

NOTICE OF SPECIFIED PENALTY

Date of Issue: March 24, 2020		Payment Due Date: April 27, 2020	
MSA File Number	RS2019-108 RS2019-109	Specified Penalty Amount	\$7,500
Registered Entity Name	Cancarb Limited		
Reliability Standard	VAR-002-AB-3	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement	R1, R3	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	January 24, 2019	Date of Contravention	April 16, 2016

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2018-2020 Audit Schedule, the AESO conducted a scheduled Q4/2018 compliance monitoring audit of Cancarb Limited. The applicable audit period with respect to VAR-002-AB-3 extended from April 1, 2016 to September 30, 2018. Based upon the AESO Audit findings and MSA determination, VAR-002-AB-3 was contravened as follows:

1. On April 16, 2016 the Cancarb generating unit's automatic voltage regulator was not in service and in voltage control mode, while the generator was electrically connected to the transmission system and generating power. VAR-002-AB-3 states, in part:

R1 The operator of a generating unit and the operator of an aggregated generating facility must, while a generating unit or aggregated generating facility is electrically connected to the transmission system, operate the generating unit or aggregated generating facility with its automatic voltage regulator or voltage regulating system in service and in voltage control mode unless:

- a) exempted by the ISO;
- b) the operator of the generating unit or operator of the aggregated generating facility provides voice notification to the ISO of its intention to operate the generating unit or aggregated generating facility otherwise;
- c) the generating unit or aggregated generating facility is being operated in start-up or shutdown mode in accordance with the procedure of the operator of a generating unit or operator of an aggregated generating facility; or
- d) the operator of a generating unit or the operator of an aggregated generating facility has previously obtained approval from the ISO allowing the generating unit or aggregated generating facility to be in a testing mode.

MR1 Evidence of operating the generating unit or aggregated generating facility in automatic voltage control mode as required in requirement R1 exists. Evidence may include, but is not limited to, exemption letters, data files, start-up or shut-down procedures, operator logs, voice recordings, e-mail, or other equivalent evidence.

2. Cancarb Limited failed to notify the ISO within 30 minutes after the generating unit's automatic voltage regulator status changed on April 16, 2016. VAR-002-AB-3 states, in part:

R3 Each operator of a generating unit and operator of an aggregated generating facility must notify the ISO within thirty (30) minutes after a status change of the automatic voltage regulator, voltage regulating system or alternative voltage controlling device and power system stabilizer, as applicable, on any generating unit or aggregated generating facility.

MR3 Evidence of notifying the ISO within thirty (30) minutes of any status change as required in requirement R3 exists. Evidence may include, but is not limited to, data logs, SCADA logs, voice recordings or operator logs.

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-3, requirement R1 and R3.

MATERIAL FACTS

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

1. Referral from the AESO to the MSA dated January 24, 2019, including the AESO Reliability Standards Compliance Monitoring Audit Report on the AESO Q3/18 compliance monitoring audit of Cancarb Limited.
2. Completed Mitigation Plan submitted by Cancarb Limited to the MSA dated September 4, 2019.
3. Revised Completed Mitigation Plan submitted by Cancarb Limited to the MSA dated September 26, 2019

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, with copy to the following AUC personnel: Jeremy Smith (Financial Accountant) Jeremy.Smith@auc.ab.ca, and Greg Andrews (Investigator) 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.

SIGNATURE

Signature		Signature Date	March 23, 2020
Name	Anders Renborg	Title	Director, Critical Infrastructure