



Independent Electricity System Operator

1600-120 Adelaide Street West

Toronto, ON M5H 1T1

t 416.967.7474

www.ieso.ca

Engagement Topic: MACD Enforcement Framework Modernization: Initial Proposals for Stakeholder Consultation (Discussion Paper)

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Introduction

The Independent Electricity System Operator's ("**IESO**") Market Assessment and Compliance Division ("**MACD**") is undertaking an Enforcement Modernization project to improve the efficiency and effectiveness of the enforcement regime by amending the Market Rules and related manuals. As part of this initiative, MACD has and will continue to engage with stakeholders to obtain feedback and respond to questions about the proposed changes.

The Enforcement Modernization project is organized around three objectives related to the enforcement regime: (1) enhancing its efficiency; (2) improving its effectiveness; and (3) clarifying its scope and application. The proposals address themes spanning investigation, audit authorities, information gathering and sharing, sanctions, publication, dispute resolution and related matters.

MACD's modernization objectives are to ensure that the system is effective for Ontarians, fair to Market Participants, and efficient for all. The proposals will be informed by consultation with Market Participants and benchmarking against comparable regulatory regimes in North America, and include changes regarding the following:

- **Proposal 1:** Internal Compliance Programs
- **Proposal 2:** Ring-Fencing Language
- **Proposal 3:** Information Gathering Powers
- **Proposal 4:** Information Sharing for Enforcement Purposes
- **Proposal 5:** Investigation Processes
- **Proposal 6:** Sanctions
- **Proposal 7:** Publication of Enforcement Outputs
- **Proposal 8:** Settlements and Dispute Resolution
- **Proposal 9:** Service Standards

Purpose

The purpose of this document is to describe the design changes proposed to the Market Rules in order to obtain feedback in furtherance of the objectives stated above. This memo will highlight some of the most significant design changes to modernize the enforcement function to enhance the efficiency, effectiveness and clarity in Market Rule enforcement. Specific implementation of the design will be captured in future changes to the Market Rules and Market Manuals, as well as other guidance documents.

MACD values all feedback and will consider comments received before finalizing the direction of the proposals and determining next steps, including any Market Rule amendments to be pursued. A public stakeholder session is scheduled for **May 22, 2026** at which MACD will present the proposals and invite feedback.

Background

The enforcement framework has not been meaningfully updated since market opening in 2002. The market has changed dramatically in the meantime: new technologies have developed; new entrants have joined the market (over 600 Market Participants); and the market has exceeded \$20+ billion. The enforcement tools need to keep pace with the breadth of these changes.

There are opportunities to enhance the enforcement framework and align with the practices of comparator agencies. The design proposals draw on prior engagement with the sector and benchmarking of enforcement practices of other electricity markets and Canadian regulators. Modernizing the enforcement framework will introduce more certainty to the market and support more efficient and effective enforcement outcomes.

The proposals set out below are at an early stage of development. No precise Market Rule language has been drafted at this time. As noted above, this engagement is to inform the market of the direction of future work and identify ideas and input from the market early in the process. No commitments have been made with respect to any particular proposal, and MACD may decide to modify, narrow or abandon any proposal.

Proposal 1: Internal Compliance Programs

1.1 Background

MACD aims to increase the effectiveness of the enforcement regime by reexamining its approach to internal compliance programs (“**ICPs**”), which promote Market Participant compliance. ICPs are a critical means of fostering compliance with the Market Rules, functioning as a proactive way for Market Participants to avoid Market Rules breaches and enforcement actions. An effective ICP should lead to fewer breaches of the Market Rules, and a reduction in enforcement actions and financial penalties. Increasing Market Participant compliance is critical to maintaining a fair and efficient market, reliable grid and is beneficial to the sector as a whole.

Not all Market Participants have internal compliance programs. While ICPs are incentivized under the current Market Rules, factoring into the penalty assessment, there is no upfront requirement to have one. MACD would like to make clearer the importance it places on having an ICP. Given their effectiveness in facilitating Market Rules compliance, MACD would like to increase their rate of adoption.

1.2 Design Proposal

MACD is proposing to amend the Market Rules to include a new requirement that all Market Participants have in place an ICP. MACD will not take a prescriptive approach to this requirement, either by dictating the design of the ICP or by specifying required elements of a program. In doing so, MACD preserves the flexibility for Market Participants to exercise their best judgment to develop a program that reflects the needs, size and other circumstances of their organization.

