

Memorandum

To: The Markets Committee

From: Michael Lyle, Executive Vice President, Legal Resources and Corporate Governance and Chair, IESO Technical Panel

Date: June 10, 2026

Re: Market Rule Amendment: Updates to Contingency Event Definitions (MR-00491-R00)



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Purpose of Item: Recommendation for Approval to the Board

Executive Summary:

The IESO is seeking approval from the IESO Board on proposed market rule amendments that will align the defined terms for most severe single contingency (MSSC) and second most severe single contingency (SMSSC) with the defined terms used by the Northeast Power Coordinating Council (NPCC) and North American Electric Reliability Corporation (NERC). At the May 12, 2026 Technical Panel meeting, the Technical Panel voted unanimously in favour of recommending the amendment proposal to the IESO Board.

Significant Issues, Risks and Opportunities:

The changes are administrative in nature and are intended to improve consistency between the market rules, NERC Standards and NPCC Directories. The changes will have no impact to existing IESO processes.

Background:

A “contingency event” means the unexpected failure of a single component or multiple components connected to the electricity system. The IESO carries Operating Reserve to help quickly recover energy lost after a contingency event. In general terms, NERC and NPCC require the IESO to schedule sufficient Operating Reserve to recover from the largest, reasonably anticipated, contingency

event on the Ontario power system. This is the First Contingency Loss/Most Severe Single Contingency, and the next largest is the Second Contingency Loss/Second Most Severe Single Contingency.

Proposal and Analysis:

The proposed amendment replaces all references to “first contingency loss” and “second contingency loss” with “most severe single contingency” and “second most severe single contingency” to align with industry standard language. No written comments were received in response to the Technical Panel’s call for stakeholder comments.

Next Steps / Implementation:

I recommend that the Board accept the unanimous vote and recommendation of the Technical Panel to approve market rule amendment MR-00491-R00: Updates to Contingency Event Definitions.

Recommendation:

The Committee is asked to approve the following motion:

BE IT RESOLVED THAT the Markets Committee recommends that the Board of Directors approve the following resolution:

[Recommended Board Resolution Begins.]

CONCERNING MR-00491-R00: Updates to Contingency Event Definitions, which is a market rule amendment to align the defined terms for most severe single contingency (MSSC) and second most severe single contingency (SMSSC), with the

defined terms used by the Northeast Power Coordinating Council (NPCC) and the North American Electric Reliability Corporation (NERC).

- a) **WHEREAS** the IESO engaged with stakeholders and the Technical Panel and incorporated their suggestions into MR-00491-R00.
- b) **WHEREAS** the Technical Panel unanimously recommends MR-00491-R00 for approval by the IESO Board.
- c) **AND WHEREAS** the IESO Board of Directors' Markets Committee recommended MR-00491-R00 for approval by the IESO Board.

BE IT RESOLVED THAT on the recommendation of the Markets Committee, the IESO Board of Directors accepts the recommendation from the Technical Panel and approves MR-00491-R00: Updates to Contingency Event Definitions to come into effect on September 9, 2026.

Michael Lyle

Appendices:

- a. Market Rule Amendment Proposal – MR-00491-R00: Updates to Contingency Event Definitions
- b. Technical Panel Materials
 - i. Memo to Technical Panel from IESO staff, dated May 5, 2026
 - ii. Technical Panel Member Rationale, dated May 12, 2026
- c. Summary of Stakeholder and Technical Panel Comments
- d. Consumer Impact Assessment