

NOTICE OF SPECIFIED PENALTY

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| Date of Issue: April 28, 2023 | | Payment Due Date: May 29, 2023 | |
| MSA File Number | 2022-353 | Specified Penalty Amount | \$500 |
| Market Participant Name | TransCanada Energy Ltd. | | |
| Asset ID (if applicable) | BCR2 | Self-Report | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| ISO Rule Section | 203.3 | Date of Contravention | May 20, 2022 |
| Date of Referral/Self Report | December 15, 2022 | This is the first contravention by this asset for this section of the ISO rules within a rolling 12-month period. | |

EVENT DETAILS

At the start of May 20, 2022, the declared available capability (AC) of the BCR2 asset was 18 MW for all settlement intervals on May 20, 2022. Information available to the MSA indicates that AC restatements were required for certain settlement intervals on May 20, 2022 to reflect WECC testing, however for certain settlement intervals these restatements were not made. Section 203.3 of the ISO rules 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;
- (b) in relation to an operational deviation and required under subsection 5(3) of section 203.4 of the ISO rules, Delivery Requirements for Energy; or
- (c) in order to reflect the output of the source asset which is restricted during 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.

(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.

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

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 BCR2 for May 20, 2022.
2. AESO information request issued to TransCanada Energy Ltd., dated September 28, 2022.
3. TransCanada Energy Ltd.'s response to the AESO information request, dated October 14, 2022.
4. Referral from the AESO to the MSA dated December 15, 2022.
5. Additional information provided by TransCanada Energy Ltd. to the MSA dated January 13, March 22, and April 13, 2023.

DELIVERY OF PAYMENT

Payment by cheque or certified funds is to be made payable to the "General Revenue Fund c/o Minister of Finance", and delivered to Alberta Affordability and Utilities at: 9945 – 108 Street NW, Edmonton, Alberta, T5K 2G6. The payment should reference this Notice of Specified Penalty and related MSA File #. Electronic copies of the payment and confirmation of delivery should be sent by email to compliance@albertamsa.ca and enforcement@auc.ab.ca. Questions can be directed to compliance@albertamsa.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 | April 28, 2023 |
| Name | Andrew Wilkins | Title | Director, Compliance |