

# Exemption Application Form

**Note:** Upon completing this application form, please submit by e-mail to: [exemptions@ieso.ca](mailto:exemptions@ieso.ca)

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *market rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the appropriate confidentiality level upon receipt.

Terms and acronyms used in this form that are italicized have the meanings ascribed thereto in Chapter 11 of the *market rules*.

Please ensure that your *exemption application* and all accompanying documentation complies with the *Accessibility for Ontarians with Disabilities Act (AODA)*. More details on accessibility requirements can be found at: [Accessibility in Ontario](#)

## Part 1 – General Information

<b>Date submitted to the <i>IESO</i>:</b>	2026/03/24
<b>Market Participant Name:</b>	Independent Electricity System Operator
<b>Address:</b>	1600-120 Adelaide Street West
<b>City/Town:</b>	Toronto
<b>Province:</b>	ON
<b>Postal/Zip Code:</b>	M5H 1T1
<b>Contact Name:</b>	Greg Moore
<b>Email Address of Contact:</b>	Greg.moore@ieso.ca

## Part 2 – Information about the Exemption Application

**Please specify the duration for which you would like the *exemption* granted in days, months or years:**

3 Years

**Please cite the specific obligations or standards you are seeking an exclusion from under *market rules, market manuals, or any standard, policy or procedure established by the IESO pursuant to the market rules:***

The IESO is seeking an exemption from the requirements in Market Rule Chapter 5, Section 4.3.1 and Chapter 7, Section 9.2.1 that limit the IESO to contracting with regulation service providers who have demonstrated an ability to provide those services in accordance with the relevant technical requirements in MR Ch.5 s.4. Without the exemption, these Market Rules require a facility or resource to meet all the performance standards, technical requirements, and applicable registration requirements for ancillary services before they can be contracted to provide ancillary services.

The IESO is not seeking an exemption from other obligations set out in these Rules.

### **Market Rule Chapter 5**

- Section 4.3.1: *Ancillary services* may be provided to the *IESO* only by *facilities* or *resources* in accordance with MR Ch.7. *Ancillary services* may be offered to the *IESO* in its daily and hourly *physical markets* or provided to the *IESO* under *contracted ancillary service* contracts through the *IESO's ancillary services procurement markets* or by means or within the scope of *operating agreements* or another agreement of a similar nature. Prior to entering into a contract with any *ancillary service provider*, the *IESO* shall determine whether the *facilities, resources* and procedures of such *ancillary service provider* meet the applicable requirements for registration in respect of the *ancillary service(s)* to be provided and are otherwise in compliance with the technical requirements of this Chapter. The *IESO* shall not contract for *ancillary services* with an *ancillary services provider* whose *facilities* or *resources* are not in compliance with such requirements.

## Market Rule Chapter 7

- Section 9.2.1: Subject to sections 9.4 and 9.5.2, the *IESO* shall procure *contracted ancillary services* through contracts between the *IESO* and *ancillary service providers* that are *registered market participants* who have demonstrated the ability to provide such *contracted ancillary services* from *facilities* or *resources* in accordance with the performance standards and other applicable requirements of MR Ch.5 s.4. *Contracted ancillary services* shall meet all applicable standards set forth in MR Ch.5 s.4 and shall be procured such as to enable the *IESO* to meet its obligations thereunder.

### Part 3 – Type of Exemption Application Request

- The exemption applicant requests an exemption pursuant to section 2.1 of Market Manual 2.2: Exemption Applications and Assessment. Note: Appendix A form must be attached,**
- The exemption applicant requests an interim exemption pursuant to section 2.2 of Market Manual 2.2: Exemption Applications and Assessment. Note: Appendix A form must be attached,**
- The exemption applicant requests an amendment to its exemption pursuant to section 4.2 of Market Manual 2.2: Exemption Application and Assessment. Note: Appendix B form must be attached.**

**Note:** The *IESO* recommends that the *exemption applicant* contact the *IESO's* Market Assessment and Compliance Division regarding the compliance and enforcement measures the *IESO* intends to take pending the hearing of the *exemption*, as in some cases it may not be necessary for the *exemption applicant* to seek an interim *exemption*.

### Part 4 – Supporting Documentation to be attached by Exemption Applicant

**In addition to completing this exemption application, the exemption applicant must complete Appendix A (Exemption Plan) in full, unless this application is for an**

amendment to an existing *exemption*. Applications for amendments to existing *exemptions* must include Appendix B (Exemption Amendment Request).

