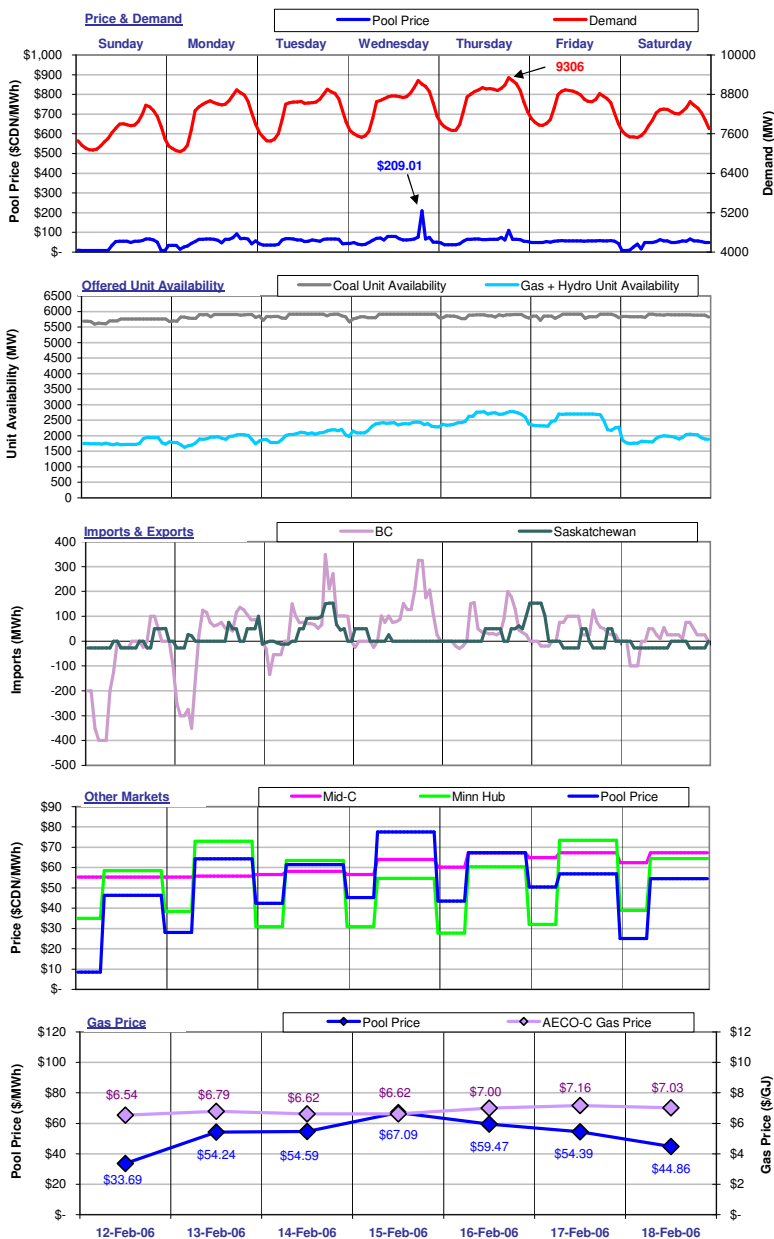


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending February 18, 2006

## Weekly Highlights



For the week ending February 18, 2006, Pool Price averaged \$52.62/MWh and ranged from a minimum of \$8.16/MWh in HE09 on Sunday to a maximum of \$209.01/MWh in HE20 on Wednesday. Demand reached a high of 9306MW in HE19 on Thursday and a low of 7059 MW in HE04 on Monday. Average demand for the week was 8247MW. Pool Price and Demand were positively correlated last week with an R-squared value of 0.58.

Coal Unit Availability averaged 5842 MW last week. This is an equivalent availability of 100% (based on MCR). Gas and Hydro Unit Availability averaged 2146MW last week, which is an equivalent of 38% (based on MCR).

Availability numbers are based on MW offered into the energy merit order.

Alberta was a net importer from BC last week with total imports equal to 3,847MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,355MWh. Overall, Alberta imported 6,202MWh of electricity last week.

