NOTICE OF SPECIFIED PENALTY

Date of Issue: September 12, 2025		Payment Due Date: October 13, 2025	
MSA File Number	2025-379	**Specified Penalty Amount**	**$1,500**
Market Participant Name	Alberta Electric System Operator		
Asset ID (if applicable)	N/A	Self-Report	☐ YES ☒ NO
ISO Rule Section	206.2	Date of Contravention	March 31, 2025
Date of Referral/Self Report	N/A	This is the second contravention for this section of the ISO rules within a rolling 12-month period.	

MSA FINDINGS

Following its determination that anticipated supply cushion would be less than the supply cushion threshold, the ISO issued a unit commitment directive at 19:40 on March 31, 2025, to the BR4 long lead time asset for the period 06:00 to 10:00 on April 1, 2025. The ISO subsequently issued a unit commitment directive to the KH2 long lead time asset at 19:41 on March 31, 2025, for the period 07:00 to 09:00 on April 1, 2025. However, this subsequent unit commitment directive was not required to minimize the anticipated supply cushion deficit.

Section 206.2 of the ISO rules states, in part:

5(1) The ISO must, if the anticipated supply cushion determined under subsection 4(1) will be less than the supply cushion threshold for any settlement interval:

(a) minimize the deficit to the extent reasonable for the safe, reliable, and economic operation of the interconnected electric system by issuing a unit commitment directive or combination of unit commitment directives to pool participants for eligible long lead time assets; and

(b) determine the order of issuance of unit commitment directives according to relative economic merit, including on the basis of the physical constraint parameters of eligible long lead time assets submitted under subsection 2(1) and the costs calculated under subsections 3(1) and 3(2).

(2) The ISO must, in assessing the relative economic merit of unit commitment directives under subsection 5(1)(b), determine the least cost unit commitment directive or combination of unit commitment directives based on:

(a) all identified settlement intervals with a supply cushion deficit to be minimized;

(b) the period of time an eligible long lead time asset would be required to operate; and

(c) the calculated estimated cost of a unit commitment directive for an eligible long lead time asset as the sum of:

(i) the estimated start up costs calculated under subsection 3(1) if the eligible long lead time asset is not already online; and

(ii) the estimated hourly operation costs calculated under subsection 3(2) for each hour of operation for the unit commitment directive.

The MSA is satisfied that the conduct was a contravention of section 206.2 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
Andrew Wilkins, Executive Director, Market Assessment, on September 12, 2025