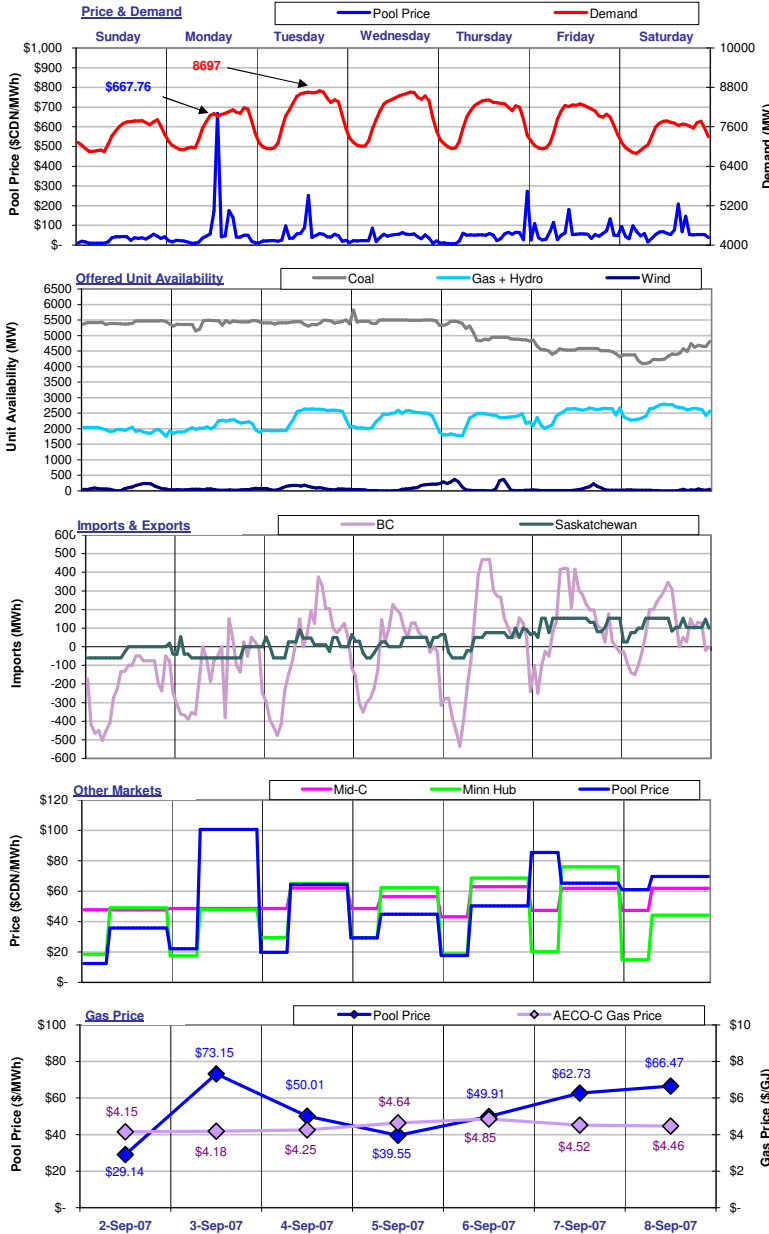


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 8, 2007

## Weekly Highlights



For the week ending **September 8, 2007**, **Pool Price** averaged **\$52.99/MWh** and ranged from a minimum of **\$7.13/MWh** in HE04 on **Thursday** to a maximum of **\$667.76/MWh** in HE14 on **Monday**. **Demand** reached a high of **8697 MW** in HE17 on **Tuesday** and a low of **6800 MW** in HE05 on **Saturday**. Average demand for the week was **7715 MW**. **Pool Price** and **Demand** were **positively correlated** last week with an R-squared value of **0.05**.

**Coal Unit Availability** averaged **5104 MW** last week. This is an equivalent availability of **87%** (based on MCR). **Gas and Hydro Unit Availability** averaged **2285 MW** last week, which is an equivalent of **48%** (based on MCR). **Wind Generation** averaged **70 MW** last week. This is an equivalent availability of **16%** (based on MCR). 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 **3,529MWh**. Alberta was a net **importer** from **Saskatchewan** last week with total **imports** equal to **5,882 MWh**. Overall, Alberta **imported 2,353MWh** of electricity last week.

**Pool Prices** were generally **lower** than prices in **Mid-C** and **higher** than prices in **Minn Hub** last week. **Mid-C** prices averaged **\$58.97/MWh** on-peak and **\$47.42/MWh** off-peak. **Minn Hub** prices averaged **\$60.73/MWh** on-peak and **\$21.30/MWh** off-peak.

Prices in \$CDN at an exchange rate of 1.05626.

The average **AECO-C Gas Price** last week was **\$4.44/GJ** and ranged from a minimum of **\$4.15/GJ** to **\$4.85/GJ**. Prevailing gas prices resulted in market heat rates ranging from a low of **7.02 GJ/MWh** to a high of **17.48 GJ/MWh**. The average market heat rate for the week was **11.98 GJ/MWh**.

