

Specified Penalties for Contravention of ISO Rules

This rule as amended was approved by the Alberta Utilities Commission on January 25, 2022, and is effective on February 1, 2022.

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1 Application

These rules apply to the contravention of ISO rules.

2 Definitions

2.1 In these rules,

- (a) “asset” means an asset as defined in the ISO rules;
- (b) “Commission” means the Alberta Utilities Commission;
- (c) “ISO” means the Independent System Operator established under the *Electric Utilities Act*;
- (d) “ISO rules” means the rules made by the Independent System Operator under the *Electric Utilities Act*.

2.2 For purposes of this rule, the rolling 12-month period is the period which is 365 days before the date on which the contravention of the ISO rules occurred.

3 Notice of specified penalty

3.1 The Market Surveillance Administrator may issue a notice of specified penalty under Section 52 of the *Alberta Utilities Commission Act* for a contravention of the ISO rules.

3.2 A notice of specified penalty must state

- (a) the name of the market participant who is required to pay the specified penalty;
- (b) ISO identifier of the asset related to the contravention, if applicable;
- (c) the date or dates of the contravention;
- (d) the ISO rule that was contravened;
- (e) a description of the conduct of the market participant named, its officers, personnel, or agents, the activity or omission which resulted in the contravention or any other particulars relating to the contravention;
- (f) a description of the facts on which the Market Surveillance Administrator relied on to conclude that a contravention had taken place;
- (g) the amount of the specified penalty for the contravention;
- (h) whether any adjustment to the specified penalty was made due to the self-disclosure of the contravention by the market participant;

- (i) the date, at least 30 days from the date of issuance, on which the payment of the specified penalty is due;
 - (j) that failure to pay the specified penalty will result in a hearing or other proceeding before the Commission; and
 - (k) that if the market participant named disputes the issuance of the notice, to inform the Market Surveillance Administrator of the dispute and that a hearing or other proceeding before the Commission will result.
- 3.3 The Market Surveillance Administrator shall send the notice of specified penalty to the person in the position identified in the penalty table.
- 3.4 The Market Surveillance Administrator must issue a notice of specified penalty under this section within
 - (a) two years after the date on which the Market Surveillance Administrator first knew, or in the circumstances ought to have known of the contravention, or
 - (b) four years after the date on which the contravention occurred, whichever period expires first.

4 Penalty assessment

- 4.1 The Market Surveillance Administrator shall determine the amount of the specified penalty in accordance with this section and the penalty table.
- 4.2 For contraventions of the ISO rules, the Market Surveillance Administrator shall escalate the amount of the specified penalty at the level of reoccurrence in the penalty table, by section of the ISO rules, by asset (if applicable), in accordance with the number of contraventions which have been issued in the rolling 12-month period.
- 4.3 In the case where a market participant self-discloses a contravention of an ISO rule, the Market Surveillance Administrator shall determine the amount of the specified penalty in accordance with this section and the penalty table and reduce the amount of the specified penalty by 50 per cent.
- 4.4 The self-disclosure statement referred to in Section 4.3 must be made in the form specified by the Market Surveillance Administrator.

5 Posting notice of specified penalty

- 5.1 The Market Surveillance Administrator shall make public any notice of specified penalty issued for a contravention of ISO rules under Section 52 of the *Alberta Utilities Commission Act*, no earlier than the receipt of confirmation of payment from the Commission and no later than 45 days after the notice of specified penalty is issued and post the notice on the Market Surveillance Administrator website.

5.2 Where a market participant has failed to pay the specified penalty or disputes the notice of specified penalty and the notice of specified penalty is posted, the Market Surveillance Administrator shall:

- (a) indicate on its website that the specified penalty has not been paid or that the notice of specified penalty is being disputed; and
- (b) once the Commission has rendered a decision with respect to the specified penalty, post on its website the link to the decision of the Commission respecting the specified penalty.

Penalty table

Nature of contravention	First contravention resulting in a specified penalty in a rolling 12- month period	Second contravention resulting in a specified penalty in a rolling 12-month period	Third contravention resulting in a specified penalty in a rolling 12-month period	Fourth and subsequent contraventions resulting in a specified penalty in a rolling 12-month period
Failure to comply in whole or in part with any section of the ISO rules, by asset (if applicable).	<p>A specified penalty of \$500</p> <p>Notice of specified penalty to senior executive of business unit of the market participant involved in the contravention.</p>	<p>A specified penalty of \$1,500</p> <p>Notice of specified penalty to senior executive of business unit of the market participant involved in the contravention.</p>	<p>A specified penalty of \$ 5,000</p> <p>Notice of specified penalty to senior executive of business unit of the market participant involved in the contravention.</p>	<p>A specified penalty of \$10,000</p> <p>Notice of specified penalty to the most senior executive of the market participant (i.e. president, chief executive officer) or its parent company if the market participant is a wholly-owned subsidiary or affiliate, or chief compliance officer, if applicable.</p>