

Memorandum

To: Technical Panel

From: Darren Byers

Date: October 7, 2026

Re: Adding De-rates to the Real-Time Lost Cost Economic Operating Point

Background

Attached for Technical Panel review and consideration are market rule amendments that propose to add de-rates to the calculation of the Real-Time Lost Cost Economic Operating Point (RT LC EOP) calculations for pseudo-units (PSUs). Ongoing monitoring of the renewed market identified scenarios where de-rates are reflected in the dispatch scheduling and pricing calculations but are not reflected in RT LC EOP settlement calculations, leading to inappropriate Real-Time Make-Whole Payments. This amendment will align RT LC EOP calculations with the dispatch optimization logic and the physical capabilities of the resource, ensuring more accurate settlement outcomes.

At its September 15, 2026 meeting, the Technical Panel received an educational presentation on the proposed changes related to the treatment of de-rates in the calculation of the RT LC EOP. The presentation summarized stakeholder feedback received during consultation on the proposed amendment. To recap, stakeholders were generally supportive of the change and did not raise any material concerns. Written comments received from Atura Power primarily sought clarification on one of the examples and implementation details.

All materials related to this stakeholder engagement can be found on the [Adding De-Rates to the Real-Time Lost Cost Economic Operating Point 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-00495-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-00495-R00 Adding De-Rates to the Real-Time Lost Cost Economic Operating Point