Market Rule Amendment Proposal Form

Part 1 - Market Rule Information

Identification No.:	MR-00492-R00
Subject:	Chapter 3 Market Rule Amendment Process Refresh
Title:	Chapter 3 Market Rule Amendment Process Refresh
Nature of Proposal:	☒ Alteration ☒ Deletion ☒ Addition
Chapter:	3
Appendix:	
Sections:	Chapter 3, Section 4
Sub-sections proposed for amending:	All
Current Market Rules Baseline:	55.1

Part 2 - Proposal History

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel review	July 7, 2026
2.0	Posted for Stakeholder Review and Comment	July 16, 2026
3.0	Submitted for Technical Panel vote	September 8, 2026
4.0	Recommended by the Technical Panel; submitted for IESO Board review	September 17, 2026
5.0	Approved by the IESO Board	October 30, 2026

Approved Amendment Publication Date: October 30, 2026

Approved Amendment Effective Date: December 2, 2026

Part 3 - Explanation for Proposed Amendment

Provide a brief description that includes some or all of the following points:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

Summary

The IESO proposes to update the market rule amendment process specified in Chapter 3, section 4 of the market rules.

The updates will clarify the rule amendment process to better reflect the way in which the processes operate based on current practices and as specified in the Technical Panel's Terms of Reference (ToR).

Background

As part of the review of the ToR in 2025, the IESO committed to taking a longer-term review of Ch.3 s.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 more holistically take a broader look at the rule amendment process in Ch.3 section 4 which has not been meaningfully updated since market opening.

Discussion

Please see the accompanying "Summary of Changes" document for a detailed description of the changes.

Chapter 3

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4. Market Rule Amendments

4.1 Introduction and Interpretation

4.1.1 This section 4 sets forth the procedures pursuant to which *amendments* to the *market rules* may be made by the *IESO* and embodies the mechanism for review of the *market rules* for purposes of the application of subsection 35(4) of the *Electricity Act, 1998*.

4.1.2 This section 4 must be read and construed subject to the *Governance and Structure By-law*.

Note: Sections 4.2 to 4.12 of the existing MR Ch.3 s.4 would be deleted in their entirety. The revised Sections 4.1 to 4.11 are shown without tracked changes for ease of review.

4.2 Initiating a Market Rule Amendment or Review

4.2.1 Any interested party may initiate an *amendment* or review of the *market rules* by filing a written submission (the "*amendment submission*") with the *IESO*. The *amendment submission* shall include a statement of the reasons why an *amendment* to, or review of, the *market rules* may be necessary or desirable.

4.2.2 The *IESO* may initiate an *amendment* of the *market rules* by preparing an *amendment proposal* following a stakeholder engagement of the proposed *amendment*.

4.2.3 The *IESO* shall provide the *technical panel* with any *amendment submission* or *amendment proposal* for the *technical panel's* review and consideration.

4.2.4 At any time during its review or consideration of an *amendment submission*, the *technical panel* may request further particulars with respect to the proposed *amendment* from the submitting party and may invite *market participants* or other interested persons to make written submissions regarding the proposed *amendment*.

4.2.5 The *technical panel* may schedule and hold meetings with *market participants* and any other interested person to discuss an *amendment submission* under its review. In such cases, the *technical panel* shall advise the *IESO Board* of the date, time, and place scheduled for the meeting, and provide notice of same to *market participants* and to any person who filed written submissions. Any *market participant* or other

interested person may attend and, at the discretion of the *technical panel,* participate in any such meetings.

4.3 Warrants Consideration Determination

4.3.1 Following the receipt of an *amendment submission* under section 4.2.1, and any steps taken under sections 4.2.4, and 4.2.5, the *technical panel* shall consider the *amendment submission* and any related written submissions to determine whether the matter is:

4.3.1.1 of such a nature that consideration of the *amendment submission* is warranted and, in which case, the extent of the consultation that the *technical panel* intends to take with *market participants* and other interested persons in the consideration of the *amendment*;

4.3.1.2 of such a nature that a clarification or interpretation of the applicable *market rule* is warranted, in which case the *amendment submission* shall be dealt with in accordance with the provisions of MR Ch.1 s.12;

4.3.1.3 a *minor amendment,* in which case the *technical panel* is not required to comply with any requirements of section 4.4; or

4.3.1.4 of such a nature that no consideration of the *amendment submission* is warranted.

