

MSA Compliance Process

ISO Rules and Reliability Standards

DRAFT: October 23, 2020

Taking action to promote effective competition and a culture of compliance and accountability in Alberta's electricity and retail natural gas markets

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1 INTERPRETATION

In the MSA Compliance Process, the following terms have the meaning specified below:

“AESO” means the Alberta Electric System Operator, also referred to as the Independent System Operator or ISO, established pursuant to the EUA.

“AUC” or “Commission” means the Alberta Utilities Commission, established under section 2 of the AUCA.

“AUCA” means the *Alberta Utilities Commission Act*, SA 2007, c. A-37.2.

“Compliance Monitor” means either the AESO or WECC, as applicable, as the organization mandated or retained to conduct ISO Rules and Reliability Standards compliance monitoring activities.

“Compliance Program” means the policies and procedures of an organization that support and promote conducting business in conformity with applicable statutes, which are designed to identify contraventions of ISO Rules and Reliability Standards and to generate corrective actions when contraventions occur.

“Enforcement Action” means that pursuant to its legislated mandate and as applicable, the MSA may: issue a notice of Specified Penalty, per section 52 of the AUCA; request a hearing or other proceeding before the AUC to seek an administrative penalty or other relief per sections 51 and 64 of the AUCA; or pursue resolution of an issue by way of negotiated settlement or consent order per sections 44 and 54 of the AUCA.

“EUA” means the *Electric Utilities Act*, SA 2003, c. E-5.1.

“Forbearance” means the statutory authority of the MSA pursuant to either section 23.1 of the T-Reg or section 57 of the AUCA, to not pursue Enforcement Action with respect to a contravention, including that the matter will not be made public.

“Information” means information in any form, and should be understood in the same fashion as the term “record”, as defined in the AUCA and EUA.

“ISO Rules” means the rules established by the AESO and approved by the AUC.

“Market Participant” means an electricity market participant as defined in the EUA.

“Mitigation Plan” means a document which describes remedial actions to be taken following the recognition of a contravention of the Reliability Standards to correct the source of non-compliance, prevent recurrence, and minimize risks.

“MSA” means the Market Surveillance Administrator, a corporation continued under the AUCA.

“Reliability Standards” means the reliability standards that have been established by the AESO and approved by the AUC in accordance with section 19 of the T-Reg for effect in Alberta.

“Self-Report” means a submission to the MSA describing a contravention of the ISO Rules or Reliability Standards that was self-identified.

“Specified Penalty” means a penalty that has been specified by the Commission in respect of a contravention of an ISO Rule or a Reliability Standard, pursuant to section 52 of the AUCA.

“T-Reg” means the *Transmission Regulation*, AB Reg 86/2007.

“WECC” means the Western Electricity Coordinating Council.

2 INTRODUCTION

The MSA’s mandate includes undertaking activities to address contraventions of ISO Rules and Reliability Standards pursuant to section 39(1)(b)(i) of the AUCA. The MSA Compliance Process is intended to provide a description of the MSA’s processes relating to compliance enforcement of ISO Rules and Reliability Standards within the mandate of the MSA.

Market Participants must comply with ISO Rules and Reliability Standards pursuant to section 20.8 of the EUA. The MSA expects that Market Participants accept accountability for compliance and take appropriate actions to prevent and mitigate incidents of non-compliance. Enforcement Action is desired by the MSA to be a last resort to promote compliance and accountability.

Accordingly, the MSA Compliance Process outlines incentives for submitting Self-Reports of contraventions by Market Participants, developing effective Compliance Programs, and addressing particular problems through Mitigation Plans.

In the event of an inconsistency between any legislation or regulation and the MSA Compliance Process, the former shall prevail.

3 SUBMISSION OF INFORMATION TO THE MSA

3.1 MSA Forms

The MSA maintains compliance forms on its website, including Self-Report forms for both ISO Rules and Reliability Standards matters and a Mitigation Plan form for Reliability Standards matters only. The MSA strongly encourages the use of these forms and may reject a submission if all Information and attestations requested have not been appropriately provided.

Subject to section 3.2 of the MSA Compliance Process:

- Information relating to ISO Rules matters should be submitted to compliance@albertamsa.ca, copying the Compliance Monitor at isorulescompliance@aeso.ca.
- Information relating to Reliability Standards matters should be submitted to compliance@albertamsa.ca, copying the Compliance Monitor at rscompliance@aeso.ca.
- Information from the AESO regarding its compliance with Reliability Standards should be directed to the MSA and WECC via the platform designated to the AESO by the MSA and regarding its compliance with the ISO Rules to compliance@albertamsa.ca.

3.2 Submission of Sensitive Information

The MSA recognizes that Information may be of a sensitive nature (e.g., regarding certain Critical Infrastructure Protection contraventions) and e-mail may not be the most appropriate method to send that Information to the MSA. In such instances, the MSA requests the Market Participant to contact the MSA to establish an acceptable alternative. The MSA treats all Information that it receives from Market Participants and the Compliance Monitor as confidential subject to applicable legislation.