MACD will, however, continue to assess the “quality” of a Market Participant’s ICP when determining the appropriate penalty amount. Market Participants should refer to MACD’s Statement of Approach (“**SOA**”) for guidance on how MACD will conduct this assessment. Market Participants should also expect this SOA to be updated to reflect the mandating of ICPs.

MACD understands it may take time to come into compliance with this new requirement. MACD is considering providing Market Participants with a 6-month grace period to develop an ICP. For existing Market Participants, this 6-month period would run from the effective date of the Market Rule. For new Market Participants whose registration date falls after the effective date of the Market Rule, this 6-month period would run from the time of registration. This grace period is intended to give existing and new Market Participants sufficient time to develop a strong internal

compliance program. By mandating ICPs, MACD aims to help spotlight compliance and provide incentive for organizations to devote sufficient resources to compliance.

Proposal 2: Removal of Ring-fencing Language

2.1 Background

MACD previously proposed updating Market Manual 2.6 to remove ambiguous language related to MACD being “ring-fenced” from the IESO. The intent was to provide clarity, but Market Participants raised governance concerns, noting that from their vantage point, the relationship between the IESO and MACD appeared to be changing. That was not the intent of the proposal. MACD is proposing a clearer definition of its relationship with the IESO, grounded in the Market Rules.

2.2 Design Proposal

MACD is proposing the creation of a Market Rule that makes clear that: (1) the IESO has delegated responsibility for enforcement of compliance with the Market Rules to MACD; (2) MACD will independently exercise this delegation of authority; and (3) the scope of the exercise of such authority is with respect to Market Participants and the IESO.

MACD also proposes consequential amendments to Market Manual 2.6. These changes would replace the ring-fencing language in Market Manual 2.6 with language that captures the existing features of the relationship between MACD and the IESO, including that:

- MACD’s files are segregated from the rest of the IESO and accessible only to MACD staff members (and other IESO support staff such as Information Technology)
- MACD may share common services with other IESO business units such as Procurement, Information Technology and Human Resources
- MACD reports directly to the Board of Directors
 - The head of MACD reports to the Markets Committee of the IESO’s Board of Directors on a functional basis and the CEO of the IESO on an administrative basis.

Proposal 3: Information Gathering Powers

3.1 Background

MACD has broad authority to monitor, gather and request information from Market Participants and the IESO, but the scope may not be clear to Market Participants. This can lead to uncertainty for Market Participants about what to expect when requested to provide information to MACD, what obligations a Market Participant may have to provide requested information and what could be the consequences of a failure to provide requested information. MACD also wants to be explicit that it may ask for information from any persons at any time in support of its enforcement activities.

3.2 Design Proposal

MACD is proposing a Market Rule that explicitly confirms MACD's authority to request information from any person, including Market Participants and the IESO. As is the case under the current framework, failure to comply could result in a finding of rule breach with associated sanctions. MACD is further proposing to codify in the Market Rules that an adverse inference may be drawn from a failure to provide information, so as to make clear to Market Participants the consequences of non-compliance.

The Market Rules allow the IESO to undertake any necessary monitoring, as well as having broad authority to undertake investigations. MACD is proposing to update this to capture some examples of the monitoring and investigative activities that MACD performs, including:

- Event monitoring in the IESO-administered markets and on the IESO-controlled grid;
- Review of self-reports;
- Self-certifications;
- Spot-checks;
- Audits;
- Direct observations and receipt of reports of potential non-compliance from third parties; and
- Gathering and reviewing information via the following methods, including from non-Market Participants:
 - document and record production;
 - responses to written inquiries; and
 - interviews by employees or contractors (or former employees and contractors).

Proposal 4: Information Sharing

4.1 Background

In order to fully discharge its compliance and enforcement mandate, from time-to-time MACD may need to share information with parties that are not the subject of enforcement actions, including other Market Participants, non-Market Participants, and other regulators and government agencies. Under the current confidentiality provisions of the Market Rules, MACD can be hindered in its ability to share such information for enforcement purposes. Nevertheless, MACD understands there are concerns around the proposed ability to share Market Participants' confidential information and wants to provide guidance to the sector as to how it would exercise such authority.

4.2 Design Proposal

MACD is proposing a Market Rule amendment to enable it to share confidential information for enforcement purposes. This would create an exception to the Market Rules related to confidentiality to enable MACD to share information with a third party for enforcement purposes only. MACD is also proposing the publication of guidance around the use and safeguards for such sharing of information.

