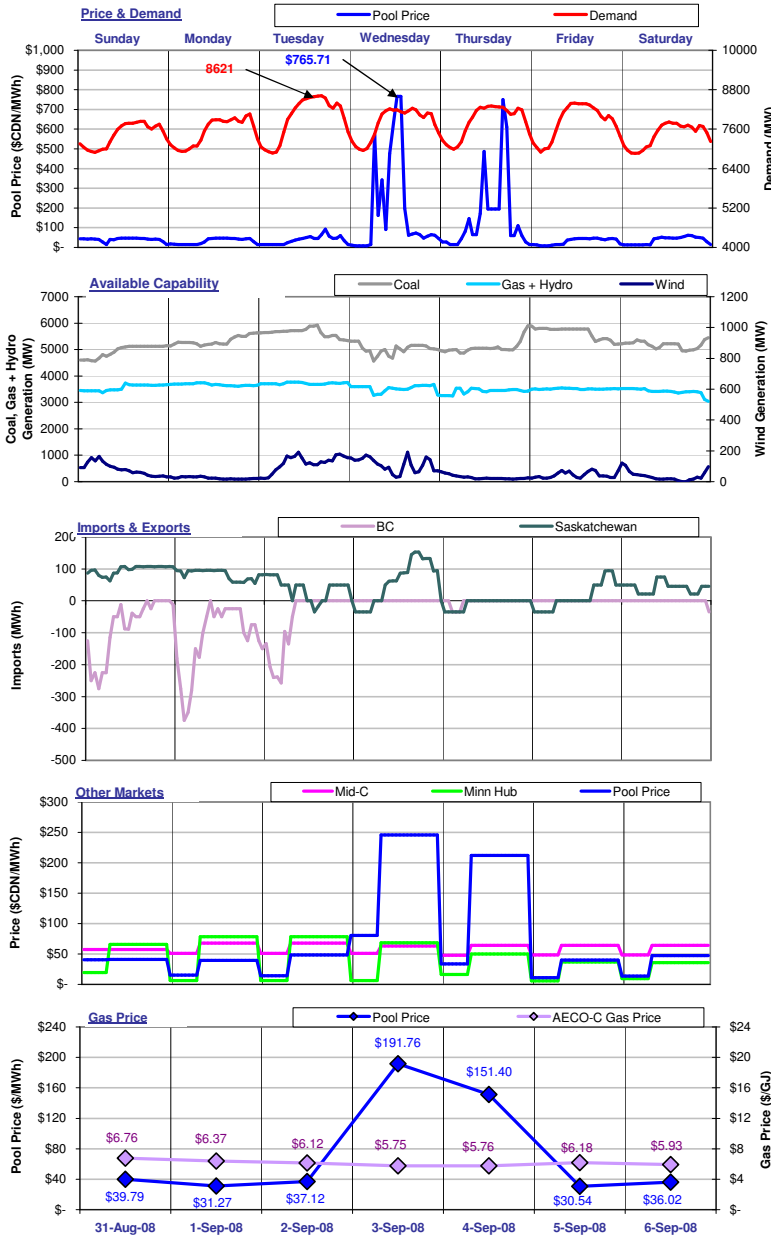


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 6, 2008

## Weekly Highlights



For the week ending September 6, 2008, Pool Price averaged \$73.996/MWh and ranged from a minimum of \$7.60/MWh in HE05 on Friday to a maximum of \$765.71/MWh in HE13 on Wednesday. Demand reached a high of 8621 MW in HE17 on Tuesday and a low of 6865 MW in HE04 on Saturday. Average demand for the week was 7677 MW. Pool Price and Demand were positively correlated last week with an R-squared value of 0.11.

Coal Unit Availability averaged 5261 MW last week. This is an equivalent availability of 88%. Gas, Hydro and Other Unit Availability averaged 3547 MW last week, which is an equivalent of 68%. Wind Generation averaged 63 MW last week. This is an equivalent availability of 13%. Availability numbers are based on MW offered into the energy merit order.

