

## NOTICE OF SPECIFIED PENALTY

Date of Issue: October 26, 2018		Payment Due Date: November 26, 2018	
MSA File Numbers	RS2018-096 and RS2018-097	<b>Specified Penalty Amount</b>	<b>\$3,000</b>
Registered Entity Name	Castle Rock Wind Project, LLC		
Reliability Standard	VAR-002-AB-1.1b	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirements	R2, R3	Accepted Mitigation Plan	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Date of Referral/Self Report	April 24, 2018	Date of Contraventions	April 19, 2015

### EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2018–2020 audit schedule, the AESO conducted a scheduled Q1/2018 compliance monitoring audit of Castle Rock Wind Project, LLC. The applicable audit period with respect to VAR-002-AB-1.1b extended from January 1, 2015 to March 31, 2016. Based upon the AESO's audit findings, VAR-002-AB-1.1b was contravened as follows:

- There was no evidence to demonstrate that Castle Rock Wind Project, LLC obtained the ISO's consent to operate the Castle Rock Wind Project, LLC aggregated generating facility with the voltage regulating system not in service for a portion of April 19, 2015. VAR-002-AB-1.1b states, in part:

**R2** The operator of an aggregated generating facility, subject to requirement R3 and the ISO's consent to operate otherwise, must only operate such aggregated generating facility with the voltage regulating system in service, in voltage control mode and controlling voltage.

**MR2** Evidence of operating as required in requirement R2 exists. Evidence may include operator logs or data files.

- There was no evidence to demonstrate that Castle Rock Wind Project, LLC notified the ISO when the voltage regulating system was out of service for a portion of April 19, 2015. VAR-002-AB-1.1b states, in part:

**R3** Each operator of a generating unit and operator of an aggregated generating facility must notify the ISO as soon as reasonably possible when the automatic voltage regulator or voltage regulating system is out of service.

**MR3** Evidence of notifying the ISO as required in requirement R3 exists. Evidence may include operator logs or voice recordings.

### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard VAR-002-AB-1.1b, requirements R2 and R3.

### MATERIAL FACTS

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

- Referral from the AESO to the MSA dated April 24, 2018, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the Q1/2018 compliance monitoring audit of Castle Rock Wind Project, LLC.

### 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](mailto:compliance@albertamsa.ca), with copy to the following AUC personnel: Jeremy Smith (Financial Accountant) [Jeremy.Smith@auc.ab.ca](mailto:Jeremy.Smith@auc.ab.ca), and Greg Andrews (Investigator) [Greg.Andrews@auc.ab.ca](mailto: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 a reliability standard. Specified penalties are set out in AUC Rule 027.

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 027 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](mailto:compliance@albertamsa.ca).

**SIGNATURE**

Signature	"Original Signed"	Signature Date	October 26, 2018
Name	Doug Doll	Title	Director, Corporate Services and Compliance