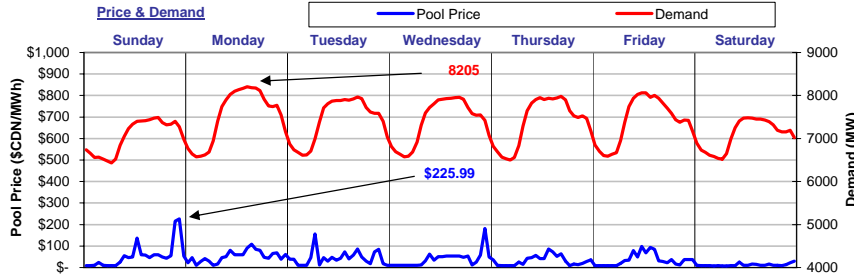


# The Market Monitor

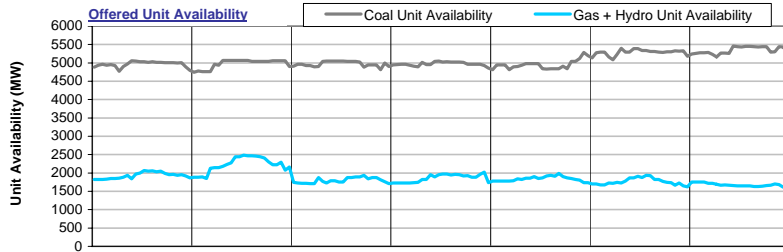
WATCHING THE MARKET : your fact source

Week Ending May 21, 2005

## Weekly Highlights

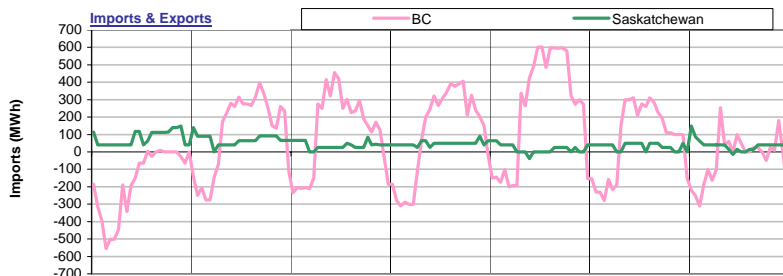


For the week ending May 21, 2005, **Pool Price** averaged \$38.95/MWh and ranged from a minimum of \$7.52/MWh in HE08 on Saturday to a maximum of \$225.99/MWh in HE23 on Sunday. **Demand** reached a high of 8205 MW in HE15 on Monday and a low of 6434 MW in HE07 on Sunday. Average demand for the week was 7332MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.22.

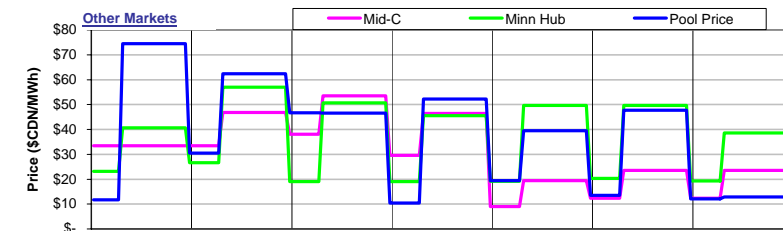


**Coal Unit Availability** averaged 5067 MW last week. This is an equivalent availability of 87% (based on MCR). **Gas and Hydro Unit Availability** averaged 1872MW last week, which is an equivalent of 33% (based on MCR).

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

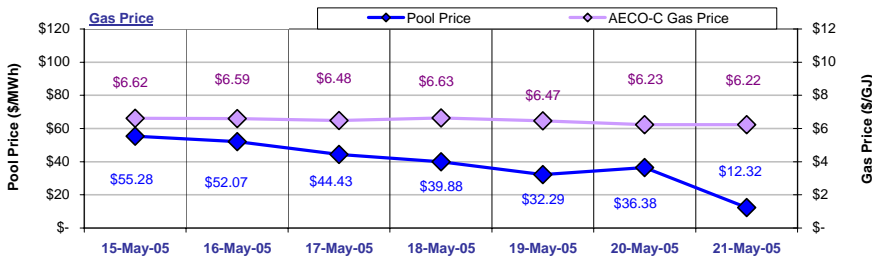


Alberta was a net importer from **BC** last week with total imports equal to 11,029MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 7,701MWh. Overall, Alberta imported 18,730MWh of electricity last week.