3.3 Opportunity to Provide Information to the MSA

All relevant Information must be provided at the time of a Self-Report to the MSA, or in the case of a referral, during the AESO's compliance monitoring activities. Market Participants have obligations under the ISO Rules to respond to AESO information requests.

However, the MSA recognizes that in some circumstances Market Participants may see a need to provide additional submissions to the MSA following a referral. For instance, these submissions may contain Information not available prior to the referral or Information regarding the impact or severity of the suspected contravention. These submissions must be made within two weeks following a referral unless extenuating circumstances can be demonstrated.

4 ENFORCEMENT OUTCOMES

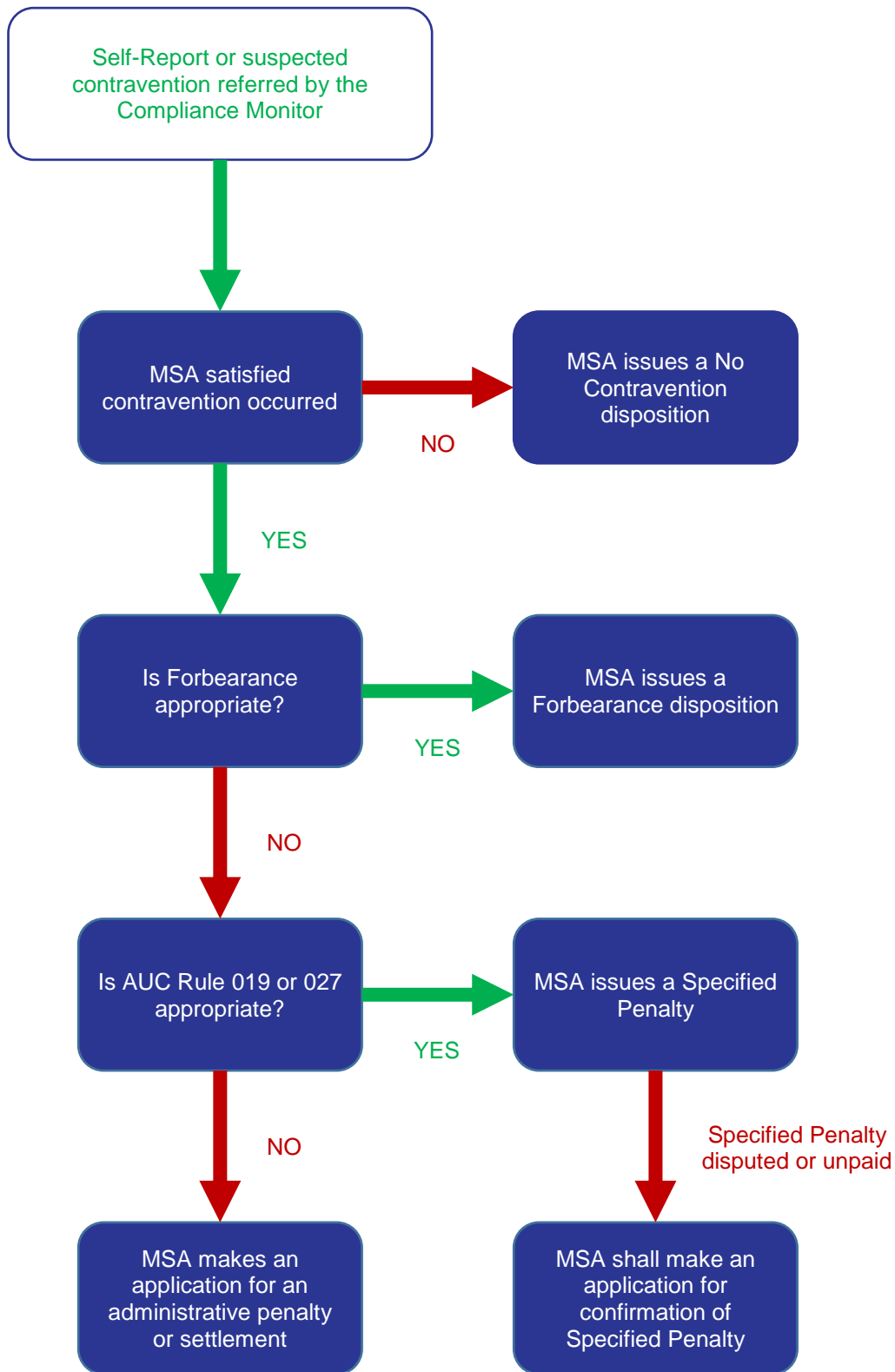
After completing its assessment of the Information provided, the MSA will issue a disposition for each matter. The MSA may find that an Enforcement Action (Specified Penalty or administrative penalty) is appropriate. When the MSA refrains from pursuing an Enforcement Action and finds that Forbearance is appropriate, the MSA will issue a Forbearance disposition, with or without conditions. In the case where the MSA is not satisfied that a contravention occurred, it will take no Enforcement Action and a no contravention disposition will be issued.