Pool Prices were generally lower than prices in Mid-C and lower than prices in Minn Hub last week. Mid-C prices averaged \$63.29/MWh on-peak and \$58.79/MWh off-peak. Minn Hub prices averaged \$64.92/MWh on-peak and \$33.44/MWh off-peak.

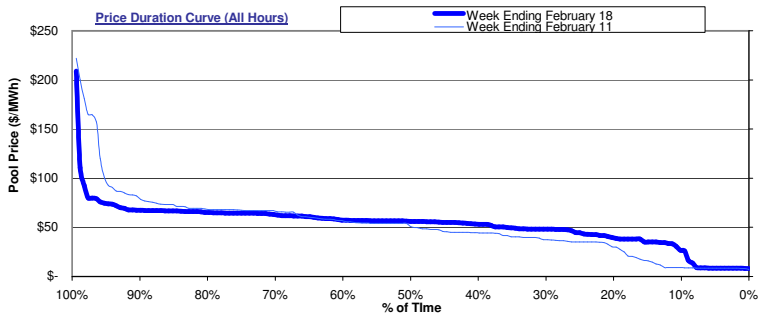
Prices in \$CDN at an exchange rate of 1.15326.

The average AECO-C Gas Price last week was \$6.82/GJ and ranged from a minimum of \$6.54/GJ to \$7.16/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.15GJ/MWh to a high of 10.14GJ/MWh. The average market heat rate for the week was 7.71GJ/MWh.

# Wholesale Market

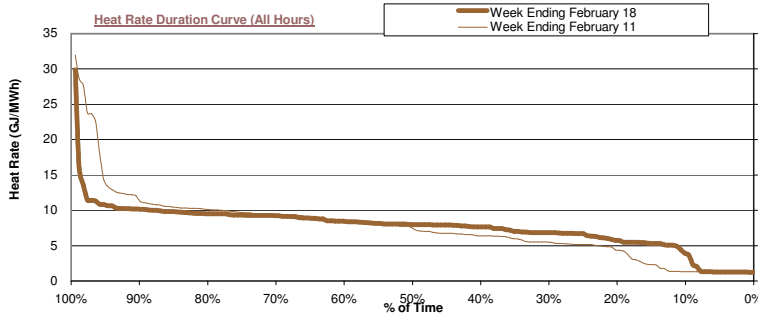
## Weekly Market Statistics

	Sunday 12-Feb	Monday 13-Feb	Tuesday 14-Feb	Wednesday 15-Feb	Thursday 16-Feb	Friday 17-Feb	Saturday 18-Feb	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 33.69	\$ 54.24	\$ 54.59	\$ 67.09	\$ 59.47	\$ 54.39	\$ 44.86	\$ 52.62	\$ 52.45	0.3%	\$ 65.01
On-Peak	NA	\$ 64.28	\$ 61.43	\$ 77.62	\$ 67.25	\$ 56.96	\$ 54.48	\$ 63.67	\$ 66.43	-4.2%	\$ 82.10
Off-Peak	\$ 33.69	\$ 34.16	\$ 40.91	\$ 46.03	\$ 43.91	\$ 49.26	\$ 25.64	\$ 37.88	\$ 33.81	12.1%	\$ 39.89
COV	0.73	0.34	0.23	0.49	0.26	0.08	0.39	0.36	0.58	-37.8%	
<b>Heat Rate</b>											
Average	5.15	7.98	8.25	10.14	8.50	7.59	6.38	7.71	7.27	6.1%	8.37
On-Peak	NA	9.46	9.29	11.10	9.69	7.95	7.75	9.21	9.60	-4.1%	10.57
Off-Peak	5.15	5.03	6.18	6.63	6.32	6.88	3.65	5.57	5.00	11.4%	5.13
<b>Demand</b>											
Average	7,700	8,156	8,291	8,445	8,615	8,481	8,039	8,247	8,122	1.5%	8,180
Minimum	7,105	7,059	7,384	7,493	7,703	7,857	7,491	7,442	7,313	1.8%	7,059
Maximum	8,468	8,938	8,962	9,222	9,306	8,936	8,579	8,916	8,747	1.9%	9,306
<b>Coal Unit Availability</b>											
Average	5,712	5,855	5,861	5,873	5,859	5,861	5,874	5,842	5,812		5,732
Utilization	98%	100%	100%	101%	100%	100%	101%	100%	100%	0.5%	98%
<b>Gas and Hydro Unit Availability</b>											
Average	1,779	1,873	2,027	2,323	2,605	2,512	1,904	2,146	1,947		2,059
Utilization	37%	39%	43%	49%	55%	53%	40%	38%	34%	3.5%	36%



