

Memorandum

To: Technical Panel

From: Darren Byers

Date: January 6, 2026

Re: Adjustments to Real-Time Make-Whole Payments

Background

Attached for Technical Panel review and consideration are market rule amendments required to address unwarranted make-whole payments (MWP) related to the following circumstances:

- 1- Lost Opportunity Cost (LOC) and forbidden regions of hydro-electric resources;
- 2- Operating Reserve (OR) ramping in LOC Economic Operating Point (EOP) calculations; and
- 3- Real-Time Make-Whole Payments (RT-MWP) that are not offsetting amongst energy and OR products.

On November 21, 2025 the IESO held a public engagement session to introduce the initiative and rationale for adjustments. The IESO received feedback from two market participants; OPG and Brookfield Renewable, both requesting examples for each of the identified items. OPG further requested that the IESO consider testing the implementation with market participants to ensure that settlement systems can accommodate the proposed changes.

On December 16, 2025, the IESO presented examples on each of the items to market participants at the second engagement session, and the required market rule amendments and changes to IESO Charge Types and Equations. Prior to that session, the IESO met with some market participants to walk through the examples to ensure they met their needs. There were no questions asked related to the examples at the second public engagement. One written submission following the December 16th session was received from OPG, requesting more information on specific scenarios where Economic Operating Points are less than dispatch schedules. The IESO is currently reviewing this request.

Stakeholder feedback from both sessions, with IESO responses for the November 21st feedback can be found on the [Adjustments to Real-Time Make-Whole payments page](#). IESO responses to the December 16th session are still in development and will be posted shortly.

Recommendation - Priority

The IESO recommends that the Technical Panel assign a high 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-00490-R00 for stakeholder review and comment for a period of approximately one week, ending on January 21, 2026. At the February 10, 2026 Technical Panel meeting, the IESO will request a Technical Panel vote to recommend the draft market rule amendments.

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

Accompanying Materials

- Presentation to Technical Panel
- Market Rule Amendment Proposal – MR-00490-R00 Adjustments to Real-Time Make-Whole Payments
- Supporting Changes to Charge Types and Equations (for informational purposes only): [Charge Types and Equations](#)
- Supplementary Materials (optional): [New equations and example calculations- LOC and Forbidden Regions](#)