

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-00490-R00

Title: Adjustments to Real-Time Make-Whole Payments

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: March 10, 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

<input checked="" type="checkbox"/> No conflict was declared.

<input type="checkbox"/> 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

- Memorandum from the *Technical Panel* Chair
- *Market Rule* Amendment Proposal as recommended by the *Technical Panel*
- *IESO* Staff memo to the *Technical Panel*
- Draft Resolution
- *Technical Panel* member vote and rationale
- Consumer Impact Assessment (this assessment is required to support the *Ontario Energy Board market rule* amendments review process)
- *Technical Panel* and Stakeholder Comments (this assessment is required to support the *Ontario Energy Board market rule* amendments review process)

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 Amendment.
- The *IESO Board* referred the Amendments back to the *Technical Panel* for further consideration and vote.
- The *IESO Board* decided against the adoption of the Amendment.

PART 6 – REASONS

The *IESO Board* reviewed the Materials including the *Technical Panel's* unanimous vote to recommend MR-00490-R00 for approval by the *IESO Board*.

The Markets Committee of the *IESO Board* discussed the Amendments and subsequently recommended them for adoption at the March 10, 2026, *IESO Board* meeting.

The *IESO Board* decided to adopt the Amendments recommended by the *Technical Panel*.

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

1. The Amendments will address unwarranted make-whole payments related to the interaction between payments for energy and operating reserve;
2. The Amendments incorporate feedback received from stakeholders and the *Technical Panel*;
3. The *Technical Panel* reviewed the Amendments and unanimously recommended that they be approved; and
4. The *IESO's* management recommended that the *IESO Board* accept the unanimous recommendation of the *Technical Panel* to approve the Amendments.