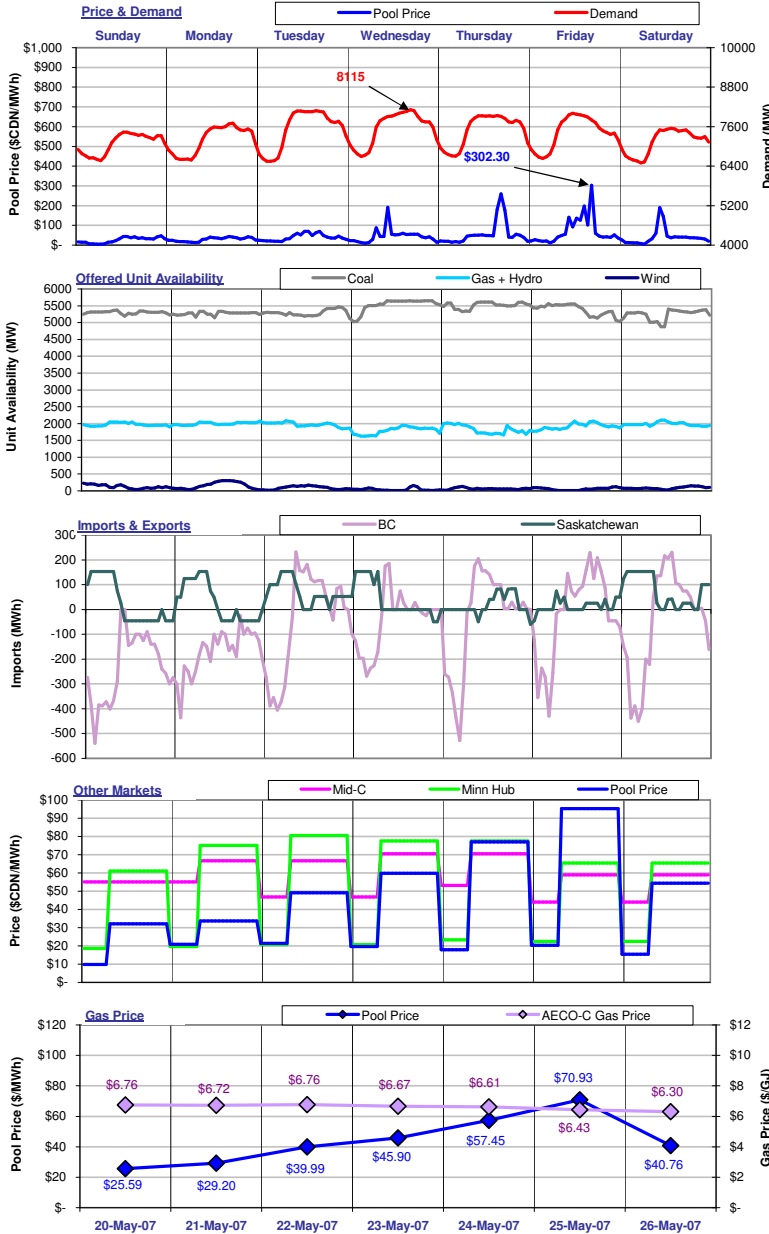


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending May 26, 2007

## Weekly Highlights



For the week ending May 26, 2007, **Pool Price** averaged \$44.26/MWh and ranged from a minimum of \$5.25/MWh in HE07 on Saturday to a maximum of \$302.30/MWh in HE17 on Friday. **Demand** reached a high of 8115 MW in HE17 on Wednesday and a low of 6501 MW in HE06 on Saturday. Average demand for the week was 7347 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.30.

**Coal Unit Availability** averaged 5361 MW last week. This is an equivalent availability of 91% (based on MCR). **Gas and Hydro Unit Availability** averaged 1908 MW last week, which is an equivalent of 36% (based on MCR). **Wind Generation** averaged 90 MW last week. This is an equivalent availability of 20% (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 14,370MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 6,589 MWh. Overall, Alberta exported 7,781 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 \$65.39/MWh on-peak and \$49.33/MWh off-peak. **Minn Hub** prices averaged \$73.61/MWh on-peak and \$21.10/MWh off-peak.