**Pool Prices** were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$35.55/MWh on-peak and \$24.04/MWh off-peak. **Minn Hub** prices averaged \$48.52/MWh on-peak and \$20.92/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.2654.

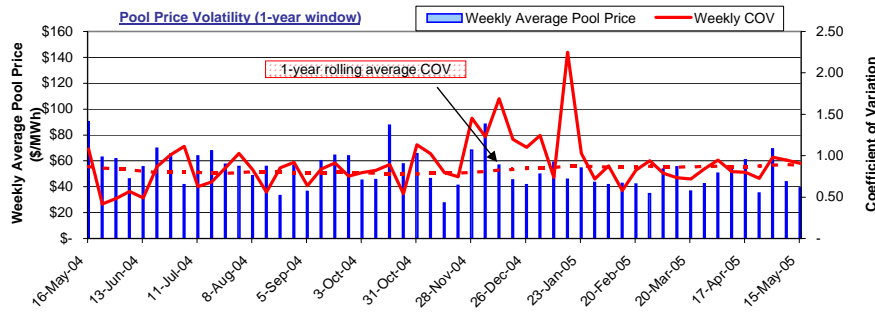
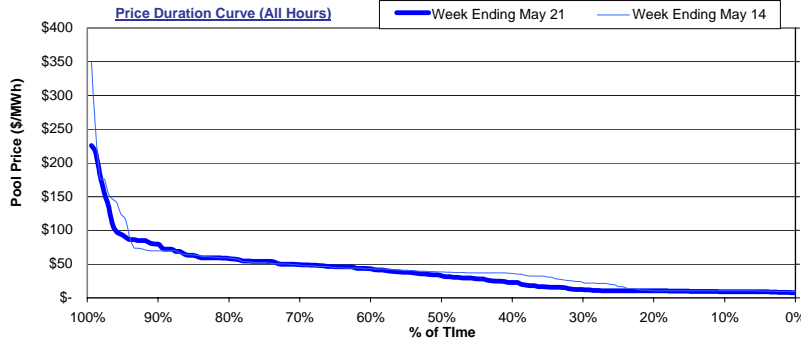
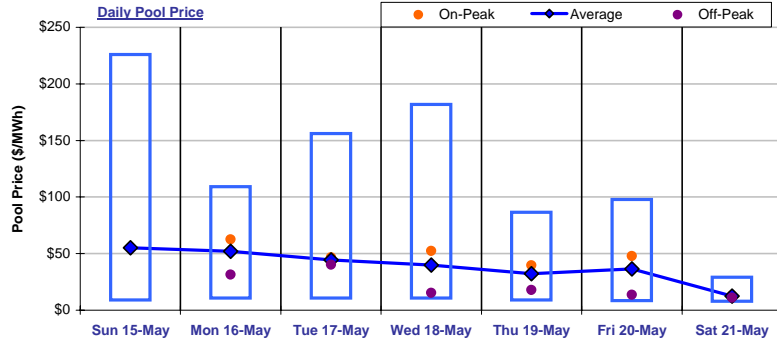


The average **AECO-C Gas Price** last week was \$6.46/GJ and ranged from a minimum of \$6.22/GJ to \$6.63/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 1.98GJ/MWh to a high of 8.35GJ/MWh. The average market heat rate for the week was 5.99GJ/MWh.

