

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 17, 2025		Payment Due Date: October 17, 2025	
MSA File Number	2024-472	Specified Penalty Amount	\$250
Market Participant Name	Capital Power (CBEC) L.P.		
Asset ID (if applicable)	ENC1	Self-Report	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
ISO Rule Section	502.6	Date of Contravention	October 1, 2021 to November 29, 2024
Date of Referral/Self Report	December 9, 2024	This is the first contravention by this asset for this section of the ISO rules within a rolling 12-month period.	

MSA FINDINGS

Information available to the MSA indicates between October 1, 2021, and November 29, 2024, the ENC1 asset was operated without the governor system in droop mode and free to respond to frequency changes.

Section 502.6 of the ISO rules states, in part:

4 Subject to subsection 3, the operator of a generating unit must only operate the generating unit with the governor system in service, in droop mode and free to respond to frequency changes.

The MSA is satisfied that the conduct was a contravention of section 502.6 of the ISO rules.

Section 503.1 of the ISO rules states, in part:

3 A legal owner must, unless otherwise specifically stated in an ISO rule within Division 503 of the ISO rules, remain compliant with the applicable predecessor document to an ISO rule within Division 503 if the legal owner's facility received either of the following prior to the effective date of an ISO rule within Division 503:

(a) a first version of the final functional specification issued by the ISO; or

(b) approval for the construction and operation of the facility from the relevant regulatory authority with jurisdiction.

[...]

4(1) A legal owner of a generating unit, aggregated facility, or energy storage resource must, notwithstanding subsection 3, comply with the applicable requirements of Division 503 of the ISO rules if the legal owner's facility or resource, or any supporting systems, undergoes an addition or upgrade.

(2) The legal owner of an aggregated facility that was energized and commissioned prior to April 7, 2017 must, notwithstanding subsection 4(1), comply with the applicable requirements of Division 503 of the ISO rules only if the legal owner replaces existing equipment where the equipment replaced has a gross real power capability equal to or greater than 5 MW, irrespective of whether the cumulative gross real power capability of the aggregated facility is increased.

(3) This subsection 4 does not apply to identical or similar replacements, or maintenance-related activities.

The MSA is satisfied that the ENC1 asset had to comply with section 502.6 of the ISO rules.

DELIVERY OF PAYMENT

Payment can be made by electronic funds transfer (EFT). Please reach out to compliance@albertamsa.ca for instructions. When submitting the EFT, please send an email to AU.FinOps@gov.ab.ca, compliance@albertamsa.ca and enforcement@auc.ab.ca noting the MSA file #, market participant name, name as appears on bank account, payment amount and the date of the payment. 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.

APPROVED BY

Derek Olmstead, Administrator and CEO, on September 12, 2025