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Ontario's Market Renewal Program

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About the Independent Electricity System Operator



Operates Ontario's province-wide electricity system on a 24/7 basis



Supports innovation and emerging technologies



Oversees the electricity market, driving competition to maintain affordability



Procurement of electricity resources for short, medium, and long-term timeframes



Long-term planning for Ontario's future energy needs



Enables province-wide energy efficiency

Ontario's System at a Glance

Installed Capacity (2025)	37,760 MW
2025 System Peak (June 24)	24,862 MW
Record Summer Peak (August 1, 2006)	27,007 MW
2025 Annual Energy Consumed	145.6 TWh
Record Annual Energy Consumed (2005)	157 TWh
Transmission Lines	30,000 km
Supply Mix	Nuclear 32%, Gas 28%, Hydro 23%, Wind 13%, Solar 1%
Installed Capacity Energy	Nuclear 51%, Hydro 24%, Gas 16%, Wind 9%
Interconnections	Quebec, Manitoba, Michigan, Minnesota, New York

Market Renewal Program (MRP) – Summary

- Ontario's wholesale electricity market opened in 2002, focused on transparently delivering reliability at lowest cost using competition in the operational timeframe;
 - Uniform market price, 5 minute intervals, co-optimized with operating reserves
- The market coexists with the IESO's Resource Adequacy Framework – a competitive approach to securing supply needs for Ontario
- MRP modernized Ontario's electricity markets, enabling more efficient use of existing resources and creating the foundation to efficiently integrate emerging resources
- MRP successfully launched May 1, 2025

Why Did We Renew Ontario's Electricity Market?

Address Inefficiencies of Current Design

- Two schedule system lacks transparency and clear price signals
- Reliance on out-of-market payments

Reduces Costs and Risks

- More efficiently schedule and optimize resources in day-ahead and pre-dispatch timeframes

Enables a More Dynamic Future

- Rebuild the foundation of the markets
- Increased opportunities for market participation
- Enable future market evolution

Market Renewal helps efficiently deliver a reliable and cost effective supply of energy to Ontarians

MRP Scope: Key Market Features

New Market Features

Benefits

Day-Ahead Market

- New market to price and schedule energy resources the day before operation through a financially binding two-settlement. Greater financial and operational certainty.
- Introduction of ex-ante market power mitigation, virtual transactions and price responsive loads help promote price discovery and competition

Enhanced Unit Commitment

- Enhancements to resource scheduling process (occurs 3-24 hours before operation) to ensure optimal mix of resources are scheduled to deliver reliability at lowest cost

Locational Pricing

- Introduced locational pricing to ensure the price of energy at any point in the province transparently reflects global and local system constraints
 - Replaced uniform price for suppliers (Hourly Ontario Energy Price) with Locational Marginal Prices for dispatchable resources and Ontario Zonal Price for all other consumers
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Market Renewal Phases

High-Level Design

- Initial sector education started in 2017
- Key concepts and high-level decisions for the three key initiatives
- Published final documents in 2019