The proposed guidance would include the following principles:

1. MACD will recognize the importance of Market Participant's sensitive commercial information and the need to protect it.
2. At the same time, effective enforcement of Market Rules is critical to the MACD's mandate and ensures the efficiency of the IESO-administered markets and reliability of the IESO-controlled grid.
3. Recognizing the foregoing, MACD will operate within the principle of minimal disclosure i.e. MACD will only disclose confidential information to third parties in those situations where it would not be reasonably practicable to carry out its enforcement duties without doing so. In such circumstances, communication of confidential information will be minimized to include only such disclosure as is required for the enforcement purpose.
4. When disclosing confidential information to another Market Participant in written form, MACD will mark all such materials as confidential, and all confidentiality obligations set

out under the Market Rules will apply to that information. MACD will remind the Market Participant of its confidentiality obligations under the Market Rules.

5. When disclosing to a third party, where appropriate MACD may enter into a confidentiality agreement with that party.

The principles and safeguards outlined above reflect MACD's commitment to protecting confidential information while undertaking the critical role of enforcing the Market Rules in a fair, effective, and efficient manner.

Proposal 5: Investigation Process

5.1 Background

MACD believes that there are opportunities to enhance the efficiency, effectiveness and clarity of its compliance and investigation processes to the benefit of MACD and those subject to regulation under the Market Rules. Throughout the course of this document, specific design changes are being proposed for comment. These design changes will impact the existing investigation rules and associated processes. When MACD moves to the drafting stage of this process, these changes will be clearer; however, in advance, in this section MACD seeks to call Market Participants' attention to where there may be significant impacts, including changes to existing procedural rights, so that Market Participants will have the opportunity to comment at this early stage.

5.2 Design Proposal

Many of the changes detailed in other areas of the design proposal will have consequential amendments to the Market Rules related to the investigation process. For example, these will include changes to information gathering, and providing the opportunity to settle at any point in the process. MACD will create associated rules in the existing Chapter 3 process to address these changes.

There will also be changes made to improve clarity of the Market Rules related to the investigation process. For example, Chapter 3, section 6.2.3.1, relating to notices of an alleged breach, states that MACD will indicate in such a notice the time by which the breach must be remedied. It would be better to move that to the provisions that relates to sanctions. MACD will provide more information about these changes when moving from the design to drafting the Market Rule amendments.

In addition to the consequential changes and changes for clarity, through this design proposal, there will be changes to the investigative process that will impact the procedural rights of Market Participants. MACD is proposing greater procedural rights for Market Participants in complex matters: moving the existing option to have a meeting until later in the investigative process to allow Market Participants a greater opportunity to understand the facts, and providing Market Participants with a report prior to a determination being made.

For less complex matters, we propose simplifying the investigative process, which would involve a reduction in procedure, including some of the procedural rights in the existing process. Two types of changes are proposed:

First, to enable rapid determinations in the case of specified rule breaches MACD has proposed a specified penalties regime. This would mean that for a list of pre-determined rules with associated fixed financial sanctions, with sufficient evidence, MACD may move to immediately determine a breach and associated penalty. The Market Rules would provide for this process, with a maximum specified penalty up to \$200,000 (being the maximum of the lower tier of the penalty table). The list of breaches and associated sanctions would be listed in a Market Manual.

Listed in the table below are examples of potential Market Rules breaches and reliability standards violations that, based on MACD’s experience, could be appropriate for specified penalties, with included penalty ranges. These examples are for illustrative purposes to provide an opportunity for comment, and they are still subject to change. There will be further opportunity for comment prior to the list of specified penalties being finalized. The examples were selected to apply across the various types of Market Participant classes.

Category	Market Rule/ Reliability Standard	Min (\$)	Max (\$)
Standard FAC-003-5 Transmission Vegetation Management	RS	10,000	200,000
Failure to comply with Operating Reserve Activation (ORA)	MR	10,000	150,000
Failure to comply with dispatch instructions/directions from IESO	MR	10,000	100,000
Standard CIP-002-5.1a — Cyber Security — BES Cyber System Categorization	RS	10,000	100,000

Standard PRC-005-6 – Protection System, Automatic Reclosing, and Sudden Pressure Relaying Maintenance	RS	5,000	50,000
Failure to maintain revenue meter (repair, replace, inspect, and test)	MR	5,000	50,000

The application of the specified penalties process would be at the discretion of MACD. Market Participants would have the ability to dispute the application of the specified penalty; however, they would risk ultimately higher penalties.