Please list any additional supporting documentation below:

1. Exemption Application Supporting Materials (Appendix A)
2. IESO Staff Recommendation

**Part 5 - Confidentiality**

- The *exemption applicant* agrees that information in this *exemption application* may be posted in its entirety on the *IESO* website.**

**OR**

- The *exemption applicant* claims confidentiality over parts of this *exemption application* in accordance with Section 1.3 of Market Manual 2.2: Exemption Application and Assessment. The parts of this *exemption application* over which confidentiality is claimed are **highlighted in yellow** and described below. The balance of the information in this *exemption application* may be posted on the *IESO* website.**

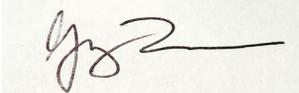
If relevant, please complete the table below indicating which part of the *exemption application* the *exemption applicant* claims is confidential in accordance with section 1.3 of Market Manual 2.2: Exemption Application and Assessment.

Section/Page Reference	Description of Confidential Information Associated
<b>[Specify document section/page]</b>	<b>[Briefly describe the nature of the confidential information]</b>

**Note:** The *IESO* will review any information identified by the *exemption applicant*. Confidential information will be redacted in accordance with the provisions of MR Ch.3 s.5. The *exemption applicant* agrees to provide further clarification if required. The *IESO* will only redact confidential information in accordance with the *market rules, market manuals, and any applicable law*.

## Part 6 - Certification

**The *exemption applicant* hereby declares that the information submitted is, to the best of the *exemption applicant's* knowledge, complete and accurate.**

Name Greg Moore  
Title Senior Manager, Resource Adequacy and Sector Evolution  
Signature   
Date 2026/03/24

## Appendix A: Exemption Application Supporting Details

**This form must be completed if the *exemption applicant* is applying for a new *exemption* or an *interim exemption*.**

### Part 1 - Criteria Assessment

**The IESO considers applications for *exemptions* based on the assessment criteria outlined in Section 3.2.4 of Market Manual 2.2: Exemption Application and Assessment. These criteria are repeated below for convenience, and the *exemption applicant* should respond to every criterion to ensure the *exemption application* is complete.**

Refer to the IESO Staff Recommendation for the IESO's assessment of how the criteria in section 3.2.4 of Market Manual 2.2 apply to the exemption application.

### Part 2 – Exemption Plan

**Please explain why the *exemption applicant* cannot comply with the *market rule, standard, policy or procedure* to which the *exemption application* relates.**

The attached IESO Staff Recommendation explains why the IESO cannot comply with the requirements in Market Rule Chapter 5, Section 4.3.1 and Chapter 7, Section 9.2.1 that limit

the IESO to contacting with regulation service providers who have demonstrated an ability to provide those services in accordance with the relevant technical requirements in MR Ch.5 s.4.

**Please describe the proposed manner in which the *exemption applicant* intends to operate equipment, facilities, or perform operations during the *exemption* period.**

During the period of the requested exemption, the IESO proposes to contract with market participants who do not yet meet all of the registration or technical requirements in MR Ch.5 s.4 related to the provision of regulation services.

While exercising this increased contracting flexibility, the IESO will ensure that contracted regulation service providers do not provide regulation service until they meet all required technical requirements in MR Ch.5 s.4, as well as all other requirements established by the Market Rules and Manuals.

The IESO will also endeavor to contract for regulation services with market participants with facilities that are best positioned to meet the technical and registration requirements to provide regulation services in a timely manner without significant capital expenditure.

The IESO's procurement will be limited to the amount of regulation that is anticipated to be required during the term of the exemption. The 2025 Annual Planning Outlook (APO) identified a need for an additional  $\pm 70$  MW of regulation capacity in 2027 and 2028, and  $\pm 100$  MW in 2029. However, the 2026 APO, which is expected to be released at end of March, will confirm the actual amount of regulation service that will need to be procured.

**Describe how the *exemption* plan mitigates any consequences of non-compliance with the relevant *market rule, standard, policy or procedure*.**

The exemption plan mitigates any potential consequences of non-compliance by ensuring that the requested contracting flexibility is limited in scope, temporary in nature, and supported by appropriate operational safeguards.

Although the exemption would permit the IESO to enter into contracts with market participants that have not yet demonstrated full compliance with the technical requirements in MR Ch 5, s.4, the exemption plan would explicitly prevent those facilities from providing regulation service until all applicable technical, performance, and registration requirements are fully satisfied. Throughout the exemption period, the IESO will continue to comply with all other requirements set out in the Market Rules and Market Manuals, helping ensure system reliability and market integrity.

In addition, the exemption plan prioritizes contracting with facilities that are best positioned to achieve compliance with technical requirements within a reasonable timeframe and without significant capital investment. This will further minimize any risk or cost associated with the temporary contracting flexibility.

**Describe how the *exemption applicant* will ensure the *facility, equipment, or resource* operates in a manner consistent with the terms and conditions of the proposed *exemption* and the *exemption plan*.**

The IESO will ensure that relevant staff have been notified of the terms and conditions of the exemption, if granted.

**If applying for an interim *exemption*, explain why the *exemption applicant* is seeking an interim *exemption* and the period of time for which it is being sought. Describe the type and degree of harm the *exemption applicant* may suffer if an interim exemption is not granted.**

N/A