MARKET SURVEILLANCE ADMINISTRATOR

Regulatory and Enforcement Activities: Q3 2026

November 5, 2026

Taking action to promote effective competition and a culture of compliance and accountability in Alberta's electricity and retail natural gas markets

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1 REGULATORY AND ENFORCEMENT MATTERS

1.1 Regulatory activity

The Market Surveillance Administrator (MSA) includes this section in the quarterly report to summarize commentary, feedback, or advice that the MSA provided over the course of the preceding quarter.

1.1.1 MSA letter on inflexible blocks

The MSA provided comments to the Alberta Electric System Operator (AESO) regarding their proposed amended definition of "inflexible block" in the ISO rules on August 13, 2026. In these comments the MSA reinforces that the inappropriate use of inflexible blocks is inconsistent with the statutory framework, that the AESO's proposed definition presents enforcement challenges, that inappropriate use of inflexible blocks may distort market outcomes, and that offers can accommodate legitimate commercial strategies.

1.2 Observed trends, novel matters, and enforcement process notices

The MSA includes this section in the quarterly report to summarize compliance trends, provide an explanation of novel matters that have been recently decided, and give additional commentary on compliance processes and documentation.

1.2.1 Implementation of the Investigation and Enforcement Process

On September 1, 2026, the MSA published a notice of the implementation of the Investigation and Enforcement Process (IEP) and revocation of the prior 2016 Investigation Procedures and 2020 Compliance Process. The MSA also posted updated self-report, mitigation plan, and multiple potential contravention forms in the process and forms section of its website. The MSA subsequently posted updated versions of the forms on October 1, 2026 to address useability concerns and better clarify that signatures are not required on the forms which the MSA requests be submitted in Word or Excel document format.

1.2.2 Observations on a facility's first compliance audit

The MSA finished processing a number of referrals in the third quarter in relation to the first reliability standard compliance audit for a generating facility that had been in operation for more than three years at the time of the compliance audit. In the course of processing the matters, the MSA made the following observations from the material provided:

- Both the owner and the operator met the criteria for a high enterprise risk rating and given this was the first compliance audit in Alberta for either entity, there was no material reliability standard compliance history that could be referenced.

- In the course of the audit, it became clear that the owner of the generating facility was not the operator of the facility in accordance with the functional model, but that the operator had not completed the registration process in Alberta and was not on the ARS Registry.

- There had not been a designated document provider form submitted for either the owner or the operator of the generating facility which would have clarified the relationship between the entities and clarified what entity should provide evidence in the compliance audit process.

- The audit identified significant implementation gaps across several high-risk standards and requirements, many of which had existed since the facility's commercial energization. These findings resulted in specified penalties.

- The audit report for each entity noted their co-operation with the audit activity.

- Some of the contraventions identified in the audit have already been mitigated and the remainder are in the course of being mitigated.

The MSA agrees with the statement in section 8 of the Compliance Oversight Plan Process stipulating that the obligation is on the entity to ensure they comply with all applicable reliability standards in effect regardless of the oversight activity schedule and scope. However, given the observations listed above, the MSA believes it would be prudent in the case of newly registered high-risk entities to schedule a compliance monitoring activity (self-certification, self-certification with evidence, or compliance audit) closer to the commercial energization of the underlying generation or load asset to avoid similar circumstances remaining undiscovered for extended periods of time.

1.2.3 Waiver and variance statistical analysis

The Market Surveillance Administrator (MSA) conducted a statistical review of waiver and variance requests submitted by market participants between April 2017[1] and June 2026 with the objectives of assessing trends and identifying potential areas of concerns or opportunities for improvement.

Background and methodology

The MSA undertook an analysis of the July 3, 2026 version of the ARS and ISO Rules Waiver and Variance Report (the Report); this routine Report is used by the MSA for processing enforcement matters and includes information about the requestor, the request, key dates, and the current status. Prior to generating the results presented below, the report was filtered to remove duplicate entries, non-waiver & variance requests, and requests that could not be related to a particular ISO rule or Alberta reliability standard. For each request, the MSA calculated the

[1] There were no requests in 2017 prior to April on the report; the first reliability standard related request on the report was in March of 2018.

time required to reach a resolution or, if no resolution had been reached at the time of the analysis, the total time that the request had been under consideration. The MSA did not investigate what factors caused or contributed to the time required to process any particular request and, given the summary nature of the report, the MSA did not undertake an independent risk assessment on any of the resolved or outstanding requests.

Results

Tables 1, 2, and 3 describe summary statistics on the population of waiver and variance requests included in the analysis. The category of 'Other' includes withdrawn, cancelled, resolved, and non-RFI status names.

