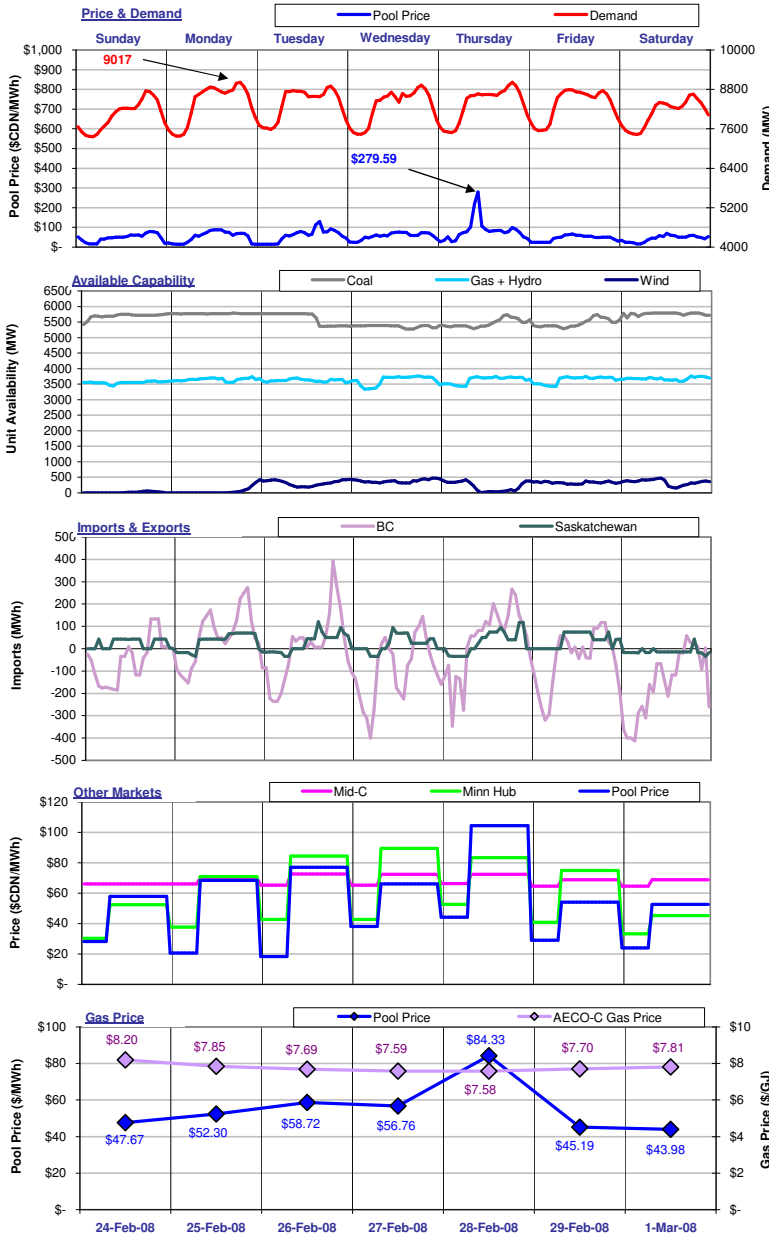


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending March 1, 2008

## Weekly Highlights



For the week ending March 1, 2008, **Pool Price** averaged \$55.56/MWh and ranged from a minimum of \$14.55/MWh in HE05 on Tuesday to a maximum of \$279.59/MWh in HE22 on Thursday. **Demand** reached a high of 9017 MW in HE20 on Monday and a low of 7365 MW in HE05 on Sunday. Average demand for the week was 8260 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.43.

**Coal Unit Availability** averaged 5590 MW last week. This is an equivalent availability of 93%. **Gas, Hydro and Other Unit Availability** averaged 3628 MW last week, which is an equivalent of 75%. **Wind Generation** averaged 235 MW last week. This is an equivalent availability of 47%. Availability numbers are based on MW offered into the energy merit order.