# Wholesale Market

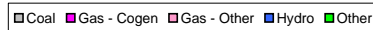
## Weekly Market Statistics

	Sunday 15-May	Monday 16-May	Tuesday 17-May	Wednesday 18-May	Thursday 19-May	Friday 20-May	Saturday 21-May	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 55.28	\$ 52.07	\$ 44.43	\$ 39.88	\$ 32.29	\$ 36.38	\$ 12.32	\$ 38.95	\$ 43.70	-10.9%	\$ 47.58
On-Peak	NA	\$ 62.40	\$ 46.52	\$ 52.24	\$ 39.55	\$ 47.75	\$ 12.91	\$ 43.56	\$ 58.73	-25.8%	\$ 54.08
Off-Peak	\$ 55.28	\$ 31.41	\$ 40.25	\$ 15.16	\$ 17.78	\$ 13.65	\$ 11.12	\$ 32.80	\$ 23.67	38.6%	\$ 36.30
COV	1.06	0.49	0.75	0.91	0.69	0.78	0.48	0.74	0.73	0.3%	
<b>Demand</b>											
Average	7,051	7,537	7,430	7,406	7,397	7,419	7,086	7,332	7,317	0.2%	7,481
Minimum	6,434	6,574	6,611	6,578	6,498	6,593	6,523	6,544	6,594	-0.8%	6,017
Maximum	7,492	8,205	7,963	7,960	7,978	8,066	7,480	7,878	7,823	0.7%	9,236
<b>Coal Unit Availability</b>											
Average	4,966	4,981	4,974	4,972	4,947	5,287	5,345	5,067	5,281	-3.7%	5,334
Utilization	85%	85%	85%	85%	85%	91%	92%	87%	90%	-3.7%	91%
<b>Gas and Hydro Unit Availability</b>											
Average	1,930	2,229	1,796	1,862	1,840	1,766	1,681	1,872	1,880	-0.1%	2,187
Utilization	41%	47%	38%	39%	39%	37%	35%	33%	33%	-0.1%	39%

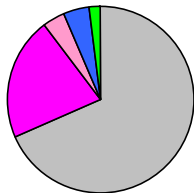


### Market Share Statistics

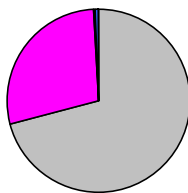
By Fuel Type:



Weekly Generation by Fuel Type

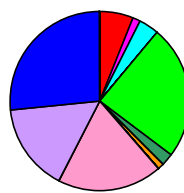


Weekly Price Setting by Fuel Type



By Submitting Customer:

Weekly Price Setting by Submitting Customer



The Daily Pool Price graph plots the daily range in hourly Pool price (defined by the blue box) along with the daily average and daily on and off-peak prices. The on-peak Pool price for the week was \$43.56/MWh while the off-peak Pool price for the week was \$32.80/MWh.

Note: Sundays and most statutory holidays are defined as off-peak.

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 21, prices were at or below:

- \$20/MWh 39% of the time
- \$50/MWh 73% of the time
- \$100/MWh 96% of the time
- \$250/MWh 100% of the time
- \$500/MWh 100% of the time

The chart plots average weekly Pool Price and the Coefficient of Variation (COV) of hourly Pool prices for the week. The COV is a standard statistical measure of volatility.

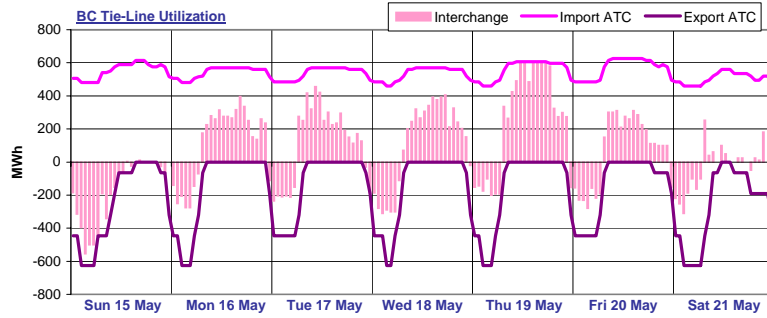
Pool price volatility decreased for the week ending May 21 from the previous week.

Pool price volatility also moved above the 1-year rolling average COV value.

Last week, coal units were responsible for 68.4% of the generation in the province and set price 70.8% of the time. Gas-cogen units accounted for 21.2% of the generation and set price 28.1% of the time last week while other gas units made up 3.9% of generation and set price 0.3% of the time.

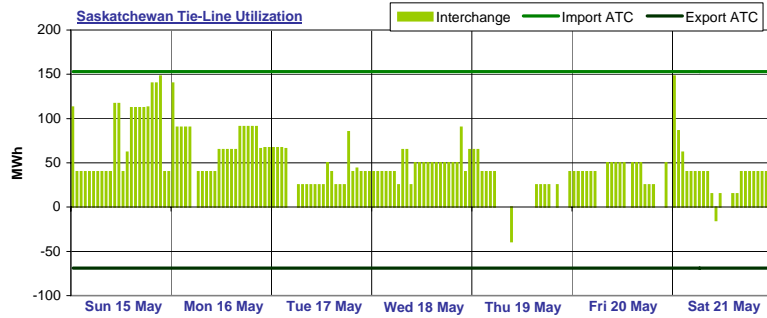
A total of 10 market participants set price last week. Two market participants set price more than 20% of the time last week. The top price setter set price 26.7% of the time and the top five price setters set price a total of 91.3% of the time.

