Market Rule Amendment Proposal Form

Part 1 - Market Rule Information

Identification No.:	MR- MR-00502-R00
Subject:	Regulation Service Performance Measurement Framework Updates
Title:	Regulation Service Performance Measurement Framework Updates
Nature of Proposal:	☒ Alteration ☐ Deletion ☒ Addition
Chapter:	5
Appendix:	5.1
Sections:	4.9 & 4.10
Sub-sections proposed for amending:	Ch.5 ss. 4.9.2.6, 4.9.2.7 & 4.10.1.1 App.5.1 s. 1.1.4A
Current Market Rules Baseline:	Issue 7.0 – October 30, 2026

Part 2 - Proposal History

Version	Reason for Issuing	Version Date
1.0	Issued for stakeholder review	November 11, 2026

Approved Amendment Publication Date:

Approved Amendment Effective Date:

Part 3 - Explanation for Proposed Amendment

Provide a brief description that includes some or all of the following points:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

Summary

Insert Text Here

Background

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Discussion

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Part 4 - Proposed Amendment

Chapter 5

4.9 Auditing and Testing of Ancillary Services

4.9.1 The *IESO* shall test *facilities* and any associated *resources* that will or do provide *ancillary services* to the *IESO-controlled grid.* The *IESO* shall use such tests to determine whether to register each *facility* as one or more *resources* for the provision of *ancillary services* and to ensure that each applicable *facility* or *resource* continues to meet the requirements for registration to provide the relevant *ancillary services.*

4.9.2 Tests of the *facilities* and *resources* of *ancillary service providers* or of prospective *ancillary service providers* referred to in section 4.9.1 shall include, but not be limited to, testing in the manner set forth in this section 4.9.2, to determine whether the *ancillary service provider* can supply the *ancillary services* which it wishes to supply or has contracted or been registered to supply:

4.9.2.1 the *IESO* may test the synchronized *ten-minute operating reserve* capability of a *generation facility*, *load facility* associated with a *dispatchable load* or an *electricity storage facility* by issuing unannounced *dispatch instructions* requiring the associated *resource* to ramp up or reduce demand, in either case to its ten-minute capability;

4.9.2.2 the *IESO* may test the non-synchronized *ten-minute operating reserve* capability of a *generation facility*, *electricity storage facility* or *load facility* associated with a dispatchable load by issuing unannounced dispatch

instructions requiring the associated *resource* to come on line and ramp up or to reduce demand, in either case to its ten-minute capability;

4.9.2.3 the IESO may test the *thirty-minute operating reserve* capability of a *generation facility*, *electricity storage facility* or *load facility* associated with a *dispatchable load* by issuing unannounced *dispatch instructions* requiring the associated *resource* to come on line and ramp up or to reduce demand, in either case to its thirty-minute capability;

4.9.2.4 a *certified black start facility* must perform tests on auxiliary and control equipment and alternate sources of power in accordance with and using the testing criteria and testing frequency requirements specified in the *Ontario power system restoration plan*;

4.9.2.4A a *certified black start facility* must pass the tests required for *certified black start facilities* in accordance with and using the testing criteria specified in the *Ontario power system restoration plan*;

4.9.2.4B the *IESO* may direct line energization tests of a *certified black start facility* to determine whether the *certified black start facility* can energize a transmission path specified by the *IESO*;

4.9.2.5 the *IESO* may test the *reactive support* and *voltage control* that has been contracted from a *facility* that is a *generation facility* or *electricity storage facility* by issuing unannounced *dispatch instructions* requiring the associated *resource* to provide such support within its contracted capability; ~~and~~

4.9.2.6 the *IESO* ~~shall at least annually~~may test a *resource* or *facility* providing *regulation* for compliance with the performance standards referred to in sections 1.1.3 and 1.1.4 of Appendix 5.1 in accordance with the testing procedures specified in the applicable *contracted ancillary services* contract~~.~~; and

4.9.2.7 the *IESO* may evaluate a *resource* or *facility* providing *regulation* for compliance with the performance standards specified in section 1.1.4A of Appendix 5.1.