The price duration curves show the % of time that prices were at or below a certain value during the week. For the week ending **February 4**, prices were at or below:

- \$20/MWh 9% of the time
- \$50/MWh 36% of the time
- \$100/MWh 98% of the time
- \$250/MWh 100% of the time
- \$500/MWh 100% of the time



The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **February 4** implied market heat rates were at or below:

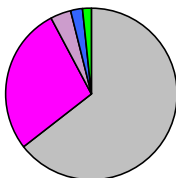
- 5.0 GJ/MWh 12% of the time
- 10.0 GJ/MWh 88% of the time
- 15.0 GJ/MWh 99% of the time
- 20.0 GJ/MWh 99% of the time

### Market Share Statistics

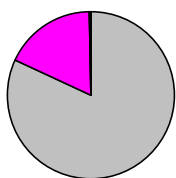
By Fuel Type:

■ Coal 
 ■ Gas - Cogen 
 ■ Gas - Other 
 ■ Hydro 
 ■ Other

Weekly Generation by Fuel Type

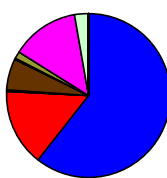


Weekly Price Setting by Fuel Type



By Submitting Customer:

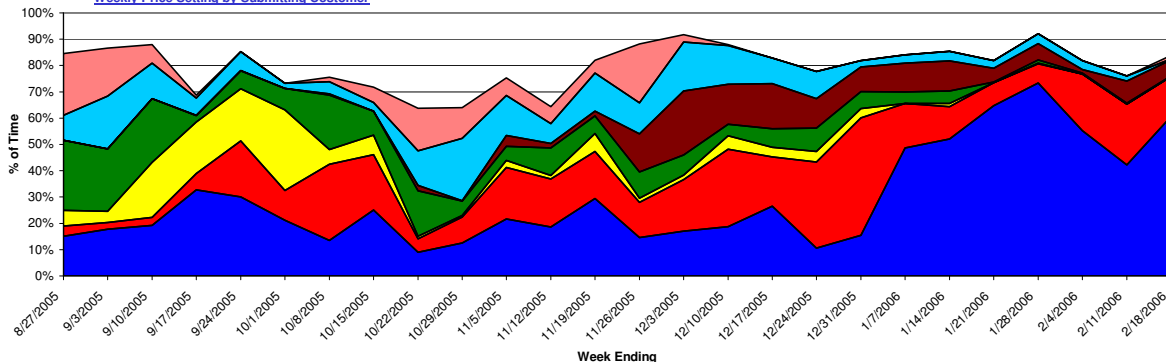
Weekly Price Setting by Submitting Customer



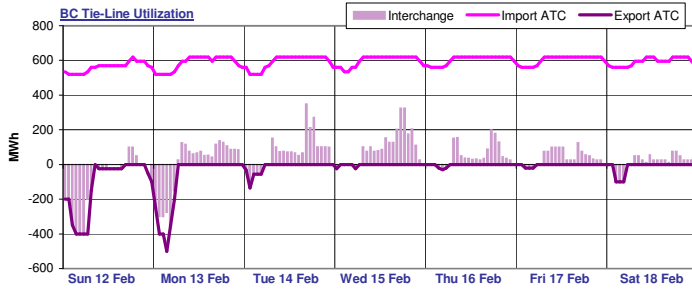
Last week, coal units were responsible for 64.5% of the generation in the province and set price 81.9% of the time. Gas-cogen units accounted for 27.6% of the generation and set price 17.9% of the time last week while other gas units made up 4.0% of generation and set price 0% of the time.

