

Memorandum

To: Technical Panel

From: Karen Backman, Supervisor Market Development

Date: September 8, 2026

Re: MR-00490-R00: Adjustments to Real-Time Make Whole Payments

At the February 10, 2026 Technical Panel meeting, the IESO committed to providing a post-freshet update regarding the potential for make-whole payments to be reduced beyond what is warranted in certain infrequent scenarios involving hydro resources with forbidden regions. As presented at that meeting, the IESO's analysis showed that approximately 95% of schedules at a forbidden region boundary resulted from the dispatch engine appropriately respecting the resource's forbidden region and, therefore, the associated make-whole payment reduction was appropriate. The remaining less than 5% of instances were attributable to differences between the pricing to scheduling pass in the dispatch scheduling optimizer.

In response to this action item, the IESO monitored this metric from January 1, 2026 to June 15, 2026, including the freshet period. The results remained consistent with the original analysis, with less than 5% of intervals attributable to differences between the pricing and scheduling passes.

The IESO concludes that there has been no material change in the distribution of these outcomes during the monitoring period and are consistent with the original assessment.