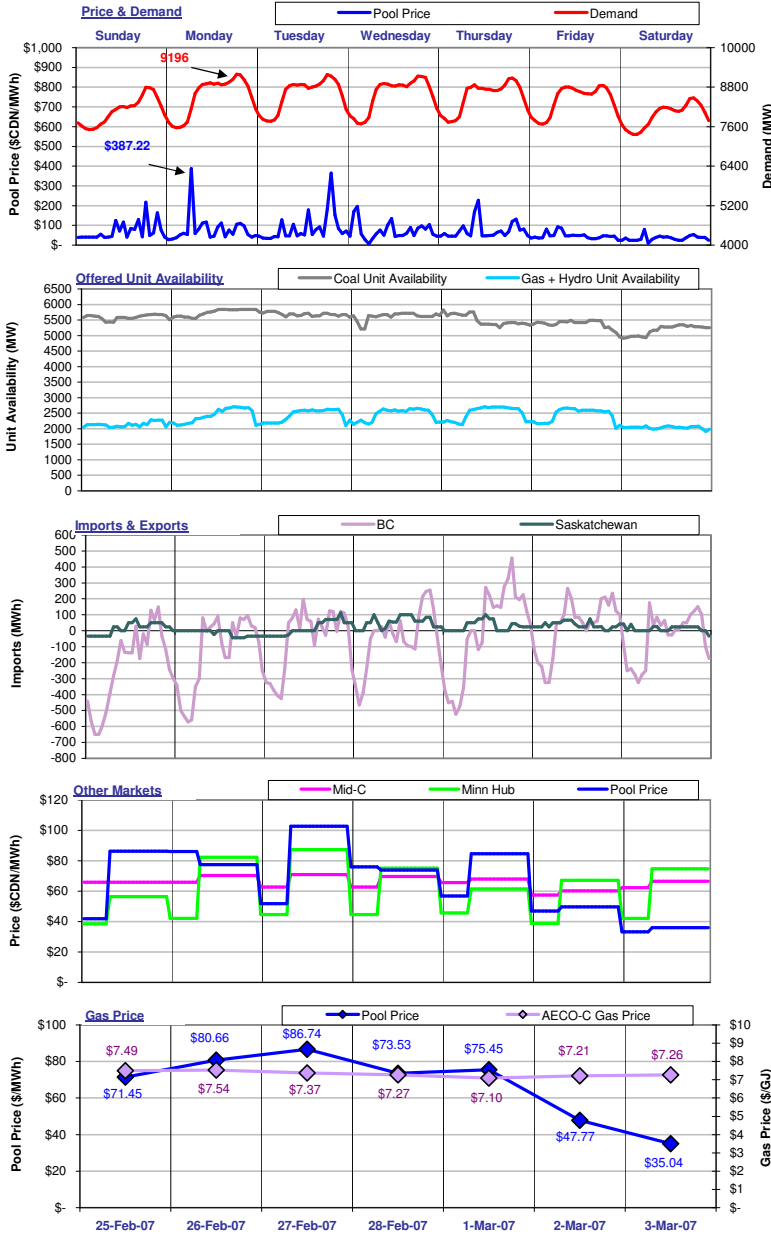


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending March 3, 2007

## Weekly Highlights



For the week ending Mar 03, 2007, **Pool Price** averaged \$67.23/MWh and ranged from a minimum of \$6.79/MWh in HE06 on Wednesday to a maximum of \$387.22/MWh in HE07 on Monday. **Demand** reached a high of 9196 MW in HE19 on Monday and a low of 7361 MW in HE04 on Saturday. Average demand for the week was 8369 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.11.

**Coal Unit Availability** averaged 5525 MW last week. This is an equivalent availability of 95% (based on MCR). **Gas and Hydro Unit Availability** averaged 2346W last week, which is an equivalent of 41% (based on MCR).

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

Alberta was a net exporter to BC last week with total exports equal to 11,507MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 3,544 MWh. Overall, Alberta exported 7,963 MWh of electricity last week.

**Pool Prices** were generally higher than prices in Mid-C and higher than prices in Minn Hub last week. **Mid-C** prices averaged \$67.64/MWh on-peak and \$63.17/MWh off-peak. **Minn Hub** prices averaged \$74.74/MWh on-peak and \$42.34/MWh off-peak.