4.9.3 The costs incurred by the *IESO* in conducting and evaluating any tests pursuant to section 4.9.1 or 4.9.2 shall be recovered by the *IESO* as part of the costs to the *IESO* of contracting for the applicable *ancillary service* in accordance with MR Ch.9 s.4.2.

4.9.4 Any costs incurred by the *ancillary service provider* in conducting any tests pursuant to section 4.9.1 or 4.9.2 shall be borne by the *ancillary service provider*.

4.10 Consequences of Failure to Pass a Test

4.10.1 If an *ancillary service provider's facility* or *resource* fails a test performed pursuant to section 4.9.1 or 4.9.2 in respect of an *ancillary service*, the *IESO* shall not schedule such *ancillary service* from such *facility* or *resource* until the *ancillary service provider* demonstrates that it can provide the relevant *ancillary service*.

4.10.1.1 Nothwithstanding section 4.10.1, the *IESO* may schedule a *resource* or *facility* providing *regulation* that fails a test performed pursuant to sections 4.9.1 or 4.9.2, if such scheduling is necessary to maintain the *reliable* operation of the *IESO-controlled grid.*

4.10.2 Without prejudice to the application of section 4.10.1, an *ancillary service provider* whose *facility* or *resource* fails a test performed pursuant to section 4.9.1 or 4.9.2:

4.10.2.1 in the case of an ancillary service provider providing a certified black start facility or regulation under a contracted ancillary service contract:

a. where there is sufficient information available to determine the date as of which the applicable *contracted ancillary service* was not provided, the *IESO* may require the *ancillary service provider* to refund the compensation it has received for such *contracted ancillary service* from such date to the date of the failed test; or

b. in all other cases, the *ancillary service provider* shall provide such refund of compensation, if any, as may be specified in its *contracted ancillary service* contract;

4.10.2.2 in the case of an *ancillary service provider* providing a *certified black start facility* or *regulation* under a *contracted ancillary service* contract, shall be subject to such penalties and sanctions as may be specified in its *contracted ancillary service* contract; and

4.10.2.3 in the case of any other *ancillary service provider*, shall be subject to financial penalties in accordance with MR Ch.3 s.6.6 and to such other sanctions as may be provided for in these *market rules*.

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Appendix 5.1 – Performance Standards for Ancillary Services

1.1 Regulation

1.1.1 A *market participant* whose *resource* is providing *regulation* shall submit to the energy management system referred to in section 12 of Chapter 5 the monitoring and control information required to be provided pursuant to MR Ch.4.

1.1.2 The telemetering between the energy management system referred to in section 12 of Chapter 5 and a *resource* providing *regulation* shall indicate:

1.1.2.1 whether the *resource* is synchronized to the *IESO-controlled grid,* associated with a *facility* connected to a *distribution system,* or associated with a *facility* connected to another *market participant's facility*;

1.1.2.2 whether the *resource* is providing *regulation* or not; and

1.1.2.3 the net injection or withdrawal of the *resource*.

1.1.3 A *resource* providing *regulation* must achieve at least the ramp rate specified in its *contracted ancillary services* contract for the full amount of *regulation* capacity offered in such contract.

1.1.4 A *resource* providing *regulation* must be able to adjust its output or consumption at least at the ramp rate specified in its *contracted ancillary services* contract to the maximum and minimum values specified in such contract.

1.1.4A A *resource* or *facility* providing *regulation* must achieve a monthly mean absolute error, of less than 50%, as calculated in accordance with the applicable *market manual*.

1.1.5 No *market participant* shall *offer* for a *resource* to provide *regulation* capacity that exceeds an amount equal to the *resource's* maximum ramp rate multiplied by ten minutes.

1.1.6 A *facility* associated with a *resource* providing *regulation* must be capable of receiving control signals sent from the *IESO* at the rate of at least one signal every two seconds. If the *regulation* control signals are received by a *control centre*, the *control centre* must forward these signals to the *facility* associated with the *resource* providing *regulation* within two seconds of having received the signal from the *IESO*.

1.1.7 All *facilities* associated with *resources* providing *regulation* must meet, at a minimum, the performance requirements for off-nominal frequency, speed/frequency regulation and voltage ride through specified in MR Ch.4 App.4.2. For greater certainty, the foregoing obligation applies to all such *facilities* providing *regulation*, regardless of size, technology or connection location.