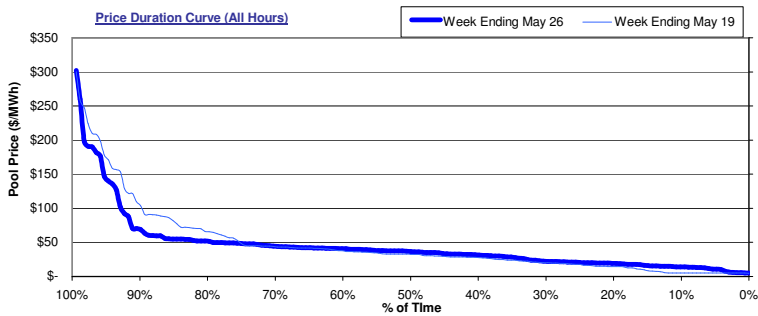
Prices in \$CDN at an exchange rate of 1.0892.

The average **AECO-C Gas Price** last week was \$6.61/GJ and ranged from a minimum of \$6.30/GJ to \$6.76/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 3.79 GJ/MWh to a high of 11.03 GJ/MWh. The average market heat rate for the week was 6.73 GJ/MWh.

# Wholesale Market

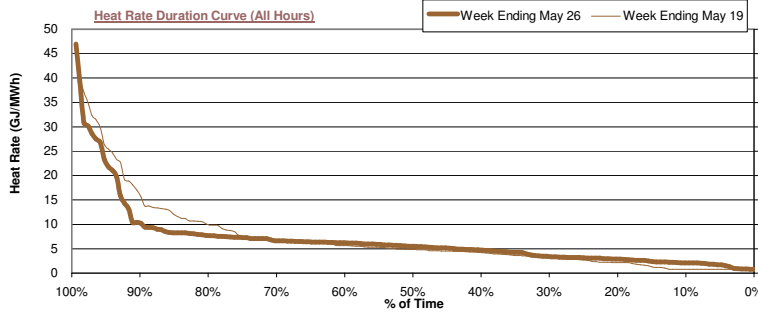
## Weekly Market Statistics

	Sunday 20-May	Monday 21-May	Tuesday 22-May	Wednesday 23-May	Thursday 24-May	Friday 25-May	Saturday 26-May	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 25.59	\$ 29.20	\$ 39.99	\$ 45.90	\$ 57.45	\$ 70.93	\$ 40.76	\$ 44.26	\$ 47.13	-6.1%	\$ 57.57
On-Peak	NA	\$ 33.75	\$ 49.13	\$ 59.84	\$ 76.96	\$ 95.22	\$ 54.35	\$ 61.54	\$ 67.49	-8.8%	\$ 72.14
Off-Peak	\$ 25.59	\$ 20.09	\$ 21.69	\$ 18.02	\$ 18.41	\$ 22.35	\$ 13.57	\$ 21.21	\$ 19.99	6.1%	\$ 36.02
COV	0.56	0.34	0.44	0.79	1.06	0.97	1.03	0.74	0.84	-12.2%	
<b>Heat Rate</b>											
Average	3.79	4.34	5.92	6.88	8.69	11.03	6.47	6.73	6.73	0.1%	8.22
On-Peak	NA	5.02	7.27	8.97	11.64	14.81	8.63	9.39	9.63	-2.5%	10.30
Off-Peak	3.79	2.99	3.21	2.70	2.78	3.48	2.16	3.19	2.86	11.5%	5.14
<b>Demand</b>											
Average	7,085	7,203	7,522	7,554	7,495	7,427	7,140	7,347	7,428	-1.1%	7,921
Minimum	6,564	6,586	6,543	6,691	6,704	6,636	6,501	6,604	6,603	0.0%	6,440
Maximum	7,433	7,702	8,082	8,115	7,940	8,011	7,549	7,833	7,994	-2.0%	9,478
<b>Coal Unit Availability</b>											
Average	5,300	5,272	5,292	5,531	5,514	5,377	5,238	5,361	5,174		5,379
Utilization	91%	90%	91%	95%	94%	92%	90%	92%	89%	3.2%	92%
<b>Gas and Hydro Unit Availability</b>											
Average	1,973	1,998	1,972	1,789	1,826	1,916	1,986	1,923	2,021		2,209
Utilization	42%	42%	42%	38%	39%	41%	42%	41%	43%	-2.1%	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 26**, prices were at or below:

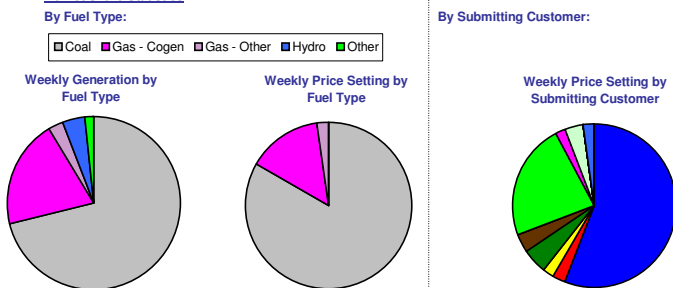
- \$20/MWh 23% of the time
- \$50/MWh 79% of the time
- \$100/MWh 92% of the time
- \$250/MWh 98% of the time
- \$500/MWh 100% of the time



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 26** implied market heat rates were at or below:

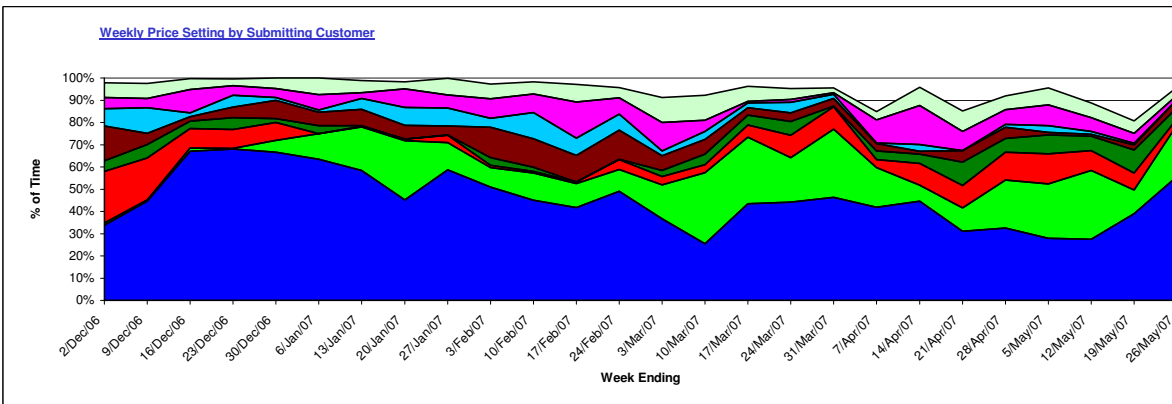
- 5.0 GJ/MWh 44% of the time
- 10.0 GJ/MWh 90% of the time
- 15.0 GJ/MWh 93% of the time
- 20.0 GJ/MWh 94% of the time

### Market Share Statistics

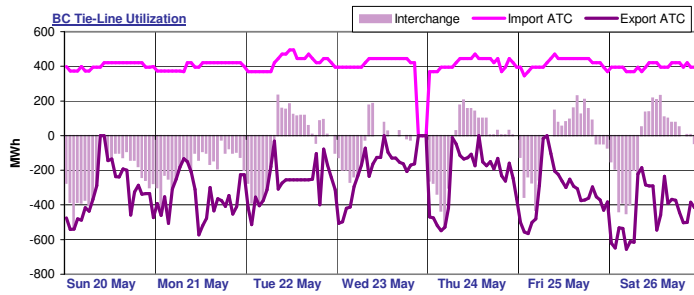


Last week, coal units were responsible for 71.0% of the generation in the province and set price 83.4% of the time. Gas-cogen units accounted for 20.5% of the generation and set price 14.4% of the time last week while other gas units made up 2.6% of generation and set price 2.2% of the time.

