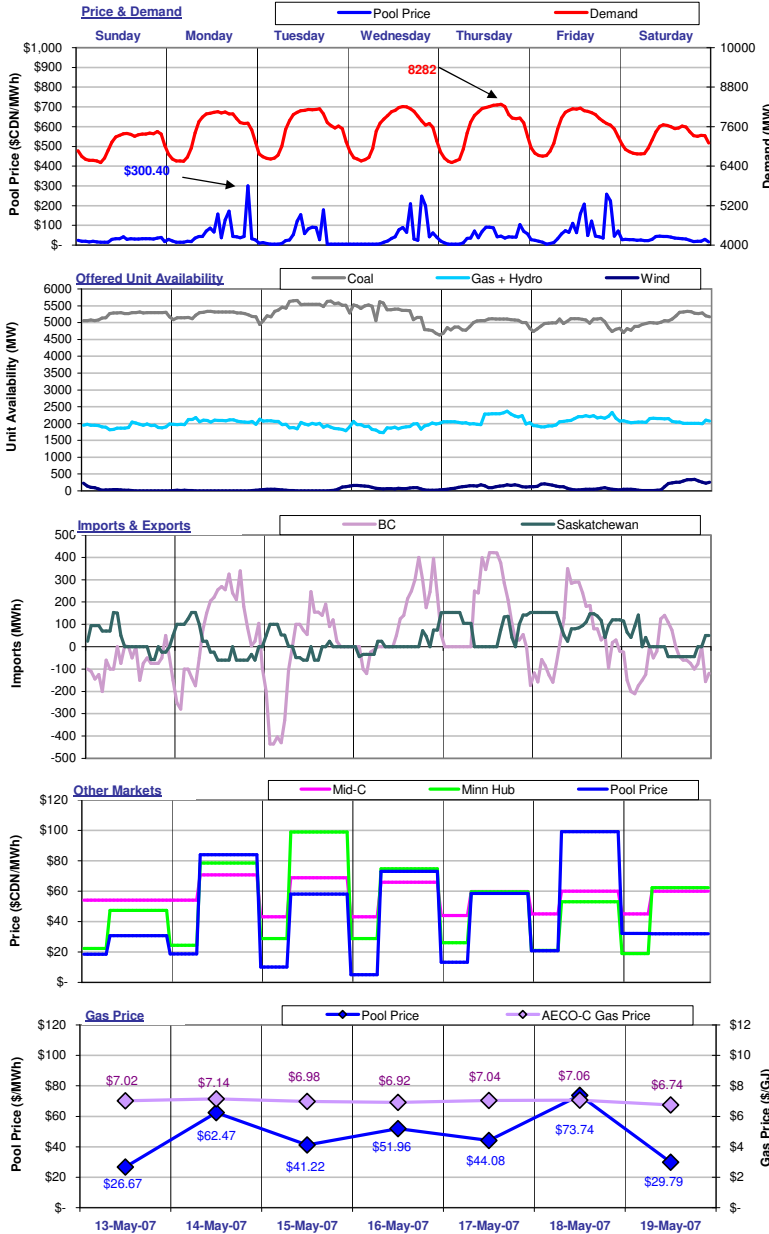


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending May 19, 2007

## Weekly Highlights



For the week ending May 19, 2007, **Pool Price** averaged \$47.13/MWh and ranged from a minimum of \$4.80/MWh in HE07 on Wednesday to a maximum of \$300.40/MWh in HE22 on Monday. **Demand** reached a high of 8282 MW in HE17 on Thursday and a low of 6512 MW in HE07 on Sunday. Average demand for the week was 7428W. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.28.

**Coal Unit Availability** averaged 5174 MW last week. This is an equivalent availability of 89% (based on MCR). **Gas and Hydro Unit Availability** averaged 1978 MW last week, which is an equivalent of 37% (based on MCR). **Wind Generation** averaged 75 MW last week. This is an equivalent availability of 17% (based on MCR). Availability numbers are based on MW offered into the energy merit order.