Table 1. Distribution of requests between ISO rules and reliability standards (Q2 2017 to Q2 2026)

Category	Count	% of total
ISO rules	308	85%
Reliability standards	53	15%

Table 2: Requests based on ISO rules (Q2 2017 to Q2 2026)

	Active	Approved	Denied	Other	Grand total
ISO rule 502.6	1	26	3	10	40
ISO rule 502.3	10	19		2	31
ISO rule 502.5	4	7	11	8	30
ISO rule 304.9	4	10	8	7	29
ISO rule 502.16	2	20	1	3	26
ISO rule 502.2	5	12	2	4	23
ISO rule 503.19	3	11		5	19
ISO rule 503.20	2	9	1	6	18
ISO rule 503.16	4	10	1	2	17
ISO rule 503.15	3	8	1	3	15
ISO rule 502.8		10	1		11
ISO rule 503.22	1	5		3	9
ISO rule 502.1		3	4	1	8
ISO rule 306.7		2	2		4
ISO rule 502.15			3	1	4
ISO rule 503.3	1	2		1	4
ISO rule 502.10	1	2			3
ISO rule 304.3		3			3
ISO rule 505.3	1	2			3
All others	3	2	3	3	11
Grand total	**45**	**163**	**41**	**59**	**308**

Table 3: Requests based on reliability standards (Q1 2018 to Q2 2026)

Reliability standard	Active	Approved	Denied	Other	Grand total
PRC-025-AB-2	8	2	2	1	13
CIP-012-AB-1		7	1		8
PRC-005-AB-6	2	5		1	8
FAC-008-AB-3		3	1		4
PRC-019-AB-2		3	1		4
PRC-002-AB-2	2	1			3
VAR-002-AB-4		1		1	2
PER-003-AB-1		1	1		2
All others		1	4	4	9
Grand total	**12**	**24**	**10**	**7**	**53**

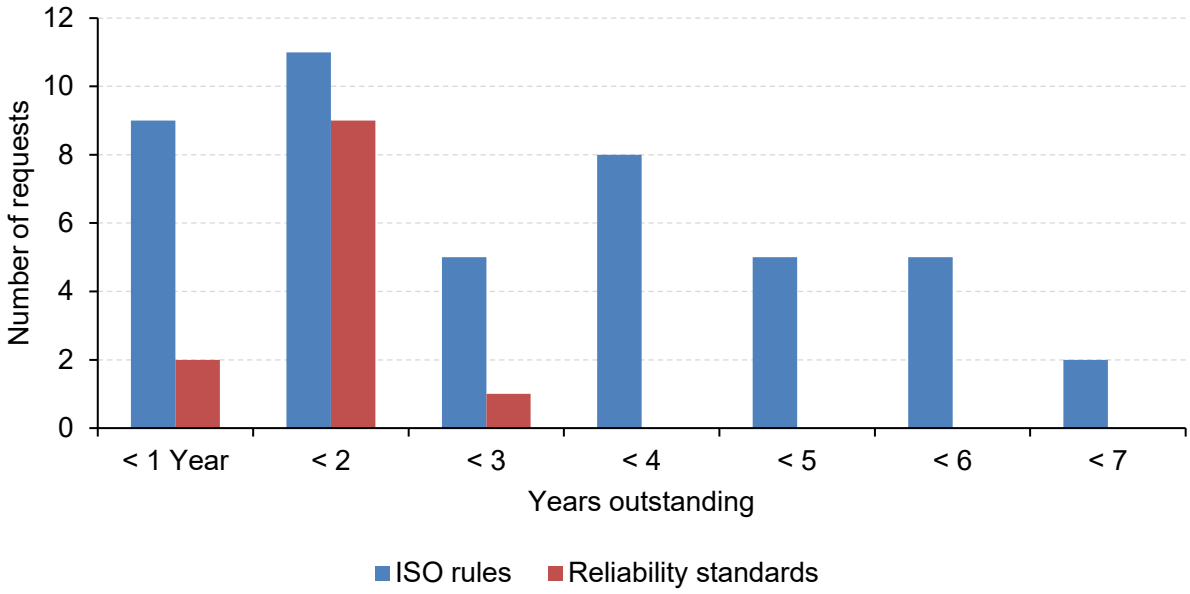
Table 4 shows the distribution data for requests that have an outcome recorded. On average, requests that are approved take between three to four months and requests that are denied take a month or two longer. The 10th percentile of requests typically reach a resolution within a single month while the 90th percentile typically reach a resolution between seven months and a year.

Table 4: Distribution data for requests that reached an outcome (Q2 2017 to Q2 2026)

Category	Outcome	Average days to resolve	10th percentile days to resolve	90th percentile days to resolve
ISO rules	Approved	92	18	241
	Denied	131	12	289
	Other	123	15	325
	All Outcomes	105	15	271
Reliability standards	Approved	124	14	229
	Denied	177	22	353
	Other	365	22	809
	All Outcomes	179	15	442
Overall	All Outcomes	115	15	289

Figure 1 shows the age distribution of currently active requests which shows that all of the active reliability standard requests are less than three years old, with an average age of 452 days, and that the average age of active ISO rule requests is 984 days with 23 of them (over half of the current active ISO rule requests) having been open for between two and seven years.

Figure 1: Age distribution of active requests (as of July 3, 2026)



Figures 2 and 3 show the history of ISO rule and reliability standard requests and resolutions per year. The vertical space between the cumulative request and cumulative resolution lines represents the number of unresolved requests at the end of each year and the horizontal space represents the average age of the requests that are still active at the end of that year.