Second, in addition to the specified penalties regime, MACD is proposing a simplified investigation process for matters where MACD would only seek penalties within the lowest tier of the penalty table. Notice of the investigation would be provided, with a fixed period of time to provide written representations. There would be no opportunity for a meeting, but there may be additional information exchanged if a request for information is warranted. A determination may be made as early as following the elapse of time for such representations. Following a determination, a Market Participant will have the right to dispute the outcome.

In order for regulation to be as efficient as possible, it is important that regulators have processes that are fit for the various purposes for which they are needed. These changes strive to balance the process with the nature of the event under investigation.

Proposal 6: Sanctions

6.1 Background

MACD has identified several areas in its sanctioning framework that would benefit from process enhancements and modernization. Currently, Ontario is lagging behind its closest comparators in terms of the maximum financial sanction. Additionally, sanctions may not be an effective deterrent if they are not sufficient to match the benefit received by the Market Participant from the breach. The existing framework involves two penalty tables, with various and overlapping tiers, and a multiplicity of sanctioning factors. MACD is proposing Market Rule amendments to incorporate the following improvements: (1) updating penalty amounts; (2) adopting a single penalty table; (3) updating and simplifying the penalty factors; (4) clarifying and updating the non-financial sanctions; and (5) introducing a streamlined specified penalty regime.

6.2 Design Proposal

MACD is proposing to modernize the existing provisions of the Market Rules relating to sanctions with the following changes:

1. Update the existing penalties in the following ways:

- a) Update the Maximum Fixed Penalty from \$1,000,000 per breach to \$1,500,000 per breach, per day. The addition of a per day element will address duration directly in the penalty (to provide an appropriate sanction where the breach count may be low, but the breach is lengthy). The penalty amounts will also be indexed to inflation to ensure they remain relevant.
- b) Create a new penalty that is responsive to the benefit received and/or the harm caused, where such benefit/harm could exceed the Maximum Fixed Penalty. This will be the Maximum Variable Penalty and will be the quantified benefit received/harm caused plus ten per cent.
- c) Create a Maximum Penalty that is the greater of the Maximum Fixed Penalty and the Maximum Variable Penalty.

2. **Simplify the multi-table approach by eliminating the existing two-tier sanctions structure.** Create meaningful and distinct tiers to align with the nature of the breach, that may be adjusted in accordance with the below-noted sanctioning factors within the tiers.

	Nature of the Breach		
	Low (\$)	Medium (\$)	High (\$)
Sanctioning Factors	0 – 200,000	200,000 – 700,000	700,000 – Maximum Penalty

Assessment of the nature of the breach and whether a matter falls into the low, medium or high tier will be based on the nature of the matter, including impact or conduct, and any assessment to comparator incidents or conduct. For matters involving the IESO-administered markets or

reliability, the comparison will be based on the actual or potential impacts on the markets and/or reliability, as well as actual or potential impacts on other Market Participants and/or the IESO. For matters involving breaches of information-related obligations, including breaches of confidentiality, providing false or misleading information to the IESO or other Market Participants, and failing to cooperate with IESO information requests, the comparison will be based on the seriousness of the information breach.

3. Simplify and clarify the sanctions regime through updates to the sanctioning factors.

To minimize any overlap and complexity from the current regime, MACD proposes setting the penalty within its assessed tier based on the following factors:

- a) Impact (this may include actual or potential impact or harm, scope, or seriousness of conduct);
- b) Intent (this may include assessing the extent to which the breach was intentional, reckless or negligent);
- c) Compliance history (this may include a Market Participant's self-reports, prior breaches including for similar conduct sanctioned by other regulators in other jurisdictions, recency and frequency of past non-compliance, patterns of behaviour);
- d) Cooperation and commitment to compliance (this may include nature and extent of a Market Participant's cooperation upon becoming aware of a breach, any expression of admission and contrition, quality of any ICP);
- e) Achievement of general and specific deterrence (this may include consideration of the size of the Market Participant, and the impact of sanctions on its behaviour); and
- f) Such other matters as the MACD considers appropriate.

4. Clarify and update non-financial sanctions.

MACD has the authority under the existing Market Rules to order non-financial sanctions. Through these rule amendments, MACD proposes certain additions, changes and clarifications to these non-financial sanctions, including Market Rule amendments to enable the issuance of the following orders:

- Direct the Market Participant to cease, immediately or within a specified period, the act, activity or practice constituting the breach of the Market Rules;
- Impose additional or more stringent record-keeping or reporting requirements on the Market Participant;

- Direct the Market Participant to implement, within a specified period, a mitigating action or mitigation plan to address the Market Rule breach or prevent recurrences of the Market Rule breach; and
- Direct the Market Participant to implement specified improvements to its internal compliance program.

