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# Memorandum

**To:** **Technical Panel**

**From:** Adam Cumming

**Date**: September 8, 2026

**Re**: 2026 Capacity Auction Enhancements

## Background

Attached for Technical Panel review and consideration are two amendments to the market rules related to the 2026 Capacity Auction Enhancements. The first proposed amendment is to the settlement application of the In-Period Cleared UCAP Adjustment Charge where a notice of disagreement is filed. The second proposed amendment is to the Emergency Activation Payment formula to adjust for an edge-case scenario that can result in an hourly demand response (HDR) resource receiving no Emergency Activation Payments during a successful activation.

At its meeting on July 14, 2026, the Technical Panel voted to post the proposed market rule amendment for stakeholder comment. One set of comments was received from Vlad Urukov (generator representative). The feedback with IESO responses is attached.

The following revisions have been made to the amendment proposal in response to Mr. Urukov's comments:

- Section 4.13.8: for consistency, the language used in the first part of the section "in regard to the outcome of a capacity auction capacity test in accordance with section 6.8" and in sub-subsection "d" has been updated to align.
- Section 4.13.8: A third closing bracket has been added to the end of the formula.
- Section 4.13.8: In sub-section "I", italics has been applied to the defined term "settlement amount."

The above changes have been added to the amendment proposal and are highlighted in yellow.

## Panel Action and Next Steps

The IESO recommends that the Technical Panel vote to recommend the proposed market rule amendments MR-00493-R00 to the IESO Board for approval at its October 30, 2026 meeting. Per the Technical Panel Terms of Reference, Panel members will be asked to provide reasons for their stated positions.

## Accompanying Materials

- Market Rule Amendment Proposal – MR-00493-R00: 2026 Capacity Auction Enhancements
- Presentation – In-Period UCAP Adjustment Example
- Market Manual 5.5: IESO-Administered Markets Settlement Amounts: (for information purposes only)
- Market Manual 12: Capacity Auctions (for information purposes only)
- IESO Charge Types and Equations (for information purposes only).