

NOTICE OF SPECIFIED PENALTY

Date of Issue: March 5, 2020		Payment Due Date: April 6, 2020	
MSA File Numbers	2019-536 and 2019-537	Specified Penalty Amount	\$1,500
Registered Entity Name	TransAlta Corporation		
Asset ID (if applicable)	TAY1	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ISO Rule Section	203.3	Date of Contravention	May 11 and 12, 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 settlement intervals on May 11 and 12, 2019, the declared available capability (AC) of the TAY1 generating asset was 0 MW. At approximately 13:59:08 on May 12 the AC was restated from 0 MW to 10 MW for the HE 14 through HE 24 May 12 settlement intervals. Information available to the MSA indicates that this AC restatement did not occur as soon as reasonably practicable. Section 203.3 of the ISO rules states in part:

2(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 reasonably practicable.

At approximately 13:59:08 on May 12, TAY1 restated the MWs assigned to offer Blocks 0 and 6 for the HE 14 through HE 16 May 12 settlement intervals, with the accompanying reason "water management". Information available to the MSA indicates that TAY1 did not submit this offer restatement as soon as reasonably practicable. At approximately 16:48:44 on May 12, an additional restatement was made affecting the MWs assigned to offer Blocks 0 and 6 for the HE 17 through HE 18 May 12 settlement intervals, with the accompanying reason "forced derate". Information available to the MSA indicates that this restatement did not satisfy the requirements of subsection 4. Section 203.3 of the ISO rules states in part:

4(2) A pool participant that submits an offer must submit a MW restatement redistributing the MW to represent the operating state of the source asset, as soon as reasonably practicable, if the source asset cannot comply with the current offer as a result of:

(a) either

- (i) an acceptable operational reason; or
- (ii) an operational deviation and such restatement is required under subsection 5(3) of section 203.4 of the ISO rules, Delivery Requirements for Energy; and an available capability restatement under subsection 2 cannot reasonably accommodate the source asset's operating state; or

(b) carrying out either one (1) or both of commissioning and testing under section 505.3 of the ISO rules, Coordinating Synchronization, Commissioning, WECC Testing and Ancillary Services Testing or under section 505.4 of the ISO rules, Coordinating Operational Testing.

(3) A pool participant must submit the reason or reasons for submitting a MW restatement in accordance with subsection 4(2)(a) if such MW restatement is submitted within two (2) hours of the start of the settlement interval or within the current settlement interval.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of section 203.3 of the ISO rules.

MATERIAL FACTS

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

1. AESO available capability, dispatch, generation and offer data for TAY1 for May 11 and 12, 2019.
2. AESO information requests issued to TransAlta Corporation, dated October 25, 2019.
3. TransAlta Corporation's response to the AESO information requests, dated November 22, 2019.
4. Referrals 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	March 5, 2020
Name	Andrew Wilkins	Title	Director, Compliance