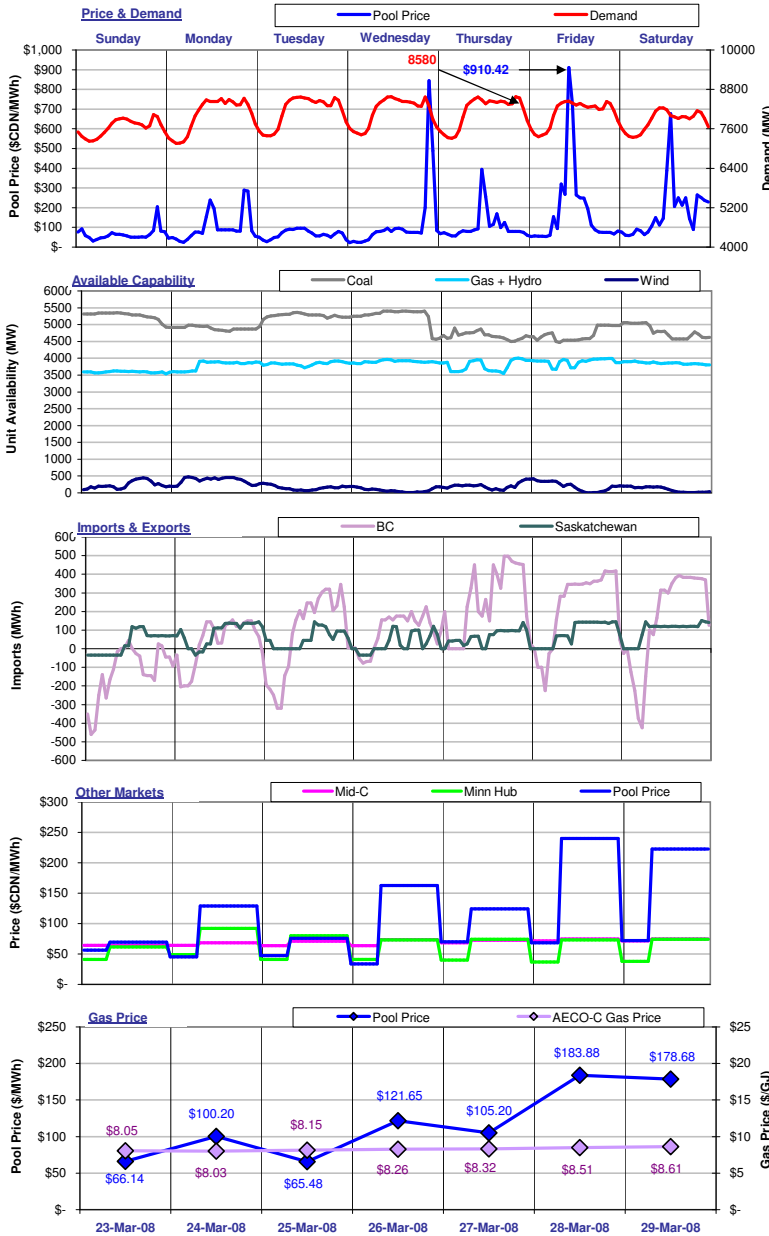


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending March 29, 2008

## Weekly Highlights



For the week ending March 29, 2008, **Pool Price** averaged \$117.32/MWh and ranged from a minimum of \$23.09/MWh in HE01 on Wednesday to a maximum of \$910.42/MWh in HE11 on Friday. **Demand** reached a high of 8580 MW in HE21 on Thursday and a low of 7153 MW in HE03 on Monday. Average demand for the week was 7998 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.09.

**Coal Unit Availability** averaged 4977 MW last week. This is an equivalent availability of 83%. **Gas, Hydro and Other Unit Availability** averaged 3810 MW last week, which is an equivalent of 78%. **Wind Generation** averaged 193 MW last week. This is an equivalent availability of 39%. 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 17,807 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 10,561 MWh. Overall, Alberta imported 28,368 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 \$72.52/MWh on-peak and \$66.81/MWh off-peak. **Minn Hub** prices averaged \$77.72/MWh on-peak and \$40.99/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.0238.