Figure 2: ISO rule requests and resolutions over time (Q2 2017 to Q2 2026)

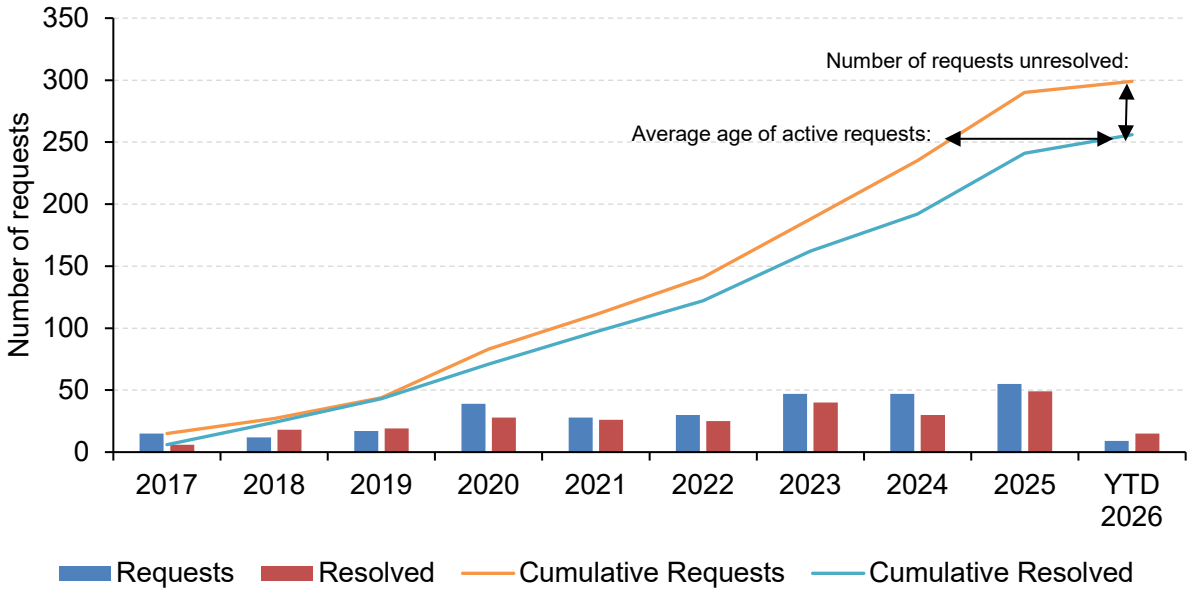
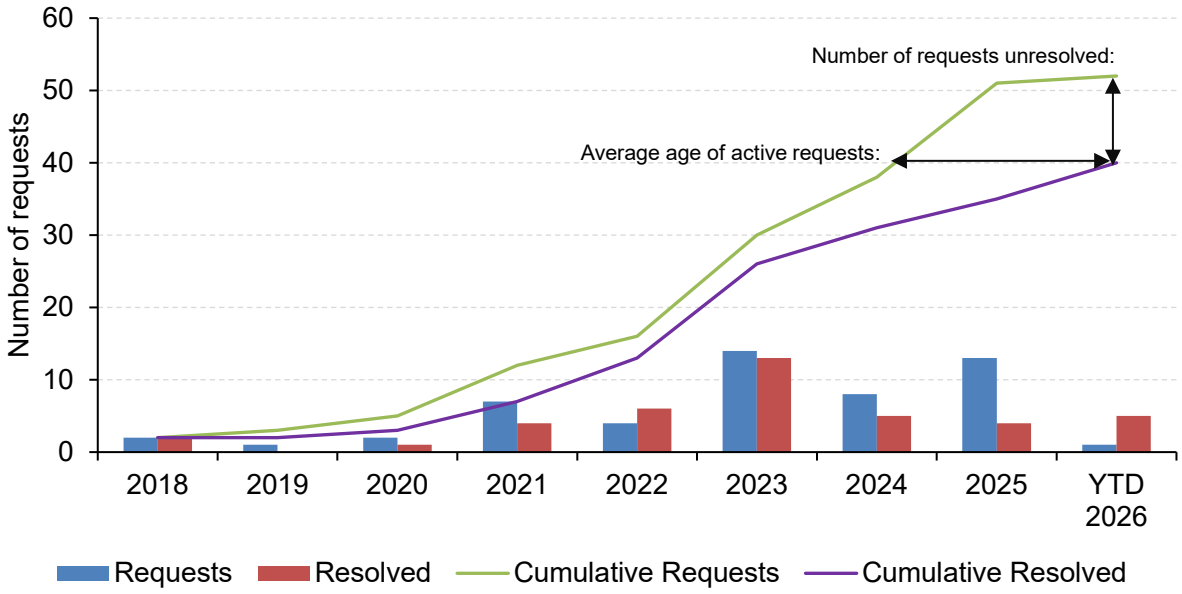


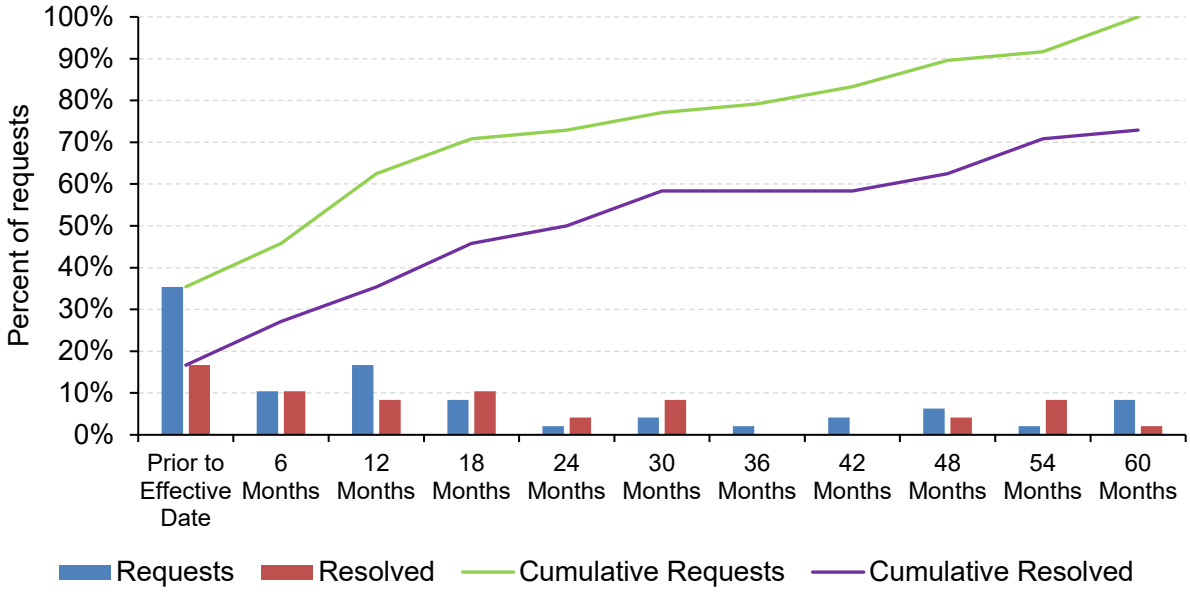
Figure 3: Reliability standard requests and resolutions over time (Q1 2018 to Q2 2026)



