

NOTICE OF SPECIFIED PENALTY

Date of Issue: September 30, 2020		Payment Due Date: November 2, 2020	
MSA File Number	RS2020-109	Specified Penalty Amount	\$2,250
Registered Entity Name	City of Medicine Hat		
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 27, 2020	Date of Contravention	July 1, 2019 to December 31, 2019

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2019–2021 Audit Schedule, the AESO conducted a scheduled Q1/2020 compliance monitoring audit of the City of Medicine Hat. 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 December 31, 2019 City of Medicine Hat was unable to provide evidence of having a current operating plan as required by 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 27, 2020, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the AESO Q1/2020 compliance monitoring audit of the City of Medicine Hat.
 2. Revised Mitigation Plan submitted on July 28, 2020 by the City of Medicine Hat 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	September 30, 2020
Name	Andrew Wilkins	Title	Director, Compliance