A total of 9 market participants set price last week. One market participants set price more than 20% of the time last week. The top price setter set price 60.6% of the time and the top five price setters set price a total of 98.2% of the time.

### Weekly Price Setting by Submitting Customer

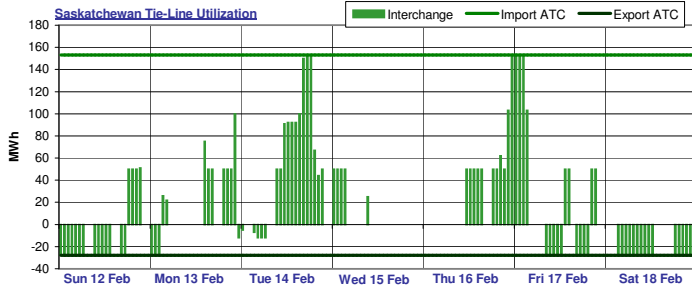


# Interties

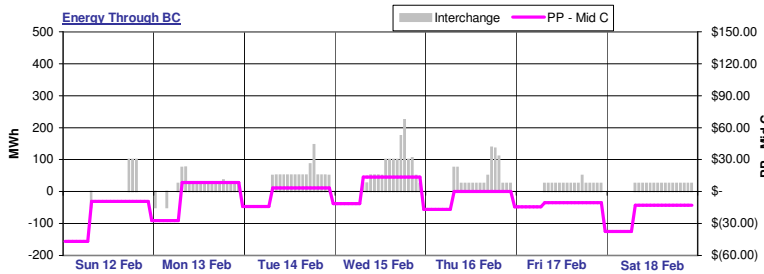


BC import capacity was 8% utilized last week while BC export capacity was 85% utilized. Energy was being imported into Alberta over the BC tie-line 60% of the time and exported out of Alberta over the BC tie-line 21% of the time last week. There was no activity on the BC tie-line 20% of the time last week.

Note: External reserve contract volumes have been subtracted from the BC import ATC as this capacity is not available to import energy into Alberta.



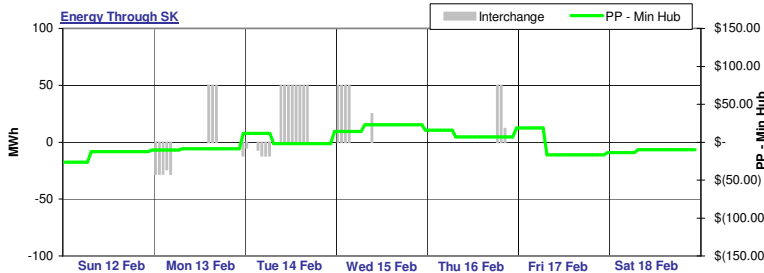
Saskatchewan import capacity was 14% utilized last week while Saskatchewan export capacity was 26% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 30% of the time and exported out of Alberta over the Saskatchewan tie-line 28% of the time last week. There was no activity on the Saskatchewan tie-line 42% of the time last week.



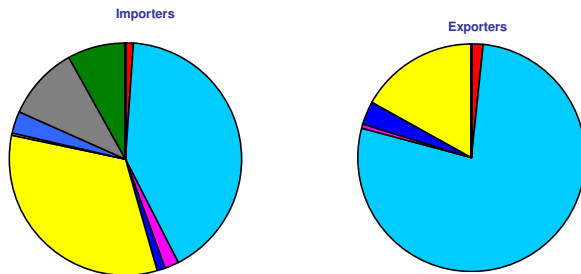
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

Alberta prices were generally lower than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supported export activity across the Alberta - Saskatchewan interconnection.

Note: Platt's day-ahead strip prices used in energy through BC and SK graphs.



## Tie-Line Market Shares

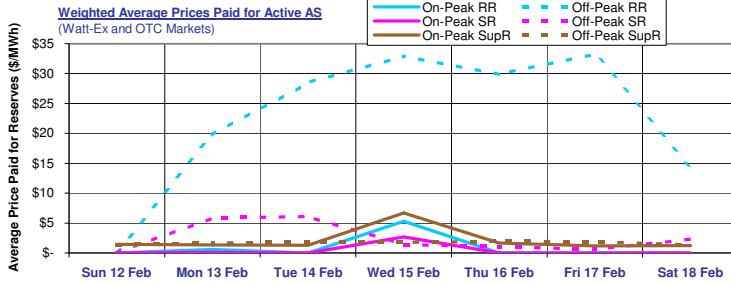


Last week, there were a total of 9 importers. The most active importer had a market share of 41.7% while the second most active importer had a market share of 32.8%.