# Interties



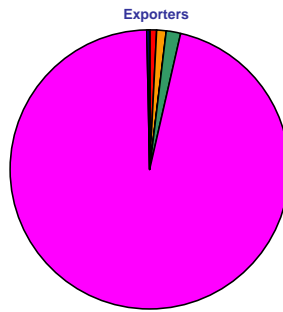
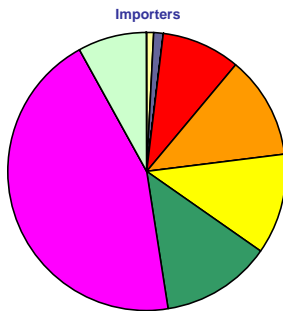
BC import capacity was 25% utilized last week while BC export capacity was 37% utilized. Energy was being imported into Alberta over the BC tie-line 55% of the time and exported out of Alberta over the BC tie-line 39% of the time last week. There was no activity on the BC tie-line 7% of the time last 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 30% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 86% of the time and exported out of Alberta over the Saskatchewan tie-line 1% of the time last week. There was no activity on the Saskatchewan tie-line 13% of the time last week.

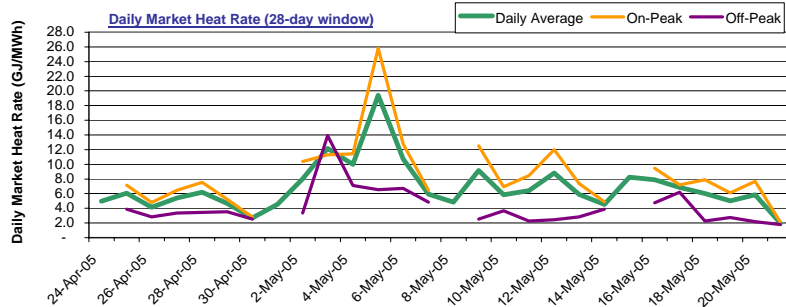
### Tie-Line Market Shares



Last week, there were a total of 8 importers. The most active importer had a market share of 44.6% while the second most active importer had a market share of 12.8%. There were a total of 5 exporters last week. The most active exporter had a market share of 96.0% while the next largest exporter had a market share of 1.8%.

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

# Market Heat Rates



Over the past 28 days, the daily Market Heat Rate averaged 6.9 GJ/MWh and ranged from a low of 2.0 GJ/MWh to a high of 19.4 GJ/MWh.

The daily On-Peak Market Heat Rate for the last 28 days averaged 8.5 GJ/MWh while the daily Off-Peak Market Heat Rate averaged 4.2 GJ/MWh.

### Sparksreads

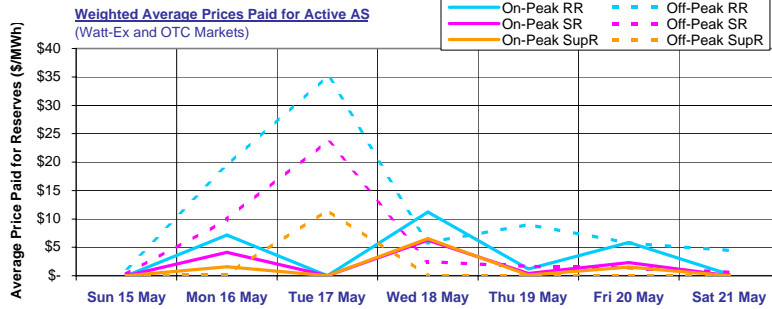
Date	AECO-C Gas Price (\$/GJ)	Daily Average			On-Peak			Off-Peak		
		Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0
Sun 15 May	\$ 6.62	\$ 54.58	4.96	(11.58)	NA	NA	NA	\$ 54.58	4.96	(11.58)
Mon 16 May	\$ 6.59	\$ 52.07	2.62	(13.86)	\$ 62.40	12.95	(3.53)	\$ 31.41	(18.04)	(34.52)
Tue 17 May	\$ 6.48	\$ 44.43	(4.15)	(20.34)	\$ 46.52	(2.06)	(18.25)	\$ 40.25	(8.33)	(24.52)
Wed 18 May	\$ 6.63	\$ 39.88	(9.87)	(26.46)	\$ 52.24	2.49	(14.10)	\$ 15.16	(34.60)	(51.18)
Thu 19 May	\$ 6.47	\$ 32.29	(16.20)	(32.37)	\$ 39.55	(8.95)	(25.11)	\$ 17.78	(30.72)	(46.88)
Fri 20 May	\$ 6.23	\$ 36.38	(10.35)	(25.93)	\$ 47.75	1.02	(14.56)	\$ 13.65	(33.09)	(48.67)
Sat 21 May	\$ 6.22	\$ 12.32	(34.35)	(49.91)	\$ 12.91	(33.75)	(49.31)	\$ 11.12	(35.55)	(51.10)

