

MSA

Fall Stakeholder Meeting

September 24, 2003 – Calgary
September 30, 2003 – Edmonton

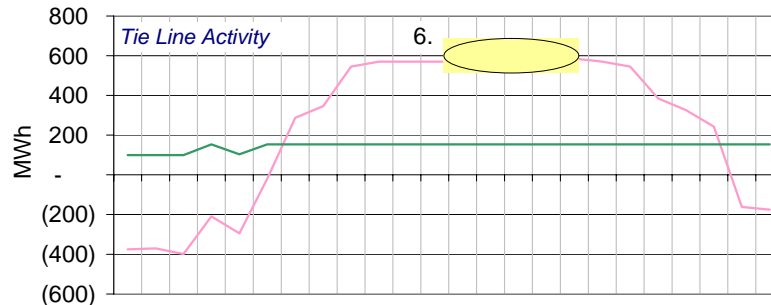
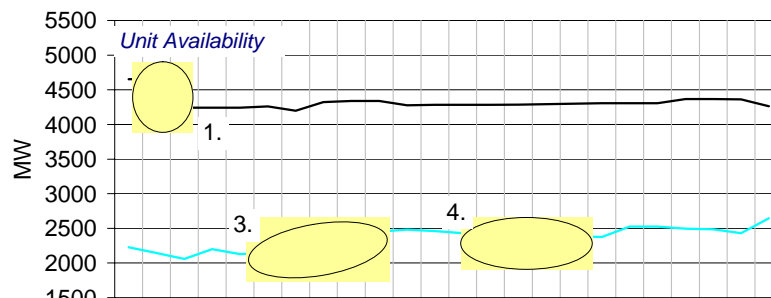
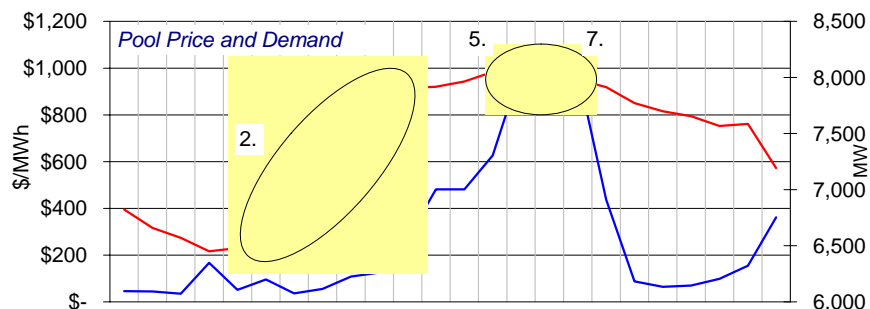
Agenda

