



MARKET  
SURVEILLANCE  
ADMINISTRATOR

# Regulatory and Enforcement Activities: Q1 2026

May 7, 2026

**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. REGULATORY AND ENFORCEMENT MATTERS

### 1.1. Observed trends, novel matters, and enforcement process notices

The MSA is adding this section to our quarterly enforcement reports going forward to summarize compliance trends that we have observed, provide an explanation of novel matters that have been recently decided, and to give additional guidance on compliance processes and documentation.

#### 1.1.1. *Solar and wind available capability restatements*

The MSA has increasingly observed instances where solar and wind assets do not accurately restate their available capability (AC), resulting in misalignments between declared and actual operating conditions. In 2025, the MSA received 13 referrals for conduct relating to inaccurate AC due to weather-affected solar or wind assets, 12 of which resulted in Notices of Specified Penalties (NSP) being issued.

Failing to restate the AC of an asset impairs the ability of system controllers to observe accurate real-time system conditions. ISO rule 203.3 states, in part:

2(1) A pool participant must only submit an available capability restatement revising the available capability of a source asset if such revision is:

(a) as a result of an acceptable operational reason;

[...]

(2) A pool participant that submits an offer must, if there is a change to the available capability of the source asset as a result of any of the circumstances outlined in subsections 2(1)(a), (b) or (c), submit an available capability restatement revising the available capability for the applicable hours, as soon as practicable.

(3) A pool participant must submit the reason or reasons for submitting an available capability restatement for a source asset.

Where an “acceptable operating reason” is defined in the CADG as:

c) re-positioning a pool asset within the energy market to manage physical or operational constraints associated with the pool asset;

In instances where the capability of the asset becomes affected, market participants must restate the AC of their asset in the Energy Trading System (ETS) for all affected offers and settlement intervals.

For further information about acceptable operational reasons, market participants can review [ID #2009-003R](#).

### **1.1.2. Operating constraints for offers and bids**

The MSA has observed increased occurrences of active pool assets that do not have current operating constraints entered into ETS. In 2024, the MSA processed zero matters regarding operating constraints, but reviewed 5 referrals in 2025 that resulted in NSPs. As of the first day on which the asset becomes active in ETS and begins to submit offers, market participants must ensure that the pool asset is compliant with all requirements set forth in ISO rule 203.1, and in particular, subsection 6(1) and (2), which states:

6(1) A pool participant must also submit the following operating constraints for a pool asset:

(a) for offers and bids, ramp rate; and

(b) for offers, the initial start-up time of the asset.

(2) A pool participant must submit to the ISO any changes to the operating constraints of a pool asset as soon as practicable.

### **1.1.3. Root cause analysis**

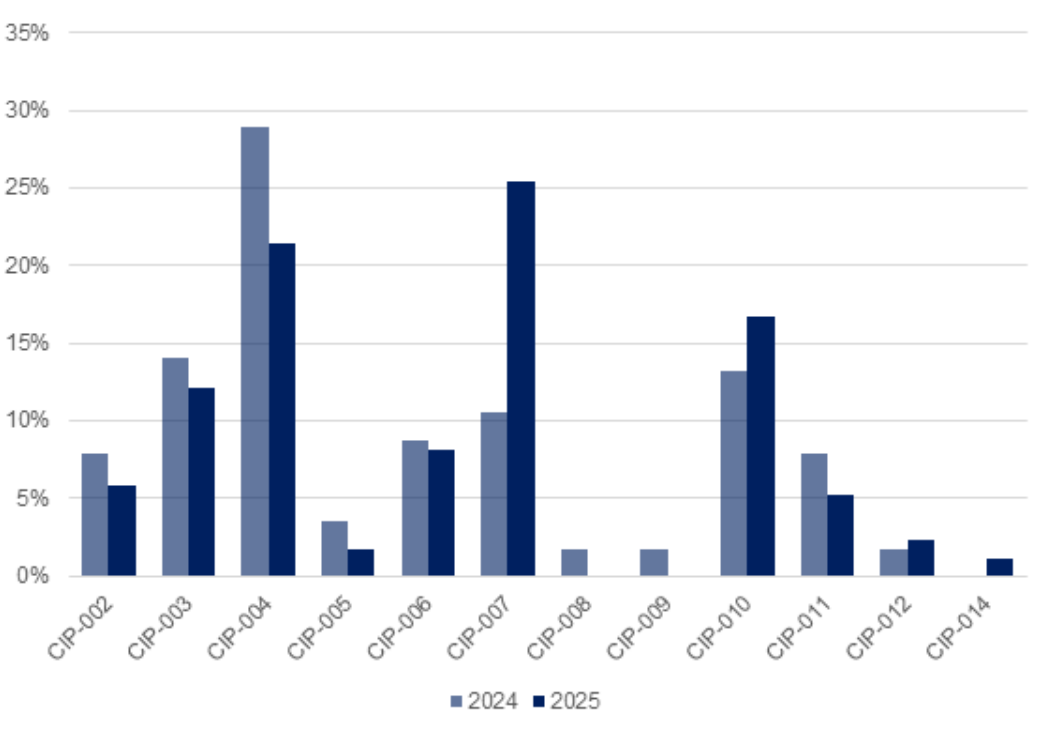
Over the past two years, the MSA has observed an increase in market participants reporting the root cause of contraventions as human error. In the MSA's experience, human error is rarely the true root cause of contravention; it is typically a result of underlying control failures that manifest as human error in particular conditions. This dynamic is discussed in Section 5 of the September 2011 [NERC Cause Analysis Methods for NERC, Regional Entities, and Registered Entities](#) guide.