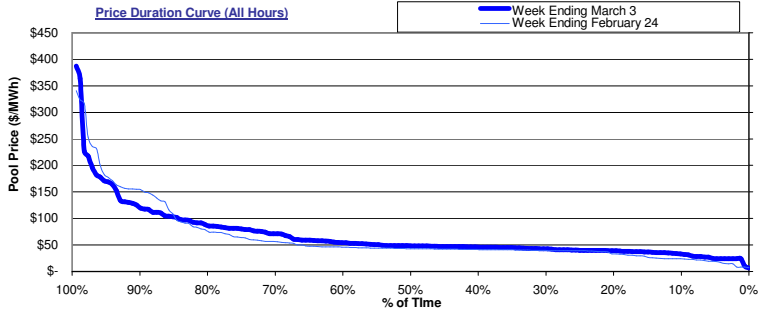
Prices in \$CDN at an exchange rate of 1.16026.

The average **AECO-C Gas Price** last week was \$7.32/GJ and ranged from a minimum of \$7.10/GJ to \$7.54/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 4.83 GJ/MWh to a high of 11.76GJ/MWh. The average market heat rate for the week was 9.17 GJ/MWh.

# Wholesale Market

## Weekly Market Statistics

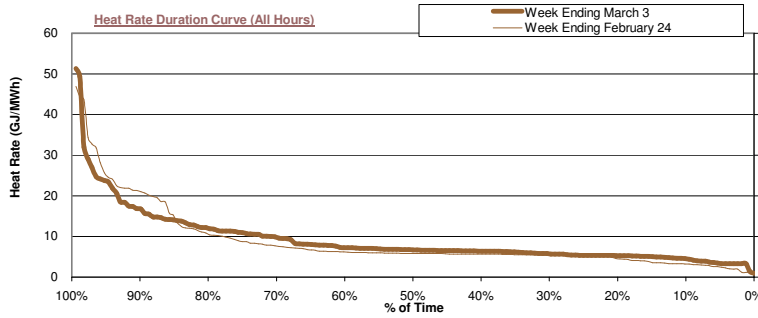
	Sunday 25-Feb	Monday 26-Feb	Tuesday 27-Feb	Wednesday 28-Feb	Thursday 1-Mar	Friday 2-Mar	Saturday 3-Mar	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 71.45	\$ 80.66	\$ 86.74	\$ 73.53	\$ 75.45	\$ 47.77	\$ 35.04	\$ <b>67.23</b>	\$ <b>64.10</b>	<b>4.9%</b>	\$ <b>66.06</b>
On-Peak	NA	\$ 77.44	\$ 102.84	\$ 73.83	\$ 84.58	\$ 49.69	\$ 35.98	\$ <b>70.73</b>	\$ <b>78.83</b>	<b>-10.3%</b>	\$ <b>77.24</b>
Off-Peak	\$ 71.45	\$ 87.11	\$ 54.55	\$ 72.93	\$ 57.19	\$ 43.93	\$ 33.17	\$ <b>62.58</b>	\$ <b>44.45</b>	<b>40.8%</b>	\$ <b>48.87</b>
COV	0.66	0.88	0.85	0.60	0.60	0.35	0.39	<b>0.62</b>	<b>0.81</b>	<b>-23.7%</b>	
<b>Heat Rate</b>											
Average	9.54	10.70	11.76	10.11	10.63	6.63	4.83	<b>9.17</b>	<b>8.65</b>	<b>6.1%</b>	<b>9.42</b>
On-Peak	NA	10.27	13.95	10.16	11.91	6.89	4.96	<b>9.69</b>	<b>10.61</b>	<b>-8.7%</b>	<b>11.02</b>
Off-Peak	9.54	11.56	7.40	10.03	8.05	6.09	4.57	<b>8.48</b>	<b>6.03</b>	<b>40.7%</b>	<b>6.97</b>
<b>Demand</b>											
Average	8,079	8,524	8,569	8,565	8,510	8,401	7,935	<b>8,369</b>	<b>8,235</b>	<b>1.6%</b>	<b>8,321</b>
Minimum	7,515	7,572	7,764	7,689	7,739	7,673	7,361	<b>7,616</b>	<b>7,474</b>	<b>1.9%</b>	<b>7,029</b>
Maximum	8,793	9,196	9,188	9,133	9,080	8,852	8,470	<b>8,959</b>	<b>8,858</b>	<b>1.1%</b>	<b>9,478</b>
<b>Coal Unit Availability</b>											
Average	5,591	5,740	5,684	5,611	5,504	5,368	5,177	<b>5,525</b>	<b>5,634</b>		<b>5,552</b>
Utilization	96%	98%	97%	96%	94%	92%	89%	<b>95%</b>	<b>96%</b>	<b>-1.9%</b>	<b>95%</b>
<b>Gas and Hydro Unit Availability</b>											
Average	2,138	2,417	2,432	2,458	2,494	2,444	2,037	<b>2,346</b>	<b>2,146</b>		<b>2,340</b>
Utilization	45%	51%	52%	52%	53%	52%	43%	<b>50%</b>	<b>46%</b>	<b>4.2%</b>	<b>50%</b>



