

Stakeholder Feedback and IESO Response

Adding De-Rates to the Real-Time Lost Cost Economic Operating Point (EOP)

Following the August 19, 2026, Adding De-Rates to the Real-Time Lost Cost EOP webinar, the IESO invited stakeholders to provide comments and feedback on the materials presented by September 1, 2026.

The presentation materials and stakeholder feedback submissions have been posted on the [engagement](#) webpage. Please reference the material for specific feedback as the below information provides excerpts and/or a summary only.

Real-Time Lost Cost EOP calculation

Feedback	IESO Response
1. In the example presented during the session, a market participant submits a de-rate, resulting in the Steam Turbine EOP being lower than the schedule. As a result, a Real-Time Lost Cost make-whole payment is calculated. The proposed change revises the EOP calculation by using the maximum RT Schedule before and after the de-rate. However, it appears that the proposed formula uses the minimum available capacity instead. Please kindly clarify this change.	1. Thank you for your feedback. The proposed formula in the market rule change is correct. In the example from the presentation, the real-time schedule of the combustion turbine (CT) is being adjusted down once the de-rate is applied. The dispatch scheduling optimizer (DSO) accounts for de-rates when determining the real-time schedule (see market rules chapter 7 appendix, section 4.3.5). The example also shows that the economic operating point (EOP) for the CT is not being adjusted down once the de-rate is applied. The market rule change is adding in the minimum of QDG and Derate within the RT LC EOP to have the same treatment as the DSO. By having the same treatment in DSO as the EOP, we are removing the need for a RT MWP in this scenario.

2. Please provide details on how the “Derate” parameter in the formula is determined.

$$AdjMaxDG_{i,b} = \begin{cases} \min \left(\sum_{k \in K_{i,b}^D} QDG_{i,b,k}, Derate_{i,b} \right) & \text{if } b \in B^{VG} \\ \min \left(\sum_{k \in K_{i,b}^D} QDG_{i,b,k}, Derate_{i,b} \right) & \text{otherwise} \end{cases}$$

$$\sum_{k \in K_{i,b}^D} ES DG_{i,b,k} + \sum_{k \in K_{i,b}^{10S}} ES 10SDG_{i,b,k} + \sum_{k \in K_{i,b}^{10N}} ES 10NDG_{i,b,k} + \sum_{k \in K_{i,b}^{30R}} ES 30RDG_{i,b,k} \leq AdjMaxDG_{i,b}$$

3. To facilitate settlement reconciliation, we require the Settlement data files to flag the EOP value whenever changes are applied due to a de-rate scenario.

4.3.5 Resource Minimum and Maximum Constraints

4.3.5.1 Where applicable the minimum or maximum output of a *dispatchable generation resource* or a *non-dispatchable generation resource* and minimum or maximum consumption of a *dispatchable load* may be limited due to *reliability* constraints, applicable *contracted ancillary services*, *outages*, *derates*, and other constraints, such that:

4.3.5.1.1 $MinDL_{h,b}$ designates the most restrictive minimum consumption limit for the *dispatchable load* in hour h at bus $b \in B^{DL}$;

4.3.5.1.2 $MaxDL_{h,b}$ designates the most restrictive maximum consumption limit for the *dispatchable load* in hour h at bus $b \in B^{DL}$;

4.3.5.1.3 $MinNDG_{h,b}$ designates the most restrictive minimum output limit for the *non-dispatchable generation resource* in hour h at bus $b \in B^{NDG}$;

4.3.5.1.4 $MaxNDG_{h,b}$ designates the most restrictive maximum output limit for the *non-dispatchable generation resource* in hour h at bus $b \in B^{NDG}$;

4.3.5.1.5 $MinDG_{h,b}$ designates the most restrictive minimum output limit for the *dispatchable generation resource* in hour h at bus $b \in B^{DG}$;

4.3.5.1.6 $MaxDG_{h,b}$ designates the most restrictive maximum output limit for the *dispatchable generation resource* in hour h at bus $b \in B^{DG}$;

2. The derate parameter represents the resource’s capability after the derate is applied. A derate is a form of outage, which is defined in market rules chapter 11.

“outage means the removal of equipment from service, unavailability for connection of equipment or temporary derating, restriction of use, or reduction in performance of equipment for any reason including, but not limited to, to permit the performance of inspections, tests or repairs on equipment, and shall include a planned outage, a forced outage and an automatic outage”

3. Any time a market participant requests a de-rate to the physical units associated with a PSU, they can anticipate that the market rule change will apply. With this change the EOP logic will align with the scheduling logic, and a lost cost RT MWP won’t be required in this scenario. The settlement data files will reflect the new EOP values only. The IESO will not be providing a flag in the settlement data file to identify the changed EOP value.