

NOTICE OF SPECIFIED PENALTY

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| Date of Issue: December 10, 2019 | | Payment Due Date: January 20, 2020 | |
| MSA File Number | 2019-389 | Specified Penalty Amount | \$1,500 |
| Registered Entity Name | Syncrude Canada Ltd. | | |
| Asset ID (if applicable) | SCL1 | Self-Report | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| ISO Rule Section | 203.4 | Date of Contravention | April 16, 2019 |
| Date of Referral/Self Report | August 28, 2019 | This is the first contravention by this asset for this section of the ISO rules within a rolling 12 month period. | |

EVENT DETAILS

On April 16, 2019 the SCL1 asset was dispatched to 35 MW of energy at 03:56 and 23 MW of energy at 04:36. For two consecutive 10 minute clock periods from 04:10 through 04:29 and five consecutive 10 minute clock periods from 04:50 through 05:39, SCL1 delivered energy such that its average generation varied from its energy dispatch by more than its allowable dispatch variance. Section 203.4 of the ISO rules states in part:

3(1) A pool participant must not, during generating asset steady state, vary the average MW it delivers from a generating source asset in any 10 minute clock period from the dispatch MW by more than the allowable dispatch variance.

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 SCL1 for April 16, 2019.
2. AESO information request issued to Syncrude Canada Ltd., dated July 18, 2019.
3. Syncrude Canada Ltd.'s response to the AESO information request, dated August 9, 2019.
4. Referral from the AESO to the MSA dated August 28, 2019.

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

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| Signature | "Original signed" | Signature Date | December 10, 2019 |
| Name | Andrew Wilkins | Title | Director, Compliance |