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 03**, prices were at or below:

- \$20/MWh 1% of the time
- \$50/MWh 54% of the time
- \$100/MWh 84% of the time
- \$250/MWh 98% of the time
- \$500/MWh 100% of the time



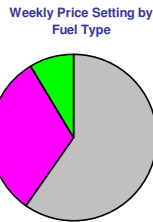
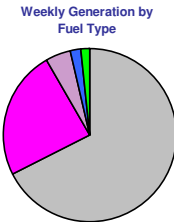
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **March 03** implied market heat rates were at or below:

- 5.0 GJ/MWh 15% of the time
- 10.0 GJ/MWh 71% of the time
- 15.0 GJ/MWh 89% of the time
- 20.0 GJ/MWh 93% of the time

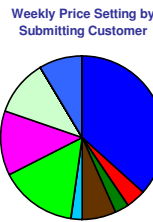
### Market Share Statistics

By Fuel Type:

Legend: Coal (Grey), Gas - Cogen (Pink), Gas - Other (Light Blue), Hydro (Dark Blue), Other (Green)

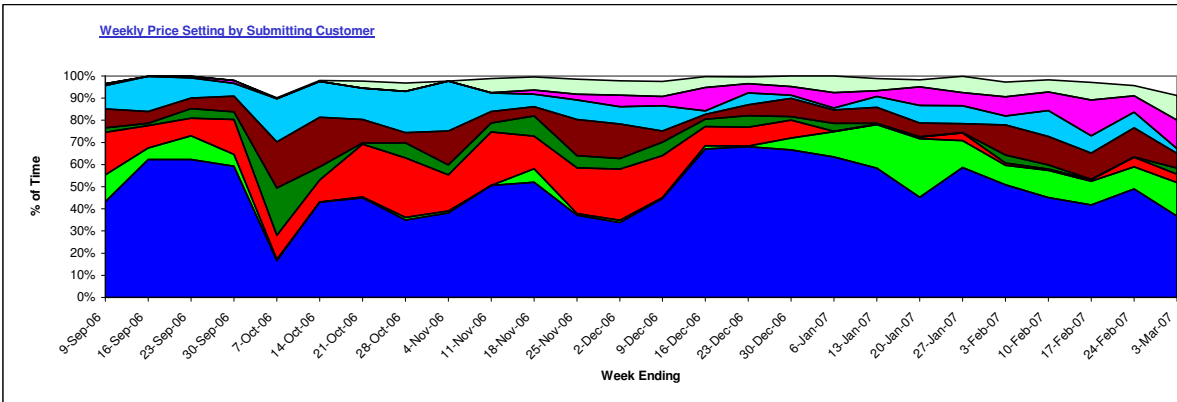


By Submitting Customer:

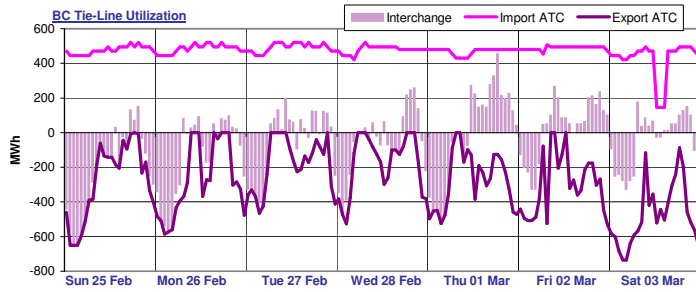


Last week, coal units were responsible for 67.6% of the generation in the province and set price 59.6% of the time. Gas-cogen units accounted for 24.1% of the generation and set price 31.9% of the time last week while other gas units made up 4.6% of generation and set price 0.0% of the time.

