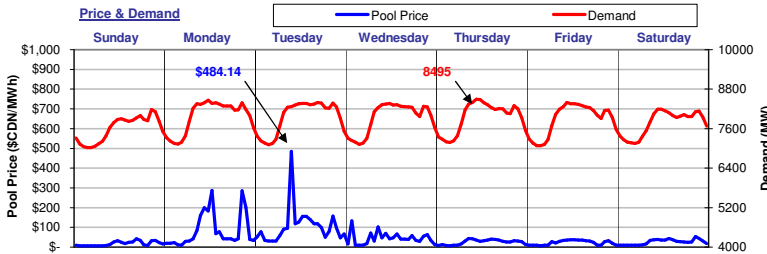


# The Market Monitor

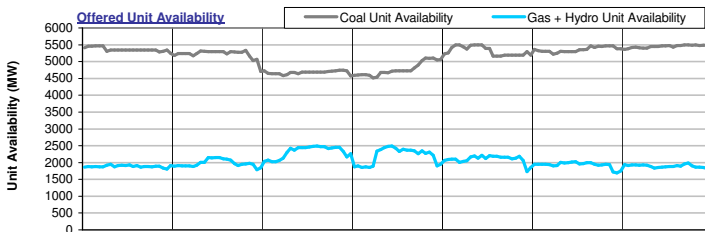
WATCHING THE MARKET : your fact source

Week Ending March 31, 2007

## Weekly Highlights

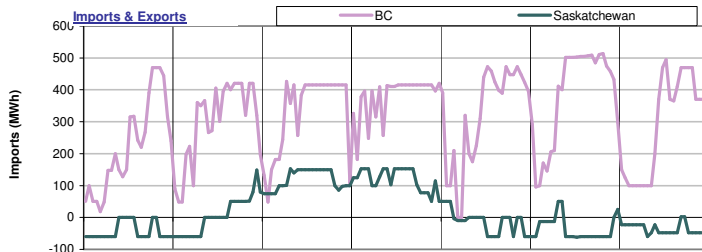


For the week ending March 31, 2007, **Pool Price** averaged \$46.54/MWh and ranged from a minimum of \$6.26/MWh in HE04 on Thursday to a maximum of \$484.14/MWh in HE10 on Tuesday. **Demand** reached a high of 8495 MW in HE11 on Thursday and a low of 7020 MW in HE05 on Sunday. Average demand for the week was 7868 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.20.

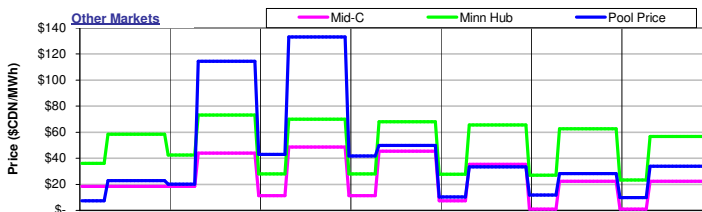


**Coal Unit Availability** averaged 5166 MW last week. This is an equivalent availability of 88% (based on MCR). **Gas and Hydro Unit Availability** averaged 2019 MW last week, which is an equivalent of 36% (based on MCR).

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

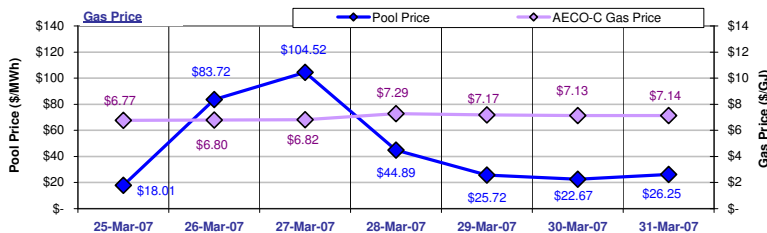


Alberta was a net importer from **BC** last week with total imports equal to 51,724 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 1,744 MWh. Overall, Alberta imported 53,468 MWh of electricity last week.



