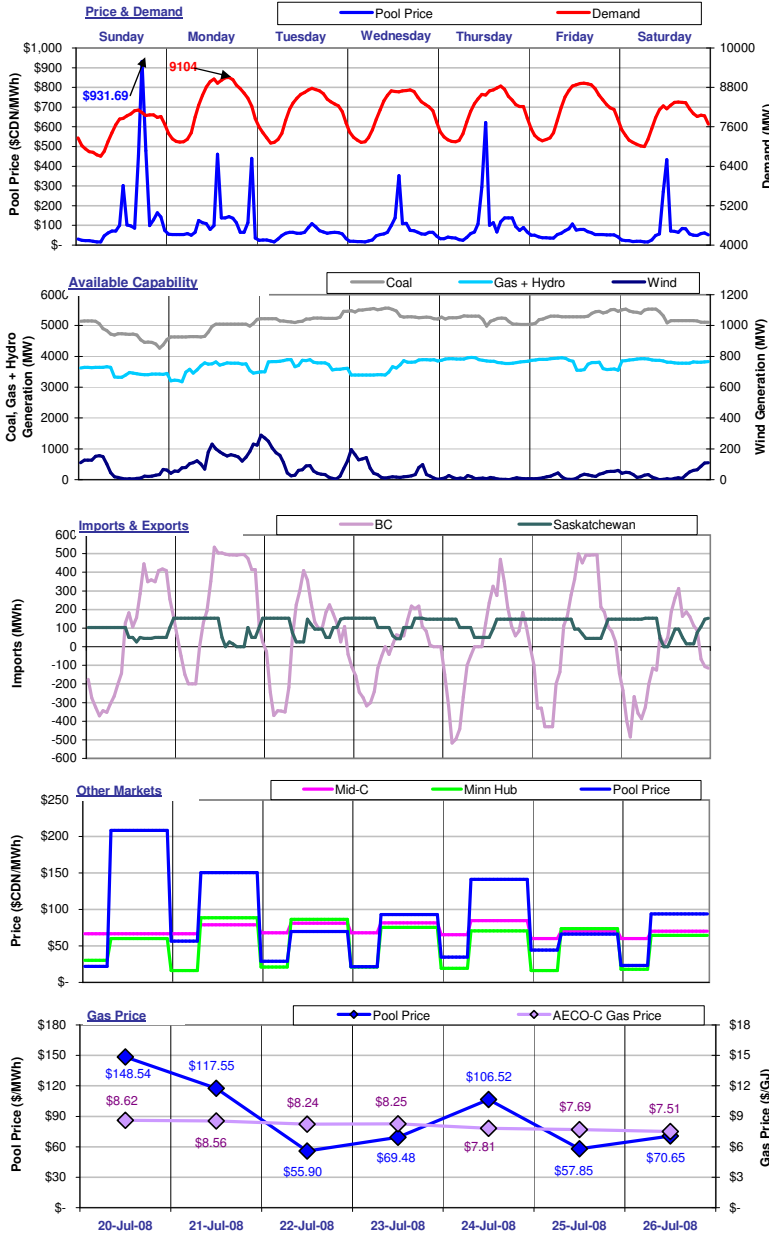


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 26, 2008

## Weekly Highlights



For the week ending July 26, 2008, **Pool Price** averaged \$89.50/MWh and ranged from a minimum of \$15.80/MWh in HE07 on Saturday to a maximum of \$931.69/MWh in HE18 on Sunday. **Demand** reached a high of 9104 MW in HE17 on Monday and a low of 6703 MW in HE07 on Sunday. Average demand for the week was 7994 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.10.

**Coal Unit Availability** averaged 5148 MW last week. This is an equivalent availability of 86%. **Gas, Hydro and Other Unit Availability** averaged 3706 MW last week, which is an equivalent of 76%. **Wind Generation** averaged 60 MW last week. This is an equivalent availability of 12%. 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 7,805 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 17,910 MWh. Overall, Alberta imported 25,715 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 \$77.71/MWh on-peak and \$64.93/MWh off-peak. **Minn Hub** prices averaged \$76.56/MWh on-peak and \$20.27/MWh off-peak.