A total of 10 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 36.6% of the time and the top five price setters set price a total of 84.5% of the time.

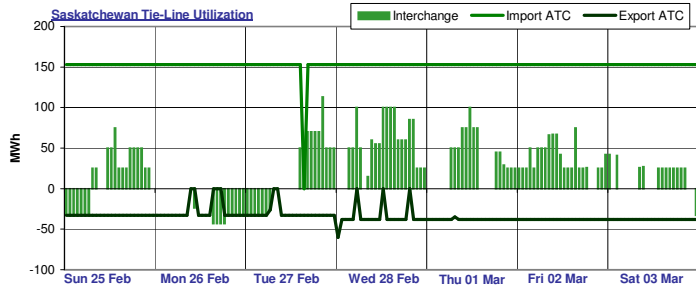


# Interties

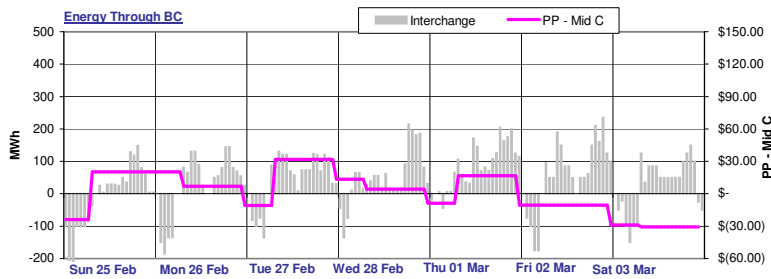


BC import capacity was 15% utilized last week while BC export capacity was 49% utilized. Energy was being imported into Alberta over the BC tie-line 48% of the time and exported out of Alberta over the BC tie-line 50% of the time last week. There was no activity on the BC tie-line 0% of the time last 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.



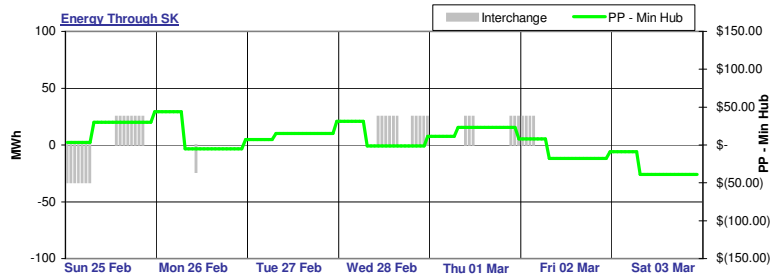
Saskatchewan import capacity was 17% utilized last week while Saskatchewan export capacity was 13% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 55% of the time and exported out of Alberta over the Saskatchewan tie-line 15% of the time last week. There was no activity on the Saskatchewan tie-line 30% of the time last week.



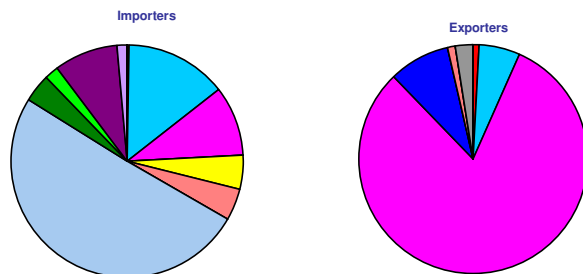
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



