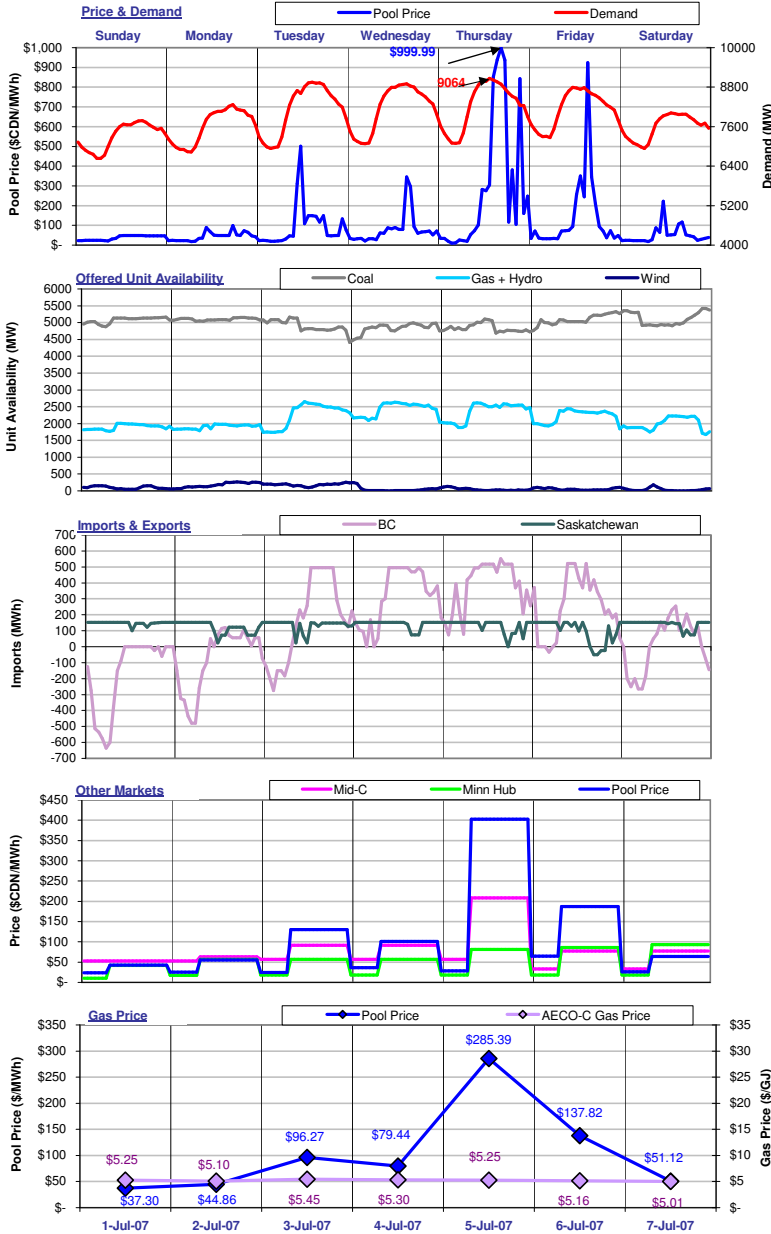


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 7, 2007

## Weekly Highlights



For the week ending July 07, 2007, **Pool Price** averaged \$104.60/MWh and ranged from a minimum of \$9.44/MWh in HE04 on Thursday to a maximum of \$999.99/MWh in HE17 on Thursday.

**Demand** reached a high of 9064 MW in HE14 on Thursday and a low of 6635 MW in HE07 on Sunday. Average demand for the week was 7884 MW.

**Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.25.

**Coal Unit Availability** averaged 4995 MW last week. This is an equivalent availability of 86% (based on MCR).

**Gas and Hydro Unit Availability** averaged 2142 MW last week, which is an equivalent of 41% (based on MCR).

**Wind Generation** averaged 91 MW last week. This is an equivalent availability of 21% (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 21,345MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 21,957 MWh.

Overall, Alberta imported 43,302 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 \$101.51/MWh on-peak and \$48.82/MWh off-peak.

**Minn Hub** prices averaged \$71.77/MWh on-peak and \$17.01/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.06561.

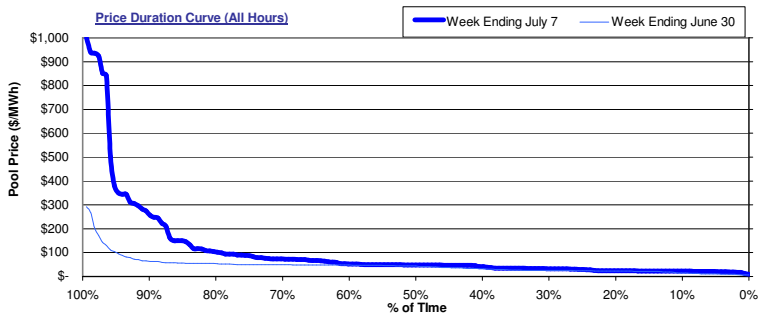
The average **AECO-C Gas Price** last week was \$5.22/GJ and ranged from a minimum of \$5.01/GJ to \$5.45/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 7.11 GJ/MWh to a high of 54.39 GJ/MWh. The average market heat rate for the week was 19.98 GJ/MWh.