Alberta was a net exporter from BC last week with total exports equal to 6,388MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,696 MWh. Overall, Alberta exported 2,692MWh 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 \$70.93/MWh on-peak and \$65.46/MWh off-peak. **Minn Hub** prices averaged \$74.73/MWh on-peak and \$40.06/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.01328.

The average **AECO-C Gas Price** last week was \$7.78/GJ and ranged from a minimum of \$7.58/GJ to \$8.20/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.63 GJ/MWh to a high of 11.12 GJ/MWh. The average market heat rate for the week was 7.17 GJ/MWh.

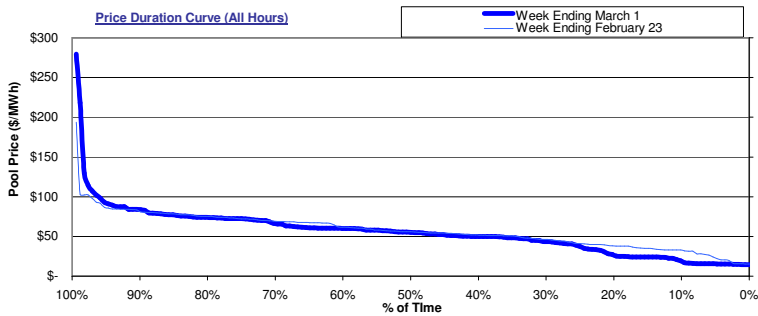


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities for the [previous](#) week. Any questions regarding the material in this publication should be directed to MSA staff. Our contact information is available on the MSA website: [www.albertamsa.ca](http://www.albertamsa.ca)

# Wholesale Market

## Weekly Market Statistics

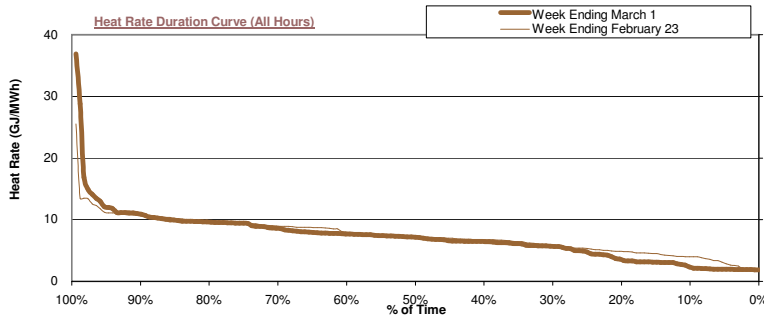
	Sunday 24-Feb	Monday 25-Feb	Tuesday 26-Feb	Wednesday 27-Feb	Thursday 28-Feb	Friday 29-Feb	Saturday 1-Mar	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 47.67	\$ 52.30	\$ 58.72	\$ 56.76	\$ 84.33	\$ 45.19	\$ 43.98	\$ 55.56	\$ 57.32	-3.1%	\$ 72.38
On-Peak	NA	\$ 68.36	\$ 77.06	\$ 66.17	\$ 104.38	\$ 54.06	\$ 52.58	\$ 70.44	\$ 68.55	2.8%	\$ 86.57
Off-Peak	\$ 47.67	\$ 20.18	\$ 22.05	\$ 37.94	\$ 44.22	\$ 27.44	\$ 26.78	\$ 35.74	\$ 42.36	-15.6%	\$ 49.41
COV	0.40	0.53	0.55	0.29	0.67	0.32	0.36	0.44	0.33	35.1%	
<b>Heat Rate</b>											
Average	5.81	6.66	7.64	7.48	11.12	5.87	5.63	7.17	7.39	-3.0%	10.00
On-Peak	NA	8.71	10.03	8.72	13.76	7.02	6.73	9.16	8.77	4.5%	11.96
Off-Peak	5.81	2.57	2.87	5.00	5.83	3.56	3.43	4.52	5.56	-18.7%	6.83
<b>Demand</b>											
Average	8,016	8,368	8,367	8,285	8,361	8,339	8,081	8,260	8,184	0.9%	8,417
Minimum	7,365	7,378	7,589	7,434	7,487	7,548	7,425	7,461	7,490	-0.4%	7,357
Maximum	8,754	9,017	8,898	8,928	9,012	8,789	8,652	8,864	8,798	0.8%	9,710
<b>Coal Unit Availability</b>											
Average	5,695	5,772	5,615	5,358	5,463	5,463	5,760	5,590	5,481		5,467
AC/MC	95%	96%	94%	89%	91%	91%	96%	93%	91%	1.8%	91%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,552	3,650	3,618	3,621	3,636	3,636	3,680	3,628	3,572		3,743
AC/MC	73%	75%	74%	74%	75%	75%	76%	75%	73%	1.2%	77%