Alberta was a net exporter from BC last week with total exports equal to 6,265 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 7,680 MWh. Overall, Alberta imported 1,415 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 \$65.27/MWh on-peak and \$50.81/MWh off-peak. Minn Hub prices averaged \$57.93/MWh on-peak and \$10.00/MWh off-peak.

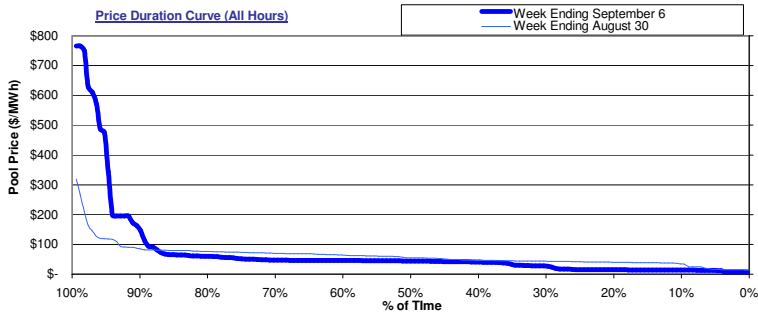
Prices in \$CDN at an exchange rate of 1.06448.

The average AECO-C Gas Price last week was \$6.12/GJ and ranged from a minimum of \$5.75/GJ to \$6.76/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 4.91 GJ/MWh to a high of 33.33 GJ/MWh. The average market heat rate for the week was 12.50 GJ/MWh.

# Wholesale Market

## Weekly Market Statistics

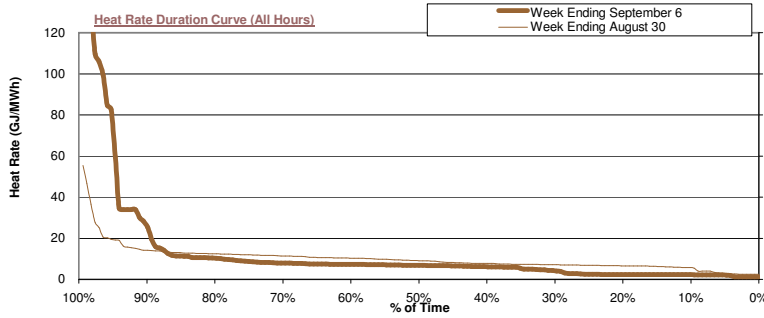
	Sunday 31-Aug	Monday 1-Sep	Tuesday 2-Sep	Wednesday 3-Sep	Thursday 4-Sep	Friday 5-Sep	Saturday 6-Sep	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 39.79	\$ 31.27	\$ 37.12	\$ 191.76	\$ 151.40	\$ 30.54	\$ 36.02	\$ <b>73.99</b>	\$ <b>61.31</b>	<b>20.7%</b>	\$ <b>87.31</b>
On-Peak	NA	\$ 39.34	\$ 48.52	\$ 245.57	\$ 212.22	\$ 40.02	\$ 47.26	\$ <b>105.49</b>	\$ <b>75.19</b>	<b>40.3%</b>	\$ <b>112.99</b>
Off-Peak	\$ 39.79	\$ 15.14	\$ 14.32	\$ 84.16	\$ 29.77	\$ 11.57	\$ 13.55	\$ <b>31.99</b>	\$ <b>42.80</b>	<b>-25.3%</b>	\$ <b>48.31</b>
COV	0.23	0.46	0.56	1.32	1.28	0.52	0.52	<b>0.70</b>	<b>0.47</b>	<b>49.1%</b>	
<b>Heat Rate</b>											
Average	5.89	4.91	6.07	33.33	26.29	4.94	6.07	<b>12.50</b>	<b>9.20</b>	<b>35.8%</b>	<b>10.37</b>
On-Peak	NA	6.18	7.93	42.68	36.85	6.48	7.97	<b>18.01</b>	<b>11.19</b>	<b>61.0%</b>	<b>13.42</b>
Off-Peak	5.89	2.38	2.34	14.63	5.17	1.87	2.28	<b>5.15</b>	<b>6.56</b>	<b>-21.5%</b>	<b>5.74</b>
<b>Demand</b>											
Average	7,426	7,523	7,939	7,778	7,839	7,819	7,417	<b>7,677</b>	<b>7,854</b>	<b>-2.3%</b>	<b>7,947</b>
Minimum	6,896	6,920	6,878	6,951	6,994	6,907	6,865	<b>6,916</b>	<b>7,022</b>	<b>-1.5%</b>	<b>6,411</b>
Maximum	7,842	8,057	8,621	8,234	8,310	8,391	7,815	<b>8,181</b>	<b>8,448</b>	<b>-3.2%</b>	<b>9,710</b>
<b>Coal Unit Availability</b>											
Average	4,936	5,323	5,641	5,023	5,081	5,640	5,181	<b>5,261</b>	<b>4,823</b>		<b>5,101</b>
AC/MC	82%	89%	94%	84%	85%	94%	86%	<b>88%</b>	<b>80%</b>	<b>7.3%</b>	<b>85%</b>
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,557	3,674	3,721	3,531	3,425	3,512	3,410	<b>3,547</b>	<b>3,582</b>		<b>3,609</b>
AC/MC	68%	70%	71%	67%	65%	67%	65%	<b>68%</b>	<b>68%</b>	<b>-0.7%</b>	<b>69%</b>



