Reliability Outlook

An adequacy assessment of Ontario's electricity system

January 2026 - June 2027

ieso
Connecting Today.
Powering Tomorrow.

1. Introduction

This Reliability Outlook covers the 18 months from January 2026 to June 2027 and supersedes the Reliability Outlook released on September 18, 2025, and last updated October 7, 2025.

The purpose of the 18-month horizon in the Reliability Outlook is to:

- Advise market participants of the resource and transmission reliability of the Ontario electricity system.
- Assess potentially adverse conditions that might be avoided by adjusting or coordinating maintenance plans for generation and transmission equipment.
- Report on initiatives being implemented to improve reliability within this time frame.

This Reliability Outlook assesses resource and transmission adequacy based on assumptions that are outlined in the Methodology to Perform the Reliability Outlook and the Transfer Capability Assessment Methodology. The methodologies provide explanations and definitions of terminology used throughout this Reliability Outlook. Due to uncertainties associated with various assumptions, readers are encouraged to use their judgment in considering possible future scenarios.

The Reliability Outlook Data Tables provide the underlying data that supports this Reliability Outlook. Please refer to this file for background information on materials presented within this report.

Additional supporting documents are located on the Reliability Outlook webpage.

Security and adequacy assessments are published on the IESO website on a daily basis and progressively supersede information presented in this report.

For questions or comments on this Reliability Outlook, please contact us at 905-403-6900 (toll-free 1-888-448-7777) or customer.relations@ieso.ca.

2. Updates to the Reliability Outlook

Updates to the Report Format

The Q4 Reliability Outlook introduces a revised format designed to enhance clarity, usability, and timeliness. The report is now more focused and concise, enabling market participants to quickly identify outage scheduling signals and other key insights without extensive review. This streamlined approach also alleviates timing constraints, allowing for a more current snapshot and better addressing stakeholder requests for timely information. Details on assumptions, explanations, and terminologies have been moved to the Methodology to Perform the Reliability Outlook and will be updated when appropriate.

Additional details regarding these changes are available on the IESO Engagement website: Reliability Outlook Update

Updates to the Demand Forecast

The demand models use actual demand, weather, and economic data through to the end of September. The latest business intelligence regarding large step loads was incorporated in mid-October. Actual weather and demand data for October and November 2025, which were observed after demand modelling, have also been included in the tables for informational purposes.

Updates to the Supply Forecast

This Reliability Outlook considers planned generator outages over the 18-month period, submitted by market participants to the IESO's outage management system as of November 27, 2025.

Updates to the Transmission Outlook

This Reliability Outlook considers planned transmission outages that were submitted to the IESO's outage management system by November 4, 2025.

3. Reliability Outlook Assessment

Ontario's electricity system is well-prepared to meet reliability requirements over the 18-month Reliability Outlook period, with adequate supply and reserves in place. This is reflected in the current Reserve Above Requirements (RAR) levels (see Figure 1), which measures the margin between available and required resources, being above summer and winter thresholds.

Forecasted firm energy demand is expected to grow over the Reliability Outlook period, with a projected increase of approximately 2.3% for 2025 and 1.6% in 2026 (see Table 1). Following stronger-than-anticipated demand growth in 2025, both peak and total energy demand growth are expected to moderate in 2026 as international trade tensions impact economic activity. Forecasted peak and energy demand remain broadly consistent with, though lower than, the previous forecast (see Table 2). In the longer term, the IESO continues to expect strong electricity demand growth.

Anticipated demand growth in 2026 is driven by numerous large step loads in the form of electric arc furnaces, electric-vehicle battery manufacturing facilities and data centres. Electrification of transportation and industrial sectors also continues to represent a long-term growth driver.

The IESO anticipates sufficient supply throughout the Reliability Outlook period (see Table 3), supported by cost-effective actions taken to secure supply for this period and beyond. These measures include:

- Battery storage projects procured through the Expedited Long-Term (E-LT1) RFP, with additional projects expected from the first Long-Term (LT1) RFP.
- Upgraded capacity resources procured via the Same Technology Upgrades Solicitation.
- Second Medium-Term (MT2) RFP resources, for which a maximum of about 260 MW of re-contracted resources under the capacity stream and more than 200 MW of re-contracted resources under the energy stream are scheduled to continue contributing to the grid on May 1, 2026.

At the time of developing this Reliability Outlook, the December 2025 Capacity Auction results were not yet available. Forecast assumptions were based on capacity targets from the IESO's 2025 Annual Planning Outlook, and incorporating the actual auction results would not materially change the outlook.

Refurbishment of Ontario's nuclear fleet remains on schedule at Bruce and Darlington. Pickering B is expected to operate through September 2026 before going offline for refurbishment, pending final approval by the Canadian Nuclear Safety Commission.

