# Memorandum

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**To:** **Technical Panel**

**From:** Darren Byers

**Date**: November 3, 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 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 the October 14th Technical Panel meeting, the Panel voted to post the proposed market rule amendments for stakeholder review and comment. One set of comments was received from Vlad Urukov (generator representative). The feedback with IESO responses is attached.

The following revision has been made to the amendment proposal in response to the comments received:

- Section 3.4.4A – The formula has been simplified to a single min( ) statement for all dispatchable generation resources in order to remove redundancy.

This change has been highlighted in the amendment proposal.

## Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to recommend the proposed market rule amendment MR-00495-R00 to the IESO Board for approval at its December 10, 2026 meeting. Per the Technical Panel Terms of Reference, Panel members will be asked to provide reasons for their stated positions.

## Accompanying Materials

- Market Rule Amendment Proposal – MR-00495-R00 Adding De-Rates to the Real-Time Lost Cost Economic Operating Point
- IESO Response to Stakeholder Comments