Alberta was a net importer to BC last week with total imports equal to 5,156MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 6,431 MWh. Overall, Alberta imported 11,587 MWh 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 \$64.21/MWh on-peak and \$46.94/MWh off-peak. **Minn Hub** prices averaged \$71.17/MWh on-peak and \$24.35/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1112.

The average **AECO-C Gas Price** last week was \$6.99/GJ and ranged from a minimum of \$6.74/GJ to \$7.14/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 3.80 GJ/MWh to a high of 10.44 GJ/MWh. The average market heat rate for the week was 6.73 GJ/MWh.

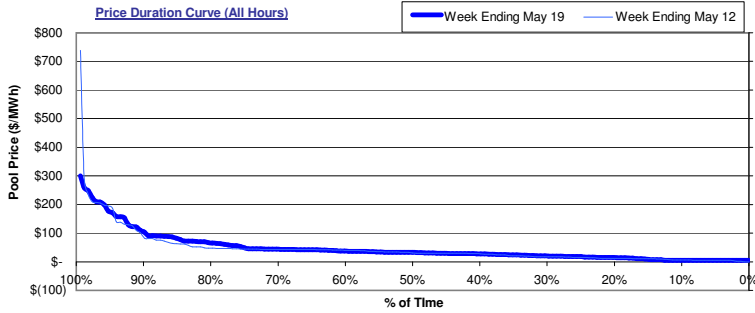


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

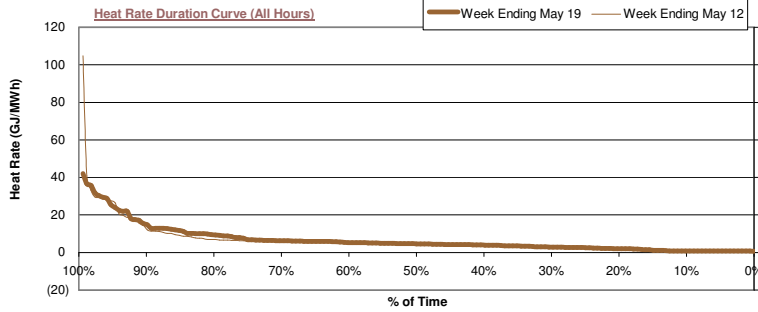
	Sunday 13-May	Monday 14-May	Tuesday 15-May	Wednesday 16-May	Thursday 17-May	Friday 18-May	Saturday 19-May	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 26.67	\$ 62.47	\$ 41.22	\$ 51.96	\$ 44.08	\$ 73.74	\$ 29.79	\$ 47.13	\$ 46.79	0.7%	\$ 58.24
On-Peak	NA	\$ 83.95	\$ 58.06	\$ 73.16	\$ 58.57	\$ 99.17	\$ 32.05	\$ 67.49	\$ 68.56	-1.6%	\$ 72.67
Off-Peak	\$ 26.67	\$ 19.52	\$ 7.53	\$ 9.56	\$ 15.10	\$ 22.89	\$ 25.25	\$ 19.99	\$ 17.76	12.5%	\$ 36.83
COV	0.31	1.07	1.25	1.34	0.69	0.96	0.29	0.84	0.85	-1.0%	
<b>Heat Rate</b>											
Average	3.80	8.75	5.91	7.50	6.26	10.44	4.42	6.73	6.87	-2.0%	8.29
On-Peak	NA	11.76	8.32	10.57	8.32	14.04	4.76	9.63	10.08	-4.4%	10.34
Off-Peak	3.80	2.73	1.08	1.38	2.14	3.24	3.75	2.86	2.59	10.5%	5.24
<b>Demand</b>											
Average	7,078	7,476	7,511	7,523	7,577	7,572	7,256	7,428	7,450	-0.3%	7,903
Minimum	6,512	6,550	6,617	6,555	6,513	6,704	6,767	6,603	6,645	-0.6%	6,440
Maximum	7,456	8,053	8,144	8,210	8,282	8,158	7,655	7,994	7,984	0.1%	9,478
<b>Coal Unit Availability</b>											
Average	5,228	5,230	5,476	5,246	4,974	4,983	5,079	5,174	5,471		5,380
Utilization	90%	90%	94%	90%	85%	85%	87%	89%	94%	-5.1%	92%
<b>Gas and Hydro Unit Availability</b>											
Average	1,924	2,065	1,951	1,908	2,138	2,096	2,066	2,021	1,947		2,224
Utilization	41%	44%	42%	41%	45%	45%	44%	43%	41%	1.6%	47%