Ontario's transmission system is expected to reliably meet province-wide demand over the next 18 months. Phase 1 of the Waasigan Transmission Project, which includes construction of a new double-circuit 230 kV line between Lakehead TS and Mackenzie TS, is targeted for completion by Q4 2026. This project will strengthen system reliability and support growing demand in the

Northwest. Additional information on transmission outages and projects can be found in the Reliability Outlook Data Tables.

As always, the IESO is actively co-ordinating and planning with market participants to maintain reliability. With more overlapping outage requests, some combinations of transmission and/or generation outages could create operating challenges. Under periods of tighter supply conditions, planned generator maintenance outages are difficult to schedule. Generators are advised not to schedule outages during periods when reserves are forecast to be low and are strongly encouraged to plan ahead and coordinate the timing of outages with IESO staff.

Figure 1: Reserve Above Requirement, Planned and Firm Scenario, Expected Weather

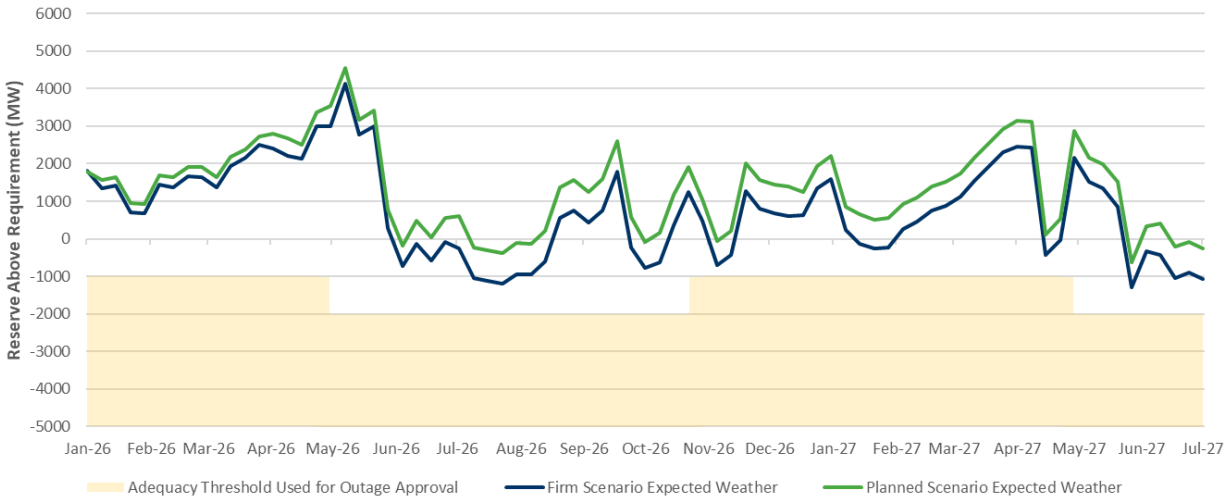

Table 1: Forecast Energy Demand Summary

Year	Normal Weather Energy Firm Scenario (TWh)	% Growth in Energy Firm Scenario	Normal Weather Energy Planned Scenario (TWh)	% Growth in Energy Planned Scenario
2025	144.3	2.29%	144.4	2.33%
2026	146.7	1.63%	147.0	1.81%
2027	148.3	1.10%	149.6	1.81%

Table 2: Forecast Seasonal Peaks

Season	Firm Normal Weather Peak (MW)	Firm Extreme Weather Peak (MW)	Planned Normal Weather Peak (MW)	Planned Extreme Weather Peak (MW)
Winter 2025-26	22,551	23,671	22,588	23,708
Summer 2026	24,089	26,249	24,115	26,538
Winter 2026-27	22,657	23,746	22,690	23,780

Table 3: Committed Generation and Electricity Storage Resources Status over the 18-month Reliability Outlook Period

Project Name	Zone	Fuel Type	Estimated Effective Date	Project Status	Firm (MW)	Planned (MW)
Gas Upgrades STU	Various	Gas	2026-Q1	Under Development	0	142
Brighton Beach Upgrade	West	Gas	2026-Q1	Under Development	0	43
Expedited – Long Term 1 Projects	Various	Various	2026-Q1 to Q4	Under Development	0	1063
Long Term 1 Projects (Within next 18 Months)	Various	Various	2026-Q1	Under Development	0	10
Pickering B	Toronto	Nuclear	2026-Q4	Facility Out of Service	-2,064	-2,064
Total					**-2,064**	**-806**

Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, Ontario M5H 1T1

Phone: 905.403.6900
Toll-free: 1.888.448.7777
E-mail: customer.relations@ieso.ca

ieso.ca

@IESO_Tweets
linkedin.com/company/IESO

ieso
Connecting Today.
Powering Tomorrow.