

## NOTICE OF SPECIFIED PENALTY

Date of Issue: January 26, 2022		Payment Due Date: February 28, 2022	
MSA File Number	RS2021-261	<b>Specified Penalty Amount<sup>1</sup></b>	<b>\$18,750</b>
Registered Entity Name	Suncor Energy Inc.		
Reliability Standard	PRC-023-AB-2 PRC-023-AB-4 <sup>2</sup>	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement	R1.1	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	October 14, 2021	Date of Contravention	April 1, 2018 until mitigation completed

### EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2021-2023 Audit Schedule, the AESO conducted a scheduled Q2-2021 compliance monitoring audit of Suncor Energy Inc. The applicable audit period with respect to PRC-023-AB-2 and PRC-023-AB-4 extended from April 1, 2018 to March 31, 2021. Based upon the AESO's audit findings, the MSA finds that PRC-023-AB-2 and PRC-023-AB-4 were contravened as follows:

From April 1, 2018 until the associated mitigation plan activity is completed, the switch-on-to-fault settings for 14 Suncor Energy Inc. protection relays did not satisfy the loadability requirements specified by requirement R1.1.

PRC-023-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 use one of the criteria set out in requirements R1.1 through R1.14, inclusive, for each specific circuit terminal to prevent its phase protective relay settings from limiting transmission system loadability while maintaining reliable protection of the bulk electric system for all fault conditions and evaluate the phase protective relay's loadability at zero point eight five (0.85) per unit voltage and a power factor angle of thirty (30) degrees.

**R1.1** Set transmission line relays so they do not operate at or below one hundred and fifty (150 %) percent of the highest seasonal facility rating of a circuit for the available defined loading duration nearest to four (4) hours, expressed in amperes;

[...]

**MR1** Evidence of using one of the criteria set out in requirements R1.1 through R1.14 as required in requirement R1 exists. Evidence may include:

- (a) spreadsheets or summaries of calculations to show that each of its transmission relays is set in accordance with one of the criteria set out in requirements R1.1 through R1.14; and
- (b) coordination curves or summaries of calculations that show that relays set per criterion set out in requirement R1.11 do not expose the transformer to fault levels and durations beyond those indicated in the reliability standard.

PRC-023-AB-4 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:

- (a) use one of the criteria set out in requirements R1.1 through R1.14, inclusive, for each specific circuit terminal, being either a transmission line or a transformer, to prevent its phase protection relay settings from limiting transmission system loadability; and
- (b) for R1.1 through R1.14 evaluate the phase protection relay's loadability at 0.85 per unit voltage and a power factor angle of 30°.

A load encroachment function within protection relays may be used to meet (a) and (b).

**R1.1** Set transmission line protection relays so they do not operate at or below 150% of the highest seasonal facility rating of a circuit for the available defined loading duration nearest to 4 hours, expressed in amperes;

[...]

**MR1** Evidence of using one of the criteria set out in requirements R1.1 through R1.14, evaluating the phase protection relay's loadability, and implement transmission line protection relays settings, all as required in requirement R1 exists. Evidence may include:

<sup>1</sup> Specified penalty amount conditional on the completion of the accepted Mitigation Plan.

<sup>2</sup> PRC-023-AB-2 was in effect from April 1, 2015 – June 30, 2020 and PRC-023-AB-4 became effective on July 1, 2020.

- (a) spreadsheets or summaries of calculations to show that each of its transmission line protection relays is set in accordance with one of the criteria set out in requirements R1.1 through R1.14;
- (b) coordination curves or summaries of calculations that show that protection relays set per criterion set out in requirement R1.11 do not expose the transformer to fault levels and durations beyond those indicated in the reliability standard;
- (c) evidence to demonstrate settings implementation; or
- (d) 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 PRC-023-AB-2 and PRC-023-AB-4, requirement R1.1.

#### MATERIAL FACTS

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

1. Referral from the AESO to the MSA dated October 14, 2021, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report regarding the Q2-2021 Compliance Monitoring Audit of Suncor Energy Inc.
2. Mitigation Plan submitted by Suncor Energy Inc. to the MSA dated October 22, 2021.
3. Additional information submitted by Suncor Energy Inc. to the MSA dated January 7, 2022.
4. Revised Mitigation Plan submitted by Suncor Energy Inc. to the MSA dated January 7, 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 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](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 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](mailto:compliance@albertamsa.ca).

#### SIGNATURE

Signature	"Original Signed"	Signature Date	January 26, 2022
Name	Andrew Wilkins	Title	Director, Compliance