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

For the week ending **May 19**, prices were at or below:

\$20/MWh	29% of the time
\$50/MWh	75% of the time
\$100/MWh	89% of the time
\$250/MWh	98% of the time
\$500/MWh	100% of the time



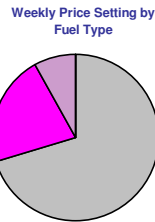
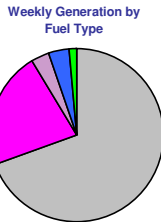
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **May 19** implied market heat rates were at or below:

5.0 GJ/MWh	56% of the time
10.0 GJ/MWh	82% 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:

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



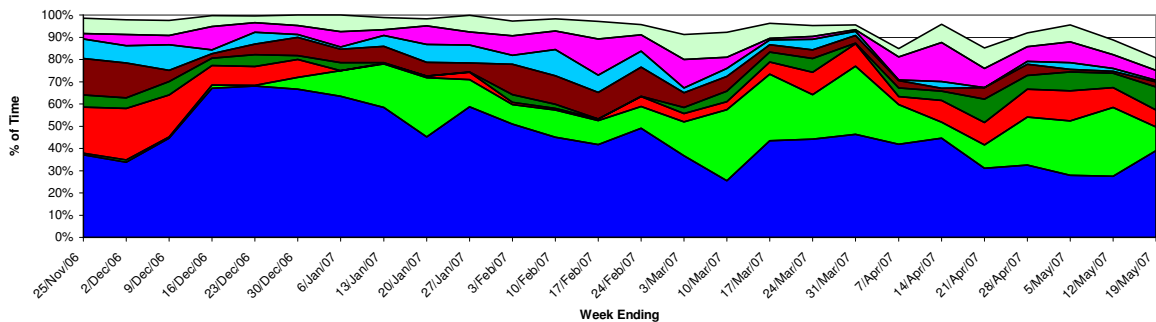
By Submitting Customer:



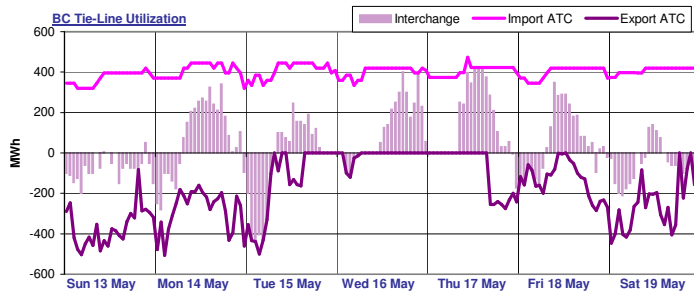
Last week, coal units were responsible for 69.4% of the generation in the province and set price 70.4% of the time. Gas-cogen units accounted for 21.9% of the generation and set price 21.7% of the time last week while other gas units made up 3.3% of generation and set price 8.0% of the time.

A total of 11 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 39.0% of the time and the top five price setters set price a total of 79.3% of the time.