To facilitate market participant understanding of the common underlying causes of contraventions, the MSA plans to include NERC cause codes in its public reporting of aggregate statistics. The MSA will assign NERC cause codes based on our assessment of the root cause analysis provided in each matter against the common cause codes set out in the NERC [ERO Enterprise Enforcement Cause Code User Guide issued December 16, 2024](#). By adopting a common cause codes taxonomy with NERC territories, the MSA expects our reporting to be more comparable with reporting in other jurisdictions.

### **1.1.4. Critical Infrastructure Protection Compliance Trends.**

As shown in the [2025 Compliance Review](#), the most frequently self-reported and referred Critical Infrastructure Protection (CIP) matters during 2024 and 2025 are CIP-003, CIP-004, CIP-007, and CIP-010, reproduced as Figure 1 below.

Figure 1: 2024 and 2025 matters addressed by percentage [\[MSA data portal series msa\\_ed01ars\]](#)



The MSA reviewed the details of the matters at a high level, to determine what the common causes were for the most frequently contravened requirements:

[CIP-003-AB-8](#) Security Management Controls: Between the current version of the standard and the equivalent requirement in the previous version of the standard, approximately half of the contraventions were for R2, which states:

**R2.** Each Responsible Entity with at least one asset identified in CIP-002 containing low impact **BES cyber systems** shall implement one or more documented cyber security plan(s) for its low impact **BES cyber systems** that include the sections in Attachment 1. *[Alberta Risk Rating: Lower] [Time Horizon: Operations Planning]*

Note: An inventory, list, or discrete identification of low impact **BES cyber systems** or their **BES cyber assets** is not required. Lists of authorized users are not required.

**M2.** Evidence shall include each of the documented cyber security plan(s) that collectively include each of the sections in Attachment 1 and additional evidence to demonstrate implementation of the cyber security plan(s). Additional examples of evidence per section are located in Attachment 2.

The MSA observed that one of the more frequent root causes was a lack of or deficient documented evidence (corresponding to NERC cause code 5) leading Market participants to not meet the requirements of the current standard version by the timelines set out in the Cyber Security – Implementation Plan ([CIP-PLAN-AB-3](#)) which has R2 phase-in over a four year period:

### Implementation plan for CIP-003-AB-8 R2

CIP-003-AB-8, requirement R2 shall be effective on the following timeline for all Responsible Entities:

- 15% of applicable assets by December 31, 2024;
- 30% of applicable assets by December 31, 2025;
- 60% of applicable assets by December 31, 2026; and
- 100% of applicable assets on October 1, 2027.

CIP-003-AB-5, requirement R2 shall remain effective throughout the phased implementation period of CIP-003-AB-8 R2. Each Responsible Entity must remain compliant with CIP-003-AB-5, requirement R2 until that entity meets the requirements of CIP-003-AB-8, requirement R2 in accordance with the Implementation Plan given above.