- Introduction
- Routine Metrics
- Reporting
- Projects
- Q&A

Hourly Market – Anatomy of a price spike

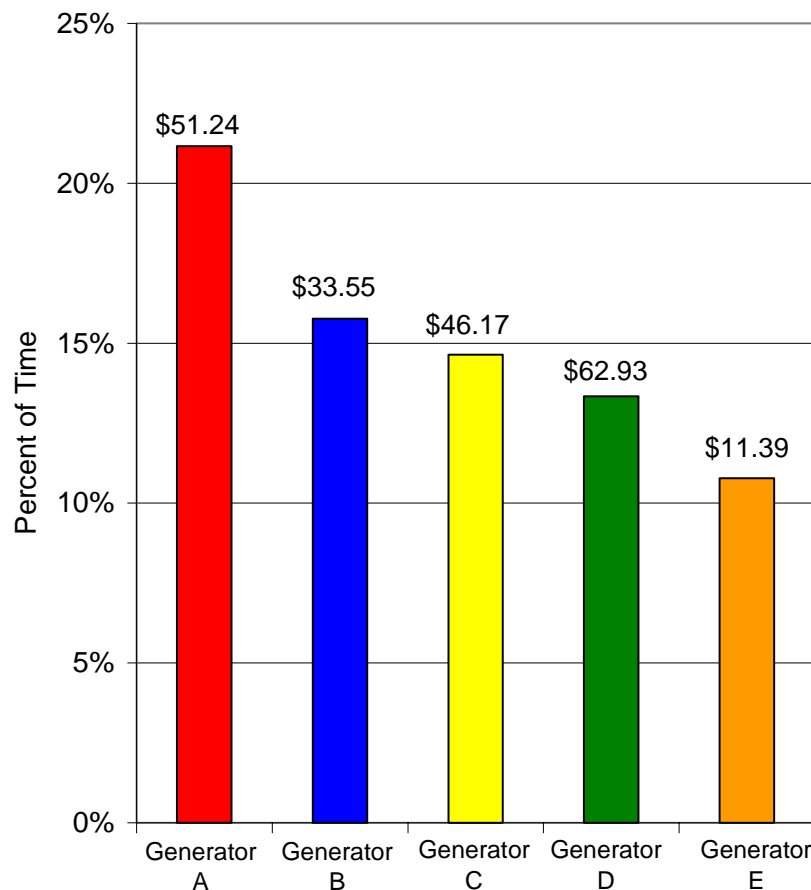
Tuesday July 22, 2003

1. Coal unit trip
2. Increase in demand
3. Gas & hydro units respond to increasing demand
4. Large gas unit derate
5. Three high priced hours
 - HE15 \$998.90
 - HE16 \$999.00
 - HE17 \$990.37
6. Appropriate import behaviour
7. Load response to high prices (~150 MW)



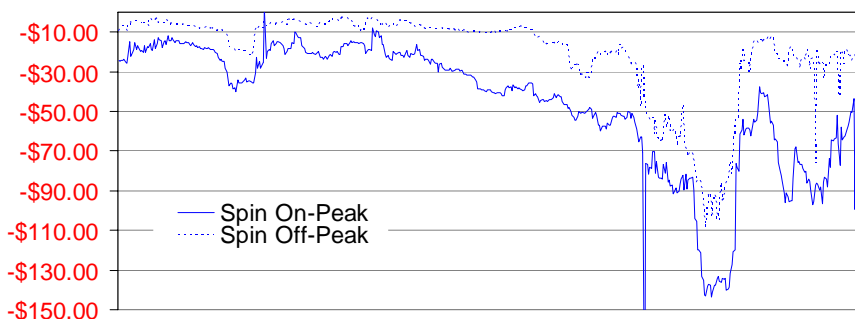
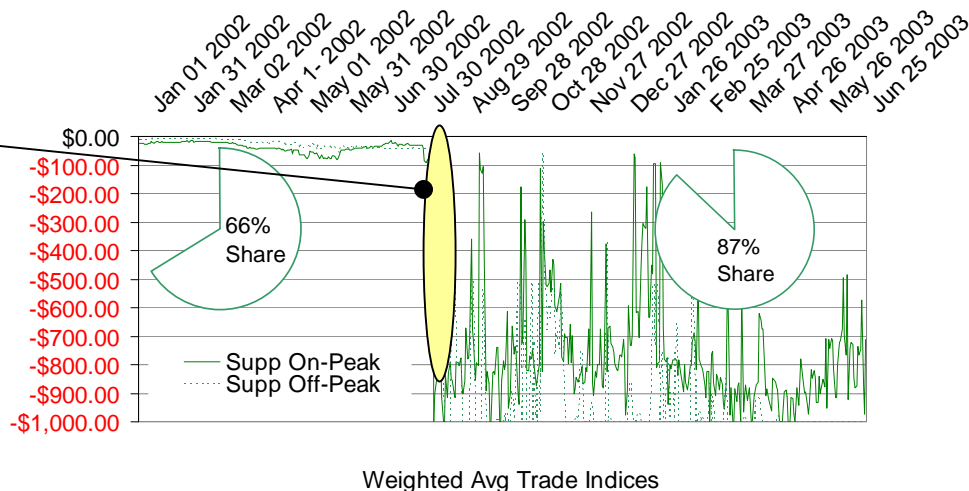
Hourly Market – Price Setters

- Price setting is well distributed and changes over time
- Balancing Pool just another player with modest asset base



Ancillary Services – Market?

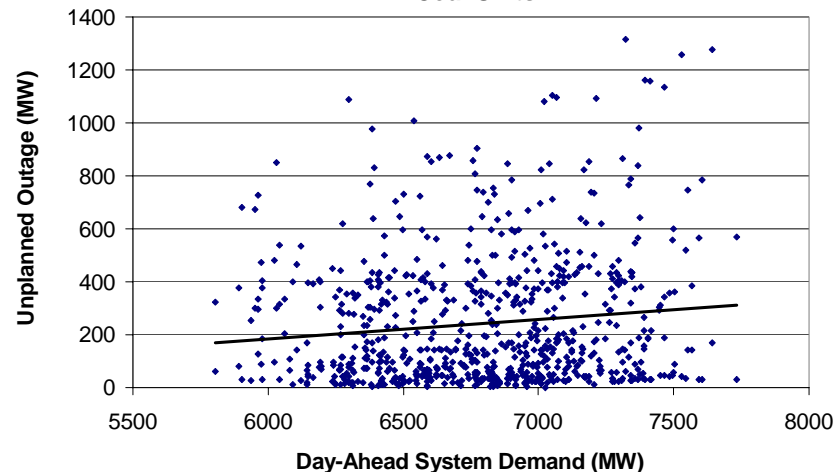
- Significant behavior change Aug 1, 2002
- Exhibits few characteristics of a market
- Concern over sustainability



