



May 18, 2012

Feedback – Timing of Discretionary Outages – PPA Units

On March 10, 2011 the MSA issued a Notice confirming that the stakeholder consultation regarding the *Offer Behaviour Enforcement Guidelines (OBEGs)* in particular as to the timing of discretionary outages at generating units subject to Power Purchase Arrangements (PPAs), would be suspended whilst the MSA carried out an investigation in respect of a complaint received on a substantively similar matter. A copy of the MSA Notice can be found on the MSA website via the following link:
<http://albertamsa.ca/uploads/pdf/Archive/2011/Notice%20PPA%20outages.pdf>.

The investigation is ongoing and as such that stakeholder consultation will remain suspended until further notice. That being said, 12+ months is a long time to be silent on this issue and we have heard from some market participants that it contributes to uncertainty in the marketplace.

As with all statements of enforcement intentions, the issue in question is a matter to be ultimately addressed by the Alberta Utilities Commission or the courts. However, until the AUC has an opportunity to adjudicate this matter in the first instance, we wish to advise interested parties that the MSA is proceeding on the basis that such conduct is inconsistent with the obligation to support the *fair, efficient and openly competitive* operation of the market. As such, if information comes to our attention that a PPA Owner is taking account of its broader portfolio position when determining the timing for a discretionary outage at a unit subject to a PPA, the MSA would consider launching an investigation and taking additional action as appropriate.

Note to reader: This feedback does not constitute a formal guideline or opinion of the MSA. However, within the parameters of the applicable facts and absent any superseding view, we consider ourselves bound by feedback given. Views expressed by the MSA do not supplant the role and authority of the courts, the Alberta Utilities Commission or other adjudicative body with jurisdiction over a given matter. Questions or comments regarding this feedback can be sent to the MSA through the Contact Us link on our website.