**Pool Prices** were generally higher than prices in **Mid-C** and lower than prices in **Minn Hub** last week. **Mid-C** prices averaged \$36.33/MWh on-peak and \$9.82/MWh off-peak. **Minn Hub** prices averaged \$66.00/MWh on-peak and \$30.36/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1613.



The average **AECO-C Gas Price** last week was \$7.02/GJ and ranged from a minimum of \$6.77/GJ to \$7.29/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 2.66 GJ/MWh to a high of 15.33GJ/MWh. The average market heat rate for the week was 6.70 GJ/MWh.

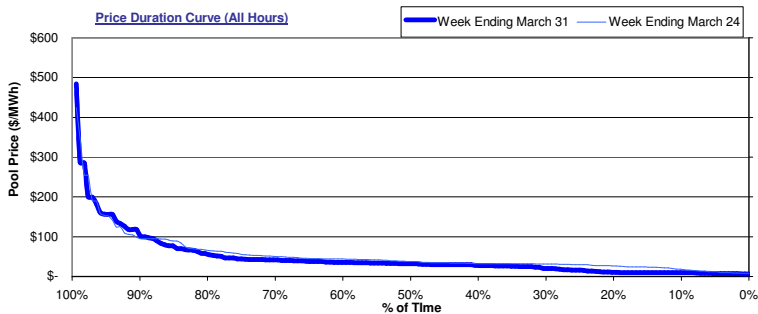


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

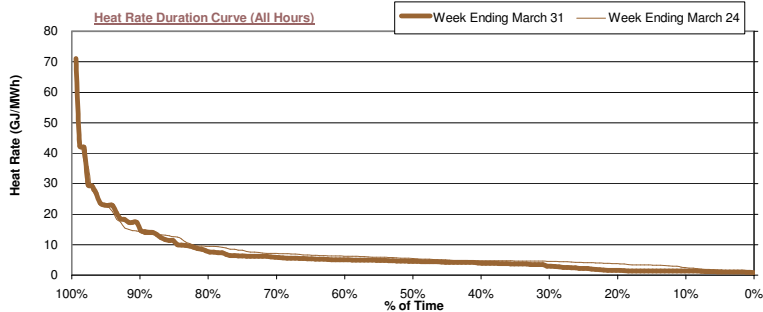
	Sunday 25-Mar	Monday 26-Mar	Tuesday 27-Mar	Wednesday 28-Mar	Thursday 29-Mar	Friday 30-Mar	Saturday 31-Mar	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 18.01	\$ 83.72	\$ 104.52	\$ 44.89	\$ 25.72	\$ 22.67	\$ 26.25	\$ 46.54	\$ 53.60	-13.2%	\$ 63.28
On-Peak	NA	\$ 114.48	\$ 133.23	\$ 49.76	\$ 33.46	\$ 28.20	\$ 33.98	\$ 65.52	\$ 60.51	8.3%	\$ 75.77
Off-Peak	\$ 18.01	\$ 22.20	\$ 47.12	\$ 35.14	\$ 10.25	\$ 11.60	\$ 10.81	\$ 21.24	\$ 44.38	-52.1%	\$ 44.35
COV	0.63	1.02	0.87	0.66	0.47	0.50	0.51	0.67	0.76	-12.3%	
<b>Heat Rate</b>											
Average	2.66	12.31	15.33	6.16	3.59	3.18	3.68	6.70	7.78	-13.9%	9.03
On-Peak	NA	16.83	19.55	6.83	4.67	3.96	4.76	9.43	8.82	6.9%	10.82
Off-Peak	2.66	3.26	6.91	4.82	1.43	1.63	1.51	3.06	6.40	-52.2%	6.33
<b>Demand</b>											
Average	7,598	7,979	7,959	7,931	7,955	7,889	7,768	7,868	8,012	-1.8%	7,861
Minimum	7,020	7,136	7,113	7,124	7,177	7,084	7,152	7,115	7,224	-1.5%	6,440
Maximum	8,178	8,467	8,396	8,365	8,495	8,391	8,191	8,355	8,503	-1.7%	9,478
<b>Coal Unit Availability</b>											
Average	5,363	5,223	4,677	4,774	5,318	5,358	5,448	5,166	5,057		5,426
Utilization	92%	89%	80%	82%	91%	92%	93%	88%	87%	1.9%	93%
<b>Gas and Hydro Unit Availability</b>											
Average	1,888	1,982	2,319	2,204	2,101	1,930	1,894	2,046	2,157		2,325
Utilization	40%	42%	49%	47%	45%	41%	40%	44%	46%	-2.4%	49%