The average **AECO-C Gas Price** last week was \$8.28/GJ and ranged from a minimum of \$8.03/GJ to \$8.61/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 8.04 GJ/MWh to a high of 21.61 GJ/MWh. The average market heat rate for the week was 14.07 GJ/MWh.

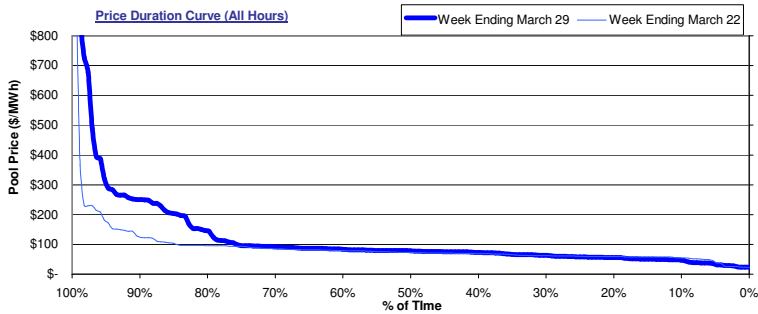


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities 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

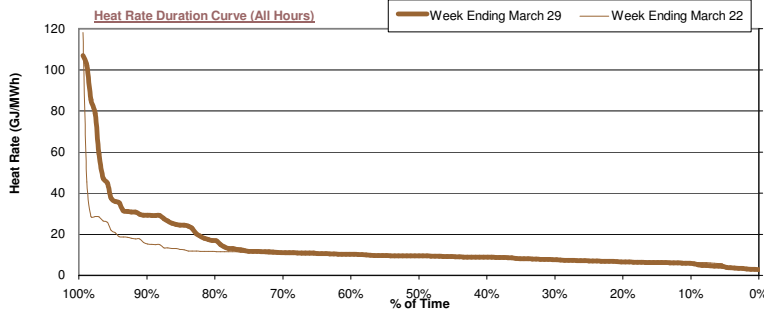
## Weekly Market Statistics

	Sunday 23-Mar	Monday 24-Mar	Tuesday 25-Mar	Wednesday 26-Mar	Thursday 27-Mar	Friday 28-Mar	Saturday 29-Mar	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 66.14	\$ 100.20	\$ 65.48	\$ 121.65	\$ 105.20	\$ 183.88	\$ 178.68	\$ 117.32	\$ 87.63	33.9%	\$ 76.05
On-Peak	NA	\$ 129.05	\$ 75.70	\$ 162.68	\$ 124.42	\$ 240.18	\$ 222.76	\$ 159.13	\$ 81.65	94.9%	\$ 91.09
Off-Peak	\$ 66.14	\$ 42.49	\$ 45.06	\$ 39.60	\$ 66.76	\$ 71.28	\$ 90.52	\$ 61.57	\$ 95.62	-35.6%	\$ 51.66
COV	0.50	0.76	0.32	1.48	0.71	1.17	0.77	0.81	0.40	101.0%	
<b>Heat Rate</b>											
Average	8.21	12.48	8.04	14.73	12.64	21.61	20.75	14.07	10.80	30.2%	10.09
On-Peak	NA	16.07	9.29	19.70	14.95	28.23	25.87	19.02	10.29	84.9%	12.09
Off-Peak	8.21	5.29	5.53	4.80	8.02	8.38	10.51	7.46	11.49	-35.1%	6.86
<b>Demand</b>											
Average	7,642	8,025	8,150	8,126	8,131	8,077	7,839	7,998	8,024	-0.3%	8,307
Minimum	7,227	7,153	7,386	7,416	7,313	7,364	7,343	7,315	7,372	-0.8%	7,153
Maximum	8,028	8,530	8,567	8,576	8,580	8,445	8,241	8,424	8,472	-0.6%	9,710
<b>Coal Unit Availability</b>											
Average	5,255	4,895	5,273	5,248	4,670	4,705	4,794	4,977	5,038		5,407
AC/MC	88%	82%	88%	87%	78%	78%	80%	83%	84%	-1.0%	90%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,592	3,798	3,839	3,901	3,785	3,894	3,858	3,810	3,760	1.0%	3,729
AC/MC	74%	78%	79%	80%	78%	80%	79%	78%	77%	1.0%	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 29**, prices were at or below:

- \$20/MWh 0% of the time
- \$50/MWh 14% of the time
- \$100/MWh 76% of the time
- \$250/MWh 90% of the time
- \$500/MWh 97% of the time



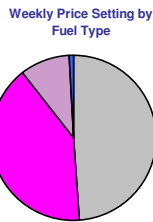
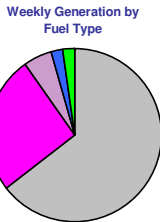
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **March 29** implied market heat rates were at or below:

- 5.0 GJ/MWh 9% of the time
- 10.0 GJ/MWh 58% of the time
- 15.0 GJ/MWh 80% of the time
- 20.0 GJ/MWh 83% of the time

### Market Share Statistics

By Fuel Type:

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

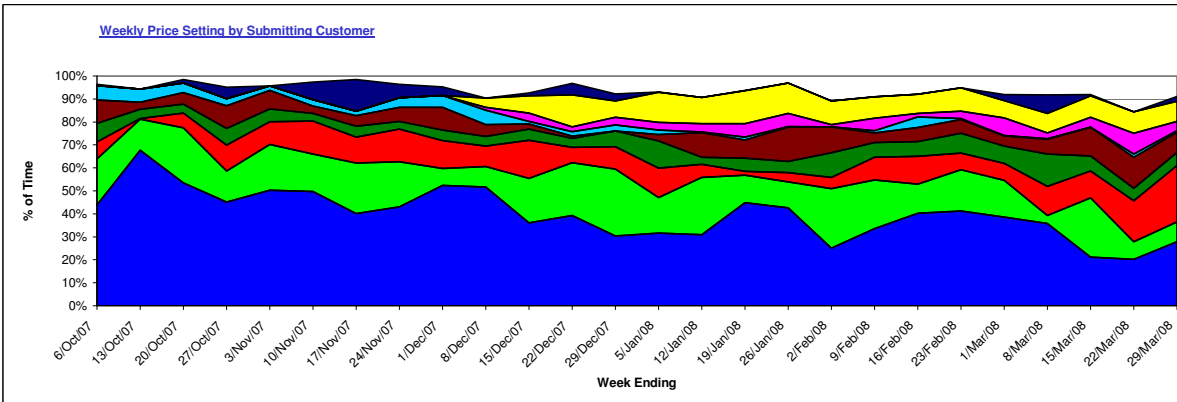


By Submitting Customer:

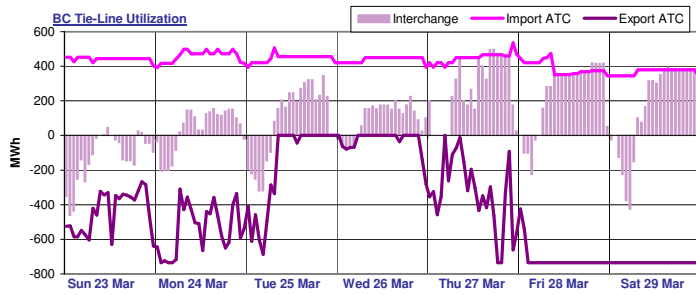


Last week, **coal units** were responsible for 64.3% of the generation in the province and set price 48.6% of the time. **Gas-cogen** units accounted for 25.9% of the generation and set price 40.3% of the time last week while **other gas** units made up 5.4% of generation and set price 9.8% of the time.

A total of 11 market participants set price last week. Two market participants set price more than 20% of the time last week. The top price setter set price 27.9% of the time and the top five price setters set price a total of 78.6% of the time.