Daily average sparksreads last week were mostly negative for a heat rate of 7.5 GJ/MWh and all negative for a heat rate of 10.0 GJ/MWh.

On-peak sparksreads last week were mostly negative for a heat rate of 7.5 GJ/MWh and all negative for a heat rate of 10.0 GJ/MWh.

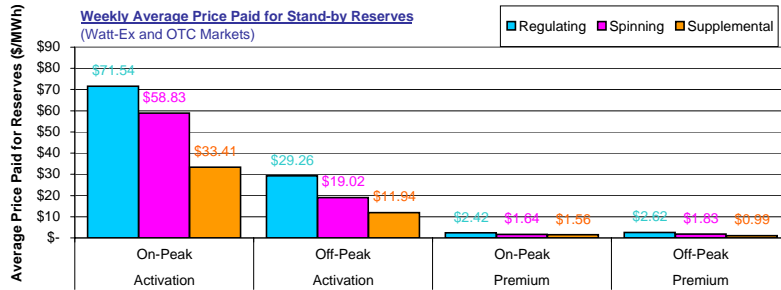
Off-peak sparksreads last week were mostly negative for a heat rate of 7.5 GJ/MWh and all negative for a heat rate of 10.0 GJ/MWh.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$8.15/MWh, \$5.13/MWh and \$4.33/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

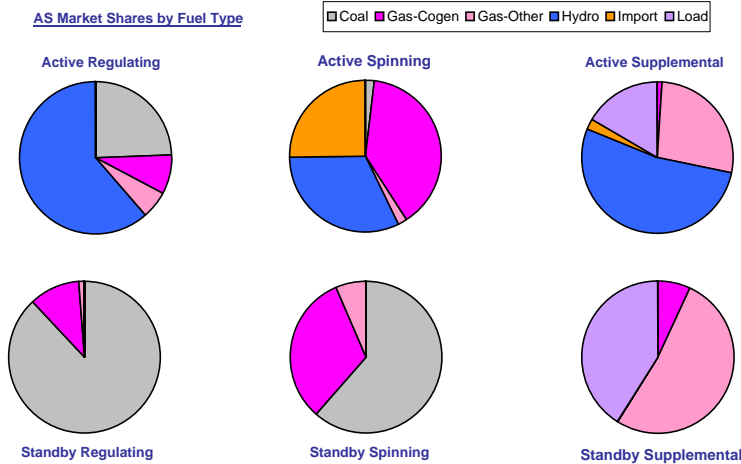
Active average off-peak prices were somewhat higher and averaged \$12.50/MWh, \$6.32/MWh and \$1.73/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$11.94/MWh for **off-peak supplemental** reserves to \$71.54/MWh for **on-peak regulating** reserves.

Weekly average premium prices ranged from \$0.99/MWh for **off-peak supplemental** reserves up to \$2.62/MWh for **on-peak spinning** reserves.

**AS Market Shares by Fuel Type**



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 61.5%. In the **active spinning** reserve market, **hydro** units had the leading market share with 38.8% 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 88.0% market share. Leading market share in the **standby spinning** market was held by **gas** units with a 61.3% market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with 51.8%.

## Glossary

<b>HE</b>	Hour Ending
<b>On-Peak Hours</b>	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)
<b>Off-Peak Hours</b>	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)
<b>COV</b>	Coefficient of Variation The standard deviation of a series of numbers divided by the mean of the same series of numbers. Used as a measure of volatility.
<b>ATC</b>	Available Transfer Capacity A measure of the maximum energy flow possible in one direction across an intertie.
<b>Market Heat Rate</b>	The prevailing Pool price divided by the prevailing gas price.
<b>Sparks spread</b>	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.