

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 14, 2018		Payment Due Date: October 15, 2018	
MSA File Number	2018-199	Specified Penalty Amount	\$1,500
Registered Entity Name	MEG Energy Corp.		
Asset ID (if applicable)	MEG1	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule	203.4	Date of Contravention	February 26, 2018
Date of Referral/Self Report	May 31, 2018	This is the first contravention by this asset for this rule within a rolling 12 month period.	

EVENT DETAILS

At approximately 23:44 on February 25, 2018, the MEG1 generating asset received and accepted an energy dispatch of 128 MW effective at 00:00 on February 26, 2018. By 00:00 February 26, 2018, MEG1 reached the MW specified in the energy dispatch plus its allowable dispatch variance and reached generating asset steady state. However, from approximately 23:09 to 23:59 on February 26, 2018, the MW volume delivered to the grid by MEG1 was outside of its allowable dispatch variance, and no available capability restatement was submitted for the February 26, 2018 HE 24 settlement interval. Subsection 5(3) of section 203.4 of the ISO rules states:

A pool participant must, if an operational deviation extends for twenty (20) minutes or longer, submit an available capability restatement or MW restatement for the generating source asset that represents the operational capability of the generating source asset and must do so no later than twenty (20) minutes after the commencement of the operational deviation.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 203.4.

MATERIAL FACTS

The material facts relied upon by the MSA include the following:

1. AESO available capability, dispatch and generation data for MEG1 for February 26, 2018.
2. AESO information request issued to MEG Energy Corp. dated May 2, 2018.
3. MEG Energy Corp.'s response to the AESO information request dated May 3, 2018.
4. Referral from the AESO to the MSA dated May 31, 2018.

DELIVERY OF PAYMENT

Payment by cheque or certified funds is to be made out to the "General Revenue Fund c/o Minister of Finance", and delivered to the Alberta Utilities Commission (AUC) at: 1400, 600 – 3rd Avenue S.W., Calgary, Alberta, T2P 0G5. Questions in respect of delivery of payment should be directed to the AUC. The payment should reference this notice and related MSA File #. Delivery of payment should also be confirmed by email to compliance@albertamsa.ca, with copy to the following AUC personnel: Jeremy Smith (Financial Accountant) Jeremy.Smith@auc.ab.ca, and Greg Andrews (Investigator) Greg.Andrews@auc.ab.ca.

NOTICE

The Market Surveillance Administrator (MSA) is granted the power and authority under s. 52 of the *Alberta Utilities Commission Act* to issue a Notice of Specified Penalty where the MSA is satisfied that a person has contravened an ISO rule. Specified penalties are set out in AUC Rule 019.

In accordance with the relevant enactments and rules, a dispute regarding the issuance of a Notice of Specified Penalty or failure to pay the specified penalty in accordance with this notice will result in a hearing or other proceeding before the AUC.

In accordance with s. 5(1) of AUC Rule 019 this Notice of Specified Penalty will be made public no earlier than receipt of confirmation of payment from the Commission and no later than 45 days after issuance. The MSA will, if applicable, also post on its website the link to any decision of the AUC respecting the specified penalty.

If your organization disputes the issuance of this Notice of Specified Penalty, or if you have any other questions or comments regarding this matter, please contact the MSA compliance team at compliance@albertamsa.ca.

SIGNATURE

Signature	"Original Signed"	Signature Date	September 14, 2018
Name	Doug Doll	Title	Director, Corporate Services and Compliance