[CIP-004-AB-5.1](#) Personnel and Training (Access Management Programs): Approximately half of the contraventions were associated with R4 and a further third of the contraventions are associated with R5. These requirements state:

- R4.** Each Responsible Entity shall implement, in a manner that identifies, assesses, and corrects deficiencies, one or more documented access management programs that collectively include each of the applicable requirement parts in *CIP-004-AB-5.1 Table R4 – Access Management Program*.
- M4.** Evidence must include the documented processes that collectively include each of the applicable requirement parts in *CIP-004-AB-5.1 Table R4 – Access Management Program* and additional evidence to demonstrate that the access management program was implemented as described in the Measures column of the table.
- R5.** Each Responsible Entity shall implement, in a manner that identifies, assesses, and corrects deficiencies, one or more documented access revocation programs that collectively include each of the applicable requirement parts in *CIP-004-AB-5.1 Table R5 – Access Revocation*.
- M5.** Evidence must include each of the applicable documented programs that collectively include each of the applicable requirement parts in *CIP-004-AB-5.1 Table R5 – Access Revocation* and additional evidence to demonstrate implementation as described in the Measures column of the table.

The revised standard [CIP-004-AB-7](#) became effective on April 1, 2026 with some updates to the tables included with R4 and R5.

The MSA observed that the more frequent root causes were ineffective service ticket workflow tools and ineffective management review processes, corresponding with NERC cause codes 9 (ineffective preventative controls) and 10 (ineffective validation/detective controls), respectively.

[CIP-007-AB-5](#) System Security Management: approximately a two-thirds of the CIP-007-AB-5 contraventions were associated with security patch management set out in R2:

- R2.** Each Responsible Entity shall implement, in a manner that identifies, assesses, and corrects deficiencies, one or more documented processes that collectively include each of the applicable requirement parts in *CIP-007-AB-5 Table R2 – Security Patch Management*.
- M2.** Evidence must include each of the applicable documented processes that collectively include each of the applicable requirement parts in *CIP-007-AB-5 Table R2 – Security Patch Management* and additional evidence to demonstrate implementation as described in the Measures column of the table.

The MSA observed that the more frequent root causes were ineffective automated information gathering or reporting tools and ineffective reviews of third-party performance reporting, corresponding with NERC cause codes 9 – ineffective preventative controls and 10 - ineffective validation/detective controls, respectively.

[CIP-010-AB-1](#) and [CIP-010-AB-4](#) Configuration Change Management and Vulnerability Assessments: Market participants continue to experience compliance challenges related to baseline configuration and change management. Over three quarters of the CIP-010-AB-1 and CIP-010-AB-4 contraventions are associated with R1 which states:

**R1.** Each Responsible Entity shall implement one or more documented process(es) that collectively include each of the applicable requirement parts in *CIP-010-AB-4 Table R1 – Configuration Change Management*. [Alberta Risk Rating: Medium] [Time Horizon: Operations Planning].

**M1.** Evidence must include each of the applicable documented processes that collectively include each of the applicable requirement parts in *CIP-010-AB-4 Table R1 – Configuration Change Management* and additional evidence to demonstrate implementation as described in the Measures column of the table.

The MSA observed that the more frequent root causes were a lack of periodic control assessment, corresponding to NERC cause code 8 – lack of/deficient policy/procedure and ineffective baseline management programs, and NERC cause code 9 – ineffective preventative controls.

Market participants may wish to review current and historical FERC CIP Standards lessons learned that are issued annually ([2025 link](#)) as well as the applicable WECC Controls Guidance and Compliance Failure Points sections of [this link](#).

## 1.2. Results of the 206.2 investigations

On February 27, 2026, the MSA published a [report](#) on the interim market power mitigation measures. Section 4.3 of the report, reproduced below, discusses investigations undertaken by the MSA into the conduct of several pool participants under the supply cushion regulation and ISO rule 206.2. In one of the investigations, the MSA discontinued the investigation due to the assets in question having submitted parameters under ISO rule 206.2 despite not having an initial start-up time greater than 1 hour. In the other investigations, once the participants updated parameters for their long-lead assets, the MSA was satisfied with those mitigation plans and refrained from exercising its power to pursue an enforcement action as provided for under section 23.1 of the *Transmission Regulation*<sup>1</sup>.