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

For the week ending **September 6**, prices were at or below:

\$20/MWh	29% of the time
\$50/MWh	73% of the time
\$100/MWh	89% of the time
\$250/MWh	94% of the time
\$500/MWh	96% of the time



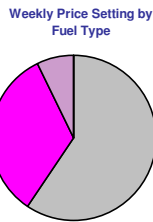
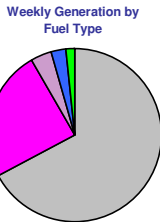
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **September 6** implied market heat rates were at or below:

5.0 GJ/MWh	35% of the time
10.0 GJ/MWh	79% of the time
15.0 GJ/MWh	88% of the time
20.0 GJ/MWh	90% of the time

### Market Share Statistics

By Fuel Type:

Legend: ■ Coal ■ Gas - Cogen ■ Gas - Other ■ Hydro ■ Other



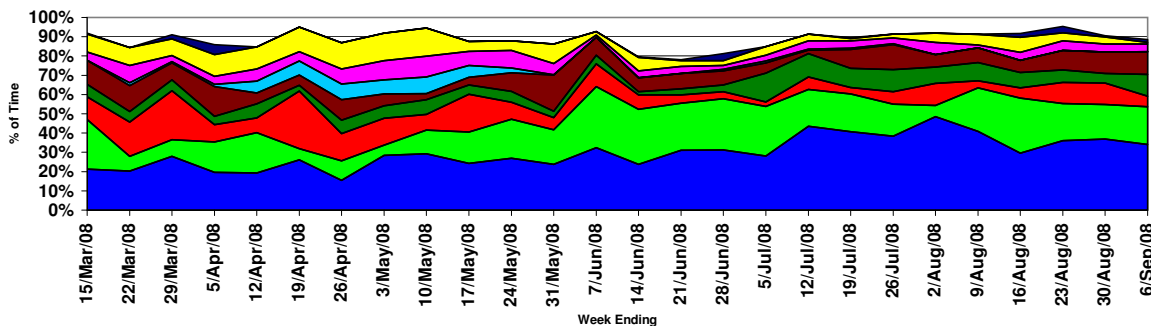
By Submitting Customer:



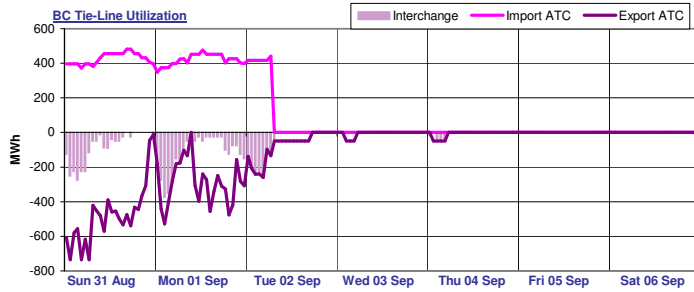
Last week, coal units were responsible for 67.2% of the generation in the province and set price 59.4% of the time. Gas-cogen units accounted for 29.4% of the generation and set price 33.3% of the time last week while other gas units made up 3.9% of generation and set price 7.3% of the time.

