

NOTICE OF SPECIFIED PENALTY

Date of Issue: June 21, 2023		Payment Due Date: July 21, 2023	
MSA File Number	RS2023-070	Specified Penalty Amount¹	\$3,750
Registered Entity Name	MEG Energy Corp.		
Reliability Standard	PRC-019-AB-2	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	April 5, 2023	Date of Contravention	January 1, 2022, to September 30, 2022

EVENT DETAILS

The AESO conducted a scheduled compliance monitoring audit of MEG Energy Corp, with the applicable audit period with respect to PRC-019-AB-2 extending from January 1, 2022, to September 30, 2022. The MSA finds that PRC-019-AB-2 was contravened from January 1, 2022, to September 30, 2022, as MEG Energy Corp. was unable to demonstrate that it had coordinated in-service limiters to operate before the protection system or that the in-service protection system devices were set to operate to isolate or de-energize equipment in order to limit the extent of damage, in contravention of R1. PRC-019-AB-2 states, in part:

R1

Each legal owner of a transmission facility, legal owner of a generating unit and legal owner of an aggregated generating facility must, by the effective date of this reliability standard and at a maximum of every 5 calendar years, coordinate the voltage regulating system controls, including in-service limiters and protection functions, with the applicable equipment capabilities and settings of the applicable protection system devices and functions, assuming normal automatic voltage regulator control loop and steady-state system operating conditions, by verifying the following coordination items for each applicable facility: (a) the in-service limiters are set to operate before the protection system of the applicable facility in order to avoid disconnecting the generating unit or synchronous condenser unnecessarily; and (b) the applicable in-service protection system devices are set to operate to isolate or de-energize equipment in order to limit the extent of damage when operating conditions exceed equipment capabilities or stability limits.

MR1

Evidence of coordinating the voltage regulating system controls by verifying the coordination items as required in requirement R1 exists. Evidence may include dated documentation that demonstrates the coordination was performed, or other equivalent evidence.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of PRC-019-AB-2, requirement R1.

MATERIAL FACTS

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

1. Referral from the AESO to the MSA dated April 5, 2023, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the AESO Q4 2022 compliance monitoring audit of MEG Energy Corp.
2. Mitigation Plan submitted by MEG Energy Corp. to the MSA dated March 30, 2023.

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 Affordability and Utilities 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.

¹ Specified penalty amount conditional on the completion of the accepted Mitigation Plan.

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 compliance@albertamsa.ca.

SIGNATURE

Signature	"Original Signed"	Signature Date	June 21, 2023
Name	Andrew Wilkins	Title	Director, Compliance