4.1 Forbearance Criteria

Forbearance is contemplated under certain conditions, as outlined in section 23.1 of the T-Reg and section 57 of the AUCA. The MSA considers the foregoing conditions and following criteria when deciding whether Forbearance is appropriate. If all of these are satisfied, the MSA will proceed with Forbearance. However, if some but not all of the following criteria are met, Forbearance may still be appropriate, depending upon the particular circumstances of a matter.

- The conduct is deemed by the MSA to be non-serious. This may include an assessment of the impact, duration and extent of conduct.
- The conduct did not result in a material financial gain.
- The conduct did not jeopardize the reliability of the interconnected electric system.
- The conduct is not part of a recurring problem.
- The Market Participant has a Compliance Program in effect.
- The Market Participant has considered and implemented actions to correct and prevent recurrence, as appropriate. This may include a formal Mitigation Plan for Reliability Standards matters.
- The conduct is described in a Self-Report submitted to the MSA and
 - The Self-Report contains all Information required by the MSA's form.
 - The Self-Report is received within 30 days of the date the contravention began (or if a Self-Report is received following 30 days, the Market Participant has provided acceptable reasons for the delay).
 - The Self-Report occurred prior to the Market Participant being alerted by the Compliance Monitor or the MSA.
 - The Self-Report acknowledges the contravention(s) reported.
 - The Self-Report was submitted in accordance with section 3 of the MSA Compliance Process.

Figure 1: Compliance Enforcement Process



5 ISO RULES ENFORCEMENT

5.1 Collaboration between AESO and MSA

The AESO is required under section 17(I.1) of the EUA to monitor the compliance of Market Participants with the ISO Rules. As the mandate of the MSA includes enforcement of contraventions of the ISO Rules, the AESO and the MSA work together to address compliance with the ISO Rules.

The AESO and the MSA will coordinate their contact with the Market Participant in relation to a particular ISO Rules issue identified by the AESO through its monitoring, such that the Market Participant will generally deal with only one agency at a time.

5.2 Initial Point of Contact Where Issue Identified by AESO

Unless an ISO Rules compliance matter has been Self-Reported to the MSA by a Market Participant (see section 5.3), the AESO will typically be the initial point of contact with Market Participants. The AESO will identify potential compliance issues and gather Information. If the AESO then suspects a contravention of the ISO Rules, it will notify the Market Participant and will send a copy of this notice to the MSA.

A notification by the AESO constitutes a referral of a suspected contravention to the MSA as required under section 21.1 of the EUA. Following a referral, the MSA has sole carriage of the matter and is the primary contact for the Market Participant. The MSA then assesses relevant circumstances and Information in order to make a determination of whether a contravention occurred and, if so, what Enforcement Action is appropriate.

As part of the referral, the AESO will make available to the MSA Information obtained during the course of its compliance monitoring activities to assist the MSA regarding its assessment of the matter. The MSA, if necessary, may engage the AESO and request additional Information from the Market Participant.

5.3 Self-Reporting

The MSA supports and encourages the Self-Reporting of contraventions of ISO Rules. A Self-Report provides evidence to the MSA that a Market Participant has a Compliance Program in place to identify such issues.

Self-Reports must be submitted in accordance with section 3 of the MSA Compliance Process. The MSA will acknowledge receipt of all Self-Reports and provide a MSA file number for each matter for future reference.

The MSA will conduct an assessment of the reported conduct and will thereafter remain the primary point of contact for the Market Participant until the conclusion of its determination of the issue.

The Self-Report form solicits Information to help the MSA understand and assess the contravention. The level of detail provided should reflect the complexity of the event. Market Participants are invited to explain relevant mitigating circumstances, which in the Market Participant's view may decrease the market and/or reliability impact of the contravention.

Market Participants may also identify corrective actions they have taken or intend to take to prevent recurrence (e.g., coaching and training, adding or improving systems, and modifying alerts and tools). The MSA recognizes that Market Participants are in the best position to determine effective solutions based on their unique circumstances.

The MSA will consider the mitigating circumstances and corrective actions. These factors may support the case for Forbearance, particularly if it can be demonstrated that the contravention is not part of a recurring problem.

5.4 Forbearance and No Contravention

The MSA's compliance enforcement process for ISO Rules compliance matters is depicted in Figure 1.

If the MSA determines that Forbearance is appropriate, the MSA will inform the Market Participant of its decision. In some cases, the MSA may issue a conditional Forbearance. Should the MSA decide to issue a conditional Forbearance, any conditions will be made clear in the Forbearance notice.