Specific to reliability standards, the MSA looked at when requests and resolutions were made relative to the effective date of the standard. While some requests may relate to new assets that were energized after the effective date of a standard, the majority of the reliability standard requests on the report related to assets that were pre-existing at the time the new or revised standard came into effect.

Figure 4 shows the history of requests and resolutions relative to the effective date of the standard; note the change in scale for the horizontal axis relative to the previous two charts and that this chart does not represent performance over time in the same way because different standards have different effective dates. The figure shows that 35% of requests from were made before the effective date of the standard and 17% reached a resolution prior to that date. It also shows that 27% of requests were made more than two years after the effective date of the standard and half of requests reached resolution more than two years after the effective date. Based on observations from self-report matters received by the MSA, the timing of requests made after the effective date of the standard are often driven by the audit or self-certification schedule.

Figure 4: Reliability standard requests and resolutions relative to the standard effective date (Q1 2018 to Q2 2026)



MSA observations

For requests with a status of 'Approved' or 'Denied' on the Report, on average a decision was rendered within 106 days of submission. Given the typical nature and complexity of these requests, the MSA believes this is a reasonable assessment timeline, allowing sufficient opportunity for technical review, stakeholder engagement where necessary, and the development of a well-supported decision.

The MSA reviewed self-reported and referred ISO rule and reliability standard matters and observed that not all requests for a waiver & variance were accompanied by a self-report; in cases where a market participant is currently not compliant with an ISO rule or reliability standard, the MSA encourages them to also make a self-report at the time the waiver & variance request is submitted.

The MSA notes the backlog of active requests with some having remained unresolved for longer than six years. When self-reporting a contravention in which a market participant has made or plans to make a waiver & variance request, they typically include the anticipated approval of that request as the planned mitigation of the contravention. In the case where a request is ultimately denied, an alternate mitigation plan is needed to restore compliance for which planning may not have started until a decision is reached on the request. In cases where there is a multi-year delay in resolving a request, whether it is ultimately approved or denied, there is an impact to the enforcement and mitigation processes intended to bring assets into compliance, making conditional determinations more likely that may result in re-opening or reconsidering a matter.

Specific to reliability standard requests, the MSA notes the roughly two thirds of requests that come after the effective date of the standard. This may indicate situations where market participants have not assessed the impact of new or revised requirements on their facilities sufficiently in advance to plan for modifications or for a waiver & variance request to be processed. In these circumstances, a market participant remains non-compliant with the standard until the request has been resolved and, in the case where a request is denied, for the additional time required to implement an alternative resolution.

The MSA is particularly concerned about the timing of reliability standard requests and the capacity to reach resolution on them in a timely manner given the large number of new and revised reliability standards that are planned to be approved for implementation through the ARS Sync-Up Project over the next few years.

The MSA further reviewed all currently active waiver & variance requests that have been outstanding for more than a year and summarized observations in Table 5 for the ISO rules and reliability standards that had at least four active requests. The observations explain the general nature of the requests remaining active and identify concerns with the accuracy of the data in the report.

Table 5. Observations related to more common outstanding active requests

ISO rule or reliability standard	Count	Comments
PRC-025-AB-2	7	Generator load reliability exceptions requested for sites that were in service prior to the standard effective date and that may not meet the requirements of PRC-025.
304.9	4	Wind and solar aggregated facility forecasting: 3 of 4 requests relate to using metrological towers for more than one site, or otherwise outside the parameters described in the ISO rule.
502.2	4	Bulk transmission line technical requirements: requests associated with slack spans near dead end structures/substations, dynamic line ratings, and thermal rating methodology. Some projects associated with these requests have been cancelled by the transmission facility owner, but the report does not reflect the cancellation.
502.3	10	Generating unit technical requirements: installation of telecommunications configurations which may cause a higher risk of miscoordination, or not meeting breaker fail requirements. One project associated with a request has been cancelled but the report does not reflect the cancellation.
502.5	4	Generating unit operating requirements: The reason for the requests in this category are not clear on the report, but the MSA notes that one request in this category relates to a unit that ceased operation more than 3 years ago.