### Weekly Price Setting by Submitting Customer

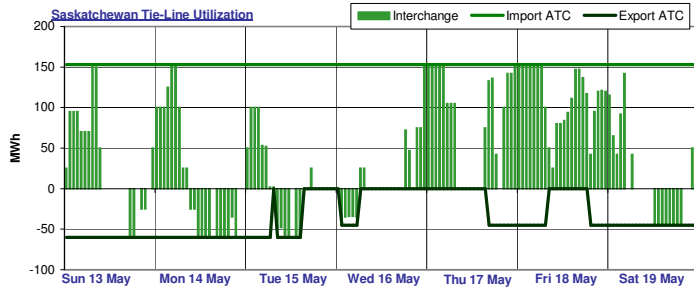


# Interties

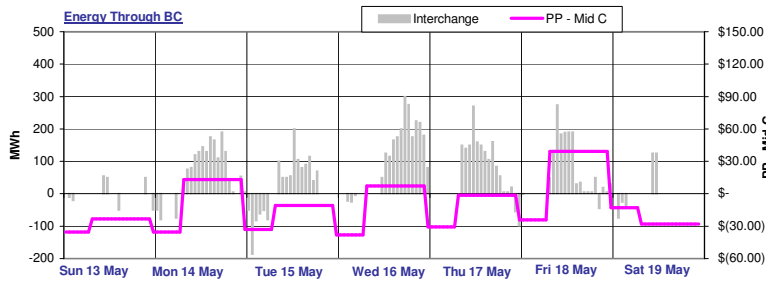


BC import capacity was 20% utilized last week while BC export capacity was 30% utilized. Energy was being imported into Alberta over the BC tie-line 45% of the time and exported out of Alberta over the BC tie-line 39% of the time last week. There was no activity on the BC tie-line 15% of the time last 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.



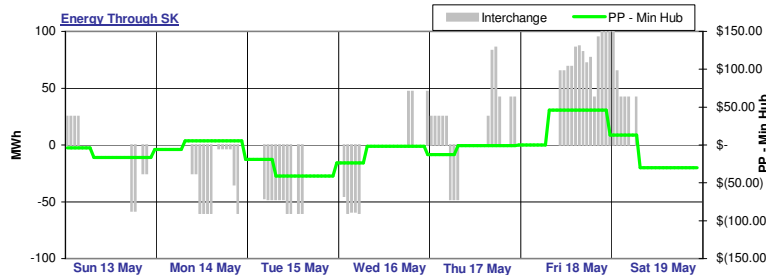
Saskatchewan import capacity was 33% utilized last week while Saskatchewan export capacity was 32% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 50% of the time and exported out of Alberta over the Saskatchewan tie-line 21% of the time last week. There was no activity on the Saskatchewan tie-line 29% of the time last week.



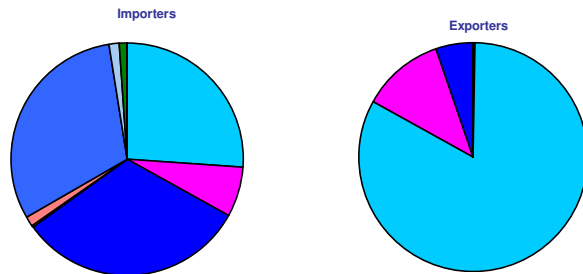
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



