

## NOTICE OF SPECIFIED PENALTY

|                              |                                 |   |   |
|------------------------------|---------------------------------|---|---|
| Date of Issue: May 9, 2023   |                                 | Payment Due Date: June 8, 2023  |   |
| MSA File Number              | 2022-381                        | <b>Specified Penalty Amount</b>   | <b>\$5,000</b>  |
| Market Participant Name      | Canadian Hydro Developers, Inc. |   |   |
| Asset ID (if applicable)     | SUM1                            | Self-Report   | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| ISO Rule Section             | 201.4                           | Date of Contravention   | May 25, 2022  |
| Date of Referral/Self Report | November 30, 2022               | This is the third contravention by this asset for this section of the ISO rules within a rolling 12-month period. |   |

### EVENT DETAILS

During settlement intervals HE 19 through 23 on May 25, 2022, Canadian Hydro Developers, Inc. offered to provide approximately 10 MW of Fast Frequency Response (FFR) from its SUM1 asset, while the SUM1 asset was contracted to provide 10 MW of supplemental reserve (SUP). Information available to the MSA indicates that the SUM1 asset would not have been able to comply with all FFR and SUP dispatches given the maximum capability (10 MW) of the asset. Section 201.4 of the ISO rules states in part:

5 A pool participant must coordinate its submissions in a manner that ensures the pool participant is able to comply with all dispatches related to those submissions.

### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of section 201.4 of the ISO rules.

### MATERIAL FACTS

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

1. AESO maximum and available capability, dispatch, generation and offer data for SUM1 for May 25, 2022.
2. AESO information request issued to Canadian Hydro Developers, Inc., dated October 19, 2022.
3. Canadian Hydro Developers, Inc.'s response to the AESO information request, dated November 1, 2022.
4. Referral from the AESO to the MSA dated November 30, 2022.

### 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](mailto:compliance@albertamsa.ca) and [enforcement@auc.ab.ca](mailto:enforcement@auc.ab.ca). Questions can be directed to [compliance@albertamsa.ca](mailto: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 an ISO rule. Specified penalties are set out in AUC Rule 019.

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 019 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](mailto:compliance@albertamsa.ca).

### SIGNATURE

|           |                   |                |                      |
|-----------|-------------------|----------------|----------------------|
| Signature | "Original Signed" | Signature Date | May 9, 2023          |
| Name      | Andrew Wilkins    | Title          | Director, Compliance |