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to post the proposed market rule amendment MR-00494-R00 for stakeholder review and comment for a period of approximately one week, ending on October 23, 2026. Subject to comments received, at the November 10, 2026 Technical Panel meeting, the IESO will request a Technical Panel vote to recommend the draft market rule amendments to the IESO Board.

The target for IESO Board approval is December 10, 2026.

Accompanying Materials

- Market Rule Amendment Proposal – MR-00494-R00- Pseudo-Unit updates