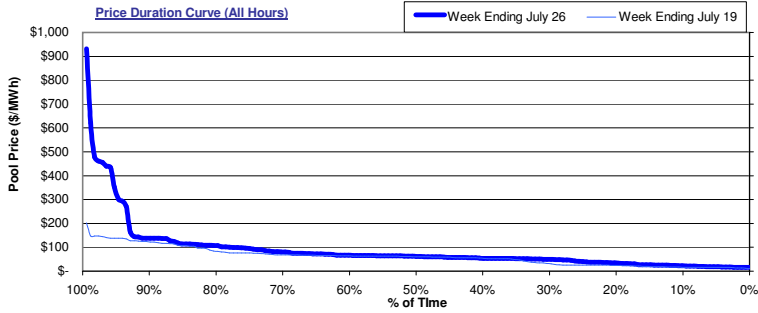
Prices in \$CDN at an exchange rate of 1.00631.

The average **AECO-C Gas Price** last week was \$8.10/GJ and ranged from a minimum of \$7.51/GJ to \$8.62/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.79 GJ/MWh to a high of 17.24 GJ/MWh. The average market heat rate for the week was 10.97 GJ/MWh.

# Wholesale Market

## Weekly Market Statistics

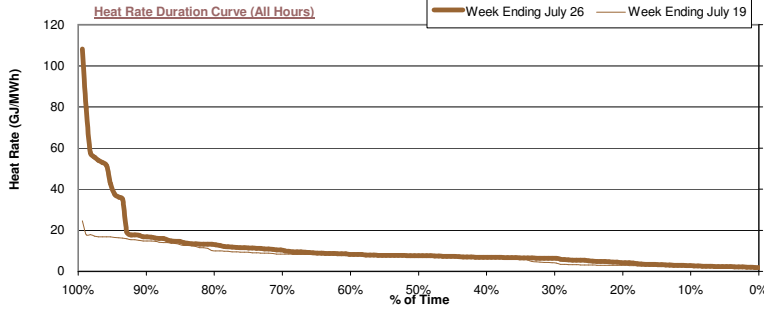
	Sunday 20-Jul	Monday 21-Jul	Tuesday 22-Jul	Wednesday 23-Jul	Thursday 24-Jul	Friday 25-Jul	Saturday 26-Jul	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 148.54	\$ 117.55	\$ 55.90	\$ 69.48	\$ 106.52	\$ 57.85	\$ 70.65	\$ 89.50	\$ 61.05	46.6%	\$ 88.82
On-Peak	NA	\$ 150.45	\$ 69.60	\$ 92.79	\$ 141.14	\$ 66.13	\$ 93.77	\$ 102.31	\$ 81.08	26.2%	\$ 113.76
Off-Peak	\$ 148.54	\$ 51.75	\$ 28.49	\$ 22.86	\$ 37.29	\$ 41.30	\$ 24.42	\$ 72.41	\$ 34.35	110.8%	\$ 50.43
COV	1.41	0.92	0.42	0.99	1.16	0.31	1.31	0.93	0.56	67.6%	
<b>Heat Rate</b>											
Average	17.24	13.74	6.79	8.42	13.65	7.52	9.40	10.97	6.71	63.5%	10.19
On-Peak	NA	17.58	8.45	11.25	18.08	8.60	12.48	12.74	8.92	42.8%	13.05
Off-Peak	17.24	6.05	3.46	2.77	4.78	5.37	3.25	8.60	3.76	128.9%	5.79
<b>Demand</b>											
Average	7,527	8,260	8,072	8,078	8,079	8,164	7,778	7,994	7,810	2.4%	7,949
Minimum	6,703	7,137	7,111	7,127	7,146	7,174	6,996	7,056	6,959	1.4%	6,411
Maximum	8,106	9,104	8,772	8,726	8,837	8,928	8,352	8,689	8,431	3.1%	9,710
<b>Coal Unit Availability</b>											
Average	4,739	4,866	5,219	5,400	5,190	5,319	5,305	5,148	5,244		5,098
AC/MC	79%	81%	87%	90%	86%	89%	88%	86%	87%	-1.6%	85%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,495	3,595	3,742	3,628	3,865	3,775	3,844	3,706	3,503	4.2%	3,596
AC/MC	72%	74%	77%	75%	79%	78%	79%	76%	72%	4.2%	74%