The MSA logs all matters it considers, and as such, prior matters for which Forbearance was applied will inform the MSA whether a subsequent matter constitutes a recurring problem and hence whether subsequent Forbearance is appropriate. However, matters where Forbearance was applied are not counted when escalating the amount of a Specified Penalty pursuant to AUC Rule 019.

In the case where the MSA is not satisfied that a contravention of the cited section of the ISO Rules has occurred, the MSA will issue a no contravention disposition to the Market Participant.

5.5 Specified Penalties

Where the MSA is satisfied that a contravention of the ISO Rules has occurred, the MSA may, pursuant to section 52(1) of the AUCA, issue a Notice of Specified Penalty in accordance with the relevant Commission rules. A Notice of Specified Penalty must be sent to a particular individual at the Market Participant, in accordance with AUC Rule 019.

The MSA will apply Specified Penalties where appropriate. However, the MSA may make an administrative application to the Commission in instances where a Specified Penalty is not commensurate with the seriousness of the conduct at issue.

The MSA will make public any Notice of Specified Penalty issued, in accordance with Commission requirements.

If a Specified Penalty is not paid in accordance with the Notice of Specified Penalty issued by the MSA, then, pursuant to section 52(2) of the AUCA, the MSA will make an application to the Commission. The MSA may, prior to commencing an action before the Commission, seek additional Information to confirm intent to pay or to dispute the Specified Penalty, as well as to establish the basis of a potential dispute. In all cases where the MSA seeks further Information from a Market Participant whose conduct is at issue, the MSA will notify that party as to the reason for the request.

6 RELIABILITY STANDARDS ENFORCEMENT

6.1 Collaboration between Compliance Monitor and MSA

The AESO has a mandate under section 23 of the T-Reg to carry out compliance monitoring of Market Participants to applicable Reliability Standards. The AESO has published a Compliance Monitoring Plan which discusses the AESO's overall approach and related processes with respect to Reliability Standards compliance monitoring.

The WECC-AESO Membership and Operating Agreement, approved by AUC order U2008-261, and an MSA-WECC Service Level Agreement define a role for WECC as the Compliance Monitor for Reliability Standards applicable to the AESO.

The MSA works together with the applicable Compliance Monitor to address compliance with Reliability Standards.

The Compliance Monitor and the MSA will coordinate their contact with the Market Participant in relation to a particular Reliability Standards issue identified by the Compliance Monitor through its monitoring, such that the Market Participant will generally deal with only one agency at a time.

6.2 Initial Point of Contact Where Issue Identified by Compliance Monitor

Unless a Reliability Standards compliance matter has been Self-Reported to the MSA by a Market Participant (see section 6.3), the Compliance Monitor will typically be the initial point of contact with Market Participants. The Compliance Monitor will identify potential compliance issues and gather Information. If the Compliance Monitor then suspects a contravention of the Reliability Standards, it will notify the Market Participant and will send a copy of this notice to the MSA. The AESO, acting as the applicable Compliance Monitor, will monitor for potential compliance issues in accordance with the ISO Rules, using the tools specified in the AESO's Compliance Monitoring Program.

WECC, acting as the applicable Compliance Monitor for the AESO, will monitor for potential compliance issues in accordance with the MSA-WECC Service Level Agreement.

A notification by the Compliance Monitor constitutes a referral of a suspected contravention to the MSA. Following a referral, the MSA has sole carriage of the matter and is the primary contact for the Market Participant. The MSA then assesses relevant circumstances and Information in order

to make a determination of whether a contravention occurred and, if so, what Enforcement Action is appropriate.

As part of the referral, the Compliance Monitor will make available to the MSA Information obtained during the course of its compliance monitoring activities to assist the MSA regarding its assessment of the matter. The MSA, if necessary, may engage the Compliance Monitor and request additional Information from the Market Participant.

6.3 Self-Reporting

The MSA supports and encourages Self-Reporting of contraventions of Reliability Standards. A Self-Report provides evidence to the MSA that a Market Participant has a Compliance Program in place to identify such issues.

Self-Reports must be submitted in accordance with section 3 of the MSA Compliance Process. The MSA will acknowledge receipt of all Self-Reports and provide a MSA file number for each matter for future reference.

The MSA will not however, recognize a Self-Report filed after a compliance audit has been initiated, if the Self-Report pertains to suspected non-compliance within the current audit period and is within the audit scope communicated in the Compliance Monitor's notice of pending audit. In this context, the MSA will consider the audit process to be initiated once the deadline for submission of audit evidence to the Compliance Monitor has passed.

The MSA will conduct an assessment of the reported conduct and will thereafter remain the primary point of contact for the Market Participant until the conclusion of its determination of the issue.

The Self-Report form solicits Information to help the MSA understand and assess the contravention. The level of detail provided should reflect the complexity of the event. Market Participants are invited to comment on the reliability impact of the contravention, with a supporting rationale including any relevant mitigating circumstances. The MSA will consider the mitigating circumstances. These may support the case for Forbearance, particularly if it can be demonstrated that the contravention is not part of a recurring problem.