# Wholesale Market

## Weekly Market Statistics

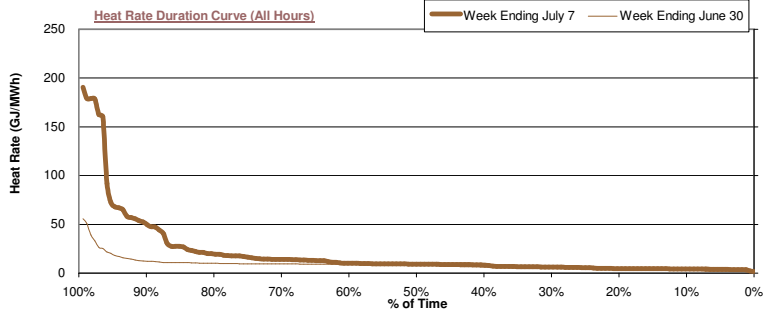
	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	Saturday 7-Jul	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 37.30	\$ 44.86	\$ 96.27	\$ 79.44	\$ 285.39	\$ 137.82	\$ 51.12	\$ 104.60	\$ 44.50	135.0%	\$ 58.37
On-Peak	NA	\$ 54.88	\$ 130.16	\$ 101.30	\$ 402.62	\$ 186.81	\$ 64.31	\$ 156.68	\$ 59.05	165.4%	\$ 75.15
Off-Peak	\$ 37.30	\$ 24.82	\$ 28.50	\$ 35.71	\$ 50.93	\$ 39.84	\$ 24.72	\$ 35.16	\$ 25.11	40.0%	\$ 33.65
COV	0.32	0.49	1.15	0.98	1.22	1.41	0.89	0.92	0.58	58.7%	
<b>Heat Rate</b>											
Average	7.11	8.80	17.68	14.98	54.39	26.72	10.20	19.98	7.84	154.8%	8.59
On-Peak	NA	10.77	23.90	19.10	76.73	36.21	12.83	29.92	10.45	186.5%	11.07
Off-Peak	7.11	4.87	5.23	6.73	9.71	7.72	4.93	6.73	4.37	53.9%	4.95
<b>Demand</b>											
Average	7,316	7,619	8,119	8,171	8,226	8,145	7,592	7,884	7,698	2.4%	7,990
Minimum	6,635	6,825	6,937	7,086	7,092	7,270	6,940	6,969	6,828	2.1%	6,653
Maximum	7,786	8,271	8,954	8,898	9,064	8,798	8,016	8,541	8,329	2.5%	9,478
<b>Coal Unit Availability</b>											
Average	5,076	5,101	4,902	4,837	4,845	5,090	5,118	4,995	5,113		5,294
Utilization	87%	87%	84%	83%	83%	87%	88%	86%	88%	-2.0%	91%
<b>Gas and Hydro Unit Availability</b>											
Average	1,900	1,908	2,270	2,417	2,365	2,220	1,990	2,153	2,198		2,192
Utilization	40%	41%	48%	51%	50%	47%	42%	46%	47%	-1.0%	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 **July 7**, prices were at or below:

\$20/MWh	4% of the time
\$50/MWh	57% of the time
\$100/MWh	79% of the time
\$250/MWh	89% of the time
\$500/MWh	95% of the time



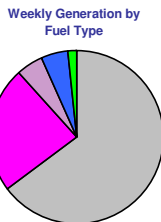
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **July 7** implied market heat rates were at or below:

5.0 GJ/MWh	24% of the time
10.0 GJ/MWh	59% of the time
15.0 GJ/MWh	74% of the time
20.0 GJ/MWh	82% of the time

### Market Share Statistics

By Fuel Type:

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



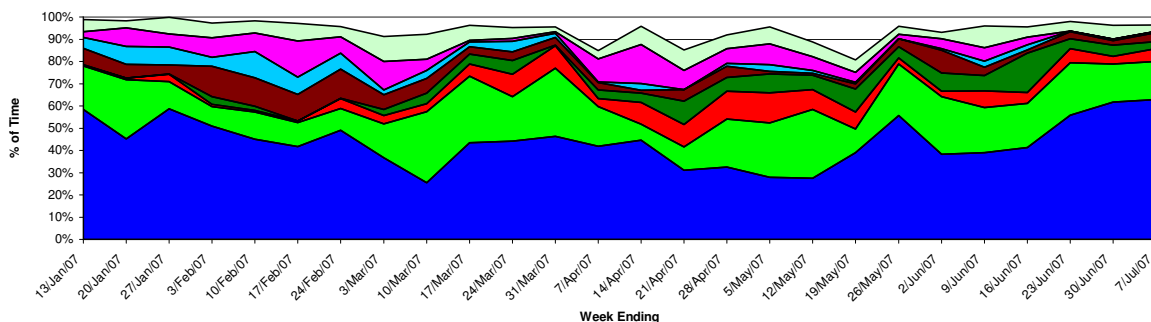
By Submitting Customer:



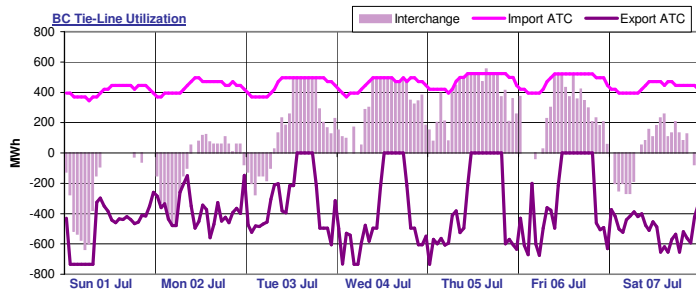
Last week, coal units were responsible for 64.7% of the generation in the province and set price 71.3% of the time. Gas-cogen units accounted for 23.7% of the generation and set price 21.7% of the time last week while other gas units made up 4.8% of generation and set price 3.8% of the time.

A total of 8 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 62.9% of the time and the top five price setters set price a total of 93.5% of the time.

### Weekly Price Setting by Submitting Customer

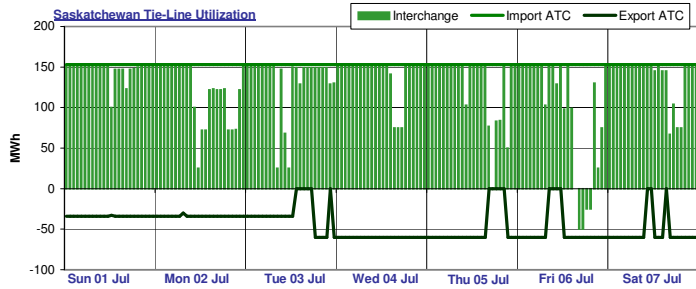


# Interties

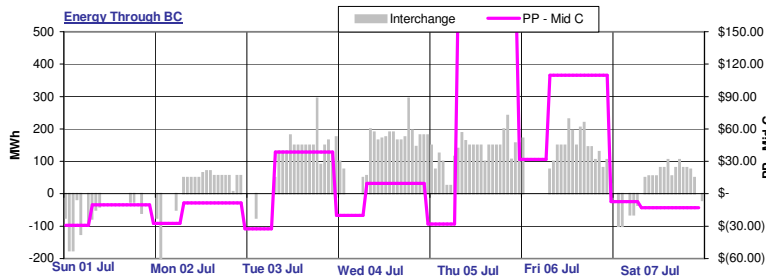


BC import capacity was 38% utilized last week while BC export capacity was 16% utilized. Energy was being imported into Alberta over the BC tie-line 64% of the time and exported out of Alberta over the BC tie-line 23% of the time last week. There was no activity on the BC tie-line 13% of the time last 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.



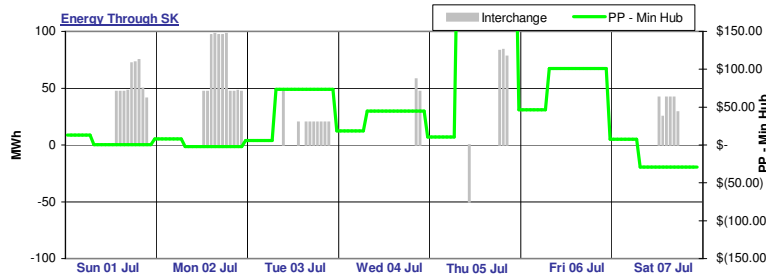
Saskatchewan import capacity was 87% utilized last week while Saskatchewan export capacity was 4% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 96% of the time and exported out of Alberta over the Saskatchewan tie-line 2% of the time last week. There was no activity on the Saskatchewan tie-line 1% of the time last week.