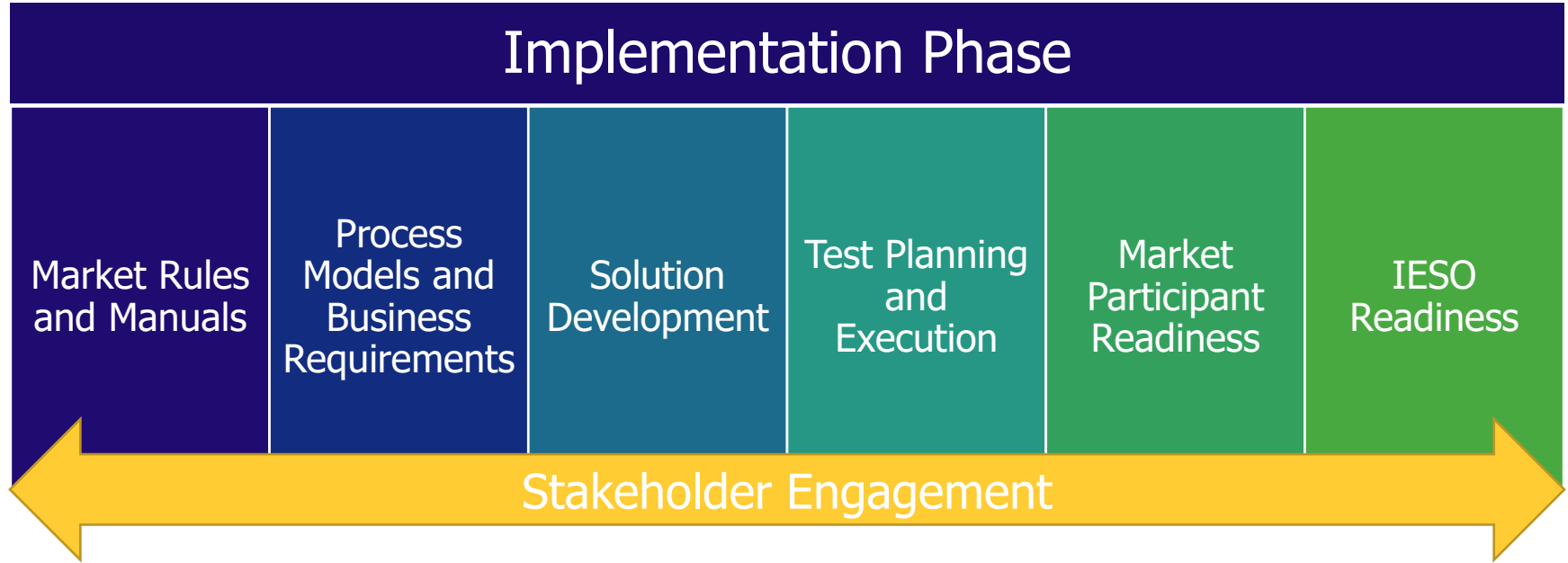
Detailed Design

- Documented the design at the level of detail required to develop governing documents, user requirements, and business processes
- Final versions of documents published Jan 2021

Implementation

- Specified how the design will be implemented through market rules, procedures, business processes, and technical interfaces
- Launched May 2025

Implementation Phase Deliverables

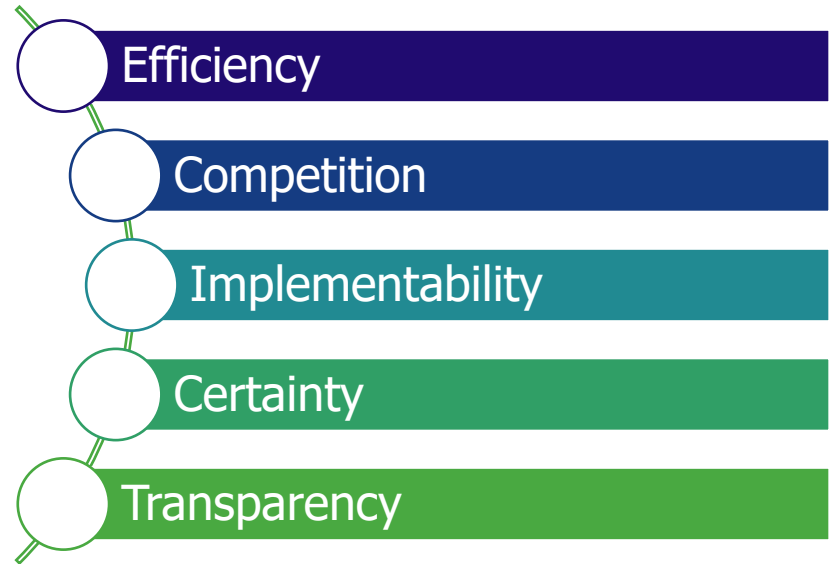


Stakeholder Engagement

Stakeholder engagement was integral to the progress and success of MRP through:

- Engagements, technical sessions, responses to feedback on High Level Design, Detailed Design, Market Rule and Manual amendments
- MRP Implementation Working Group
- Technical Panel
- Strategic Advisory Committee
- Participant training and education

Market Renewal Principles



Thank You

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