The price duration curves show the % of time that prices were at or below a certain value during the week.

For the week ending **March 1**, prices were at or below:

\$20/MWh 10% of the time  
 \$50/MWh 39% of the time  
 \$100/MWh 96% of the time  
 \$250/MWh 99% of the time  
 \$500/MWh 98% of the time



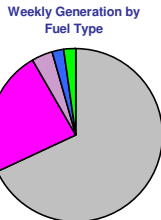
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **March 1** implied market heat rates were at or below:

5.0 GJ/MWh 27% of the time  
 10.0 GJ/MWh 86% of the time  
 15.0 GJ/MWh 98% of the time  
 20.0 GJ/MWh 99% of the time

### Market Share Statistics

By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other



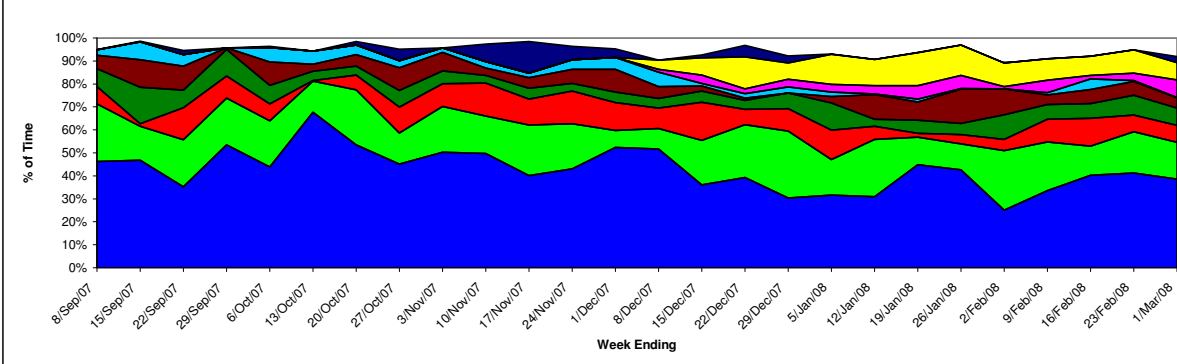
By Submitting Customer:



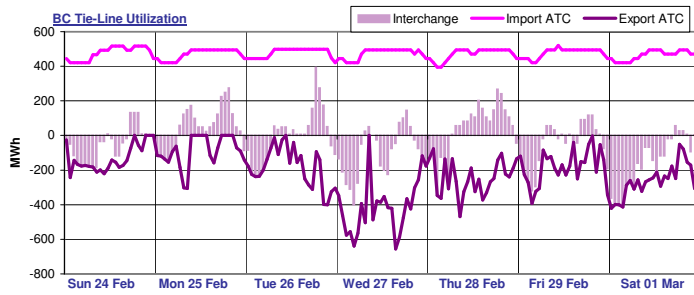
Last week, coal units were responsible for 67.9% of the generation in the province and set price 60.2% of the time. Gas-cogen units accounted for 23.8% of the generation and set price 31.8% of the time last week while other gas units made up 3.8% of generation and set price 7.6% of the time.

A total of 12 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 38.6% of the time and the top five price setters set price a total of 77.3% of the time.