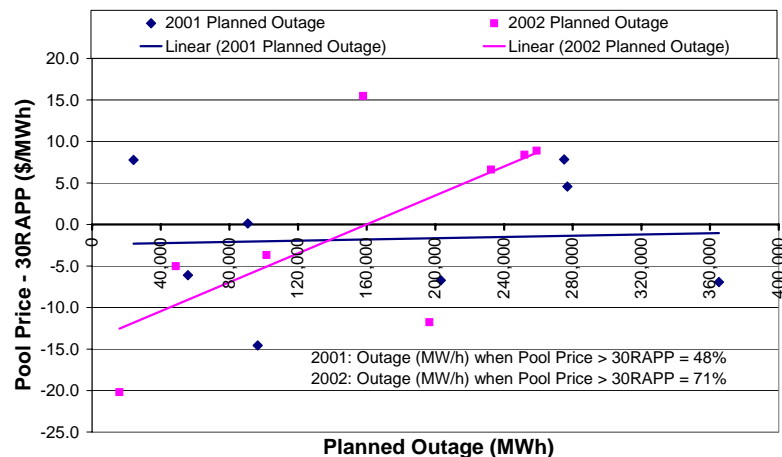
Outages & Derates

- Positive correlation between unplanned outages and forecast demand (2002)
- Behavior differs by owner
- Large turnarounds tending to follow low 30RAPP
- 2001 value ~ (\$2M)
- 2002 value ~ \$5M

2002 Unplanned Outage Vs. Day-Ahead System Demand - All PPA Coal Units



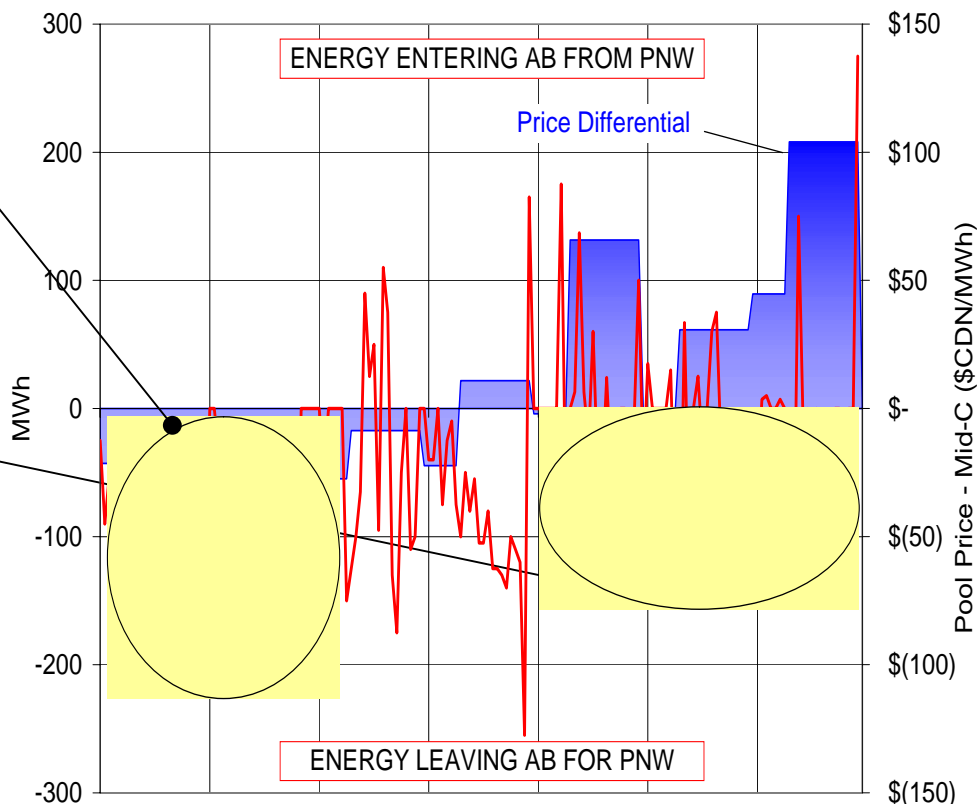
Pool Price - 30RAPP Vs Planned Outage (Major Turnarounds), PPA Coal Units



BC Tie Line - Economic Flow

Sample week (May 18, 2003)