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 26**, prices were at or below:

\$20/MWh	7% of the time
\$50/MWh	31% of the time
\$100/MWh	77% of the time
\$250/MWh	93% of the time
\$500/MWh	98% 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 26** implied market heat rates were at or below:

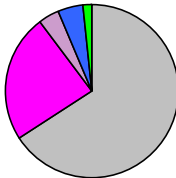
5.0 GJ/MWh	25% of the time
10.0 GJ/MWh	70% of the time
15.0 GJ/MWh	87% of the time
20.0 GJ/MWh	93% of the time

### Market Share Statistics

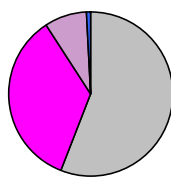
By Fuel Type:

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

Weekly Generation by Fuel Type

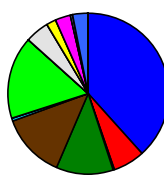


Weekly Price Setting by Fuel Type



By Submitting Customer:

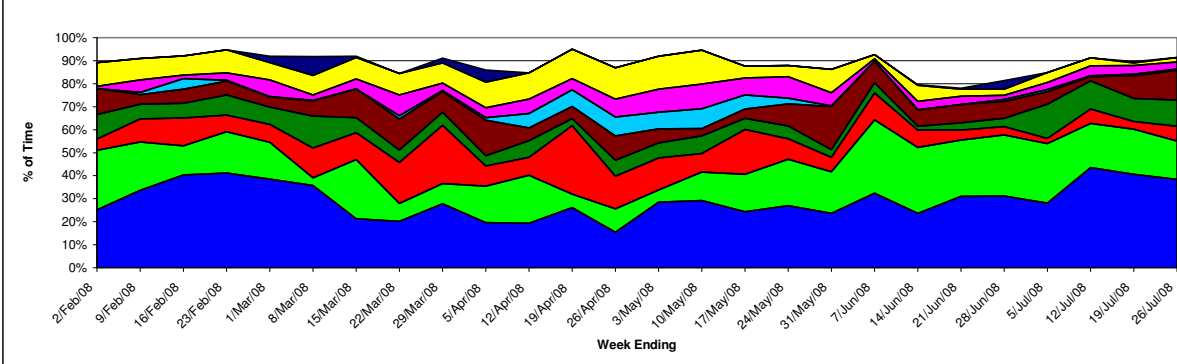
Weekly Price Setting by Submitting Customer



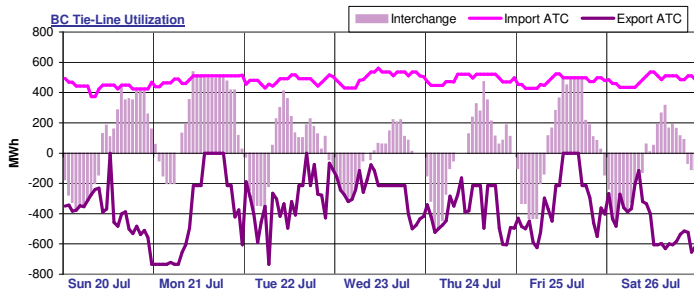
Last week, **coal units** were responsible for **65.9%** of the generation in the province and set price **55.9%** of the time. **Gas-cogen** units accounted for **23.8%** of the generation and set price **35.1%** of the time last week while **other gas** units made up **4%** of generation and set price **8.4%** of the time.