In addition, for urgent matters MACD proposes the ability to issue orders without prior notice directing the Market Participant to cease, immediately or within a specified period, the act, activity or practice constituting the breach of the Market Rules, and/or directing the Market Participant to take action as specified in the order. The Market Participant will be able to apply to MACD to vary or rescind the order within 10 days of becoming aware of the order or such additional time as may be permitted.

5. Introduce a new regime to more efficiently address simple matters

A new specified penalties regime as well as simplified investigation process have been separately proposed in the section titled “Investigation Process”.

Proposal 7: Publication of Enforcement Outputs

7.1 Background

Stakeholders shared feedback that they were interested in exploring current practices in publishing outcomes of enforcement action. Accordingly, MACD undertook some benchmarking with other organizations and assessed that the level of disclosure by MACD could be enhanced to align with comparator organizations.

Publication of final enforcement outputs advances transparency, deters future non-compliance, and provides Market Participants with meaningful guidance on how the Market Rules are interpreted and applied – core objectives of effective market oversight. These objectives align directly with MACD’s mandate to promote efficient, competitive, and reliable markets.

7.2 Design Proposal

Generally, MACD proposes to publish all final enforcement outputs – including Notices of Non-Compliance, Letters of Non-Compliance, financial penalties and settlement agreements. MACD will retain discretion to withhold or redact, including where disclosure would not be in the public

interest. Where redactions are made, they will generally be targeted and limited to information that is genuinely confidential or sensitive.

Documents relating to NERC CIP violations would be withheld from publication in their entirety due to system security requirements. Investigative-stage documents like Notices of Investigation will generally continue to be withheld, subject to a public interest discretion.

- 1. Add a new rule establishing a publication framework for enforcement outputs.**
This could include guidance identifying the enforcement outputs that will be made public, including any applicable publication timelines and process steps for the treatment of confidential or sensitive information.
- 2. Include discretionary authority to withhold or redact enforcement outputs where disclosure would not be in the public interest.** This would allow MACD to redact or withhold from publication any enforcement output in situations including where, for example, disclosure may pose a potential security threat to the integrated power system, harm the IESO-administered markets, compromise third-party interests or prejudice ongoing investigations or potential enforcement proceedings.
- 3. Include discretionary authority to publish Notices of Investigation in limited public interest circumstances.** By default, these early-stage documents would not be published. However, MACD will retain discretion to publish these documents where it determines that disclosure is in the public interest – for example, where there is an ongoing or imminent risk of harm to Market Participants or market integrity.

Proposal 8: Settlements/Dispute Resolution Process

8.1 Background

MACD aims to improve the efficiency and efficacy of the dispute resolution process and the settlement process. MACD disputes are currently governed by the IESO's dispute resolution process. However, the nature and process needs for the IESO's disputes can be very different from MACD's disputes. MACD is proposing a separate dispute resolution process effectively tailored to enforcement disputes.

MACD also aims to reduce the following inefficiencies in the current dispute resolution/settlement process, to permit more timely resolution of matters:

- The current regime permits Market Participants to file a dispute within two years of an enforcement order or determination.
- There is no clear mechanism for parties to terminate good faith negotiations (“GFN”) if unproductive.
- Good faith negotiations and mediation follow the final determination of the VP, MACD.
- Mediation is mandatory.

Settlements play an important role in the efficient resolution of enforcement matters, however the Market Rules do not currently confirm MACD’s ability to settle a compliance matter and that authority remains implicit. MACD proposes codifying its settlement authority in a Market Rule to add further clarity and transparency to the enforcement regime. This is in keeping with feedback MACD received during one-on-one consultations where stakeholders expressed a desire for the Market Rules to be clear and accessible to all participants.