### Weekly Price Setting by Submitting Customer

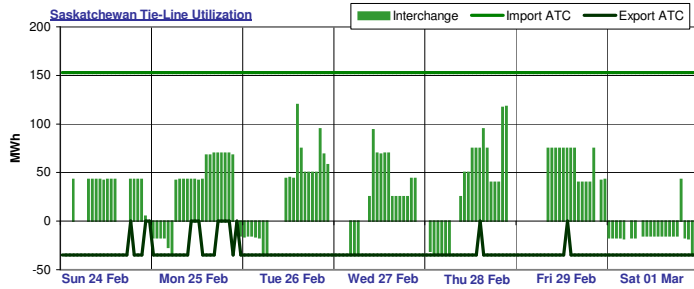


# Interties

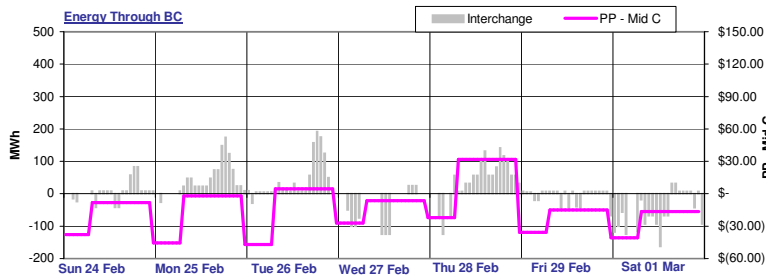


BC import capacity was 9% utilized last week while BC export capacity was 39% utilized. Energy was being imported into Alberta over the BC tie-line 47% of the time and exported out of Alberta over the BC tie-line 52% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



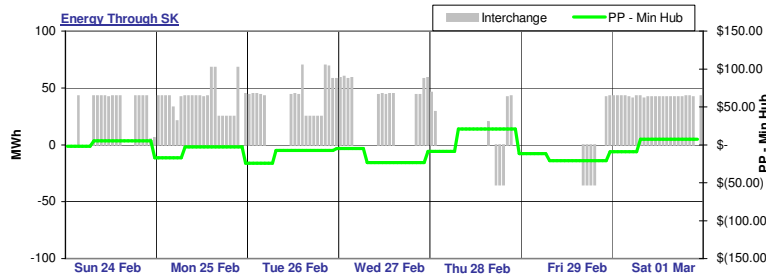
Saskatchewan import capacity was 27% utilized last week while Saskatchewan export capacity was 57% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 50% of the time and exported out of Alberta over the Saskatchewan tie-line 26% of the time last week. There was no activity on the Saskatchewan tie-line 24% of the time last week.



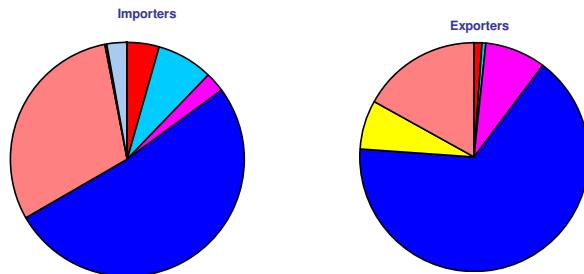
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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

