Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

Memorandum

To: **Technical Panel**

From: Josh Duru

Date: September 8, 2026

Re: Changes to the Establishment and Publication of Market Parameters

Background

Attached for Technical Panel review and consideration are market rule amendments required to revise the determination and publication framework for certain market parameters used by the day-ahead, pre-dispatch, and real-time calculation engines. The proposed amendments would codify certain foundational market parameters values directly in the market rules and authorize IESO management to establish and maintain constraint violation penalties (CVPs) through the market manual change process. The amendments do not change the existing values of these market parameters.

At its July 14, 2026 meeting, the Technical Panel received an educational presentation on the proposed changes to the establishment and publication of market parameters. The presentation summarized stakeholder feedback on previous proposals, and in response to stakeholder feedback, described a revised approach presented to stakeholders on June 18, 2026, that would codify key foundational parameters, including the maximum market clearing price, maximum operating reserve price, settlement floor price, and floor prices for variable and flexible nuclear generation directly in the market rules. The presentation explained the IESO's proposal to have future changes to CVPs determined by IESO management and maintained through the market manual change process.

The presentation also summarized stakeholder feedback received from Ontario Power Generation (OPG) and the Ontario Rivers Alliance on the IESO's revised approach. To recap, participants generally supported incorporating foundational market parameters into the market rules to enhance transparency and governance oversight, while also recommending that a similar governance approach be applied to CVPs and requesting additional clarity regarding the classification and governance of market parameters.

Since the last Technical Panel meeting, the IESO has published a summary of [Stakeholder Feedback and IESO Response] document that reiterates the IESO's view that CVPs are operational parameters designed to manage the risk to system reliability and market outcomes, distinct from the foundational parameters. As such, the IESO considers CVPs most appropriately established and maintained by IESO management through the market manual change process.

All historical materials related to this stakeholder engagement can be found on the [Changes to the Establishment and Publication of Market Parameters webpage].

Recommendation - Priority

The IESO recommends that the Technical Panel assign a regular priority to the development of these market rule amendment proposals.

Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to post the proposed market rule amendment MR-00489-R00 for stakeholder review and comment for a period of approximately one week, ending on September 24, 2026. Subject to comments received, at the October 13, 2026 Technical Panel meeting, the IESO will request a Technical Panel vote to recommend the draft market rule amendments.

The target for IESO Board approval is December 10, 2026.

Accompanying Materials

- Market Rule Amendment Proposal – MR-00489-R00: Changes to the Establishment and Publication of Market Parameters