The MSA considered how waivers & variances are handled by the Ontario Independent Electric System Operator (IESO) as an analogous market to Alberta. The IESO's market manual Part 2.2: Exemption Application and Assessment sets out the process and documentary requirements for requesting an exemption as well as the process for the request to be considered. In contrast to Alberta, requests are presumptively public unless the IESO agrees to handle it via a confidential process and third parties have a limited opportunity to make submissions in response to published requests. The process sets out specific timeframes for parties to provide comments and responses but, similar to Alberta, does not set a particular timeframe for the IESO to publish the staff recommendation or for a panel of the IESO board to make a decision. A review of the active exemptions table (which excludes denied matters and those that are no longer required) from the last 10 years of decisions shows similar resolution timeframes to that experienced in Alberta, but without a similar backlog of matters extending for more than 2 years.

Recommendations

Based on the review above, the MSA recommends:

- that market participants self-report any active non-compliance to the MSA, with a copy to the ISO, at the time the waiver & variance request is submitted.
- that a root cause analysis be undertaken to identify the underlying causes of extended resolution times.
- that updates be considered to ISO rule section 103.14 – waivers and variances and Alberta reliability standard ADM-002-AB-1 – waivers and variances that address the causes of extended resolutions times and that could include required timeframes for submissions, reviews, and decisions.
- that a regular report on requests and decisions be made publicly available, excluding requests that are Critical Infrastructure Protection (CIP) related or those that are agreed to be handled on a confidential basis.
- that the requests be tracked through a service management system or database including relevant metadata to facilitate tracking and reporting.
- that there be proactive engagement with market participants in relation to the ARS Sync-Up Project to determine and plan for the volume of waiver and variance requests that may be filed in relation to the large number of new or revised standards.
- that there be an accelerated compliance engagement with market participants following the implementation of a new ISO rule or reliability standard, such as a self-certification, self-certification with evidence, or sweep, to validate compliance and prompt the timely submission of waiver and variance requests.

1.3 Outcomes of investigations

The MSA includes this section in the quarterly report to report on significant investigations that the MSA has concluded, or decided to provide an interim update on, over course of the preceding quarter.

1.3.1 Results of the investigation into primary frequency response compliance monitoring

The MSA published a report on August 28, 2026 to conclude an investigation into whether the Alberta Electric System Operator (AESO) met its duties, under the Electric Utilities Act and ISO rules, to monitor compliance with ISO rules governing primary frequency response (PFR rules) and refer suspected contraventions of them to the MSA.

The report presents the MSA's findings, set out in summary below, only in respect of the AESO's conduct based on records and information gathered in the investigation. To the extent the report refers to actions taken by other electricity market participants, it does so only in the context of the MSA's evaluation of the AESO's compliance with its duties. Should the MSA investigate other electricity market participants' compliance with the PFR rules in the future, it will do so in accordance with its published procedures.

Based on the investigation and having considered the AESO's response to the summary of findings, the MSA finds that the AESO did not adequately monitor generators' compliance with the PFR rules during the investigation period. In particular, the AESO did not have processes in place to regularly monitor generating units' compliance with the PFR rules. In addition, when the AESO assessed compliance with the PFR rules in 2023, it only evaluated the compliance of a small number of assets subject to the PFR rules.

The MSA also finds that:

- In 2020, the AESO screened out potential contraventions of the PFR rules for improper reasons.
- Until 2021, the AESO had no active compliance monitoring program for generating units' frequency response to system frequency events.
- For the period, the AESO did not provide records demonstrating that, between March 2021 and August 2023, it monitored compliance with the PFR rules of generating units it knew had PFR performance issues.
- In August 2021, the AESO referred one battery to the MSA for a violation of section 205.5 of the ISO rules.
- In November 2022 the MSA received a self-report from a large generator that mentioned an AESO information request they received in August 2022, though the AESO did not refer the same conduct to the MSA.

- In 2023, AESO staff did not refer potential PFR rule contraventions to the AESO's External Compliance Monitoring (ECM) group when they should have, based on the AESO's criteria for doing so.

- The AESO did not refer some suspected PFR rule contraventions to the MSA. The AESO did not refer suspected contraventions it ought to have following a frequency event on June 7, 2020 (June 2020 event), as well as 64 instances when a generating unit's performance met the AESO's criteria for identifying suspected PFR Rule contraventions following a frequency event in 2022 or 2023.

- The AESO's record-keeping practices with respect to its monitoring of compliance with the PFR rules were insufficient.

The MSA recommends the AESO:

(a) maintain the changes to its PFR compliance monitoring process described in the May 8, 2026, meeting;

(b) continue its progress toward meeting the frequency stability-related action items listed in its 2025 Reliability Roadmap;

(c) revise the threshold set out in its External Compliance Monitoring Program for ISO rules (CMP) for referring suspected ISO rule contraventions to the MSA to align with the legislative framework; and

(d) improve its record-keeping practices with respect to its monitoring of compliance with the ISO rules, particularly the decisions it makes as part of that process.

1.3.2 Results of a set of complaints received by the MSA

The MSA received a set of complaints between June 22, 2026 and August 26, 2026 (collectively, the Complaint) regarding the conduct of a number of market participants in Alberta that, pursuant to section 43(1) of the *Alberta Utilities Commission Act*, the MSA has declined to investigate. The MSA's mandate includes reporting on the completion of investigations[2] and, as such, includes the following descriptions and reasons set out below grouped in five broad sections.

