

NOTICE OF SPECIFIED PENALTY

Date of Issue: August 14, 2020		Payment Due Date: September 15, 2020	
MSA File Number	RS2018-278	Specified Penalty Amount	\$1,500
Registered Entity Name	Heartland Generation Ltd.		
Reliability Standard	VAR-501-WECC-AB-1	Self-Report	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Requirement	R1	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	August 31, 2018	Date of Contravention	April 1, 2018 through June 30, 2018

EVENT DETAILS

From April 1, 2018 through June 30, 2018, ATCO Power Canada Ltd. had the power system stabilizer of Rainbow Lake 4 (RL1) in service for less than 98% of the generating unit's total operating hours. Heartland Generation Ltd. acquired ATCO Power Canada Ltd. effective September 30, 2019. VAR-501-WECC-AB-1 states, in part:

R1 Each **operator** of a **generating unit** equipped with a **power system stabilizer** must have the **power system stabilizer** in service ninety-eight (98%) of all operating hours except that the operating hours determined in accordance with requirements R 1.1 through 1.12 inclusive may be excluded to achieve the ninety-eight percent (98%) requirement.

R1.1 The operating hours during which the **generating unit** operates for less than five percent (5%) of all hours during any calendar quarter.

R1.2 The operating hours during which maintenance or testing on the **power system stabilizer** was performed, up to a maximum of seven (7) **days** per calendar quarter.

R1.3 The operating hours during which the **power system stabilizer** exhibits instability due to abnormal system configuration.

R1.4 The operating hours during which the **generating unit** is operating in the synchronous condenser mode and the **generating unit** is very near or at a zero (0) **real power** level.

R1.5 The operating hours during which the **generating unit** is generating less **real power** than its design limit for effective **power system stabilizer** operation.

R1.6 The operating hours during which the **generating unit** is passing through a range of output that is a known "rough zone" being a range in which a **generating unit** is experiencing excessive vibration.

R1.7 The operating hours during which the **automatic voltage regulator** of the **generating unit** is not in service.

R1.8 The operating hours, up to a maximum of sixty (60) consecutive **days** per incident, during which the **power system stabilizer** is out of service for repair due to a component failure.

R1.9 The operating hours, up to a maximum of twelve (12) consecutive **months**, during which the **power system stabilizer** had a component failure, but only if the **operator** of a **generating unit** submitted documentation to the **ISO** identifying the need for time to obtain replacement parts and identifying a scheduled **outage**, if required.

R1.10 The operating hours, up to a maximum of twenty-four (24) consecutive **months**, during which the **power system stabilizer** had a component failure, but only if the **operator** of a **generating unit** submitted documentation to the **ISO** identifying the need for time to replace the **power system stabilizer** and to schedule an **outage**.

R1.11 The operating hours during which the **generating unit** is not in **commercial operation**.

R1.12 The operating hours for which the **ISO** has issued a **directive** to the **operator** of a **generating unit** to operate the **generating unit** when the **power system stabilizer** is unavailable for service

MR1 Evidence of having the **power system stabilizer** in service as required in requirement R1 exists. Evidence may include documentation that summarizes for each calendar quarter:

(a) the number of hours the **power system stabilizer** was in service while the **generating unit** was operating;

- (b) the number of hours the **power system stabilizer** was out of service while the **generating unit** was operating;
- (c) the number of operating hours excluded in accordance with requirements R1.1 through R1.12; and
- (d) the percentage of operating hours that the **power system stabilizer** was in service excluding the number of operating hours determined in accordance with requirements R1.1 through R1.12

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard VAR-501-WECC-AB-1, requirement R1.

MATERIAL FACTS

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

1. Self-report submitted by ATCO Power Canada Ltd. to the MSA dated August 31, 2018.
2. Referral from the AESO to the MSA dated May 23, 2019, including the AESO Reliability Standards Compliance Monitoring Audit Report on the Q1/2019 compliance monitoring audit of ATCO Power Canada Ltd.
3. Further Documentation submitted by ATCO Power Canada Ltd. to the MSA dated June 11, 2019.
4. Letter submitted by Heartland Generation Ltd. to the MSA dated October 1, 2019, which states that effective September 30, 2019 it had acquired ATCO Power Canada Ltd.
5. Mitigation Plan submitted by Heartland Generation Ltd. (formerly ATCO Power Canada Ltd.) to the MSA dated June 25, 2020.
6. Revised Mitigation Plan submitted by Heartland Generation Ltd. (formerly ATCO Power Canada Ltd.) to the MSA dated July 30, 2020.

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 Energy 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 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.

SIGNATURE

Signature	"Original Signed"	Signature Date	August 14, 2020
Name	Andrew Wilkins	Title	Director, Compliance