### 4.3 Unit commitment parameters

The [Supply Cushion Regulation] SCR requires the AESO to “determine the order of unit commitment directives according to relative economic merit and physical constraint parameters.” To enable the AESO’s determination, both the SCR and ISO rule 206.2 place

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<sup>1</sup> 23.1(1) The Market Surveillance Administrator may decide to refrain, in whole or in part and conditionally or unconditionally, from the exercise of any power or the carrying out of any part of its mandate if the Market Surveillance Administrator finds as a question of fact that there are in place practices, processes, plans or any other measures sufficient to protect the safe, reliable and economic operation of the interconnected electric system.

obligations on pool participants to submit parameters to the AESO that outline the characteristics of their LLT assets, and then maintain these submissions through time. These submissions are further described in the [Unit Commitment Directive] UCD ID, which includes a submission template as Appendix 2. The parameter definitions are divided across the Consolidated Authoritative Document Glossary (CADG) and the UCD ID. Because the parameters are used to determine the eligibility and order of issuance for UCDs, they are consequential to energy market outcomes.

Following the introduction of the interim measures, the MSA obtained and reviewed the parameter submissions made to the AESO. This initial review raised potential concerns, and accordingly, the MSA opened investigations into pool participant conduct under the SCR and ISO rule 206.2.

The investigations revealed that the submissions contained several errors, including misinterpretations of parameter definitions, outdated or otherwise inaccurate data or assumptions, inappropriate methodologies, and clerical errors.

As a result of the investigations, pool participants made substantive updates to their parameters and implemented processes to promote ongoing compliance.

In the MSA's view, insufficient care was taken both in establishing the parameter definitions and Template Appendix by the AESO, and by pool participants in developing their estimates and completing their submissions. This issue was foreseeable, as there was uncertainty about parameter definitions going back to the outset of stakeholder consultation in May 2024. Following their introduction, the MSA is aware of at least five versions of the UCD ID and four versions of the Template Appendix, and while these updates made directional improvements, the frequent changes contributed to stakeholder confusion.

The collection of this type of information, while new in Alberta, is common practice in other jurisdictions. Similarly, these jurisdictions have established mechanisms to ensure that inputs to the market clearing processes are accurate and justifiable. With further reliance on asset-level data expected in the future, robust data validation and oversight will be required to ensure the fidelity of market outcomes.

### **1.3. Consultation on the compliance process and investigation procedures**

On February 27, 2026, the MSA published a [notice](#) and draft [Investigation and Enforcement Process](#) (IEP) for stakeholder consideration and comment. The MSA hosted a technical meeting on March 19, 2026 to [review](#) the material changes in the draft IEP with stakeholders and give an opportunity to ask clarifying questions and provide feedback. On April 16, 2026, eight stakeholders provided written feedback that was [published](#) shortly thereafter.

The MSA would like to thank the stakeholders who provided comments. They will all be considered and, if appropriate, may be reflected in the final document. The MSA intends to publish the final IEP, document along with the associated rationale, on June 5, 2026.

## **2. ISO RULES ENFORCEMENT**

The ISO rules promote orderly and predictable actions by market participants and facilitate the operation of the Alberta interconnected electric system (AIES). The MSA enforces the ISO rules and endeavours to promote a culture of compliance and accountability among market participants, thereby contributing to the reliability and competitiveness of the Alberta electric system. If the MSA is satisfied a contravention has occurred and determines that a notice of specified penalty (NSP) is appropriate, then AUC Rule 019 guides the MSA on how to issue an NSP.

From January 1 to March 31, 2026, the MSA closed 105 ISO rules compliance matters, as reported in Table 1. During the quarter, the MSA received 115 ISO rule matters, so the balance of outstanding matters increased by 10 over the quarter to total 228 ISO rule matters which will move forward to the next quarter. During this period, 35 matters were addressed with NSPs, totalling \$19,250 in financial penalties (details provided in Table 2).