6.4 Mitigation Plans

Mitigation Plans play an important role in ensuring that reliability concerns are resolved in a timely manner. The MSA is supportive of Mitigation Plans and advises Market Participants to submit Mitigation Plans with Self-Reports and as soon as possible after receiving a referral from the Compliance Monitor. In instances where conduct has been mitigated prior to being Self-Reported or referred, Market Participants are still encouraged to submit a completed Mitigation Plan. Circumstances may arise where submitting a Mitigation Plan is inappropriate and the MSA is willing to discuss this on a case-by-case basis with Market Participants.

6.4.1 *Submitting a Mitigation Plan*

A Mitigation Plan form is available on the MSA's website to help Market Participants meet the minimum requirements of an acceptable Mitigation Plan. Mitigation Plans should be submitted in accordance with section 3 of the MSA Compliance Process.

Until the Mitigation Plan is complete, the disposition issued to the Market Participant by the MSA will be considered conditional. The MSA intends to promptly notify the Market Participant if a Mitigation Plan is acceptable, such that any necessary revisions to the Mitigation Plan may be made efficiently.

6.4.2 *Completion of a Mitigation Plan*

Once a Mitigation Plan has been accepted by the MSA, the Market Participant is responsible for completing the Mitigation Plan. Once a Mitigation Plan has been completed, the Market Participant must submit a completed Mitigation Plan form within five business days in accordance with section 3 of the MSA Compliance Process. The Market Participant will submit the MSA-approved Mitigation Plan with any necessary updates, including completion dates. The MSA believes the possibility of spot checks as well as subsequent audits is sufficient incentive for Market Participants to ensure successful completion of their Mitigation Plans.

6.4.3 *Mitigation Plan Revisions or Extensions*

In the event a Market Participant needs to revise or extend a Mitigation Plan, a revised Mitigation Plan should be completed and submitted in accordance with section 3 of the MSA Compliance Process. The Market Participant shall submit any such requests at least five business days prior to the existing deadline.

6.4.4 *Mitigation Plan Disputes*

There may be circumstances where the MSA is not satisfied that an appropriate Mitigation Plan has been submitted and there remains a disagreement with the Market Participant regarding the appropriate content of a Mitigation Plan. In such instances, the MSA will make an application to the Commission for an order to require a revised Mitigation Plan.

In other circumstances, the Market Participant may fail to complete a Mitigation Plan. If the MSA does not approve modifications to the Mitigation Plan, a conditional Forbearance may be withdrawn or a discount to a Specified Penalty provided for by AUC Rule 027 may be withdrawn.

6.5 *Forbearance and No Contravention*

The MSA's compliance enforcement process for Reliability Standards compliance matters is depicted in Figure 1.

If the MSA determines that Forbearance is appropriate, the MSA will inform the Market Participant of its decision. In some cases, the MSA may issue a conditional Forbearance. Should the MSA decide to issue a conditional Forbearance, any conditions will be made clear in the Forbearance notice.

The MSA logs all matters it considers, and as such, prior matters for which Forbearance was applied will inform the MSA whether a subsequent matter constitutes a recurring problem and hence whether subsequent Forbearance is appropriate.

In the case where the MSA is not satisfied that a contravention of the cited Reliability Standard has occurred, the MSA will issue a no contravention disposition to the Market Participant.

6.6 Specified Penalties

Where the MSA is satisfied that a contravention of the Reliability Standards has occurred, the MSA may, pursuant to section 52(1) of the AUCA, issue a Notice of Specified Penalty in accordance with the relevant Commission rules. A Notice of Specified Penalty must be sent to a particular individual at the Market Participant, in accordance with AUC Rule 027.

The MSA will apply Specified Penalties where appropriate. However, the MSA may make an administrative application to the Commission in instances where a Specified Penalty is not commensurate with the seriousness of the conduct at issue.

The MSA will make public any Notice of Specified Penalty issued, in accordance with Commission requirements.

If a Specified Penalty is not paid in accordance with the Notice of Specified Penalty issued by the MSA, then, pursuant to section 52(2) of the AUCA, the MSA will make an application to the Commission. The MSA may, prior to commencing an action before the Commission, seek additional Information to confirm intent to pay or to dispute the Specified Penalty, as well as to establish the basis of a potential dispute. In all cases where the MSA seeks further Information from a Market Participant whose conduct is at issue, the MSA will notify that party as to the reason for the request.

7 ADMINISTRATIVE ENFORCEMENT PROCESS

The MSA may choose to pursue a compliance matter under section 51 of the AUCA by making an application to the Commission. When this is the case, an extended process will be applied. The MSA will typically make an application to the Commission when the MSA deems a matter to be serious, whether or not a penalty has been specified in AUC rules in respect of a particular section of the ISO Rules or a Reliability Standard. The MSA will determine whether a matter is serious based upon the following criteria: 1) frequency of the non-compliance; 2) material market impact; 3) financial gain by the Market Participant as a result of the non-compliance; or 4) jeopardy to the reliability of the interconnected electric system. An application to the Commission may also be necessary in cases where no penalty has been specified for the contravention at issue. In either circumstance, the MSA will inform the Market Participant that it intends to apply this extended assessment process.