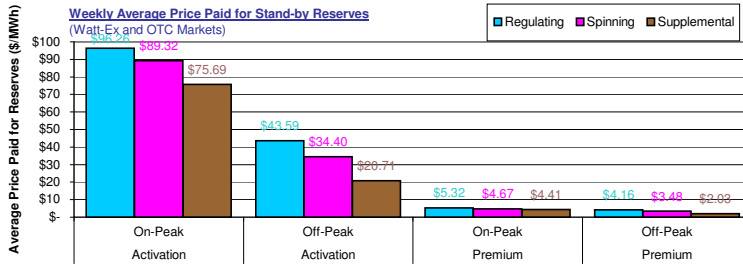
There were a total of 5 exporters last week. The most active exporter had a market share of 77.4% while the next largest exporter had a market share of 17.0%.

Note: Market shares are based on the combined activity on both interties.

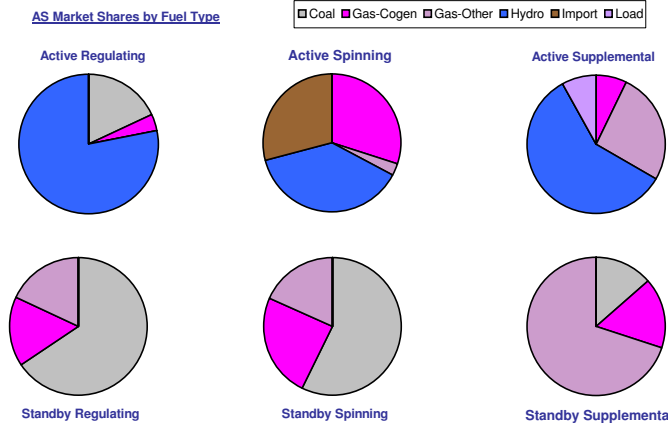
# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$0.84/MWh**, **\$0.41/MWh** and **\$2.15/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were somewhat **higher** and averaged **\$23.35/MWh**, **\$2.45/MWh** and **\$1.69/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$20.71/MWh** for **off-peak supplemental** reserves to **\$96.26/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$2.03/MWh** for **off-peak supplemental** reserves up to **\$5.32/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **78.2%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **37.8%** while in the **active supplemental** reserve market, **hydro** units dominated with a **58.5%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **65.4%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **57.3%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **70.1%**.

## Glossary

- HE** Hour Ending
- On-Peak Hours** In Alberta: HE08 through HE23, Monday through Saturday (prevailing Mountain time)  
In Mid-C: HE07 through HE22, Monday through Saturday (prevailing Pacific time)  
In Minn Hub: HE08 through HE23, Monday through Sunday (prevailing Central time)
- Off-Peak Hours** In Alberta: HE01 through HE07 + HE24 (of the same day), Monday through Saturday + HE01 through HE24 Sundays + holidays (prevailing Mountain time)  
In Mid-C: HE24 (of the previous day) through HE07 (of the day in question), Monday through Saturday + HE01 through HE24 Sundays + holidays (prevailing Pacific time)  
In Minn Hub: HE24 (of the previous day) through HE07 (of the day in question), Monday through Sunday (prevailing Central time)
- COV** Coefficient of Variation  
The standard deviation of a series of numbers divided by the mean of the same series of numbers. Used as a measure of volatility.
- ATC** Available Transfer Capacity  
A measure of the maximum energy flow possible in one direction across an intertie.
- Market Heat Rate** The prevailing Pool price divided by the prevailing gas price.
- Sparksread** Sparksreads give an indication of the revenue available to cover costs after fuel costs have been paid. A positive spread indicates it is more economical to buy gas and generate electricity while a negative spread indicates it is more economical to buy electricity from the grid.