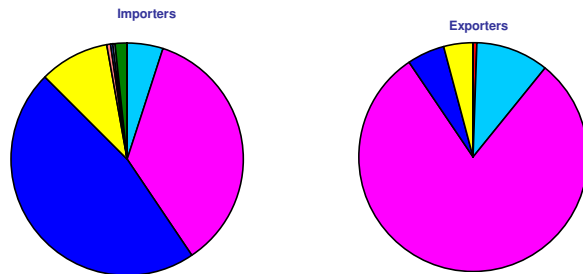
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



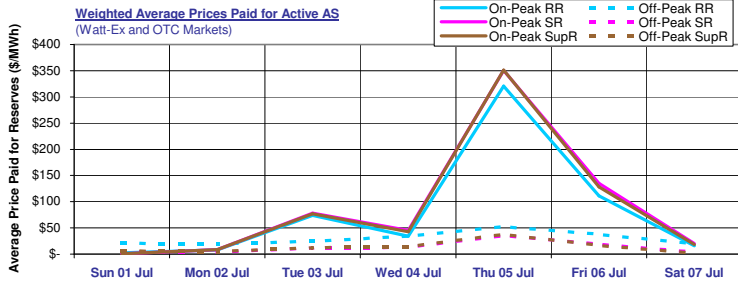
Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 47.0% while the second most active importer had a market share of 35.3%. There were a total of 5 exporters last week. The most active exporter had a market share of 79.9% while the next largest exporter had a market share of 10.2%.

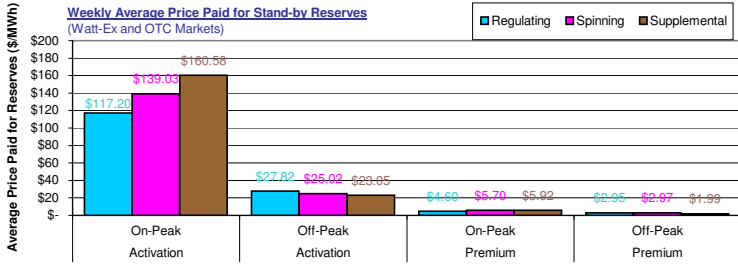
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



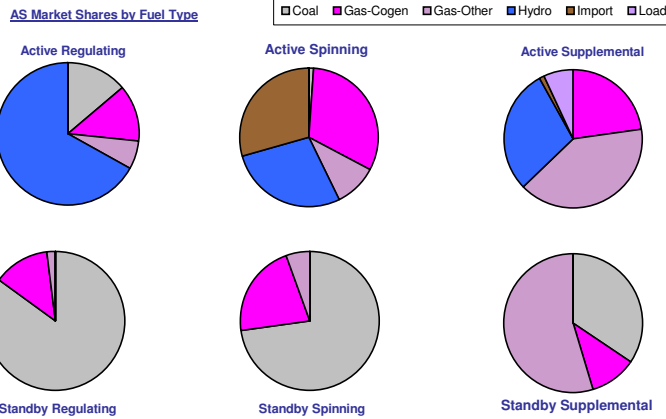
Average on-peak prices paid for active ancillary services last week were **\$89.09/MWh**, **\$93.75/MWh** and **\$92.78/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were **lower** and averaged **\$27.98/MWh**, **\$12.89/MWh** and **\$12.57/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$23.50/MWh** for **off-peak supplemental** reserves to **\$160.58/MWh** for **on-peak regulating** reserves.

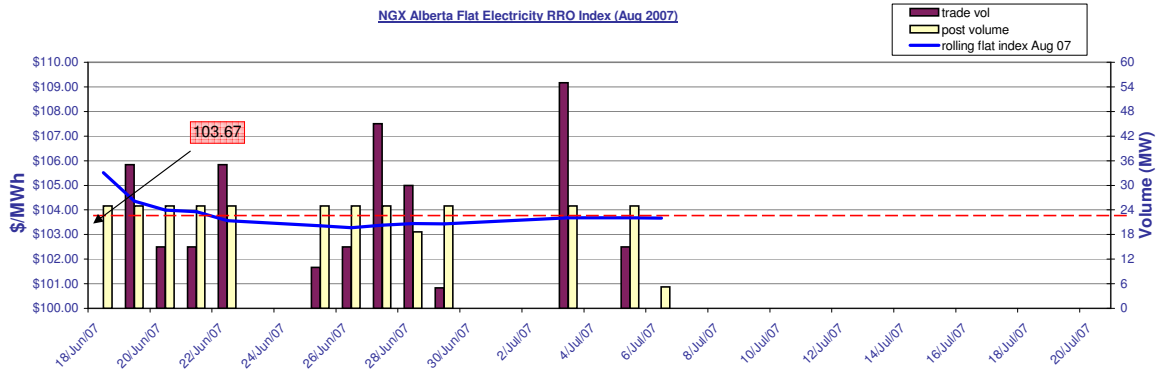
Weekly average premium prices ranged from **\$1.99/MWh** for **off-peak supplemental** reserves up to **\$5.92/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **67.0%**. In the **active spinning** reserve market, **gas cogen** units had the leading market share with **31.7%** while in the **active supplemental** reserve market, **gas** units dominated with a **39.9%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **85%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **72.8%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **54.7%**.

# 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.