Table 1: ISO rules compliance outcomes from January 1 to March 31, 2026  
[\[MSA data portal series: msa\\_ed01iso\]](#)

ISO Rule	Forbearance	Notice of Specified Penalty	No Contravention	Total
201.2	2	-	-	2
201.3	2	-	-	2
201.7	-	1	-	1
203.1	-	4	-	4
203.3	7	11	-	18
203.4	7	1	-	8
203.6	6	-	1	7
205.3	1	3	-	4
205.4	1	1	-	2
205.5	7	5	-	12
205.6	4	1	-	5
205.9	1	-	-	1
206.2	4	-	1	5
301.2	3	3	1	7
304.5	-	1	-	1
306.4	3	-	-	3
502.1	-	1	-	1
502.16	2	2	-	4
502.5	2	-	-	2
502.8	2	-	-	2
503.13	-	1	-	1
503.16	2	-	-	2
503.19	2	-	-	2
503.2	3	-	-	3
503.21	1	-	-	1
503.6	1	-	-	1
505.3	3	-	-	3
505.4	1	-	-	1
<b>Totals</b>	<b>67</b>	<b>35</b>	<b>3</b>	<b>105</b>

Table 2: Specified penalties issued from January 1 to March 31, 2026, for contraventions of the ISO rules [\[MSA data portal series: msa\\_ed01nsp\]](#)

Market participant	Total specified penalty amount by ISO rule (\$)													Total (\$)	Matters
	201.7	203.1	203.3	203.4	205.3	205.4	205.5	205.6	301.2	304.5	502.1	502.16	503.13		
Acciona Wind Energy Canada Inc.		500												500	1
Alberta Powerline Ltd.													250	250	1
Big Sky Solar L.P.			250											250	1
Brooks Solar II Limited Partnership			1,000											1,000	2
Canadian Hydro Developers, Inc.					750									750	1
Canadian Natural Resources Ltd.									500					500	1
Cancarb Ltd.				250										250	1
Capital Power (CBEC) L.P.					750									750	1
Capital Power (G3) Limited Partnership							2,000							2,000	2
Conrad Solar Inc.									500					500	2
EDP RENEWABLES SH PROJECT LIMITED PARTNERSHIP		500												500	1
East Strathmore Solar Power Limited Partnership			500											500	1
Enfinite Corporation			250				250							500	2
Enfinite Generation Corporation											250			250	1
Enmax Shepard Services Inc.	250													250	1
Garden Plain I LP		500												500	1
General Land & Power Corp.									250			500		750	3
Irrican Power Ltd.							250							250	1
NAT-1 Limited Partnership			250											250	1
Northstone Power Corp.			1,000											1,000	2
Saddlebrook Solar & Storage Limited Partnership			500											500	1
Suncor Energy Inc.							250							250	1
TA Alberta Hydro LP					250		5,000							5,250	2
Taber Solar 2 Inc.			250											250	1
Voltus Energy Canada Ltd.									750					750	1
Windrise Wind LP		500												500	1
Winnifred Wind Project L.P.			250											250	1
<b>Total</b>	<b>250</b>	<b>2,000</b>	<b>4,250</b>	<b>250</b>	<b>1,750</b>	<b>250</b>	<b>7,500</b>	<b>750</b>	<b>750</b>	<b>500</b>	<b>250</b>	<b>500</b>	<b>250</b>	<b>19,250</b>	<b>35</b>

The ISO rules listed in Table 2 fall into the following categories:

201 General (Markets)

203 Energy Market

205 Ancillary Services Market

301 General

304 Routine Operations

502 Technical Requirements

503 Technical and Operating Requirements

### 3. ARS ENFORCEMENT

The MSA assesses market participant compliance with Alberta Reliability Standards (ARS) and issues NSPs where appropriate.

The ARS ensure the various entities involved in grid operation have practices in place, including procedures, communications, coordination, training, and maintenance to support the reliability of the AIES. ARS apply to both market participants and the AESO. ARS are divided into two categories: Operations and Planning (O&P) and Critical Infrastructure Protection (CIP). The MSA’s approach to compliance with ARS focuses on promoting awareness of obligations and a proactive compliance stance. The MSA’s process, in conjunction with AUC rules, provides incentives for robust internal compliance programs, and self-reporting.