7.1 Preliminary Meeting (Optional)

If requested, the MSA may hold a preliminary meeting to discuss the matter and allow the Market Participant to respond to any questions resulting from the MSA's preliminary review. This would be an opportunity for the Market Participant to provide any new Information that may have been unavailable at an earlier stage and to bring forward any process questions or concerns. The Market Participant may decline the opportunity to have a meeting, if it wishes to do so. In either case, the MSA requires that any Information provided in response to its questions be in written form.

7.2 MSA Internal Review

Based upon the Information received, the MSA will conduct a detailed review of the conduct at issue. If the MSA determines that it is appropriate to continue considering an application to the Commission, the MSA will prepare a summary of facts and findings and provide the Market Participant with reasonable opportunity to provide feedback in respect of those findings.

7.3 Final Meeting (Optional)

If requested, the MSA may hold a meeting to review the summary of facts and findings prepared by the MSA and discuss views regarding settlement of the matter. At this point, the Market Participant has a final opportunity to provide Information of relevance to the MSA's findings prior to a decision being made. The MSA requires that any Information provided in response to the findings be in written form.

7.4 MSA Decision

Based on the MSA's summary of facts and findings and further Information provided by the Market Participant, the MSA will decide whether to pursue an application to the Commission. The MSA will communicate its decision to the Market Participant in writing.

7.5 Settlement Agreement (Optional)

Section 44 of the AUCA provides that the MSA may negotiate a settlement with a Market Participant to resolve any matter relating to the mandate of the MSA. Any settlement agreement must be filed with the Commission for approval.

7.6 Request for an AUC Hearing or Other Proceeding

Should the parties be unwilling or unable to reach a settlement agreement, the MSA may file an application for a hearing before the Commission. Section 51(2) of the AUCA sets out the form of the application. The form and manner of the hearing or other proceeding is determined by the Commission in accordance with its rules (section 53 of the AUCA). Sections 56 and 63 describe the form of order the Commission may impose, which may include administrative penalties and/or terms and conditions considered appropriate.

8 REFERENCES

Statutes and Regulations

Alberta Utilities Commission Act, SA 2007, c. A-37.2

<http://www.qp.alberta.ca/documents/Acts/A37P2.pdf>

Electric Utilities Act, SA 2003, c. E-5.1

<http://www.qp.alberta.ca/documents/Acts/E05P1.pdf>

Market Surveillance Regulation, AB Reg 266/2007

http://www.qp.alberta.ca/documents/Regs/2007_266.pdf

Transmission Regulation, AB Reg 86/2007

http://www.qp.alberta.ca/documents/Regs/2007_086.pdf

Alberta Utilities Commission

AUC Rules

<https://www.auc.ab.ca/Pages/Rules/rules-home.aspx>

Alberta Electric System Operator

ISO Rules effective in Alberta

<https://www.aeso.ca/rules-standards-and-tariff/iso-rules/>

Reliability Standards effective in Alberta

<https://www.aeso.ca/rules-standards-and-tariff/alberta-reliability-standards/>

Alberta Reliability Standards Compliance Monitoring Program

<http://www.aeso.ca/assets/Uploads/ARS-CMP-Final-v1.1.pdf>

WECC-AESO Membership and Operating Agreement

https://www.auc.ab.ca/regulatory_documents/ProceedingDocuments/2008/U2008-261.pdf#search=U2008%2D261

https://www.auc.ab.ca/regulatory_documents/ProceedingDocuments/2010/2010-152.pdf

Market Surveillance Administrator

ISO Rules forms, Reliability Standards forms, and MSA-WECC Service Level Agreement

<https://www.albertamsa.ca/>

APPENDIX: RULES RELEVANT TO MSA ENFORCEMENT PROCESSES**AUC Rule 013 – Rules on Criteria Relating to the Imposition of Administrative Penalties**

AUC Rule 013 outlines specific criteria that the AUC considers in its assessment of matters brought forward to it for consideration and subject to administrative penalty. Rule 013 includes both aggravating and mitigating factors that are considered in this process. The MSA looks to Rule 013 for general guidance and principles in its enforcement activities.

AUC Rule 015 – Rules on Costs of Investigations, Hearings, or Other Proceedings Related to Contraventions

AUC Rule 015 provides guidelines on recovery of costs in respect of a hearing or other proceeding. The MSA may, in certain circumstances, file an application with the AUC seeking the recovery of its costs in an enforcement hearing or other proceeding.