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 31**, prices were at or below:

\$20/MWh 29% of the time  
 \$50/MWh 77% of the time  
 \$100/MWh 89% of the time  
 \$250/MWh 98% of the time  
 \$500/MWh 100% of the time



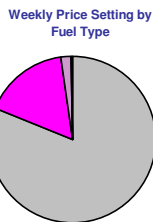
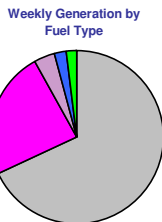
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **March 31** implied market heat rates were at or below:

5.0 GJ/MWh 60% of the time  
 10.0 GJ/MWh 85% of the time  
 15.0 GJ/MWh 90% 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)



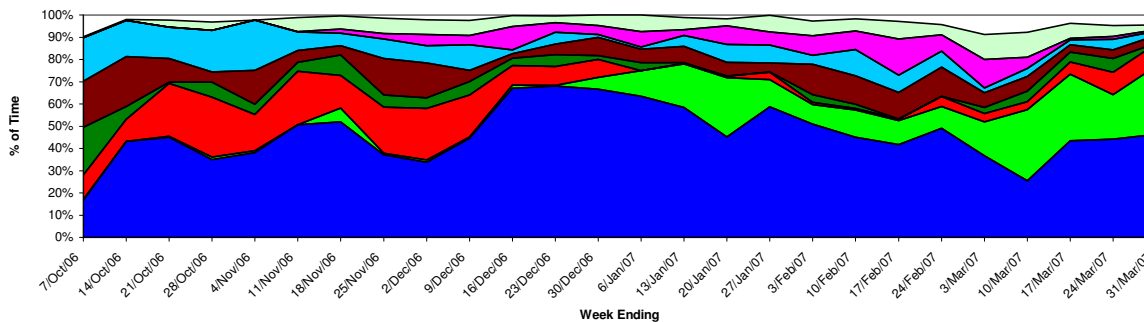
By Submitting Customer:



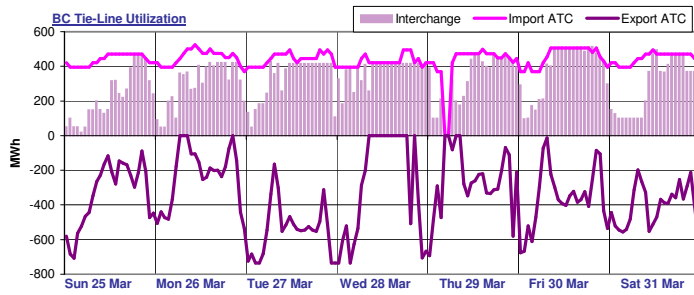
Last week, **coal units** were responsible for **68.0%** of the generation in the province and set price **81.0%** of the time. **Gas-cogen** units accounted for **23.9%** of the generation and set price **16.8%** of the time last week while **other gas** units made up **3.8%** of generation and set price **1.9%** 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 **46.4%** of the time and the top five price setters set price a total of **92.9%** of the time.