In accordance with AUC Rule 027, NSPs for CIP ARS contraventions are not made public, nor is any information related to the nonpayment or dispute of a CIP ARS NSP. CIP matters often deal with cyber security issues and there is concern that granular public reporting may itself create a security risk. As such, the MSA only reports aggregated statistics regarding CIP ARS outcomes.

From January 1 to March 31, 2026, the MSA addressed 17 O&P ARS compliance matters (Table 3). During the quarter, 36 O&P matters were received, for a total of 70 O&P ARS matters that carried forward to the next quarter. During this period, 11 matters were addressed with NSPs, totalling \$65,000 in financial penalties (Table 4). For the same period, the MSA addressed 64 CIP ARS compliance matters, as reported in Table 5, with 43 matters addressed with NSPs, totalling \$838,625 in financial penalties. 107 CIP ARS matters were carried forward to next quarter.

*Table 3: O&P ARS compliance outcomes from January 1 to March 31, 2026*  
[\[MSA data portal series: msa\\_ed01ars\]](#)

<b>Reliability Standard</b>	<b>Forbearance</b>	<b>Notice of Specified Penalty</b>	<b>No Contravention</b>	<b>Total</b>
COM-001-AB-3	-	1	1	2
COM-002-AB-4	-	2	-	2
FAC-003-AB1-1	1	1	-	2
PRC-001-AB3-1.1(ii)	1	1	-	2
PRC-002-AB-2	1	-	-	1
PRC-005-AB2-6	-	2	1	3
VAR-002-AB-4.1	1	4	-	5
<b>Total</b>	<b>4</b>	<b>11</b>	<b>2</b>	<b>17</b>

Table 4: Specified penalties issued from January 1 to March 31, 2026, for contraventions of O&P ARS [\[MSA data portal series: msa\\_ed01nsp\]](#)

Market Participant	Total specified penalty amounts by ARS (\$)						Total (\$)	Matters
	COM-001	COM-002	FAC-003	PRC-001	PRC-005	VAR-002		
ATCO Electric Ltd.			12,500	7,500			20,000	2
Alberta Electric System Operator		13,750					13,750	2
BER Hand Hills Wind LP	7,500				3,750	15,000	26,250	5
ENMAX Energy Corporation						5,000	5,000	2
<b>Total</b>	<b>7,500</b>	<b>13,750</b>	<b>12,500</b>	<b>7,500</b>	<b>3,750</b>	<b>20,000</b>	<b>65,000</b>	<b>11</b>

The ARS outcomes listed in Table 3 and Table 4 are contained within the following categories:

- COM Communications
- FAC Facilities Design, Connections, and Maintenance
- PRC Protection and Control
- VAR Voltage and Reactive

Table 5: CIP ARS compliance outcomes from January 1 to March 31, 2026 [\[MSA data portal series: msa\\_ed01ars\]](#)

Reliability Standard	Forbearance	Notice of Specified Penalty	No Contravention	Non-Pursuit	Total
CIP-002-AB-5.1	2	3	-	-	5
CIP-003-AB-5	-	1	-	-	1
CIP-003-AB-8	-	2	1	-	3
CIP-004-AB-5.1	6	6	-	1	13
CIP-005-AB-5	-	1	-	-	1
CIP-006-AB-5	2	1	-	-	3
CIP-007-AB-5	-	12	-	1	13
CIP-008-AB-5	1	-	-	-	1
CIP-009-AB-5	1	4	-	-	5
CIP-010-AB-1	4	9	-	-	13
CIP-010-AB-4	2	2	-	-	4
CIP-011-AB-1	-	2	-	-	2
<b>Total</b>	<b>18</b>	<b>43</b>	<b>1</b>	<b>2</b>	<b>64</b>

The ARS outcomes listed in Table 5 are contained within the following categories:

- CIP-002 BES Cyber System Categorization
- CIP-003 Security Measurement Controls
- CIP-004 Personnel and Training
- CIP-005 Electronic Security Perimeter(s)
- CIP-006 Physical Security of BES Cyber Systems
- CIP-008 Incident Reporting and Response Planning
- CIP-009 Recovery Plans for BES Cyber Systems
- CIP-007 System Security Management
- CIP-010 Configuration Change Management and Vulnerability Assessments
- CIP-011 Information Protection