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 34.1% of the time and the top five price setters set price a total of 82.2% of the time.

### Weekly Price Setting by Submitting Customer

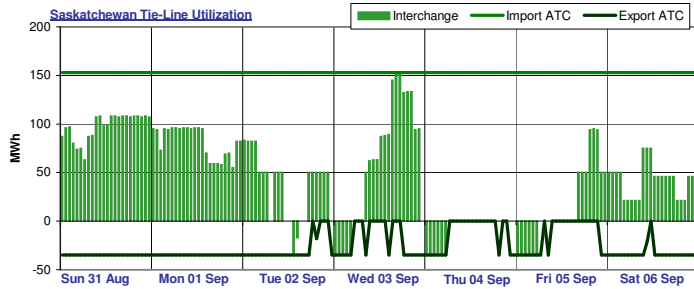


# Interties

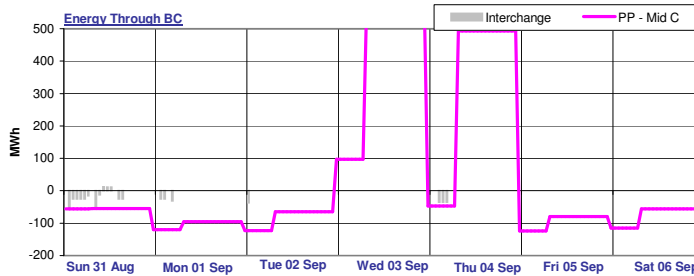


BC import capacity was 0% utilized last week while BC export capacity was 35% utilized. Energy was being imported into Alberta over the BC tie-line 0% of the time and exported out of Alberta over the BC tie-line 32% of the time last week. There was no activity on the BC tie-line 68% of the time last 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.



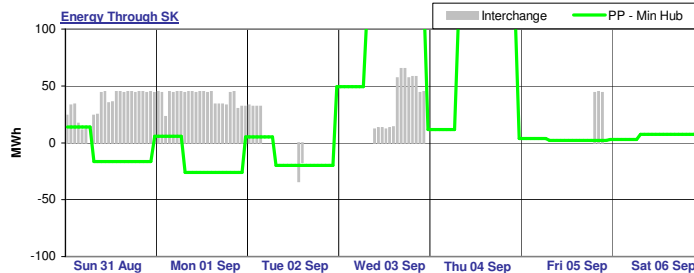
Saskatchewan import capacity was 32% utilized last week while Saskatchewan export capacity was 15% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 66% of the time and exported out of Alberta over the Saskatchewan tie-line 11% of the time last week. There was no activity on the Saskatchewan tie-line 23% of the time last week.



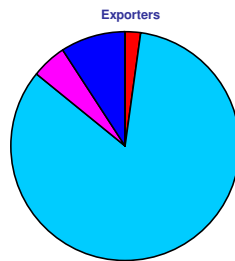
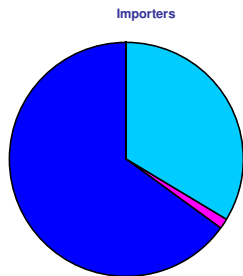
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



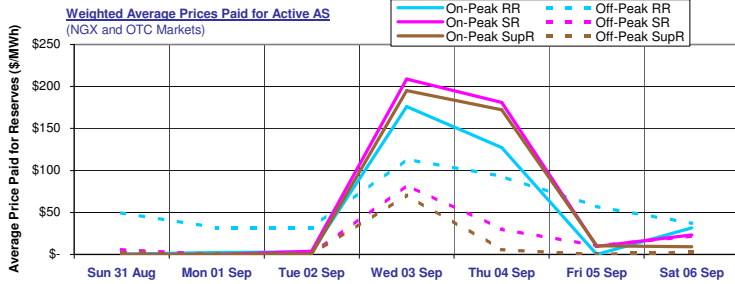
## Tie-Line Market Shares



Last week, there were a total of 3 importers. The most active importer had a market share of 64.9% while the second most active importer had a market share of 33.7%. There were a total of 4 exporters last week. The most active exporter had a market share of 83.6% while the next largest exporter had a market share of 9.1%.