1. Net-to-grid asset participation and rule applicability

Regarding aspects of the Complaint related to the requirements for the participation of net-to-grid assets and the application of ISO rules to those assets, the MSA notes the explicit exceptions provided for those assets within section 2(1) of the *Electric Utilities Act* (Act) that are reflected in the existing ISO rules and information documents. A generating unit, or a specified portion of the generation from an asset, that qualifies for an exception from the Act is not subject to the *Fair*

[2] *Market Surveillance Regulation* AR 266/2007, s. 6(2)(b)

Efficient and Open Competition Regulation (FEOC Regulation) and ISO rules that are subordinate to the Act.

Regulations made under the Act provide further exemptions in relation to the self-supply and export of electricity within Alberta including the *Micro-generation Regulation*, the *Flare Gas Generation Regulation*, and the *Municipal Own-use Generation Regulation*. Given the applicable exceptions within the legislative and regulatory construct, the MSA has determined that aspects of the Complaint related to net-to-grid asset participation do not warrant investigation.

2. Asset performance and operating parameters

The Complaint alleges a number of assets potentially contravened a variety of ISO rules including generation outside of the allowable dispatch variance, not maintaining capability to respond to an operating reserve directive, declaring increases to the maximum capability of assets that do not offer on a net-to-grid basis, generating above an asset's declared maximum capability, and generation above the most severe single contingency value. The MSA notes that the data provided as an attachment to the complaint lacked certain attributes, such as on-site consumption or necessary granularity, to adequately assess potential contraventions. In most of the events referred to in the Complaint as potential contraventions, a review of the information available to the MSA showed that the assets were operating in compliance with the applicable ISO rules and Consolidated Authoritative Document Glossary (CADG) definitions. For the small minority of the events where a review of the information available to the MSA indicated potential contraventions, they were either of a short duration or of a minimal impact to either the grid or the market.

Given the considerations set out above, the MSA determined that the aspects of the Complaint in this category do not warrant investigation.

3. Asset connections outside of the AESO connection process

The Complaint alleges two instances where generating units larger than 10 MW were connected to the Alberta Interconnected Electric System without going through the applicable Independent System Operator (ISO) connection process. In the first case, the MSA determined that the particular distribution-connected asset did not meet the applicability criteria set out in the ISO connection process that was in place at the time. In the second case, the MSA determined, based on the information available to it, that the generating unit in question has not been connected to either a distribution or transmission system. Given the MSA did not find any potential contraventions with respect to the Complaint, the MSA determined that the aspects of the Complaint in this category do not warrant investigation.

The Complaint further alleged that an owner of a generation unit completed construction without reporting that completion to the AUC within 30 days as required by the approval conditions. The facility was completed more than 10 years ago which is beyond the six-year limitation period set out in section 65(b) of the *Alberta Utilities Commission Act*. Since the alleged conduct was beyond the limitation period for the imposition of any penalty, the MSA determined that the aspects of the Complaint in this category do not warrant investigation.

4. Calculation of Alberta Internal Load (AIL) on the Current Supply and Demand (CSD) website

The Complaint alleges that the AIL metric presented on the CSD website is misleading, contrary to section 2(a) of the FEOC regulation, because it excludes some units for which there is an existing supervisory control and data acquisition (SCADA) interface to the ISO's energy management system. The MSA notes that the definition of AIL in the CADG and on the metadata page linked on the CSD website explicitly reference that the calculation is a representation or reasonable estimate and also that there are broad categories of generation that exist, such as generating units smaller than 5 MW, larger units that did not meet the applicability requirements of the SCADA rule in place at the time they were connected, or those units that have particular exemptions discussed in section 1 of the Complaint, such that the reported AIL is an under-representation of the real electrical load within the province.

The CADG definition of AIL is:

> "Alberta internal load" means a number in MW:
>
> (i) that represents, in an hour, system load plus load served by an on-site generating unit, aggregated facility, or energy storage resource, including those within an industrial system and the City of Medicine Hat; and
>
> (ii) which the ISO, using supervisory control and data acquisition data, calculates as the sum of the energy produced by each generating unit, aggregated facility, and energy storage resource in Alberta and the Fort Nelson area in British Columbia, plus import volumes and minus export volumes.

The metadata for the CSD page states that the report "presents a reasonable estimate of the Alberta supply & demand status in near real-time" and that the AIL is the "[c]alculated total Alberta demand based on all telemetered Control Area Net Generation plus Interchange."

The MSA undertook a review of the SCADA data available to it in order to compare with the published AIL on the CSD and found minor differences, with those differences largely based on the CSD page's two-minute update interval.

Given the considerations set out above, the MSA determined that aspects of the Complaint in this category do not warrant investigation.

5. Settlement of volumes recorded in the British Columbia Line Loss (BCLL) asset

The Complaint alleged that volumes recorded on the BCLL asset, in the particular circumstance where Alberta is islanded from the western grid but a portion of southern British Columbia remains connected to Alberta, are improperly charged to market participants within Alberta. The MSA considered information already available to it as well as information provided in response to an information gathering request and determined the following.

The volumes recorded on the BCLL asset, representing accumulated inadvertent interchange, were properly paid back following the end of the intertie outage in accordance with the BAL-004-WECC-AB-2 reliability standard using the automatic time error correction (ATEC) tool.

Even if the volumes had not been paid back via the ATEC tool, volumes on the BCLL asset are excluded from financial settlement and, consistent with ISO rule 501.10, line losses on an intertie are charged to the users of that intertie separate from other line losses relating to the transmission system internal to Alberta.