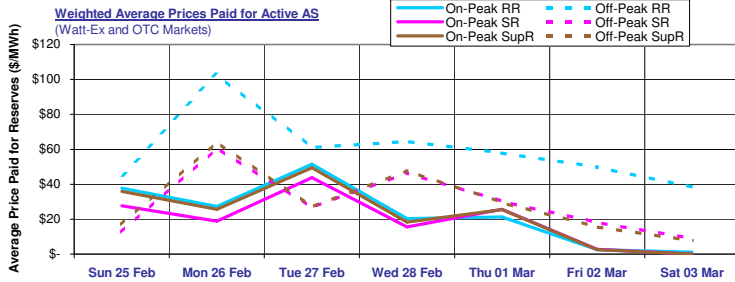
## Tie-Line Market Shares



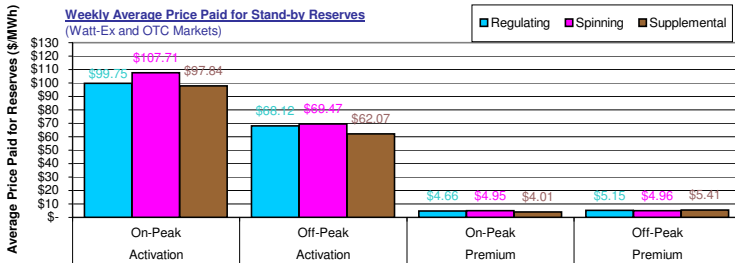
Last week, there were a total of 10 importers. The most active importer had a market share of 50.6% while the second most active importer had a market share of 14.3%. There were a total of 8 exporters last week. The most active exporter had a market share of 81.0% while the next largest exporter had a market share of 8.6%.

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

# Ancillary Services Market

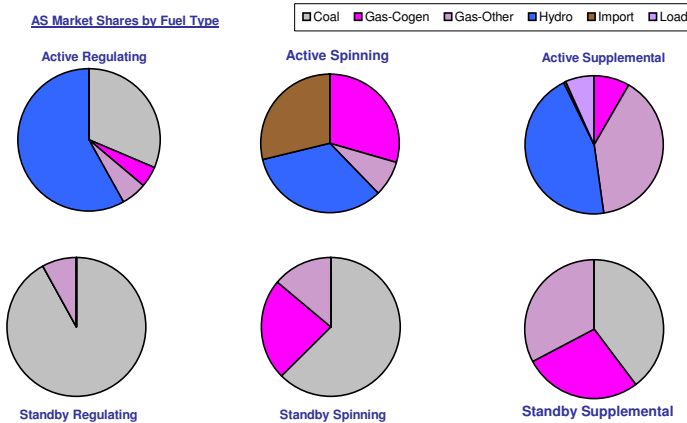


Average on-peak prices paid for active ancillary services last week were **\$17.77/MWh**, **\$15.74/MWh** and **\$17.90/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.  
Active average off-peak prices were **higher** and averaged **\$56.70/MWh**, **\$28.14/MWh** and **\$28.09/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$62.07/MWh** for **off-peak supplemental** reserves to **\$107.71/MWh** for **on-peak spinning** reserves.  
Weekly average premium prices ranged from **\$4.01/MWh** for **on-peak supplemental** reserves up to **\$5.41/MWh** for **off-peak supplemental** reserves.

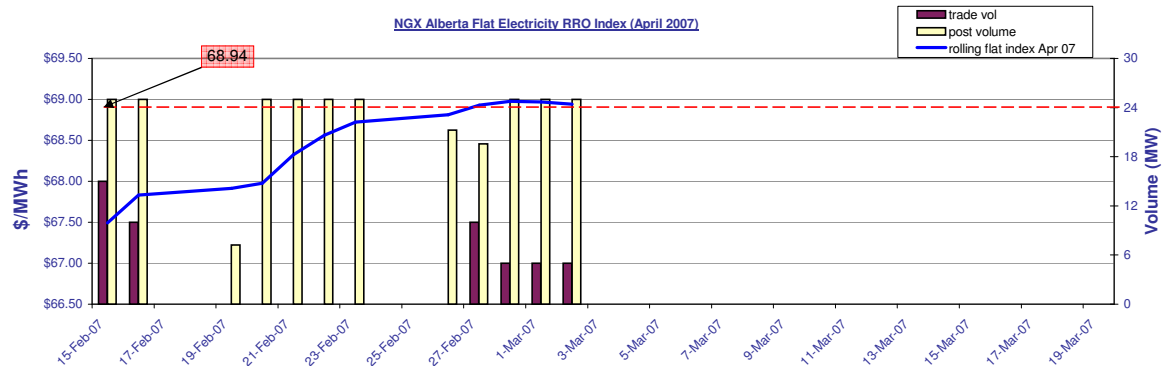
**AS Market Shares by Fuel Type**



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **58.2%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **33.3%** while in the **active supplemental** reserve market, **hydro** units dominated with a **45.0%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **91.9%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **62.5%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **39.6%**.

# 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.