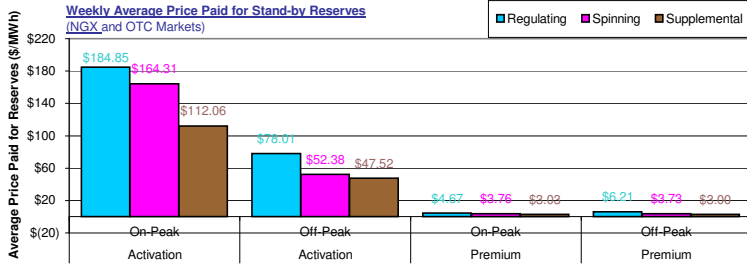
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$48.57/MWh, \$64.27/MWh and \$55.84/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

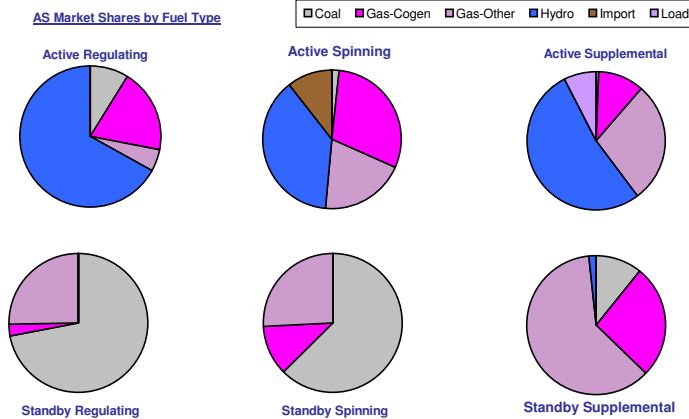
Active average off-peak prices were **lower** and averaged \$59.13/MWh, \$21.61/MWh and \$11.63/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$47.52/MWh for **off-peak supplemental** reserves to \$184.85/MWh for **on-peak regulating** reserves.

Weekly average premium prices ranged from \$3.00/MWh for **off-peak supplemental** reserves up to \$6.21/MWh for **off-peak spinning** reserves.

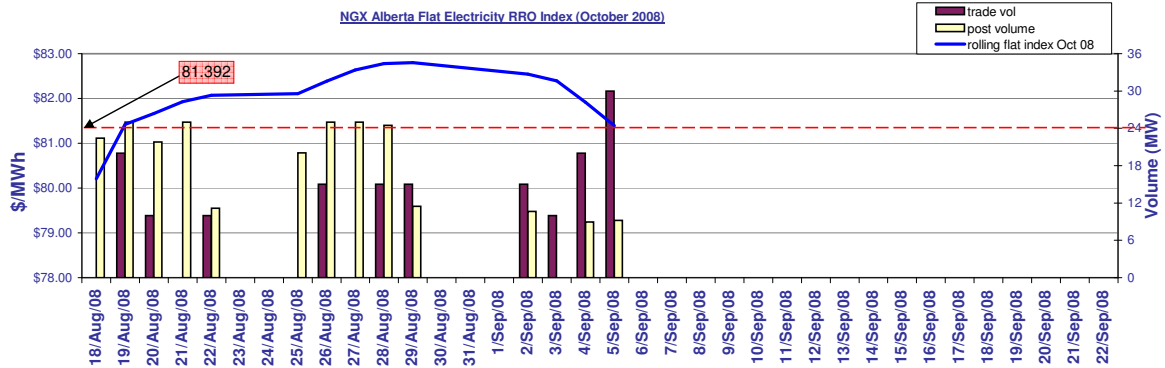
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **66.9%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **38.0%** 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 **71.9%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **62.6%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **60.9%**.

# 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 (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.