In all cases, the *IESO* will provide notice of this decision to the *IESO Board* and the person who submitted the *amendment submission.*

4.3.2 Notwithstanding anything in section 4, the following are deemed to warrant consideration:

4.3.2.1 proposed *amendments* that reflect a market design developed through an *IESO* stakeholder engagement;

4.3.2.2 proposed *amendments* relating to an order of the *Ontario Energy Board;*

4.3.2.3 proposed *amendments* initiated by the *IESO Board;* and

4.3.2.4 *amendment submissions* initiated and filed by the *technical panel* following a *review notice.*

4.3.3 Where a proposed *amendment* warrants consideration, the *IESO* shall *publish* the *amendment submission* and any related comments from the *technical panel.* It will notify all *market participants* and any person who made the *amendment submission.*

4.3.4 Where a proposed *market rule amendment* relates to or may affect any provision of section 2, the *IESO* shall consult with the *secretary* of the *dispute resolution panel*

before the *technical panel* conducts its first vote in connection with the *amendment submission* or *amendment proposal*.

4.3.5 Where a proposed *market rule amendment* relates to or may affect any provision of section 3, the *IESO* shall consult with the Chair of the *market surveillance panel* before the *technical panel* conducts its first vote in connection with the *amendment submission* or *amendment proposal.*

4.3.6 Notwithstanding the foregoing, the *IESO Board* may direct the *technical panel* to further consider or cease considering a proposed *amendment* at any time.

4.3.7 Where a proposed *amendment* warrants consideration under sections 4.3.1 or 4.3.2 the *IESO* will prepare an *amendment proposal* regarding the proposed *amendment*.

4.4 Vote to Post

4.4.1 The *technical panel* must convene to vote whether to *publish* an *amendment proposal* for stakeholder comment.

4.4.2 If the *technical panel* votes to post the *amendment proposal* in accordance with section 4.4.1, the *IESO* shall:

4.4.2.1 *publish* the *amendment proposal* and give notice to all *market participants* and to any person who made the *amendment submission* or written submission to which the proposed *amendment* relates. The notice and *publication* shall invite *market participants* and other interested persons to make written submissions to the *technical panel.*

4.4.2.2 *publish* all non-confidential stakeholder feedback received on the *amendment proposal* and an *IESO* response document explaining how such feedback was considered in the proposed *amendment* presented to the *technical panel*.

4.4.3 The *technical panel* may elect not to *publish* an *amendment proposal* for stakeholder comment if it determines, on unanimous vote, that there have been sufficient prior opportunities for stakeholders to review and provide comment.

4.4.4 Unless otherwise determined by the *technical panel*, a *minor amendment* is not required to be *published* for stakeholder comment or review.

4.5 Vote to Recommend to the IESO Board

4.5.1 The *technical panel* will convene to vote whether to recommend an *amendment proposal* to the *IESO Board* if:

4.5.1.1 an *amendment proposal* was posted for stakeholder comment pursuant to sections 4.4.1 and 4.4.2;

4.5.1.2 the *technical panel* unanimously voted to dispense with posting for stakeholder comment, pursuant to section 4.4.3; or

4.5.1.3 the *technical panel* determined that an *amendment submission* was a *minor amendment* pursuant to section 4.3.1.3.

4.5.2 Following the vote referred to in section 4.5.1, the *IESO* shall submit a written report to the *IESO Board* setting out:

4.5.2.1 the recommendations of the *technical panel* and the reasons for its recommendations;

4.5.2.2 where the recommendations of the *technical panel* include a proposal to *amend* the *market rules,* the *amendment proposal* and a summary of any objections which were brought to the attention of the *technical panel*;

4.5.2.3 a summary of the procedure followed by the *technical panel* in considering the matter;

4.5.2.4 a summary of the views of the *secretary* of the *dispute resolution panel* or the Chair of the *market surveillance panel*, if consultation was required pursuant to sections 4.3.4 or 4.3.5 as applicable;

4.5.2.5 a record of the vote and rationale, if so provided, of each member of the *technical panel* in respect of each of the recommendations made in the report;

4.5.2.6 a summary of any objections raised by any member of the *technical panel* to the recommendations; and

4.5.2.7 a statement of the objects of the *IESO* considered by the *technical panel* in formulating the *amendment*.

4.5.3 The *IESO* shall *publish* the written report referred to in section 4.5.2 and notify all *market participants* and any person who made a written submission. In this notice and *publication*, the *IESO* shall, at the request of the *technical panel*, invite *market participants* and other interested persons to make written submissions to the *IESO Board* objecting to the *technical panel's* recommendation and setting forth the reasons for the objection.

