

Feedback Form

Intertie Offer Guarantee (IOG) - Adjustments to Payment Conditions

Feedback Provided by:

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Date: September 30, 2026

To promote transparency, feedback submitted will be posted on the IOG engagement page unless otherwise requested by the sender.

- ☐ **NO - There is confidential information, do not post**
☒ **YES - Comfortable to publish to the IESO web page**

Following the September 16th IOG – Adjustments to Payment Conditions engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the [engagement](#) webpage.

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials, please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by September 30, 2026.

Conditional IOG – Future Method

1. Do you have any questions/feedback on the proposed conditional IOG since the previous engagement session?

HQEM is concerned about the pace at which the IESO is advancing the conditional IOG proposal. To date, stakeholders have received limited supporting rationale for the proposed changes, and opportunities to provide informed feedback have been limited.

Unlike in other IESO engagements, stakeholders did not have access to the feedback from the initial session before the second session was held. In addition, the IESO introduced the local transmission security limit as a new condition during the second session without providing supporting analysis or a detailed explanation of its intended application.

Intertie traders have consistently emphasized that IOG payments are necessary because a material price difference may arise between the time an import is economically selected for dispatch by the IESO and the applicable real-time price. Transferring this risk to importers could reduce import participation, available supply and competition in the real-time market under normal operating conditions.

HQEM would encourage the IESO to assess and publish the potential impacts of the proposal on market participation, liquidity, competition and overall market efficiency.

HQEM is also concerned that the IESO only intends to rely on its current Notification process (with a 90-day only archive) and that no reports will be provided to Market Participants either to notify them or for settlement purposes.

Finally, HQEM is concerned that the proposed implementation timeline does not allow sufficient time for further stakeholder review, the publication of supporting analysis, and the development of appropriate reporting and settlement processes.

The timing should also account for Ontario's supply outlook and anticipated winter conditions in neighboring markets.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

HQEM recommends that the IESO postpone implementation until these matters have been addressed through further engagement.