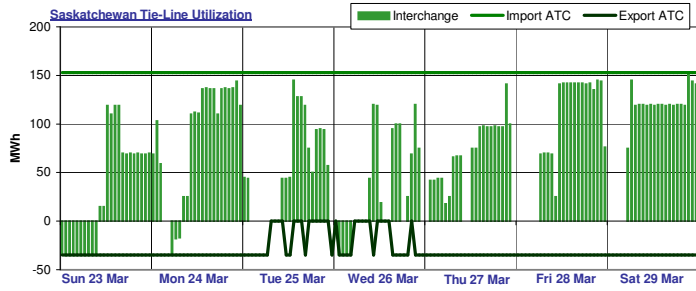


# Interties

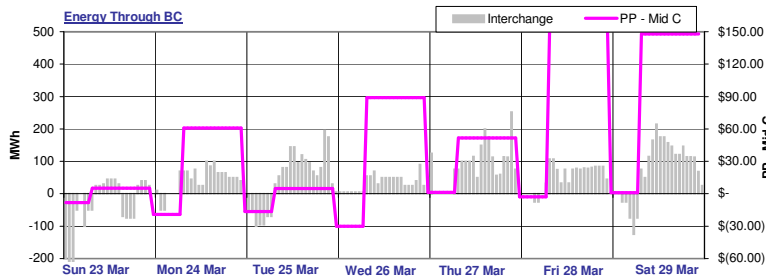


BC import capacity was 38% utilized last week while BC export capacity was 14% utilized. Energy was being imported into Alberta over the BC tie-line 67% of the time and exported out of Alberta over the BC tie-line 27% of the time last week. There was no activity on the BC tie-line 5% of the time last 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.



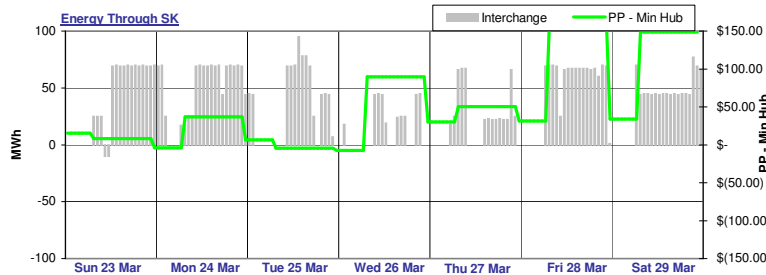
Saskatchewan import capacity was 47% utilized last week while Saskatchewan export capacity was 25% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 69% of the time and exported out of Alberta over the Saskatchewan tie-line 10% of the time last week. There was no activity on the Saskatchewan tie-line 21% of the time last week.



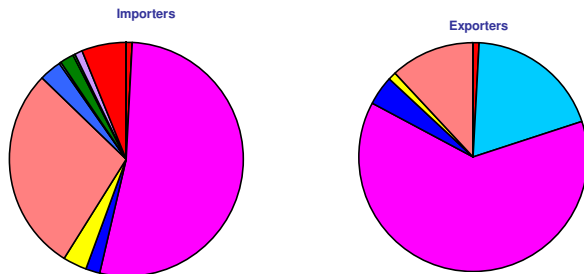
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



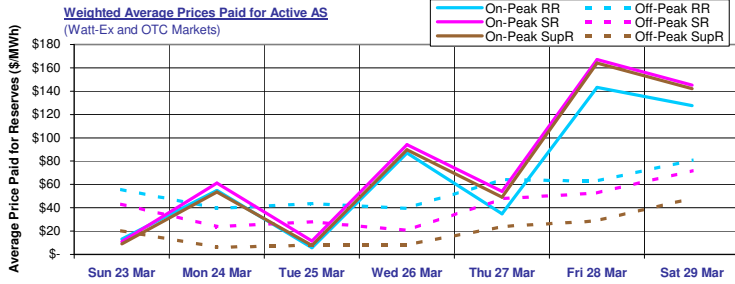
Tie-Line Market Shares



Last week, there were a total of 12 importers. The most active importer had a market share of 52.7% while the second most active importer had a market share of 28.3%. There were a total of 6 exporters last week. The most active exporter had a market share of 62.7% while the next largest exporter had a market share of 19.3%.