AUC Rule 019 – Specified Penalties for Contravention of ISO Rules

AUC Rule 019 provides direction to the MSA and to Market Participants in respect of the issuance of Specified Penalties for contraventions of sections of the ISO Rules. Rule 019 defines Specified Penalties for contraventions of the various sections of the ISO Rules. With respect to Market Participants, Rule 019 directs how a rule contravention can be Self-Reported and provides an incentive to do so.

AUC Rule 027 – Specified Penalties for Contravention of Reliability Standards

AUC Rule 027 is analogous to Rule 019 and applies to the MSA's mandate of enforcement regarding compliance with the Alberta Reliability Standards. Rule 027 defines specific categories and assigns Alberta Reliability Standards and Specified Penalties to each of these categories. Rule 027 also directs how a contravention can be Self-Reported and provides incentives for Self-Reporting and mitigation.

ISO rule 103.12 – ISO Compliance Monitoring

ISO rule 103.12 describes the processes and principles guiding the AESO in monitoring the compliance of Market Participants with applicable ISO Rules and Reliability Standards.

MARKET SURVEILLANCE
ADMINISTRATOR
ISO RULES SELF-REPORT FORM

ORGANIZATION INFORMATION

Organization Name:			
Contact Name:		Name and Title of the Senior Executive of the Business Unit:	
Contact Phone Number:		E-mail of the Senior Executive of the Business Unit:	
Contact E-mail:		Organization Address:	
Compliance program in place?	<input type="checkbox"/> YES <input type="checkbox"/> NO		

CONTRAVENTION INFORMATION

Asset ID (If applicable):		ISO Rules Section:	
Date of Contravention:			
If not submitted within 30 days of the date the contravention began, provide reasons for the delay:			
Describe the contravention, including time, duration and any other information that you consider to be relevant, including any mitigating circumstances and corrective actions:			

SIGNATURE

I acknowledge that the above stated facts are true and that this contravention did occur.

Signature:		Signature Date:	
Name:		Title:	

MARKET SURVEILLANCE
ADMINISTRATOR

ALBERTA RELIABILITY STANDARDS SELF-REPORT FORM

ORGANIZATION INFORMATION

Organization Name:			
Contact Name:		Name and Title of the Senior Executive of the Business Unit:	
Contact Phone Number:		E-mail of the Senior Executive of the Business Unit:	
Contact E-mail:		Organization Address:	
Compliance program in place?	<input type="checkbox"/> YES <input type="checkbox"/> NO		

CONTRAVENTION INFORMATION

Date of Contravention:		Is this contravention still occurring?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Standard(s) and Requirement(s):			
If not submitted within 30 days of the date the contravention began, provide reasons for the delay:			
Describe the contravention, including time, duration and any other information that you consider to be relevant, including the reliability impact of this contravention and mitigating circumstances:			

SIGNATURE

I acknowledge that the above stated facts are true and that this contravention did occur.

Signature:		Signature Date:	
Name:		Title:	

MARKET SURVEILLANCE ADMINISTRATOR

MITIGATION PLAN FORM

New Revised* Completed*

Completion Date:
(if applicable)

*Describe and explain, in the affected section(s), any modifications of the content of the prevailing Mitigation Plan.

SECTION A: ORGANIZATION INFORMATION

Organization Name:

Contact Name:

Contact Phone Number:

Contact E-mail:

Organization Address:

SECTION B: RELIABILITY STANDARD CONTRAVENTION INFORMATION

This Mitigation Plan is associated with the contravention(s) of the reliability standard/requirement(s) listed below:

Standard and Requirement Contravened	Contravention Date

SECTION C: MITIGATION PLAN CONTENTS

Identify and describe the action plan, including the commencement date and specific tasks, that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has already been completed, to correct the contraventions identified in Part B of this form:

SECTION D: MITIGATION PLAN TIMELINE

Enter Mitigation Plan activities with dates (milestones), that your organization is proposing for this Mitigation Plan:

Mitigation Plan Activity	Proposed Completion Date	Activity Completion Date

Provide any other relevant additional information regarding the Mitigation Plan, activities, and activity dates. Additional detailed information may be provided as an attachment as necessary:

SECTION E: INTERIM RELIABILITY RISKS

While your organization is implementing the proposed Mitigation Plan, the reliability of the interconnected electric system may remain at higher risk or be otherwise negatively impacted. To the extent they are known, reasonably suspected or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the interconnected electric system while the Mitigation Plan is being implemented:

MARKET SURVEILLANCE
 ADMINISTRATOR
MITIGATION PLAN FORM

SECTION F: FUTURE RELIABILITY RISKS

Describe how successful completion of this Mitigation Plan has or will prevent or minimize the probability that your organization will incur further contraventions of the same or similar reliability standards requirements in the future:

SECTION G: AUTHORIZATION

An authorized individual must sign and date this Mitigation Plan. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in this form, to the MSA for acceptance, and
- b) If applicable, certifies that the Mitigation Plan was completed on the date provided as the 'Completion Date' of the Mitigation Plan; on this form, and
- c) Acknowledges
 - 1. I am [Title] of [Organization] .
 - 2. I am qualified to sign this Mitigation Plan on behalf of [Organization].
 - 3. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 - 4. [Organization] agrees to be bound by and comply with the Mitigation Plan, as accepted by the MSA.