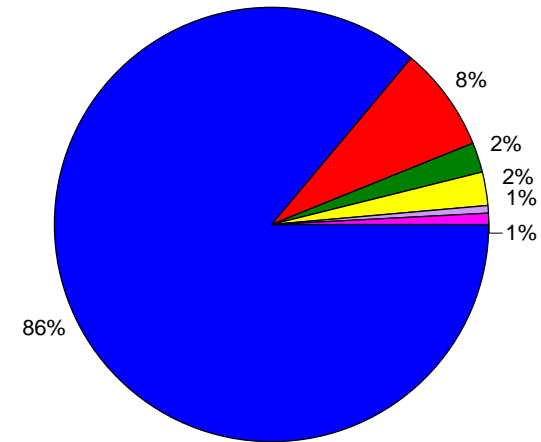
- Economically efficient use of the tie
- Economically inefficient use of the tie
- Inefficient use expands capacity for efficient use
- Unrealized opportunity?



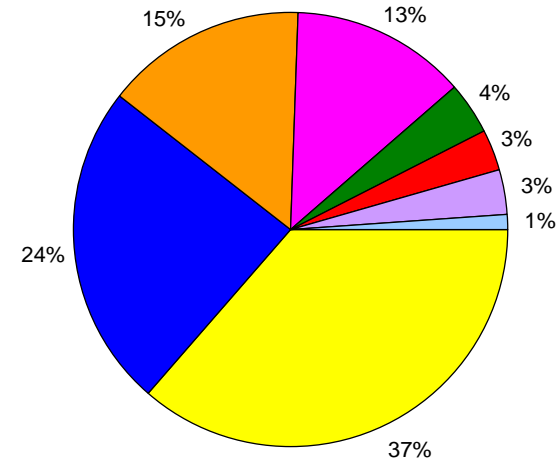
BC + Sask Ties - Market Share

- Export market dominated by one participant
- Import market slightly more diverse
- Market shares affected by transmission access

Market Share of Exporters



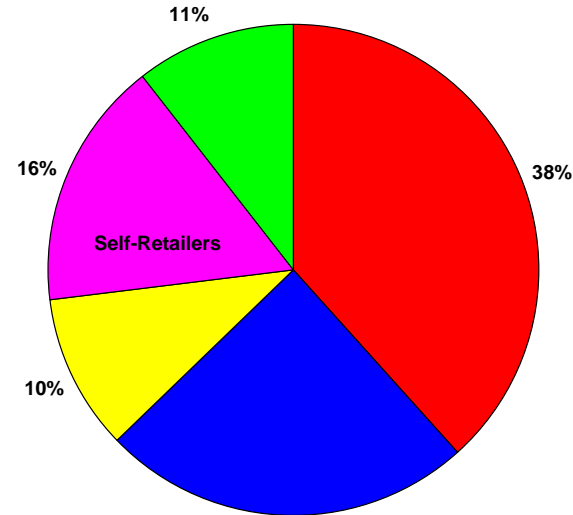
Market Share of Importers



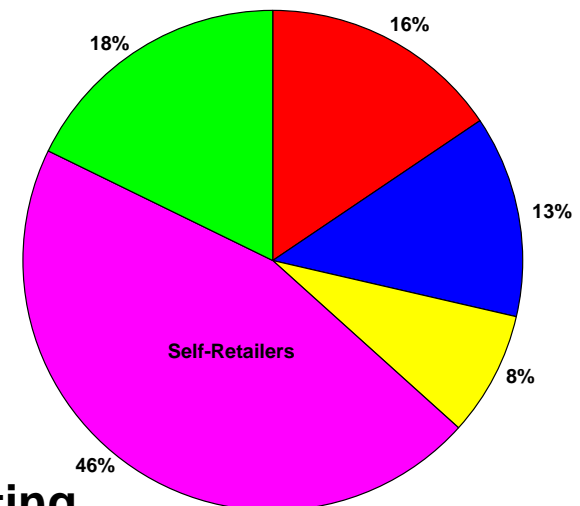
New Focus - Retail

- Code of Conduct responsibility
- Market Share
 - Diversification of commercial/industrial sectors
 - Residential/Farm sectors slower to react
 - Encouraging rates of switching off RRO

Commercial/Industrial - RRO Eligible



Non-RRO Eligible



New Mandate - AESO & Balancing Pool

- AESO
 - Structure and Performance of the Market
 - Rules
 - Conduct
- Balancing Pool
 - Just another participant

Reporting & Communication

- Weekly report
- Quarterly report
- Semi Annual Stakeholder Meetings
- Annual Report
- Ad Hoc

Projects

- Market Concentration
- Information Sharing
- AS Study
- Effects of change to Transmission Policy
- Investigative Procedures

Contact Us

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