4.6 IESO Board Review

4.6.1 The *IESO Board* shall convene and consider a proposed *amendment* and the related report of the *IESO* issued under section 4.5.2, along with any written submissions received pursuant to section 4.5.3. Following this consideration, the *IESO Board* shall vote whether to:

4.6.1.1 approve the *amendment* as submitted by the *IESO* or with any changes that the *IESO Board* determines are appropriate;

4.6.1.2 reject the *amendment*; or

4.6.1.3 refer the matter back to the *technical panel.*

4.6.2 Prior to conducting the vote under section 4.6.1, the *IESO Board* may require that the *IESO* provide copies of all written submissions received relating to the proposed *amendment.*

4.6.3 Following the vote under section 4.6.1, the *IESO* shall *publish* the decision of the *IESO Board*, and if applicable, a copy of the *amendment.* The *IESO* must notify all *market participants* and any person who made the *amendment submission* or written submission. If the *IESO Board* decides in favour of the adoption of the *amendment*, the *IESO* must also notify the *Ontario Energy Board* and any person who made a submission.

4.6.4 Where the *IESO Board* refers a proposed *amendment* back to the *technical panel* for further consideration under section 4.6.1.3, or to any other person that the *IESO Board* deems appropriate, the *IESO Board* shall so advise the *technical panel*, with reasons. The *technical panel* shall, as soon as reasonably practicable following receipt of the decision of the *IESO Board*, convene to reconsider its recommendation. The *technical panel* may conduct further consultations and meetings, if any, that it determines appropriate for purposes of its reconsideration. Following such reconsideration, the *IESO* shall submit a written report to the *IESO Board* in accordance with section 4.5.2.

4.7 Urgent Amendments

4.7.1 Notwithstanding any other requirements in sections 4.2 to section 4.6, *urgent amendments* to the *market rules* shall be made by the *IESO Board* or the *urgent rule amendment committee* following any consultations that the *urgent rule amendment committee* or the *IESO Board* consider appropriate.

4.7.2 An *urgent amendment* shall come into force upon its making or as the *IESO Board* or the *urgent rule amendment committee*, as the case may be, shall otherwise provide. The *IESO* shall forthwith *publish* the *amendment,* its effective date and time, and give notice to all *market participants*.

4.7.3 Where an *urgent amendment* is made pursuant to section 4.7.1 by the *urgent rule amendment committee*, such *amendment* shall forthwith be reported to the *IESO Board*.

4.7.4 The *IESO Board* shall convene on one or more occasions as may be necessary to consider the report received pursuant to section 4.7.3 and vote to either:

4.7.4.1 confirm the *urgent amendment*, in the form made by the *urgent rule amendment committee* or in such form as the *IESO Board* deems appropriate; or

4.7.4.2 reject the *urgent amendment* and stay the implementation thereof.

4.7.5 Where an *urgent amendment* is confirmed by the *IESO Board* pursuant to section 4.7.4.1 in a form other than that made by the *urgent rule amendment committee*, the *IESO* shall forthwith *publish* the *amendment* and give notice, including the effective date and time, to all *market participants*.

4.7.6 Where the *IESO Board* stays or rejects the implementation of an *urgent amendment* pursuant to section 4.7.4.2, the *IESO* shall forthwith *publish* and give notice to all *market participants* of its decision and of the date and time at which the *urgent amendment* ceases to be in effect or is stayed.

4.8 Amendments Subject to Order of the Ontario Energy Board

4.8.1 Upon receipt of an order of the *Ontario Energy Board* made pursuant to the provisions of the *Electricity Act, 1998* from which no appeal or review can or has been initiated, the *IESO Board* shall either:

4.8.1.1 refer the matter, including consideration of any consequential *amendments* arising from the matter, to the *technical panel*, and the provisions of sections 4.3 to 4.6 shall, unless and to the extent that the *IESO Board* directs otherwise, apply with such modifications as the context may require to the reconsideration of the *amendment* to the *market rules* which is the subject of the order; or

4.8.1.2 following such consultations as the *IESO Board* considers appropriate, make an *amendment* to the *market rules,* including any consequential *amendments* arising from the matter. The *IESO* shall *publish* the *amendment* and shall give notice of the *amendment* to all *market participants* and the *Ontario Energy Board*.

