Reasons of the IESO Board in respect of amendments to the market rules

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

The following sets out the *IESO Board's* reasons for its decision on the proposed *amendments* to the *market rules* identified in Part 1 below (the "**Amendments**").

PART 1 – MARKET RULE INFORMATION

Identification No.: MR-00500-R00 Urgent Market Rule Amendment
Title: Reliability Contract Uplift

The *IESO Board* convened to consider the Amendments on the date and location set out in Part 2 below.

PART 2 – BOARD MEETING INFORMATION

Date: October 30, 2026
Location: 1600-120 Adelaide Street West, Toronto ON

Prior to considering the Amendments, the Chair of the *IESO Board* enquired whether any director of the *IESO Board* had a conflict of interest to declare, the result of which is set out in Part 3 below.

PART 3 – CONFLICTS OF INTEREST

☒ No conflict was declared.

☐ Any director declaring a conflict of interest abstained from voting on the adoption of the Amendments.

The *IESO Board* was presented with the materials in respect of the Amendments identified in Part 4 below (the "**Materials**"), all of which is *published* on the *IESO's* website subject to such redactions as *IESO* staff determined reasonably necessary.

PART 4 – MATERIALS

- Urgent *Market Rule* Amendment Proposal
- *IESO Board* Resolution
- Consumer Impact Assessment

Having considered the Amendments and the Materials, the *IESO Board* decided as identified in Part 5 for the reasons set out in Part 6.

PART 5 – DECISION

☒ The *IESO Board* decided in favour of the adoption of the Amendments.

PART 6 – REASONS

The *IESO Board* reviewed the Materials for approval.

The *IESO Board* adopted the amendments for the following reasons:

1. The amendments add a new uplift to recover the costs associated with the acquisition of capacity to support *reliability* in the exercise of the *IESO's* authority under the Electricity Act, and sections 2.3.2 and 2.4.2 of Chapter 5 of the *market rules*;
2. The amendments are urgently required to "to avoid, reduce the risk of or mitigate the effects of conditions that affect the ability of the *integrated power system* to function normally", and therefore satisfy the conditions set out under section 34(1) of the *Electricity Act, 1998;*
3. The amendments will allow the IESO to recover the costs associated with capacity agreements to secure capacity to resolve an adequacy shortfall in the Winter 2026/2027 and through 2027 period and mitigate the likelihood of a *high-risk operating state* or *emergency operating state*.