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Technical Panel Education: Update to Contingency Event Definitions

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Today's Discussion

- This discussion is to update Technical Panel members on market rule amendments that are required in response to the recently revised Northeast Power Coordinating Council (NPCC) Directory 5: Reserves
- These administrative updates to the market rules will align the terminology and defined terms for contingency events with the defined terms used in NPCC Directories and NERC Reliability Standards

Background

North American Electric Reliability Corporation (NERC)

- Electric Reliability Organization (ERO) for North America
- Develops and enforces mandatory reliability standards for the operation and planning of the bulk power system
- NERC Balancing (BAL) Standards govern requirements for operating reserve which is used for contingency recovery

Northeastern Power Coordinating Council (NPCC)

- Regional entity for Northeastern North America that operates within the NERC ERO Enterprise
- Establishes and enforces enhanced regional standards through NPCC Directories which expand upon NERC reliability standards
- NPCC Directory 5 enhances the requirements for operating reserve

IESO

- Reliability Coordinator, Balancing Authority, and Transmission Operator for Ontario
- IESO market rules govern the IESO-controlled grid and IESO-administered markets
- Chapter 5 of the market rules specify the IESO's obligations for the scheduling of operating reserve

Background

- A “*contingency event*” means the unexpected failure of a single component or multiple components connected to the electricity system
- The IESO carries Operating Reserve to help quickly recover energy lost after a contingency event
- NERC and NPCC require the IESO to schedule sufficient Operating Reserve to recover from the largest expected single contingencies on the Ontario power system. These are:
 - “First Contingency Loss”/“Most Severe Single Contingency”
 - “Second Contingency Loss”/“Second Most Severe Single Contingency”

Background

NPCC's triennial document review has revised NPCC Directory 5: Reserves

Summary of changes to Directory 5:

- Retired "First Contingency Loss" from NPCC Glossary of Terms to be superseded by "Most Severe Single Contingency" which is deemed an operationally equivalent term from the NERC Glossary of Terms used for reserves scheduling
- Retired "Second Contingency Loss" superseded by "Second Most Severe Single Contingency" which is a new term introduced to the NPCC Glossary of Terms

These changes are intended to improve consistency between NERC Standards and NPCC Directories

Proposed Changes

- Replace all references to “First Contingency Loss” and “Second Contingency Loss” with “Most Severe Single Contingency (MSSC)” and “Second Most Severe Single Contingency (SMSSC)” to align with industry standard language
- This change will have no impact to existing IESO processes

Summary	Impacted Documents
Replace legacy terminology	Market Rules – Chapter 5: Power System Reliability <ul style="list-style-type: none">• ss.4.5.8, 4.5.19 & 4.5.20
Replace legacy definitions	Market Rules - Chapter 11: Definitions Market Manual 7.6 - Glossary of Standard Operating Terms

Next Steps

- February 10, 2026 - Technical Panel (TP) education and warrants consideration vote
- April 14, 2026 – TP vote to post
- May 12, 2026 – TP vote to recommend
- June 11, 2026 – IESO Board consideration of rule amendments
- September 9, 2026 – Effective date, coinciding with the September baseline

Thank You

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