

NOTICE OF SPECIFIED PENALTY

| | | | |
|----------------------------------|--------------------|-------------------------------------|---|
| Date of Issue: November 23, 2020 | | Payment Due Date: December 23, 2020 | |
| MSA File Number | RS2020-084 | Specified Penalty Amount | \$2,250 |
| Registered Entity Name | City of Lethbridge | | |
| Reliability Standard | EOP-008-AB-1 | Self-Report | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| Requirement | R1 | Accepted Mitigation Plan | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| Date of Referral/Self Report | May 14, 2020 | Date of Contravention | July 1, 2019 to August 12, 2020 |

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2020–2022 Audit Schedule, the AESO conducted a scheduled Q1-2020 compliance monitoring audit of the City of Lethbridge. The applicable audit period with respect to EOP-008-AB-1 extended from July 1, 2019 to December 31, 2019. Based upon the AESO's Audit findings, the MSA finds that EOP-008-AB-1 was contravened as follows:

From July 1, 2019 to August 12, 2020 City of Lethbridge was unable to provide an operating plan that met the intent of requirement R1, and there was no evidence that the operating plan for backup functionality included the specified information per R1 (a –f). EOP-008-AB-1 states, in part:

R1 The **ISO** and each **operator** of a **transmission facility** must have a current operating plan describing the manner in which it continues to meet its functional obligations with regard to the reliable operations of the **bulk electric system** in the event that its primary **control centre** functionality is lost.

This operating plan for backup functionality must include the following, at a minimum:

- (a) the location and method of implementation for providing backup functionality;
- (b) a summary description of the items required to support the backup functionality. These items must include, at a minimum:
 - (i) tools and applications to ensure that system operators have situational awareness of the **bulk electric system**;
 - (ii) data communications;
 - (iii) voice communications;
 - (iv) power source(s); and
 - (v) physical and cyber security;
- (c) an operating process for keeping the backup functionality consistent with the primary **control centre**;
- (d) operating procedures, including decision authority, for use in determining when to implement the operating plan for backup functionality;
- (e) a transition period between the decision to transfer functionality to the back up **control centre** following the loss of primary **control centre** functionality and the time to fully implement the backup functionality that is less than or equal to two (2) hours; and
- (f) an operating process describing the actions to be taken during the transition period between the loss of primary **control centre** functionality and the time to fully implement the backup functionality items identified in requirement R1, part (b). The operating process must include at a minimum:
 - (i) a list of all entities to notify when there is a change in operating locations;
 - (ii) actions to manage the risk to the **bulk electric system** during the transition from primary to backup functionality, as well as during outages of the primary or backup functionality; and
 - (iii) identification of the roles for personnel involved during the initiation and implementation of the operating plan for backup functionality.

MR1 Evidence of having a current operating plan for backup functionality as required in requirement R1 exists. Evidence may include, but is not limited to, a dated, current operating plan with specified elements or other equivalent evidence.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard EOP-008-AB-1, requirement R1.

MATERIAL FACTS

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

1. Referral from the AESO to the MSA dated May 14, 2020, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the AESO Q1-2020 compliance monitoring audit of the City of Lethbridge.
2. Mitigation Plan submitted on July 04, 2020 by the City of Lethbridge to the MSA.
3. Revised completed Mitigation Plan submitted on October 06, 2020 by the City of Lethbridge to the MSA.

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 | November 23, 2020 |
| Name | Andrew Wilkins | Title | Director, Compliance |