Signature:		Signature Date:	
Name:		Title	

HIGHLIGHTS OF REVISIONS TO THE COMPLIANCE PROCESS

Heading/Subheading	2016 Version (in effect)	2020 Version (proposed)
<i>1 Interpretation</i>	1	-Clarified and streamlined definitions (e.g., Forbearance)
<i>2 Introduction</i>	2	
<i>3 Submission of Information to the MSA</i>	-Absent -2020 3.1 MSA Forms, and 3.3 Opportunity to Provide Information to the MSA existed in some form in the 2016 ISO Rules (3.3) and Reliability Standards (4.3) sections	-New section -Combined content that was similar for ISO Rules and Reliability Standards -Added a section for sending sensitive information to the MSA (3.2) -Sets out the MSA's expectation for receiving additional information (3.3)
<i>4 Enforcement Outcomes</i>	-Absent	-New section -Combined content that was similar for ISO Rules and Reliability Standards -Introduces the enforcement outcomes earlier in the document -Consolidated and clarified Forbearance criteria (2016 version, 3.3 and 4.3) -Simplified 2016 Figures 1(3.1) and 2(4.1) to create one Figure 1 in 2020
<i>5 ISO Rules Enforcement 5.1 Collaboration between AESO and MSA</i>	3.1	-Condensed content to avoid duplication
<i>5 ISO Rules Enforcement 5.2 Initial Point of Contact Where Issue Identified by AESO</i>	3.2	-Shortened description of the AESO's compliance monitoring process
<i>5 ISO Rules Enforcement 5.3 Self-Reporting</i>	3.3	-Moved discussion of Forbearance to 2020 4 and 5.4 -Moved submission requirements to 2020 3 -Added comment on level of detail to be included in self-reports -Added explanation regarding corrective actions and mitigating circumstances (in response to Stakeholder Comments)

Heading/Subheading	2016 Version (in effect)	2020 Version (proposed)
5 ISO Rules Enforcement 5.4 Forbearance and No Contravention	3.6	-Added Figure reference (previously in 2016 3.5) -Condensed conditional Forbearance description -Added comment about Forbearance logging (previously in 2016 3.3) -Clarified no contravention as an outcome
5 ISO Rules Enforcement 5.5 Specified Penalties	3.5	-Deleted requirement to update MSA with certain contact information -Combined 2016 3.5 with 3.7, 3.8 and 3.9
6 Reliability Standards Enforcement 6.1 Collaboration between Compliance Monitor and MSA	4.1	-Condensed content to avoid duplication
6 Reliability Standards Enforcement 6.2 Initial Point of Contact Where Issue Identified by Compliance Monitor	4.2	-Deleted reference to AESO monitoring tools -Deleted reference to asking Compliance Monitor to provide an opinion on seriousness and if Mitigation Plan is required
6 Reliability Standards Enforcement 6.3 Self-Reporting	4.3	-Moved discussion of Forbearance to 2020 4 and 6.5 -Moved submission requirements to 2020 3 -Added comment on level of detail
6 Reliability Standards Enforcement 6.4 Mitigation Plans	4.8	-Modified expectations for submitting a Mitigation Plan -Deleted reference to conditional Forbearance -Moved parts of submission instructions to 2020 3 -Deleted minimum requirements (those are on the form) -Modified MSA communication of acceptance timeline from 30 days to promptly -Deleted Milestone Update Form and Mitigation Plan Completion Form (Market Participants will now revise and submit a Mitigation Plan Form). Market Participants are no longer required to update the MSA following each milestone's completion. -Deleted Mitigation Plan Extension Request Form (Market Participants will now revise and submit a Mitigation Plan Form). -Added 6.4.4 Mitigation Plan Disputes (in 2016 this was included in Figure 2(4.1))

Heading/Subheading	2016 Version (in effect)	2020 Version (proposed)
<i>6 Reliability Standards Enforcement 6.5 Forbearance and No Contravention</i>	<i>4.7</i>	-Added Figure reference (previously in 2016 4.5) -Condensed conditional Forbearance description -Added comment about Forbearance logging (previously in 2016 4.3) -Clarified no contravention as an outcome
<i>6 Reliability Standards Enforcement 6.6 Specified Penalties</i>	<i>4.5</i>	-Modified conditions for making an administrative application -Combined 2016 4.5 with 4.9 -Made symmetric to ISO Rules content
<i>7 Administrative Enforcement Process</i>	<i>5</i>	-Clarified process
<i>8 References</i>	<i>References</i>	-Updated
<i>Appendix</i>	<i>Appendix I</i>	-Clarified descriptions