A total of 9 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 55.7% of the time and the top five price setters set price a total of 91.2% of the time.

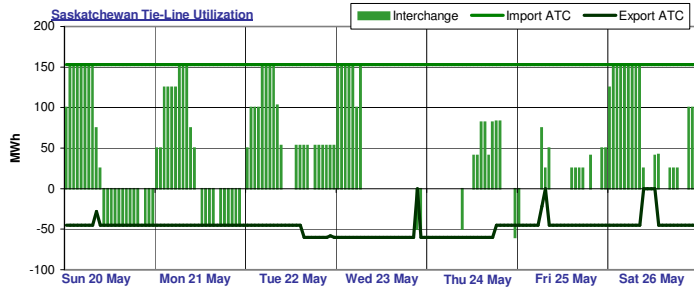


# Interties

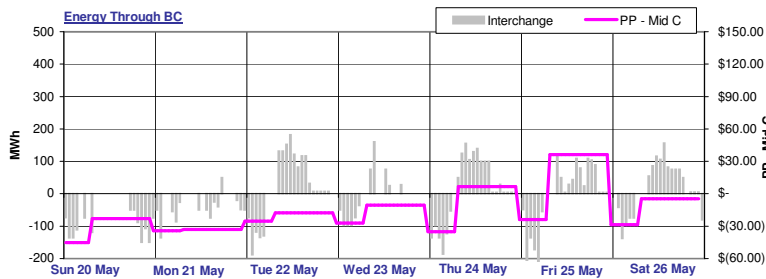


BC import capacity was 9% utilized last week while BC export capacity was 37% utilized. Energy was being imported into Alberta over the BC tie-line 35% of the time and exported out of Alberta over the BC tie-line 56% of the time last week. There was no activity on the BC tie-line 10% of the time last 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.



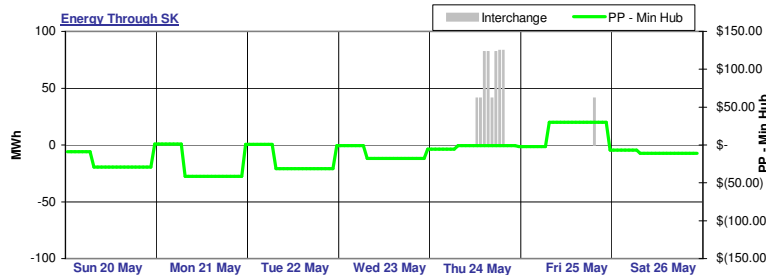
Saskatchewan import capacity was 31% utilized last week while Saskatchewan export capacity was 17% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 50% of the time and exported out of Alberta over the Saskatchewan tie-line 17% of the time last week. There was no activity on the Saskatchewan tie-line 33% of the time last week.



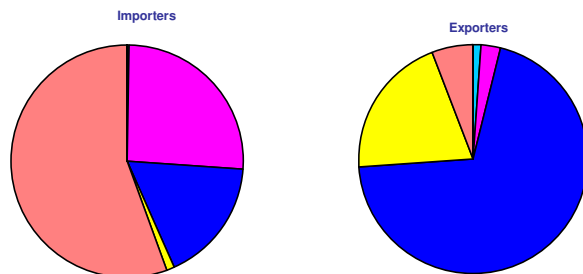
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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

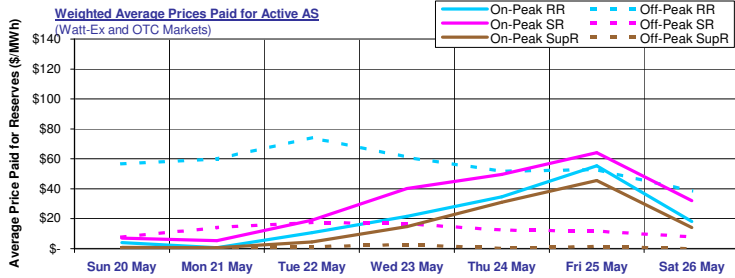


Last week, there were a total of 5 importers. The most active importer had a market share of 55.5% while the second most active importer had a market share of 25.8%.