A total of **12** 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 **38.4%** of the time and the top five price setters set price a total of **85.9%** of the time.

### Weekly Price Setting by Submitting Customer

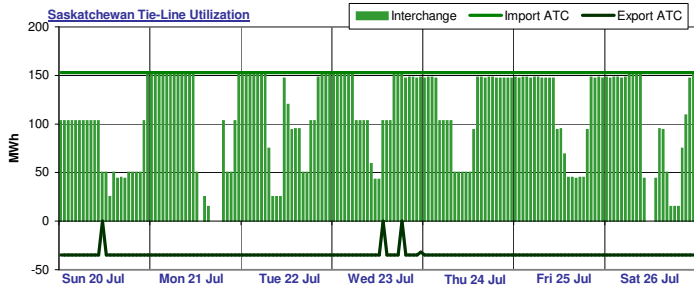


# Interties

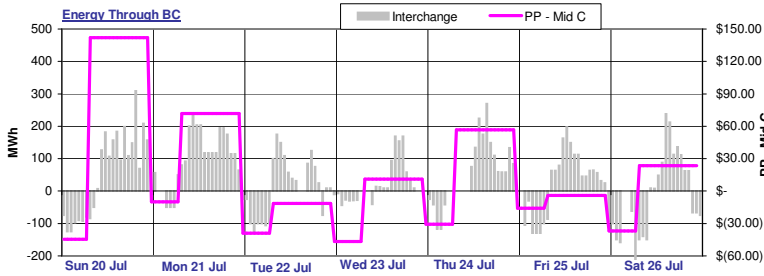


BC import capacity was 29% utilized last week while BC export capacity was 29% utilized. Energy was being imported into Alberta over the BC tie-line 57% of the time and exported out of Alberta over the BC tie-line 38% of the time last week. There was no activity on the BC tie-line 5% of the time last 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.



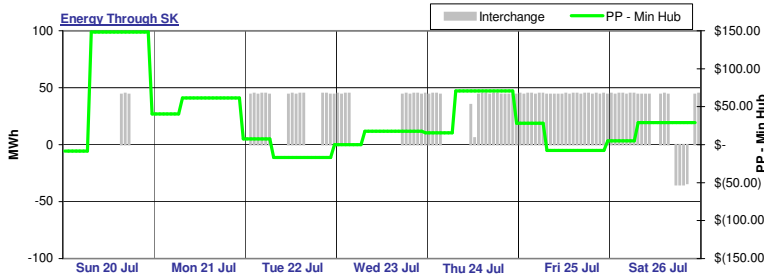
Saskatchewan import capacity was 71% utilized last week while Saskatchewan export capacity was 5% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 96% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 4% 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.



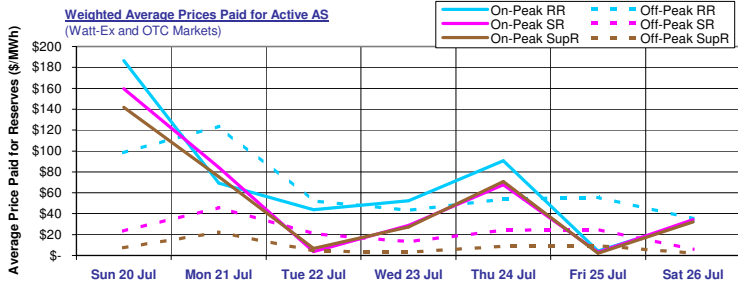
Tie-Line Market Shares



Last week, there were a total of 11 importers. The most active importer had a market share of 40.8% while the second most active importer had a market share of 39.9%. There were a total of 6 exporters last week. The most active exporter had a market share of 70.7% while the next largest exporter had a market share of 18.8%.

