Memorandum

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To: **The Markets Committee**

Presenter: Michael Lyle, Executive Vice President, Legal Resources and Corporate Governance and Chair, IESO Technical Panel

Date: October 29, 2026

Re: Market Rule Amendment: Chapter 3 Market Rule Amendment Process Refresh (MR-00492-R00) and Revised Technical Panel Terms of Reference

Purpose of Item: Recommendation for Approval to the Board

Executive Summary:

The IESO is seeking the Committee's recommendation that the Board approve proposed market rule amendments that will update the market rule amendment process to reflect current practices and the Technical Panel Terms of Reference, clarify key procedural steps, and improve the clarity of the relevant provisions.

The IESO is also seeking the Committee's recommendation that the Board approve consequential changes to the Technical Panel Terms of Reference (ToR).

At the September 15, 2026 Technical Panel meeting, the Technical Panel voted unanimously in favour of recommending the amendment proposal and revisions to the ToR to the IESO Board.

Significant Issues, Risks and Opportunities:

There is an opportunity to continuously improve clarity within the market rules.

Background:

As part of the review of the Technical Panel ToR in 2025, the IESO committed to undertaking a longer-term review of Chapter 3, section 4 of the market rules to clarify the rule amendment process. This was a result of a Technical Panel member request that the IESO consider whether there was a misalignment between the ToR and the market rules – in particular, whether the "deemed warrants consideration" provision in the ToR aligns with the market rules.

The IESO acknowledged that there was an opportunity to provide greater clarity in the rules, and to take a broader look at the rule amendment process in Chapter 3, section 4 which had not been meaningfully updated since market opening.

The review considered the interaction between Chapter 3, section 4 of the market rules, Market Manual 2.3: Market Rule Amendment Process and the ToR, with the objective of improving clarity, consistency and document governance. As part of this work, the IESO identified a number of consequential updates to the ToR to remove duplicative content and better align provisions with their appropriate governing documents. The resulting consequential changes to the ToR include:

- Deletion of content within section 3.2 – Review Market Rule Amendments of the ToR that duplicated requirements already contained in the market rules or market manuals;
- Relocation of provisions related to the Technical Panel voting process from section 3.2 to section 4.5 - Role and Expectations of Committee Members and section 5.3 – Meeting Authority and Normal Order of Business;
- Correction of numbering errors within section 4.4.1;
- For clarity, replacement of "Committee Members" with "Panel Members";
- A minor editorial revision to section 5.4.3 to remove unnecessary language.

Proposal and Analysis

The proposed changes are intended to:

- Align content across the market rules, Market Manual 2.3: Market Rule Amendment Process, and the ToR to ensure requirements are contained in the appropriate document;
- Eliminate duplication and streamline requirements across the market rules, market manual and ToR;
- Improve the readability, organization, and ease of navigation of Chapter 3 section 4 of the market rules while not changing the Technical Panel's role, nor materially adjusting any rights, authorities or obligations outlined in the current rules.

As this initiative relates to the market rule amendment process itself, the Technical Panel was identified as the appropriate forum to review the proposed changes.

One set of written comments was received from Vlad Urukov (generator representative) in response to the Technical Panel's call for stakeholder comments. The generator representative provided comments suggesting revisions to the market rules and ToR to clarify areas of ambiguity and improve consistency between the market rules, the ToR, and Market Manual 2.3: Market Rule Amendment Process. Several revisions were made to the documents in response to this feedback.

Next Steps / Implementation:

I recommend that the Board accept the unanimous vote and recommendation of the Technical Panel to approve market rule amendment MR-00492-R00: Chapter 3 Market Rule Amendment Process and revisions to the Technical Panel Terms of Reference.

Requested Committee Resolution:

The Markets Committee is asked to pass the following motion:

> **BE IT RESOLVED THAT** the Markets Committee recommends that the Board of Directors approve the following resolution:
>
> *[Recommended Board Resolution Begins.]*
>
> **CONCERNING** MR-00492-R00: Chapter 3 Market Rule Amendment Process, which is a market rule amendment recommended by the IESO that will update the market rule amendment process specified in Chapter 3, section 4 of the market rules, with consequential updates to the Technical Panel Terms of Reference:

a) **WHEREAS** the IESO engaged with the Technical Panel and the broader stakeholder community and has revised MR-00492-R00 and the Technical Panel Terms of Reference based on feedback received.

b) **AND WHEREAS** the Technical Panel voted unanimously to recommend MR-00492-R00 and the Technical Panel Terms of Reference for approval by the IESO Board.

c) **AND WHEREAS** the IESO Board of Directors' Markets Committee recommended MR-00492-R00 and the Technical Panel Terms of Reference for approval by the IESO Board.

BE IT RESOLVED THAT on the recommendation of the Markets Committee, the IESO Board of Directors accepts the recommendation from the Technical Panel and approves MR-00492-R00: Chapter 3 Market Rule Amendment Process and the Technical Panel Terms of Reference to come into effect on December 2, 2026.

Michael Lyle

Appendices:

a. Market Rule Amendment Proposal – MR-00492-R00: Chapter 3 Market Rule Amendment Process Refresh
b. Technical Panel Terms of Reference
c. Technical Panel Materials
    i. Memo to Technical Panel from IESO staff, dated September 8, 2026.
    ii. TP member Rationale dated September 15, 2026.
d. Summary of Stakeholder and Technical Panel Comments
e. Consumer Impact Assessment