### Weekly Price Setting by Submitting Customer

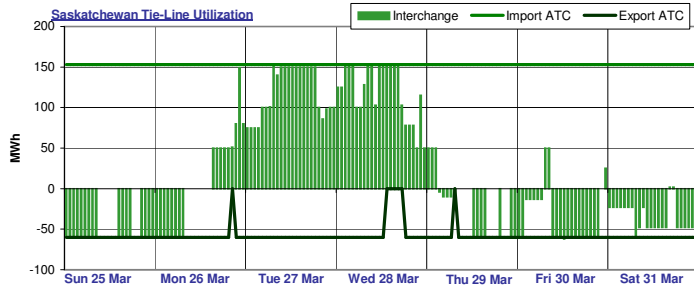


# Interties

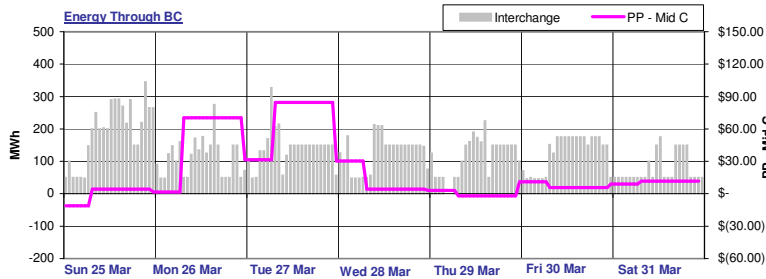


BC import capacity was 72% utilized last week while BC export capacity was 1% utilized. Energy was being imported into Alberta over the BC tie-line 99% of the time and exported out of Alberta over the BC tie-line 0% of the time last week. There was no activity on the BC tie-line 1% of the time last week.

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



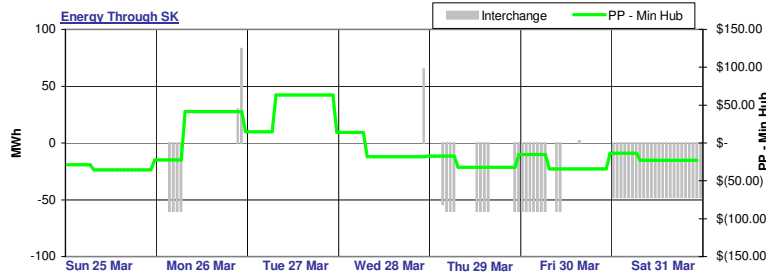
Saskatchewan import capacity was 29% utilized last week while Saskatchewan export capacity was 47% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 39% of the time and exported out of Alberta over the Saskatchewan tie-line 46% of the time last week. There was no activity on the Saskatchewan tie-line 15% of the time last week.



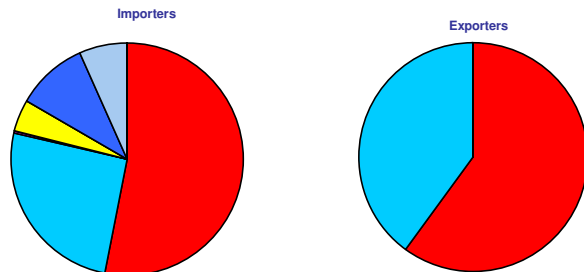
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally 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.



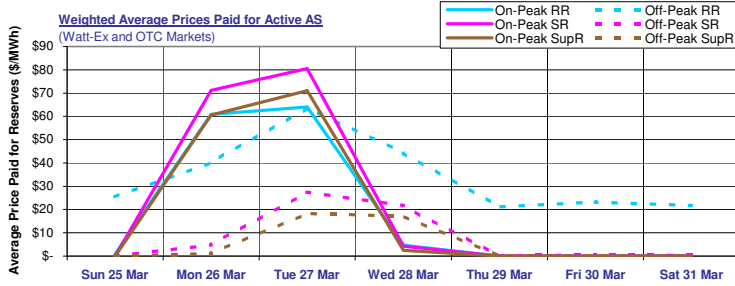
## Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 53.0% while the second most active importer had a market share of 25.6%. There were a total of 2 exporters last week. The most active exporter had a market share of 59.9% while the next largest exporter had a market share of 40.1%.