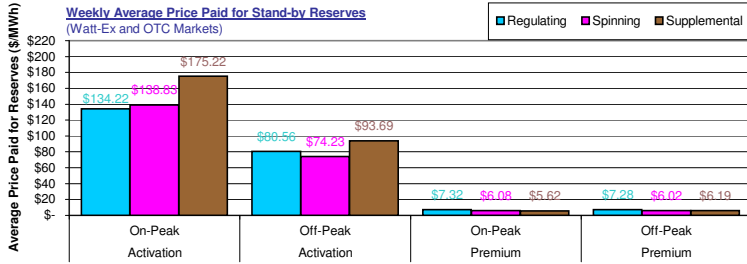
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$66.19/MWh, \$77.74/MWh and \$73.77/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

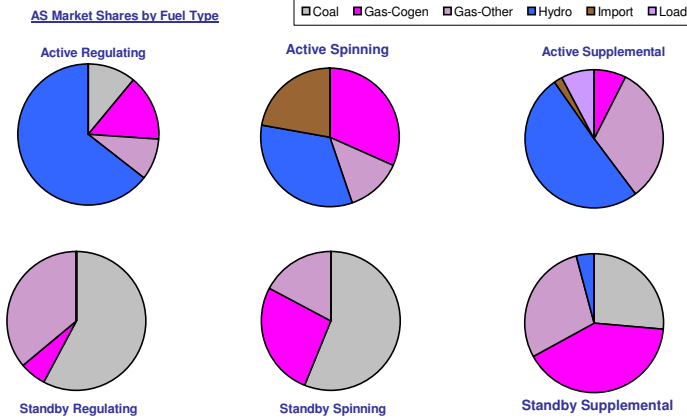
Active average off-peak prices were **lower** and averaged \$54.99/MWh, \$41.07/MWh and \$20.39/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$74.23/MWh for **off-peak spinning** reserves to \$175.22/MWh for **on-peak supplemental** reserves.

Weekly average premium prices ranged from \$5.62/MWh for **on-peak supplemental** reserves up to \$7.32/MWh for **on-peak regulating** reserves.

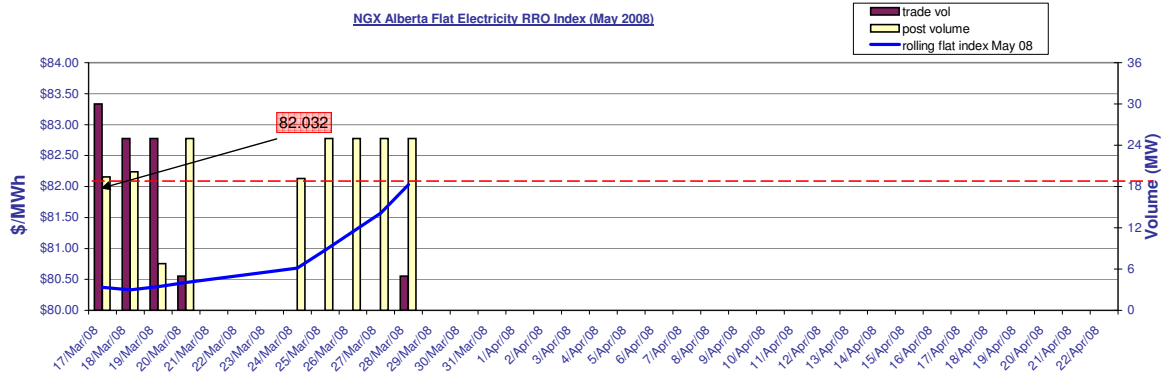
## AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **64.4%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **33.2%** while in the **active supplemental** reserve market, **hydro** units dominated with a **50.4%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **57.8%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **56.2%** market share. In the **standby supplemental** reserve market, **gas-cogen** units had the leading market share with **40.6%**.

# 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.