Given the considerations set out above, the MSA determined that aspects of the Complaint in this category do not warrant investigation.

2 ISO RULES ENFORCEMENT

The ISO rules promote orderly and predictable actions by market participants and facilitate the operation of the AIES. The MSA enforces the ISO rules and endeavours to promote a culture of compliance and accountability among market participants, thereby contributing to the reliability and competitiveness of the Alberta electric system. If the MSA is satisfied a contravention has occurred and determines that a notice of specified penalty (NSP) is appropriate, then AUC Rule 019 guides the MSA on how to issue an NSP.

From July 1 to September 30, 2026, the MSA closed 102 ISO rules compliance matters, as reported in Table 6. During the quarter, the MSA received 88 ISO rule matters (Table 6a), the balance of outstanding matters decreased by 14 over the quarter to total 214 ISO rule matters which will move forward to the next quarter. During this period, 25 matters were addressed with NSPs, totalling $14,500 in financial penalties (details provided in Table 7).

With the implementation of the IEP on September 1, 2026, the MSA determines whether a matter warrants investigation prior to issuing a notice of investigation. From September 1 to September 30, three ISO rule matters were discontinued prior to investigating and are included in the list of discontinued matters listed in Table 6.

Table 6: ISO rules compliance outcomes from July 1 to September 30, 2026
[MSA data portal series: msa_ed01iso]

ISO Rule	Discontinuance	Forbearance	Notice of Specified Penalty	No Contravention	Total
9	-	1	-	-	1
103.12	-	-	1	-	1
201.1	-	-	1	-	1
201.1	-	-	1	-	1
201.7	-	12	4	-	16
203.1	-	-	-	1	1
203.3	1	11	2	-	14
203.4	1	12	5	1	19
203.6	-	8	-	-	8
205.3	-	2	1	-	3
205.4	-	-	1	-	1
205.5	-	2	2	-	4
205.6	-	1	-	-	1
206.1	-	1	-	-	1
206.2	-	1	-	-	1
301.2	-	-	1	1	2
302.1	-	1	-	-	1
304.7	-	1	-	-	1
306.4	2	2	1	2	7
306.5	-	-	1	-	1
502.8	-	1	2	-	3
503.13	-	-	1	-	1
503.16	1	1	-	1	3
503.19	-	1	-	-	1
503.2	-	1	-	-	1
503.7	-	1	-	-	1
504.5	1	-	1	-	2
505.4	-	5	-	-	5
Total	**6**	**65**	**25**	**6**	**102**

Table 6a: ISO rules received from July 1 to September 30, 2026

ISO Rule	Referral	Self-Report	Total
103.1	-	2	2
103.5	2	1	3
201.4	-	1	1
201.7	-	6	6
202.4	-	1	1
203.1	1	-	1
203.3	1	14	15
203.4	-	16	16
203.6	-	7	7
205.3	-	3	3
205.5	-	2	2
205.6	-	4	4
301.2	-	1	1
306.4	-	9	9
306.5	1	1	2
502.1	4	1	5
502.5	-	1	1
502.8	2	-	2
503.16	-	3	3
503.21	-	1	1
503.4	1	1	2
505.4	1	-	1
Total	**13**	**75**	**88**

Table 7: Specified penalties issued from July 1 to September 30, 2026, for contraventions of the ISO rules

[MSA data portal series: msa_ed01nsp]

Market participant	Total specified penalty amount by ISO rule ($)															Total ($)	Matters
	103.12	201.1	201.1	201.7	203.3	203.4	205.3	205.4	205.5	301.2	306.4	306.5	502.8	503.13	504.5		
ATCO DB Solar GP Services Ltd.					250											**250**	**1**
ATCO Electric Ltd.											750				500	**1,250**	**2**
Air Liquide Canada Inc.				500												**500**	**1**
Alberta Power (2000) Ltd.												500				**500**	**1**
AltaGas Ltd.					500											**500**	**1**
CNOOC Petroleum North America ULC		500														**500**	**1**
Cypress 2 Renewable Energy Centre Limited Partnership										500						**500**	**1**
EDP RENEWABLES SH PROJECT LIMITED PARTNERSHIP				3,000												**3,000**	**2**
Enfinite Corporation							250		500							**750**	**3**
Halkirk I Wind Project LP						3,250										**3,250**	**2**
Mondi Hinton Inc.				500												**500**	**1**
Oldman 2 Wind Farm Limited						250							500			**750**	**3**
Powerex Corp.						250										**250**	**1**
TA Alberta Hydro LP														250		**250**	**1**
TransAlta Generation Partnership								250								**250**	**1**
Travers 3 Solar LP													500			**500**	**1**
Wilson Creek Energy Corporation	500		500													**1,000**	**2**
Total	**500**	**500**	**500**	**4,000**	**750**	**3,750**	**250**	**250**	**500**	**500**	**750**	**500**	**1,000**	**250**	**500**	**14,500**	**25**

The ISO rules listed in Table 2 fall into the following categories:

103 Administration
201 General (Markets)
203 Energy Market
205 Ancillary Services Market
301 General
306 Outages and Disturbances
502 Technical Requirements
503 Technical and Operating Requirements
504 Legal Owners of Transmission Facilities and Load Facilities

3 ARS ENFORCEMENT

The MSA assesses market participant compliance with Alberta Reliability Standards (ARS) and issues NSPs where appropriate.

