

NOTICE OF SPECIFIED PENALTY

Date of Issue: January 30, 2020		Payment Due Date: March 2, 2020	
MSA File Number	2019-527	Specified Penalty Amount	\$500
Registered Entity Name	Balancing Pool		
Asset ID (if applicable)	KH2	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule Section	205.3	Date of Contravention	May 25 through 27, 2019
Date of Referral/Self Report	December 6, 2019	This is the first contravention by this asset for this section of the ISO rules within a rolling 12 month period.	

EVENT DETAILS

For several settlement intervals between May 25 through 27, 2019, the KH2 asset had a declared available capability of 0 MW. During this period, the Balancing Pool submitted several spinning reserve restatements to 0 MW for KH2. Information available to the MSA indicates that these spinning reserve restatements were not made as soon as reasonably practicable. Section 205.3 of the ISO Rules states in part:

3(4) A pool participant that submits an offer must, as soon as reasonably practicable, submit a restatement to represent the operating state of the pool asset if:

- (a) the pool asset is no longer able to deliver the MW set out in the offer; or
- (b) the pool participant is not able to meet the requirements set out in Section 205.4 of the ISO rules, *Regulating Reserve Technical Requirements and Performance Standards*, Section 205.5 of the ISO rules, *Spinning Reserve Technical Requirements and Performance Standards* or Section 205.6 of the ISO rules, *Supplemental Reserve Technical Requirements and Performance Standards*, as applicable.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 205.3.

MATERIAL FACTS

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

1. AESO available capability, dispatch, generation and offer data for KH2 for May 25 through 27, 2019.
2. AESO information request issued to Balancing Pool, dated October 9, 2019.
3. Balancing Pool's response to the AESO information request, dated October 22, 2019.
4. Referral from the AESO to the MSA dated December 6, 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

Signature	"Original Signed"	Signature Date	January 30, 2020
Name	Andrew Wilkins	Title	Director, Compliance