8.2 Design Proposal

MACD proposes creating a distinct dispute resolution process by modifying the existing dispute resolution process in the following ways:

- **Shortening the period to file a dispute from two years to 20 Business Days.**
- **Removing the requirement for mandatory mediation and limiting to optional mediation only.**
- **Moving GFN and optional mediation to the pre-determination stage.**
- **Providing a clear mechanism to terminate GFN once the 30-day minimum period has elapsed.**
- **Providing greater clarity around the GFN process, including the triggering events for the 30-day period.**

Overall, these proposals are aimed at improving the clarity of the dispute resolution and investigative process and increasing the efficiency of both. In keeping with the proposals related to the investigative process, the proposed changes moving GFN and optional mediation to the pre-determination stage would only apply to matters that were not proceeding by way of specified penalty or simplified investigation (addressed above). Where a matter was proceeding by way of specified penalty or simplified investigation, parties would not have recourse to GFN or mediation. Specified penalties and simplified investigations could be disputed only by way of arbitration.

Shortening the period to file a dispute from two years to 20 Business Days: Under the current Market Rules, Market Participants have two years to dispute an enforcement determination or order. Shortening this period to 20 business days will reduce delay in the dispute resolution process. This change was proposed during the last engagement, and the underlying rationale still applies.

This is not a dispute in first instance. By the time a determination is rendered, Market Participants have had multiple opportunities to engage with the investigation, including through meetings and, in the case of certain investigations, the opportunity to review the draft determination and provide additional representations before it is finalized. Furthermore, the proposed change of moving GFN to the pre-determination stage will better position Market Participants to decide whether they wish to dispute the determination before it is issued.

Moving GFN to the pre-determination stage. MACD is proposing to integrate good faith negotiations into the investigation process. While informal negotiations may occur at any time, there will be also be a dedicated negotiation period following MACD's information gathering and prior to the VP's final determination. This change is intended to encourage earlier resolution of enforcement matters, thereby increasing the efficiency of the enforcement process. It also formalizes current practice, in which many matters are resolved prior to a final determination.

Removing mandatory mediation and moving optional mediation to the pre-determination stage: Parties will no longer be required to engage in mediation after the final determination and before proceeding to arbitration. Parties who had engaged in productive GFN but believed that they would benefit from a mediator's assistance could agree to mediation, which would occur prior to the final determination. Removing mandatory mediation following the final determination is intended to reduce the time and cost associated with the dispute resolution process, enabling parties to reach a final resolution more efficiently.

Providing a clear mechanism to terminate GFN after the 30-day minimum period has elapsed: MACD is proposing a mechanism by which either party may terminate GFN if discussions are unproductive, after the initial 30 days has passed. Providing this mechanism promotes efficiency as it permits both parties to move quickly to the next steps in the process if they believe GFN is unable to lead to a resolution. Parties may terminate GFN in writing upon seven days' notice. The provision of seven days provides a cooling off period for parties.

Providing more clarity around the GFN process: MACD will provide more clarity around the GFN process by identifying how GFN are to be initiated and when the 30-day period begins

running. The period will begin after clear written notice and details of the evidence have been provided by MACD to the Market Participant.

MACD is also proposing the creation of a Market Rule that codifies its settlement power and to streamline its settlement negotiations process through supporting guidance. Under the proposed process, if MACD staff receives a settlement offer it believes would serve the public interest, it would present this settlement offer for approval to the VP of MACD. If the VP of MACD finds the settlement offer to be in the public interest, the VP may approve the settlement, and the matter and the settlement will be made public.

Proposal 9: MACD Service Standards

9.1 Background

During one-on-one consultations, stakeholders cited a desire for increased certainty as to when a matter would be addressed and timelier enforcement actions. MACD has taken on board these comments and is proposing service standards to address these concerns. It should be noted that these proposed changes would not result in Market Rule amendments but are being included here so that Market Participants can see how MACD is addressing their feedback.

These service standards are proposed with the goal of bringing further clarity and efficiency to MACD’s enforcement processes. They have been informed by benchmarking with comparator agencies. Service standards represent target timeframes and would not limit MACD’s ability to extend the timeline where required.

9.2 Design Proposal

MACD is proposing the following service standards with respect to its enforcement processes:

Activity	Standard	Target
Acknowledge self-reports submitted through Online IESO or the MACD Inbox, email inquiries and voicemails	Within 1-3 business days	90%
Provide a status update or otherwise communicate about the audit/investigation to the audited/investigated Market Participant	At least once every six months	70%
Process a self-certification	Within 6 months	70%

Next Steps

MACD welcomes written feedback on any of the proposals set out in this discussion paper. A public stakeholder engagement session presenting these proposals and responding to questions is scheduled for **May 22, 2026**.

A form for accepting comments will be provided as part of public stakeholdering. For more information, please visit <https://www.ieso.ca/Sector-Participants/Engagement-Initiatives/Engagements/Enforcement-Modernization>.