4.8.2 Upon receipt of an order of the *Ontario Energy Board* made pursuant to subsection 35(6) or 38(4) of the *Electricity Act, 1998* from which no appeal or review can or has been initiated, the *IESO Board* shall make an *amendment* to the *market rules* in the manner and within the time specified by the *Ontario Energy Board* in its order, including any consequential *amendments* arising from the matter, following such consultations as the *IESO Board* considers appropriate. The *IESO* shall *publish* the *amendment* and shall give notice of the *amendment* to all *market participants* and the *Ontario Energy Board*.

4.9 Amendments initiated by the IESO Board or Technical Panel

4.9.1 The *IESO Board* may at any time initiate an *amendment* to or a review of a *market rule* where it determines that it may be necessary or desirable to do so. The *IESO Board* shall *publish* its intention to and reasons for considering such *amendment* or review, and notify and invite written submissions from the following persons:

4.9.1.1 all *market participants*;

4.9.1.2 the *technical panel*;

4.9.1.3 where such *amendment* or review relates to or may affect any provision of section 2, the *secretary* of the *dispute resolution panel*; and

4.9.1.4 where such *amendment* or review relates to or may affect any provision of section 3, the Chair of the *market surveillance panel*.

4.9.2 Sections 4.3 to 4.6 shall apply, with such modifications as the context may require, to proposed *amendments* initiated by the *IESO Board.*

4.9.3 The *technical panel* may at any time determine that an *amendment* to or a review of a *market rule* may be necessary or desirable. In such cases, the *technical panel* shall submit a report of its intention to consider such *amendment* or review to the *IESO Board*, together with the reasons for its determination (the "*review notice*").

4.9.4 Sections 4.3 to 4.6 shall apply to *amendment submissions* filed by the *technical panel*.

4.10 Experts and Other Assistance

4.10.1 The *technical panel* may, subject to budgetary approval of the *IESO,* hire such consulting assistance and seek such expert external advice as may be necessary or desirable for fulfilling its responsibilities. Where the *IESO* does not approve such request, the *technical panel* may appeal such decision to the Chair of the *IESO Board.*

4.10.2 Consultants and expert external advisors hired pursuant to section 4.10.1 shall enter into such confidentiality agreement as may be required by the Chair of the *technical panel*.

4.10.3 In carrying out any of its responsibilities, the *technical panel* may, through the *IESO*, solicit the assistance of any director, officer or employee of the *IESO* and may use the facilities of the *IESO*.

4.10.4 Where the *technical panel* at any time considers it necessary or desirable to do so, it may establish working groups to assist it in the fulfillment of its responsibilities. The working groups shall operate in accordance with such terms and conditions, including as to the scope of their work and as to participation in such working

groups, as the *technical panel* may reasonably determine to be appropriate. The *technical panel* shall notify the *IESO Board* of its intention to establish a working group and the *IESO* shall *publish* and give notice to all *market participants,* the person who made the *amendment submission* and any other interested party that made written submissions in respect of the proposed *amendment*.

4.10.5 The *IESO Board* may at any time call upon the assistance of the *technical panel*.

4.11 Oversight and Audit

4.11.1 The *IESO Board* may review the work and proceedings of the *technical panel* and issue to the *technical panel* such directions as the *IESO Board* determines appropriate. Such directions may relate to one or more proceedings respecting particular proposed *amendments* to or reviews of the *market rules* or may be of more general application. For certainty, such directions may include termination of the consideration of a particular proposed *amendment* to, or review of, the *market rules.* The *technical panel* shall comply with such directions. In addition, nothing in this section 4 shall prohibit the *technical panel* from consulting with the *IESO Board* regarding the role the *technical panel* will play in reviewing a request for an *amendment* or review of the *market rules*.

4.11.2 The activities of the *technical panel* shall be audited in accordance with procedures adopted by the *IESO*.

Ch 11 definitions

amend or *amendment* in relation to the *market rules*, means any change to the *market rules*, whether by ~~amendment,~~ alteration, addition or deletion;

amendment proposal means a written proposal, prepared by the *IESO*, containing the text of the proposed *amendment* and a statement of the reasons for which the *amendment* of the *market rules* may be necessary or desirable;

amendment submissions has the meaning ascribed thereto in MR Ch.3 s.4.2.41;

review notice has the meaning ascribed thereto in MR Ch.3 s.4.~~4.2~~.9.3;