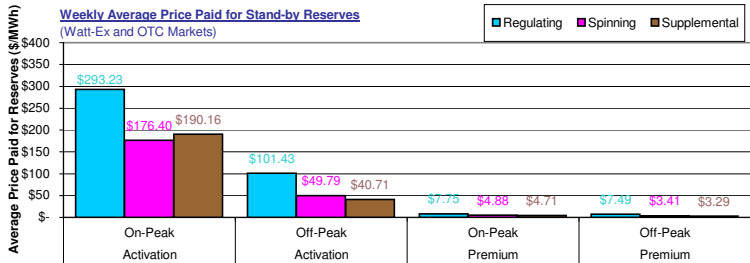
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



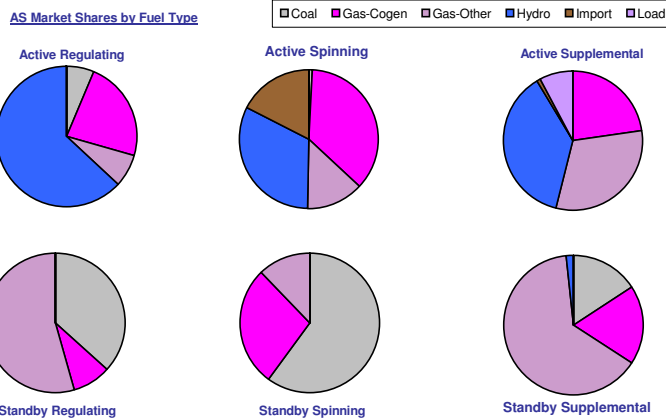
Average on-peak prices paid for active ancillary services last week were **\$69.09/MWh**, **\$54.36/MWh** and **\$49.41/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were **lower** and averaged **\$64.97/MWh**, **\$22.45/MWh** and **\$8.22/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$40.71/MWh** for **off-peak supplemental** reserves to **\$293.23/MWh** for **on-peak regulating** reserves.

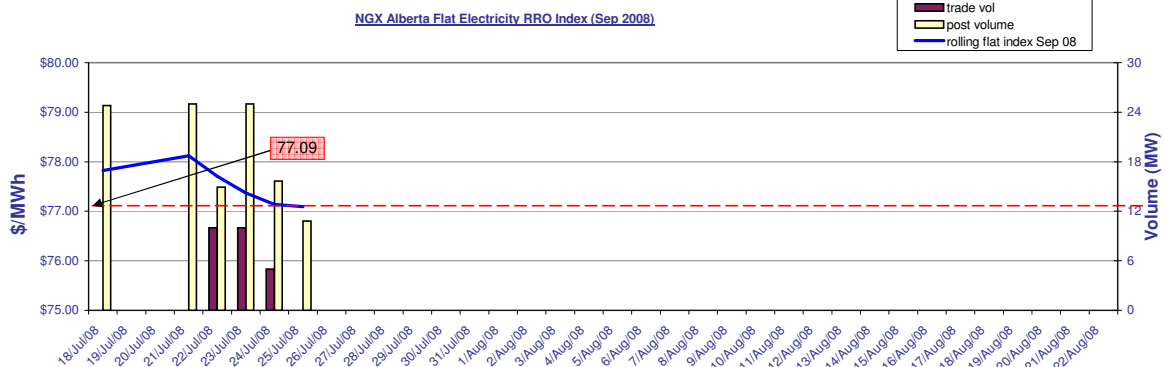
Weekly average premium prices ranged from **\$3.29/MWh** for **off-peak supplemental** reserves up to **\$7.75/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **63%**. In the **active spinning** reserve market, **gas** units had the leading market share with **36.3%** while in the **active supplemental** reserve market, **hydro** units dominated with a **37.6%** market share.

**Gas** units dominated the **standby regulating** reserve market with a **54.4%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **60.1%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **64.4%**.

# 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 (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.