

## NOTICE OF SPECIFIED PENALTY

|                                |                       |   |   |
|--------------------------------|-----------------------|---|---|
| Date of Issue: October 2, 2017 |                       | Payment Due Date: November 1, 2017  |   |
| MSA File Number                | 2017-380              | <b>Specified Penalty Amount</b>   | <b>\$1,500</b>  |
| Registered Entity Name         | TransAlta Corporation |   |   |
| Asset ID (if applicable)       | TAY1                  | Self-Report   | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| ISO Rule                       | 203.3                 | Date of Contravention   | June 8, 2017  |
| Date of Referral/Self Report   | September 13, 2017    | This is the first contravention by this asset for this rule within a rolling 12 month period. |   |

### EVENT DETAILS

On June 8, 2017, for the HE 22 through HE 24 settlement intervals, the MW values of the TAY1 generating asset's energy offers were unnecessarily restated within two hours of the start of the respective settlement intervals. Subsection 4 of section 203.3 of the ISO rules states, in part:

(2) A pool participant that submits an offer must submit a MW restatement redistributing the MW to represent the operating state of the source asset, as soon as reasonably practicable, if the source asset cannot comply with the current offer as a result of:

(a) either

(i) an acceptable operational reason; or

(ii) an operational deviation and such restatement is required under subsection 5(3) of section 203.4 of the ISO rules, Delivery Requirements for Energy; and

an available capability restatement under subsection 2 cannot reasonably accommodate the source asset's operating state; or

(b) carrying out either one (1) or both of commissioning and testing under section 505.3 of the ISO rules, Coordinating Synchronization, Commissioning, WECC Testing and Ancillary Services Testing or under section 505.4 of the ISO rules, Coordinating Operational Testing.

(3) A pool participant must submit the reason or reasons for submitting a MW restatement in accordance with subsection 4(2)(a) if such MW restatement is submitted within two (2) hours of the start of the settlement interval or within the current settlement interval.

### FINDINGS

Based upon the information obtained by the MSA, the MSA is satisfied that the event was a contravention of ISO rule 203.3.

### MATERIAL FACTS

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

1. AESO dispatch, energy offer and restatement data for TAY1 for June 8, 2017.
2. AESO clarification request issued to TransAlta Corporation dated August 25, 2017.
3. TransAlta Corporation's response to the AESO clarification request dated August 25, 2017.
4. AESO information request issued to TransAlta Corporation dated August 31, 2017.
5. TransAlta Corporation's response to the AESO information request dated September 7, 2017.
6. Referral from the AESO to the MSA dated September 13, 2017.

### DELIVERY OF PAYMENT

Payment by cheque or certified funds is to be made out to the "General Revenue Fund c/o Minister of Finance", and delivered to the Alberta Utilities Commission (AUC) at: 4th Floor, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8. Questions in respect of delivery of payment should be directed to the AUC. The payment should reference this notice and related MSA File #. Delivery of payment should also be confirmed by email to [compliance@albertamsa.ca](mailto:compliance@albertamsa.ca), with copy to the following AUC personnel: Jeremy Smith (Financial Accountant) [Jeremy.Smith@auc.ab.ca](mailto:Jeremy.Smith@auc.ab.ca), and Greg Andrews (Investigator) [Greg.Andrews@auc.ab.ca](mailto:Greg.Andrews@auc.ab.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 | October 2, 2017     |
| Name      | Andrew Wilkins    | Title          | Manager, Compliance |