

NOTICE OF SPECIFIED PENALTY

Date of Issue: February 14, 2023		Payment Due Date: March 17, 2023	
MSA File Number	RS2022-272	Specified Penalty Amount¹	\$2,250
Registered Entity Name	Milner Power Limited Partnership by its General Partner Milner Power Inc.		
Reliability Standard	FAC-008-AB-3	Self-Report	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Requirement	R2	Accepted Mitigation Plan	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Date of Referral/Self Report	November 16, 2022	Date of Contravention	January 1, 2020 to March 31, 2022

EVENT DETAILS

Pursuant to the Alberta Electric System Operator (AESO) Alberta Reliability Standards 2021-2023 Audit Schedule, the AESO conducted a scheduled Q2, 2022 compliance monitoring audit of Milner Power Limited Partnership by its General Partner Milner Power Inc. (Milner Power). The applicable audit period with respect to FAC-008-AB-3 extended from January 1, 2020 to March 31, 2022. The MSA finds that FAC-008-AB-3 was contravened as, from January 1, 2020 to March 31, 2022, Milner Power was unable to provide evidence of a documented methodology for determining the facility ratings of its facilities connected between the location specified in requirement R1 and the interface with a transmission facility, as required by requirement R2. FAC-008-AB-3 R2 states, in part:

R2 Each legal owner of a generating unit and legal owner of an aggregated generating facility must have a documented methodology for determining the facility ratings of its facilities connected between the location specified in requirement R1 and the interface with a transmission facility (based on equipment ownership) that contains all of the following:

R2.1 the method used to establish the equipment ratings of the equipment that comprises the facility must be consistent with at least one (1) of the following:

- (a) ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications, such as the nameplate rating;
- (b) one (1) or more industry standards developed through an open process such as the IEEE or the International Council on Large Electric Systems ("CIGRE"); or
- (c) a practice that has been verified by testing, performance history or engineering analysis;

R2.2 the underlying assumptions, design criteria, and methods used to determine the equipment ratings identified in requirement R2.1, including identification of how each of the following were considered:

- (a) equipment rating standard(s) used in development of this method.
- (b) ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications;
- (c) ambient conditions (for particular or average conditions or as they vary in real time);
- (d) operating limitations; and
- (e) both summer and winter season operations, where summer is defined as May 1st at 12:01 AM Mountain Time to October 31st at 12:00 midnight Mountain Time and winter is defined as November 1st at 12:01 AM Mountain Time to April 30th at 12:00 midnight Mountain Time;

R2.3 a statement that a facility rating must not exceed the most limiting applicable equipment rating of the individual equipment that comprises that facility;

R2.4 the process by which the equipment ratings of the equipment that comprises a facility are determined, where:

R2.4.1 the scope of equipment that comprises the facility, addressed in accordance with requirement R2.4 must include (based on equipment ownership), but not be limited to, conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices; and

R2.4.2 the scope of equipment ratings addressed in accordance with requirement R2.4 must include, as a minimum, both normal ratings and emergency ratings, such that:

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

R2.4.2.1 the emergency ratings for equipment comprising power transformers must be specified for a 30 minute duration and the next 3.5 hour duration; and

R2.4.2.2 the emergency ratings for transmission lines must be specified for a ten (10) minute duration.

MR2 Evidence of having a documented facility ratings methodology as described in requirement R2 exists.

FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of Reliability Standard FAC-008-AB-3, requirement R2.

MATERIAL FACTS

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

1. Referral from the AESO to the MSA dated November 16, 2022, including the AESO Alberta Reliability Standards Compliance Monitoring Audit Report on the AESO Q2, 2022 compliance monitoring audit of Milner Power Limited Partnership by its General Partner Milner Power Inc. (Milner Power).
2. Additional information provided by Milner Power to the MSA dated November 30, 2022.
3. Mitigation Plan submitted by Milner Power to the MSA dated January 13, 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 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 and enforcement@auc.ab.ca. Questions can be directed to 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.

SIGNATURE

Signature	"Original Signed"	Signature Date	February 14, 2023
Name	Andrew Wilkins	Title	Director, Compliance