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



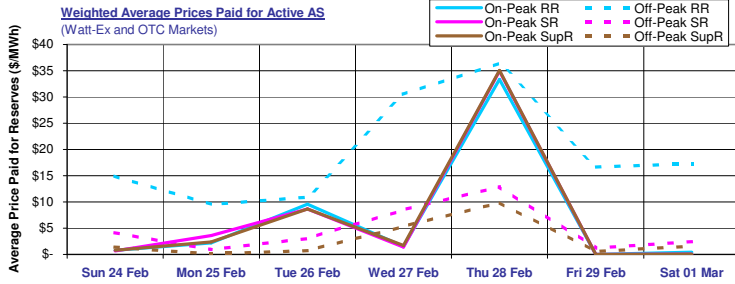
## Tie-Line Market Shares



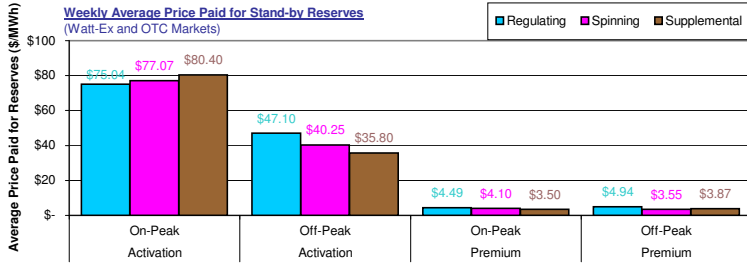
Last week, there were a total of 7 importers. The most active importer had a market share of 51.7% while the second most active importer had a market share of 30.2%. There were a total of 6 exporters last week. The most active exporter had a market share of 65.7% while the next largest exporter had a market share of 17.0%.

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

# Ancillary Services Market

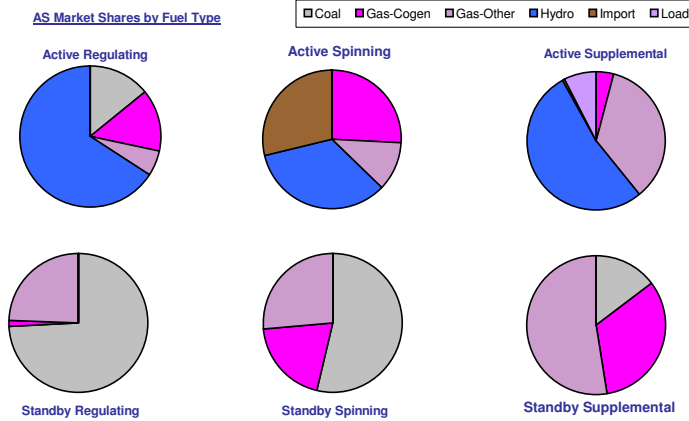


Average on-peak prices paid for active ancillary services last week were **\$6.79/MWh**, **\$7.10/MWh** and **\$7.10/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were **lower** with the exception of off-peak regulating reserves and averaged **\$19.3** **\$4.730/MWh** and **\$2.77/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$35.80/MWh** for **off-peak supplemental** reserves to **\$80.40/MWh** for **on-peak supplemental** reserves. Weekly average premium prices ranged from **\$3.50/MWh** for **off-peak supplemental** reserves up to **\$4.94/MWh** for **on-peak regulating** reserves.

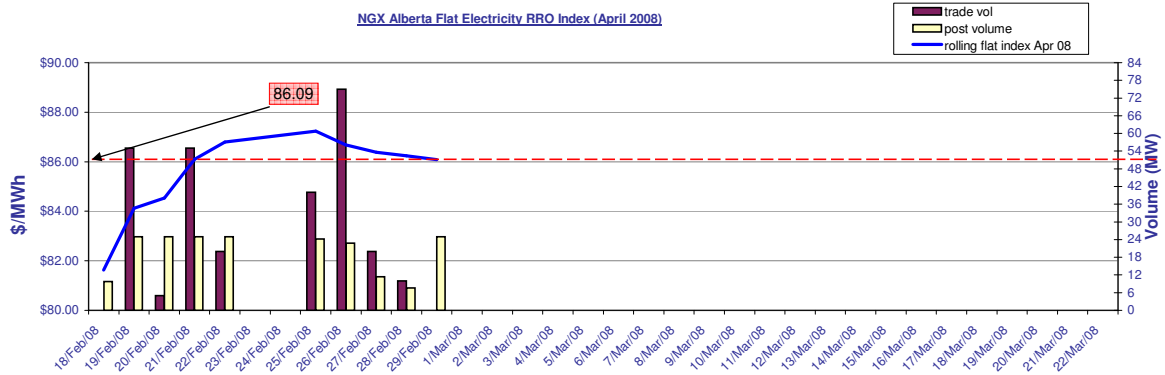
## AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **65.9%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **33.7%** while in the **active supplemental** reserve market, **hydro** units dominated with a **52.8%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **74.2%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **53.6%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **52.5%**.

# RRO Procurement



# Glossary

- 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)
- ATC**  
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.
- Sparks spread**  
Sparks spreads 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.