External Engagement Plan

Intertie Offer Guarantee: Adjustments to Payment Conditions

Introduction

The IESO is proposing changes to the Intertie Offer Guarantee (IOG) framework to better align compensation with periods when imports provide a demonstrated reliability or adequacy benefit to Ontario's electricity system. The proposal follows a recommendation from the Ontario Energy Board's Market Surveillance Panel (MSP) to review the continued need for real-time IOG payments following implementation of the Market Renewal Program and the introduction of the Day-Ahead Market. The IESO's assessment found that a significant portion of IOG payments were occurring during periods where there was no identified reliability need.

The purpose of this engagement is to seek stakeholder feedback on the proposed changes to the IOG framework, understand potential impacts on market participants, and identify implementation considerations that could support a successful transition. The engagement also provides an opportunity for the IESO to explain the rationale for the proposal and its expected benefits, while gathering perspectives on operational and market considerations.

The desired outcome is to foster a shared understanding of the proposed IOG framework and its role in supporting reliability objectives, market efficiency, and ratepayer value within Ontario's wholesale electricity market. Through engagement, the IESO aims to establish a well-informed path forward, ensuring that stakeholders understand and can adapt to any future market design changes.

The IESO is committed to an open dialogue with stakeholders and communities to help understand their views about proposed changes that may affect them. For any questions about this engagement plan please contact engagement@ieso.ca.

IESO Objectives

Objectives	Key Results

Connecting Today.
Powering Tomorrow.

Support stakeholder understanding of the proposed IOG changes and their potential impacts.	• Stakeholders have access to clear information about the proposed changes and the reasons they are being considered. • Questions related to reliability, market impacts, and ratepayer value are addressed. • Participants are better equipped to assess how the proposal may affect their organizations and the broader electricity market.
Gather stakeholder perspectives on the potential market, operational, and reliability impacts of the proposal.	• Stakeholders have meaningful opportunities to share feedback, concerns, and recommendations. • The IESO receives diverse perspectives on potential benefits, risks, and implementation considerations. • Stakeholder feedback helps inform the assessment and refinement of the proposed changes.
Promote transparency and open dialogue throughout the engagement process.	• Stakeholders have opportunities to review supporting information and participate in discussions with subject matter experts. • Participants gain a clearer understanding of the analysis and considerations informing the proposal. • Ongoing dialogue helps identify areas requiring further clarification or engagement.
Foster collaborative and constructive engagement with market participants and interested parties.	• Stakeholders feel their perspectives are heard and considered throughout the process. • Open communication channels are maintained to support ongoing discussion and feedback. • Engagement activities contribute to informed decision-making and stronger stakeholder relationships.

Stakeholders and Communities

The proposed IOG changes are of greatest interest to organizations and communities that participate directly in Ontario's wholesale electricity market or are affected by electricity market outcomes.

Importers and Energy Traders: expected to be the most directly impacted by the proposed changes

Electricity Market Participants: Organizations that actively participate in Ontario's wholesale electricity market and may be indirectly affected by changes in import behaviour, pricing signals, and market liquidity. Examples include:

- Generators
- Load-serving entities
- Market participants with trading operations
- Financial market participants

Industry Associations and Sector Representatives

Organizations representing electricity producers, marketers, and consumers who may wish to understand broader market impacts and provide policy-focused feedback.

Government and Regulatory Bodies

Organizations responsible for electricity market oversight, policy development, and consumer protection.

Electricity Consumers and Ratepayers

While not directly participating in the engagement at the same level as market participants, Ontario consumers are a key stakeholder group as the proposal is intended to reduce costs associated with out-of-market payments borne by ratepayers.

Approach

This is a public engagement process, and all materials will be posted on the IOG engagement webpage and feedback provided by stakeholders and/or communities will be posted (with their consent).

The IESO will use the following tactics for this engagement:

Tactics	Description
Webinars	Engagement session webinars introduce topic areas and high-level details of enhancements.
Technical Sessions (Targeted Discussions)	As required, Technical Sessions may be established with invited stakeholders and communities provide background on technical details. Technical Sessions will ensure the appropriate audience is present and allow stakeholders and communities to select the level of engagement that is of interest to them.
Written Feedback	Feedback forms are for participants to submit feedback in writing.
Other Outreach Activities	Outreach activities such as smaller group meetings to gather additional input for the engagement.

Proposed Engagement Schedule

Anticipated timing for this engagement is presented below.

Timing	Engagement Activity
August 18, 2026	Public Engagement Session #1 • Introducing initiative and adjustments
September 4, 2026	Deadline for External Feedback (written)
September 15, 2026	Technical Panel - Education
September 16, 2026	Public Engagement Session #2 and response to Feedback • Presenting red-lined draft market rule amendments
October 13, 2026	Technical Panel – Vote to Post for broader sector feedback
November 10, 2026	Technical Panel – Vote to Recommend to IESO Board
January 2027	Target Implementation