The ARS ensure the various entities involved in grid operation have practices in place, including procedures, communications, coordination, training, and maintenance to support the reliability of the AIES. ARS apply to both market participants and the AESO. ARS are divided into two categories: Operations and Planning (O&P) and Critical Infrastructure Protection (CIP). The MSA's approach to compliance with ARS focuses on promoting awareness of obligations and a proactive compliance stance. The MSA's process, in conjunction with AUC rules, provides incentives for robust internal compliance programs, and self-reporting.

In accordance with AUC Rule 027, NSPs for CIP ARS contraventions are not made public, nor is any information related to the nonpayment or dispute of a CIP ARS NSP. CIP matters often deal with cyber security issues and there is concern that granular public reporting may itself create a security risk. As such, the MSA only reports aggregated statistics regarding CIP ARS outcomes.

From July 1 to September 30, 2026, the MSA addressed 52 O&P ARS compliance matters (Table 8). During the quarter, 48 O&P matters were received (Table 8a), for a total of 64 O&P ARS matters that carried forward to the next quarter. During this period, 39 matters were addressed with NSPs, totalling $317,625 in financial penalties (Table 9). For the same period, the MSA addressed 27 CIP ARS compliance matters, as reported in Table 10, with 18 matters addressed with NSPs, totalling $79,400 in financial penalties. 78 CIP ARS matters were carried forward to next quarter.

With the implementation of the IEP on September 1, 2026, the MSA determines whether a matter warrants investigation prior to issuing a notice of investigation. From September 1 to September 30, there were no ARS matters that were discontinued prior to investigating.

Table 8: O&P ARS compliance outcomes from July 1 to September 30, 2026
[MSA data portal series: msa_ed01ars]

Reliability Standard	Forbearance	Notice of Specified Penalty	No Contravention	Total
COM-001-AB-3	1	4	1	6
COM-002-AB-4	3	8	1	12
EOP-011-AB-1	1	-	-	1
FAC-003-AB1-1	1	2	-	3
FAC-008-AB-3	-	5	-	5
PER-006-AB-1	-	1	-	1
PRC-001-AB3-1.1(ii)	-	2	-	2
PRC-005-AB2-6	1	9	-	10
PRC-006-AB-3	-	2	-	2
PRC-025-AB-2	3	5	-	8
VAR-002-AB-4.1	1	1	-	2
Totals	**11**	**39**	**2**	**52**

Table 8a: O&P ARS received from July 1 to September 30, 2026

Reilaibility Standard	Referral	Self-Report	Total
COM-001	6	6	12
COM-002	1	1	2
FAC-008	4	-	4
PRC-001	2	-	2
PRC-005	13	6	19
PRC-025	8	-	8
VAR-002	1	-	1
Totals	**35**	**13**	**48**

Table 9: Specified penalties issued from July 1 to September 30, 2026, for contraventions of O&P ARS [MSA data portal series: msa_ed01nsp]

Market Participant	Total specified penatly amounts by ARS ($)										Total ($)	Matters
	COM-001	COM-002	FAC-003	FAC-008	PER-006	PRC-001	PRC-005	PRC-006	PRC-025	VAR-002		
Canadian Hydro Developers Inc.									18,750		18,750	1
Canadian Natural Resources Ltd.		7,500									7,500	1
EPCOR Distribution & Transmission Inc.						2,500					2,500	1
Fengate Central Utilities Block GP				500			18,000				18,500	5
Fort Hills Energy Corporation		11,250									11,250	2
FortisAlberta Inc.	5,000							50,000			55,000	3
NOVA Chemicals Corporation									12,500		12,500	1
Nova Source Power Services	22,000									10,000	32,000	3
Pembina NGL Corporation	7,500	7,000			3,500		17,500				35,500	6
Suncor Energy Inc.		7,500									7,500	1
Syncrude Canada Ltd.		11,000	25,000								36,000	4
TransCanada Energy Ltd.				2,250		18,750					21,000	2
Travers 2 Solar LP				16,875			24,000		18,750		59,625	9
Total	**34,500**	**44,250**	**25,000**	**19,625**	**3,500**	**21,250**	**59,500**	**50,000**	**50,000**	**10,000**	**317,625**	**39**

The ARS outcomes listed in Table 3 and Table 4 are contained within the following categories:

COM Communications
FAC Facilities Design, Connections, and Maintenance
PER Personnel Performance, Training, and Qualifications
PRC Protection and Control
VAR Voltage and Reactive

Table 10: CIP ARS compliance outcomes from July 1 to September 30, 2026 [MSA data portal series: msa_ed01ars]

Reliability Standard	Discontinuance	Forbearance	Notice of Specified Penalty	Total
CIP-002-AB-5.1	-	-	2	2
CIP-003-AB-5	-	-	1	1
CIP-003-AB-8	1	3	4	8
CIP-004-AB-5.1	-	2	3	5
CIP-007-AB-5	-	2	3	5
CIP-010-AB-1	-	1	-	1
CIP-011-AB-1	-	-	3	3
CIP-012-AB-1	-	-	2	2
Totals	**1**	**8**	**18**	**27**

The ARS outcomes listed in Table 5 are contained within the following categories:

CIP-002 BES Cyber System Categorization
CIP-003 Security Measurement Controls
CIP-004 Personnel and Training

CIP-005	Electronic Security Perimeter(s)
CIP-007	System Security Management
CIP-010	Configuration Change Management and Vulnerability Assessments
CIP-011	Information Protection
CIP-012	Communications Between Control Centres