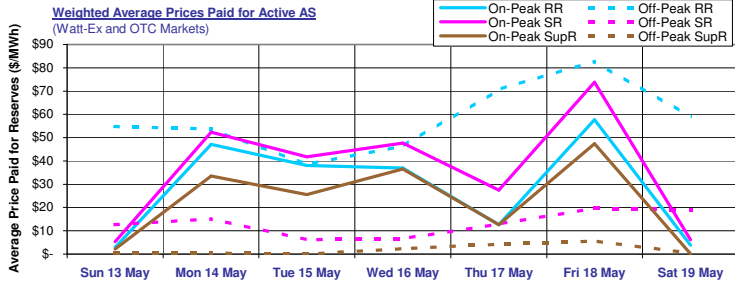
## Tie-Line Market Shares



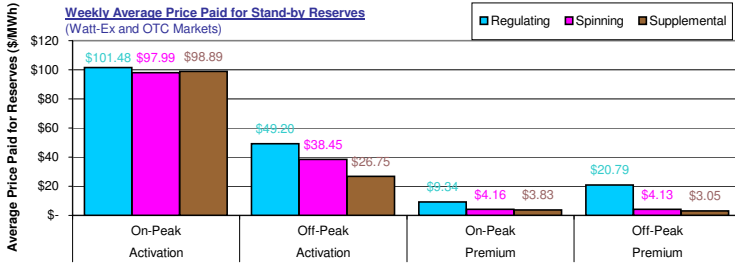
Last week, there were a total of 8 importers. The most active importer had a market share of 31.8% while the second most active importer had a market share of 30.9%. There were a total of 4 exporters last week. The most active exporter had a market share of 82.7% while the next largest exporter had a market share of 11.6%.

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

# Ancillary Services Market

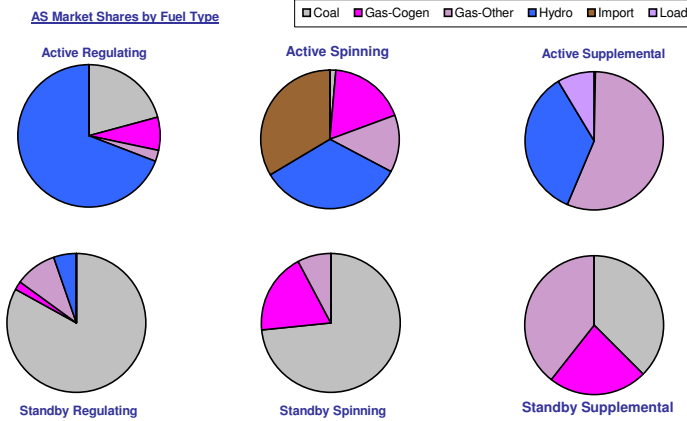


Average on-peak prices paid for active ancillary services last week were **\$28.41/MWh**, **\$37.40/MWh** and **\$22.93/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.  
Active average off-peak prices were **lower** with the exception of off-peak regulating and averaged **\$58.45/MWh**, **\$12.45/MWh** and **\$1.90/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$26.75/MWh** for **off-peak supplemental** reserves to **\$101.48/MWh** for **on-peak regulating** reserves.  
Weekly average premium prices ranged from **\$3.05/MWh** for **off-peak supplemental** reserves up to **\$20.79/MWh** for **off-peak regulating** reserves.

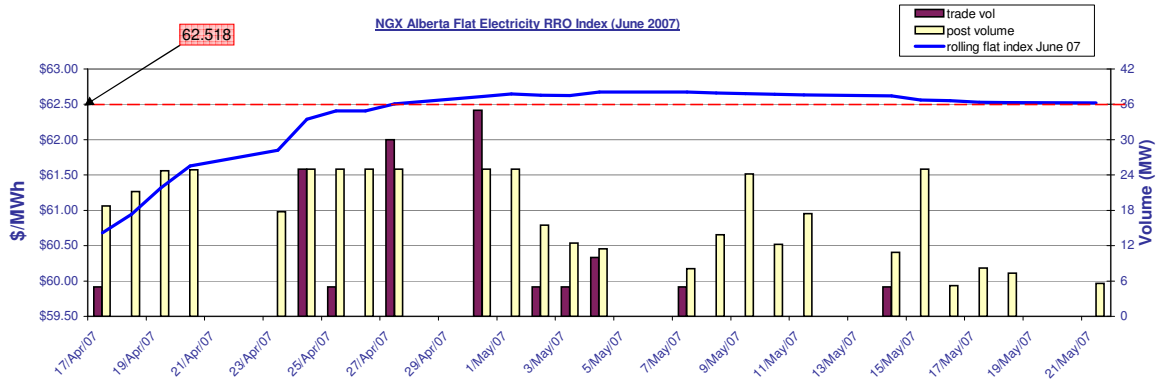
## AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **69.2%**. In the **active spinning** reserve market, **import** units had the leading market share with **33.7%** while in the **active supplemental** reserve market, **gas** units dominated with a **55.9%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **83%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **73.4%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **39.4%**.

# 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.