There were a total of 6 exporters last week. The most active exporter had a market share of 69.8% while the next largest exporter had a market share of 20.3%.

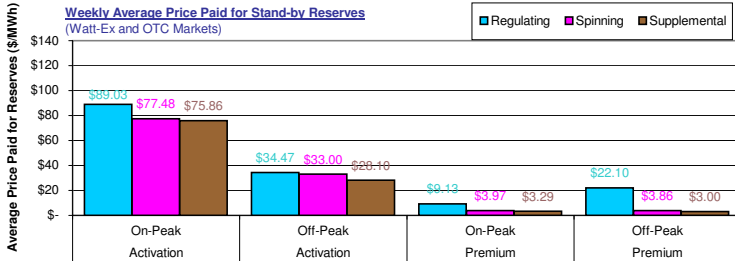
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$20.14/MWh**, **\$30.58/MWh** and **\$16.06/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

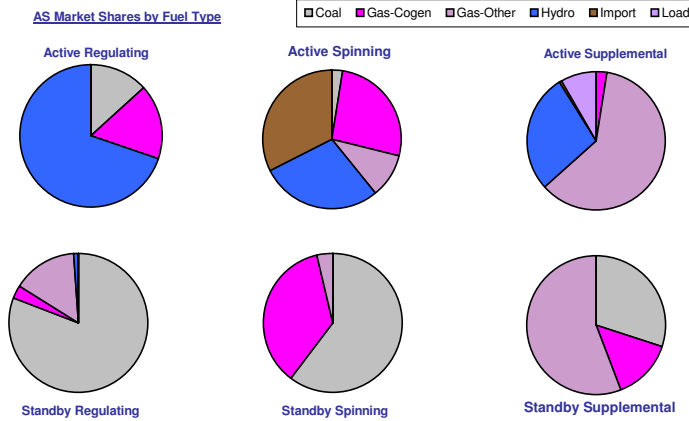
Active average off-peak prices were **lower** with the exception of off-peak regulating and averaged **\$52.72/MWh**, **\$11.91/MWh** and **\$0.89/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$28.10/MWh** for **off-peak supplemental** reserves to **\$89.03/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$3.00/MWh** for **off-peak supplemental** reserves up to **\$22.10/MWh** for **off-peak spinning** reserves.

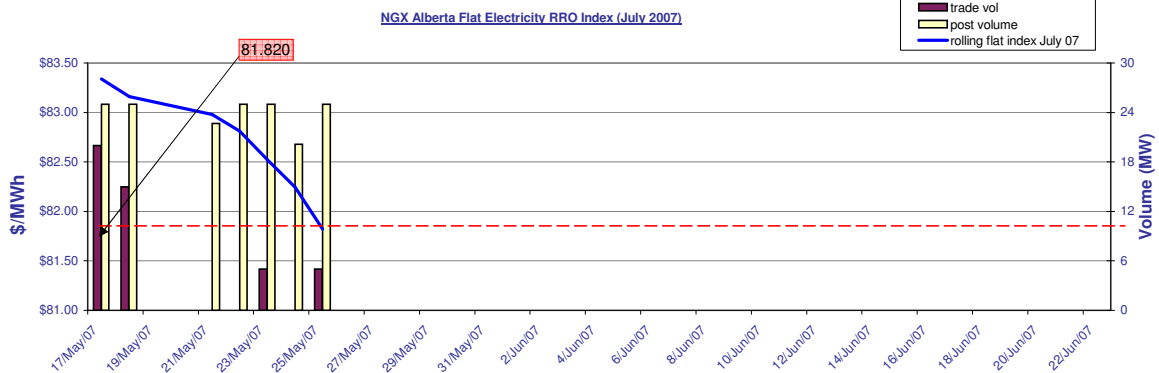
**AS Market Shares by Fuel Type**



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **69.8%**. In the **active spinning** reserve market, **import** units had the leading market share with **32.6%** while in the **active supplemental** reserve market, **gas** units dominated with a **60.8%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **80.9%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **60.2%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **55.9%**.

# 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.