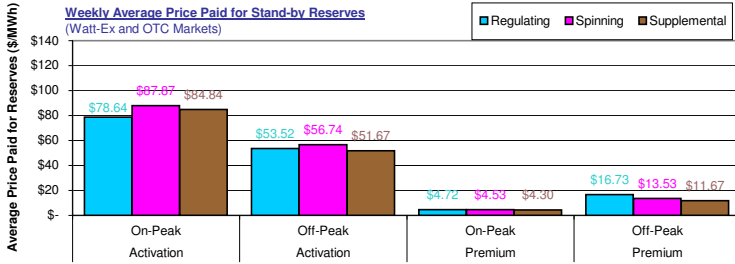
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$18.77/MWh**, **\$23.16/MWh** and **\$19.89/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

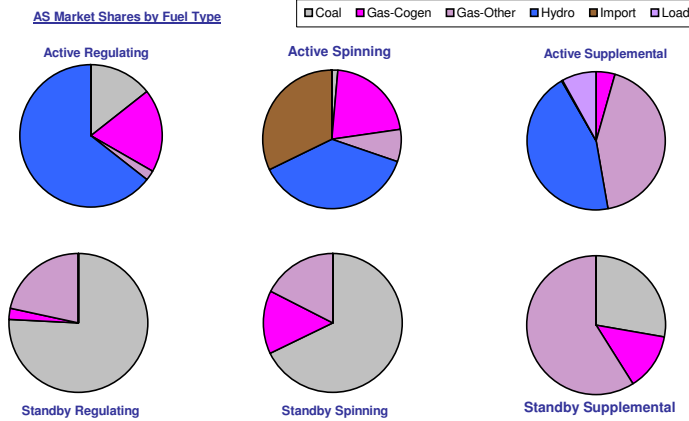
Active average off-peak prices were **lower** with the exception of off-peak regulating and averaged **\$32.93/MWh**, **\$8.16/MWh** and **\$5.37/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$51.67/MWh** for **off-peak supplemental** reserves to **\$87.87/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$4.30/MWh** for **off-peak supplemental** reserves up to **\$16.73/MWh** for **on-peak regulating** reserves.

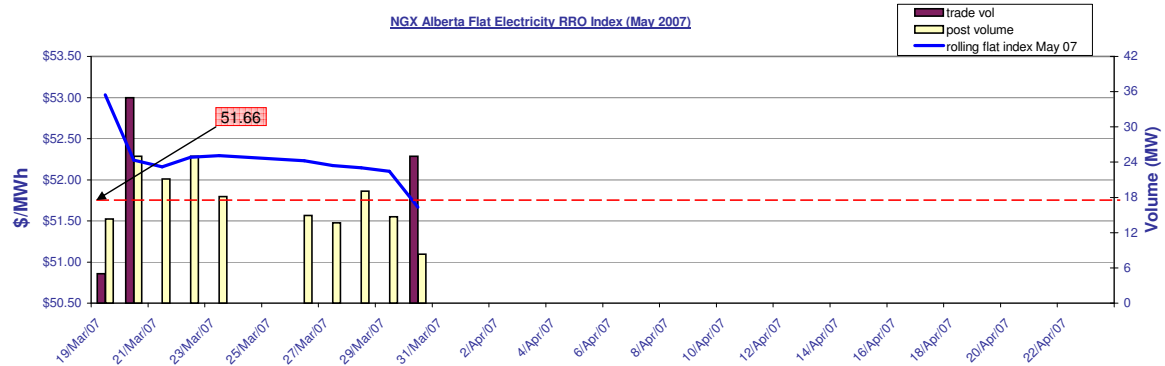
**AS Market Shares by Fuel Type**



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 **37.4%** while in the **active supplemental** reserve market, **hydro** units dominated with a **44.4%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **75.8%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **67.9%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **58.8%**.

# 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.