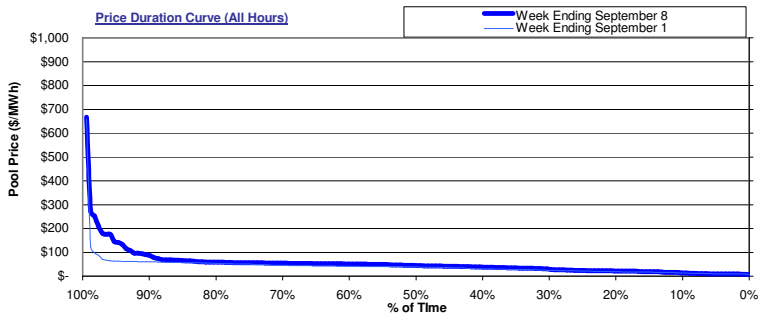


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities for the **previous** week. Any questions regarding the material in this publication should be directed to MSA staff. Our contact information is available on the MSA website: [www.albertamsa.ca](http://www.albertamsa.ca)

# Wholesale Market

## Weekly Market Statistics

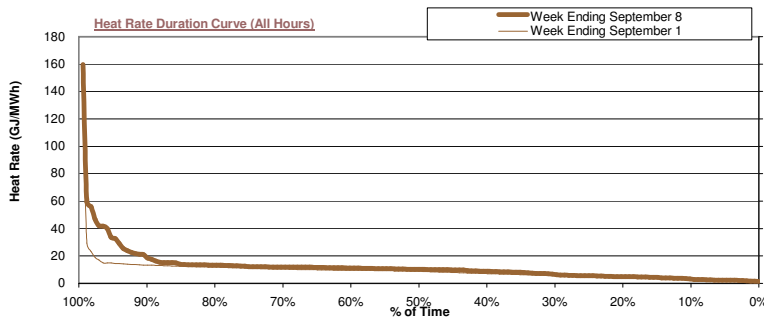
	Sunday 2-Sep	Monday 3-Sep	Tuesday 4-Sep	Wednesday 5-Sep	Thursday 6-Sep	Friday 7-Sep	Saturday 8-Sep	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 29.14	\$ 73.15	\$ 50.01	\$ 39.55	\$ 49.91	\$ 62.73	\$ 66.47	\$ 52.99	\$ 40.62	30.5%	\$ 70.40
On-Peak	NA	\$ 100.54	\$ 64.43	\$ 44.86	\$ 50.30	\$ 65.30	\$ 69.79	\$ 65.87	\$ 51.61	27.6%	\$ 91.45
Off-Peak	\$ 29.14	\$ 18.37	\$ 21.19	\$ 28.93	\$ 49.13	\$ 57.60	\$ 59.84	\$ 35.83	\$ 25.96	38.0%	\$ 36.73
COV	0.50	1.85	0.96	0.48	1.03	0.59	0.60	0.86	0.72	19.2%	
<b>Heat Rate</b>											
Average	7.02	17.48	11.78	8.53	10.29	13.89	14.90	11.98	9.52	25.9%	11.16
On-Peak	NA	24.03	15.17	9.67	10.37	14.45	15.65	14.89	12.09	23.1%	14.50
Off-Peak	7.02	4.39	4.99	6.24	10.13	12.75	13.42	8.11	6.10	33.0%	5.82
<b>Demand</b>											
Average	7,393	7,582	8,005	7,994	7,868	7,757	7,404	7,715	7,747	-0.4%	7,906
Minimum	6,847	6,898	6,932	7,007	6,945	6,930	6,800	6,908	6,909	0.0%	6,440
Maximum	7,816	8,178	8,697	8,660	8,412	8,296	7,781	8,263	8,314	-0.6%	9,478
<b>Coal Unit Availability</b>											
Average	5,420	5,406	5,412	5,485	5,058	4,540	4,407	5,104	5,283		5,184
Utilization	93%	93%	93%	94%	87%	78%	75%	87%	90%	-3.1%	89%
<b>Gas and Hydro Unit Availability</b>											
Average	1,955	2,079	2,342	2,331	2,231	2,483	2,571	2,285	2,251	-9.4%	2,202
Utilization	50%	53%	60%	60%	57%	64%	66%	48%	58%	-9.4%	56%



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 8**, prices were at or below:

\$20/MWh	17% of the time
\$50/MWh	55% of the time
\$100/MWh	92% of the time
\$250/MWh	98% of the time
\$500/MWh	99% of the time



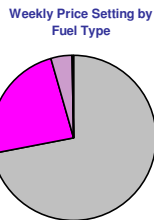
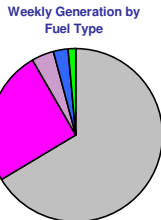
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **September 8** implied market heat rates were at or below:

5.0 GJ/MWh	22% of the time
10.0 GJ/MWh	46% of the time
15.0 GJ/MWh	86% of the time
20.0 GJ/MWh	90% of the time

### Market Share Statistics

By Fuel Type:

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



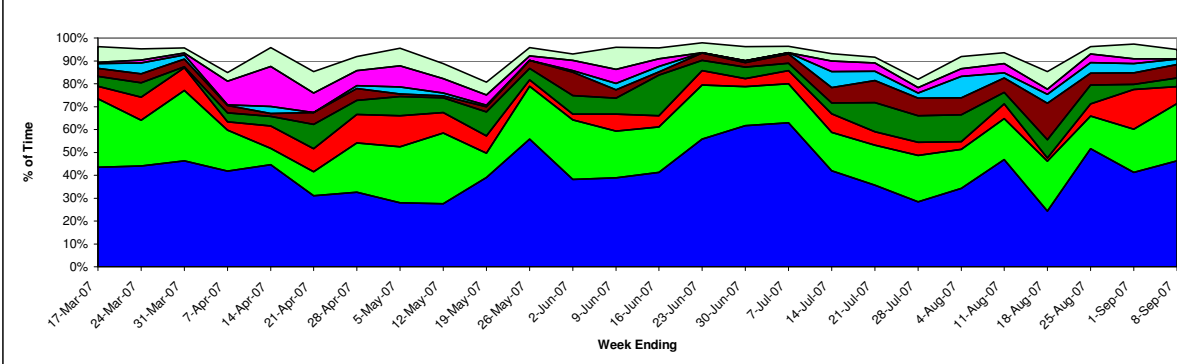
By Submitting Customer:



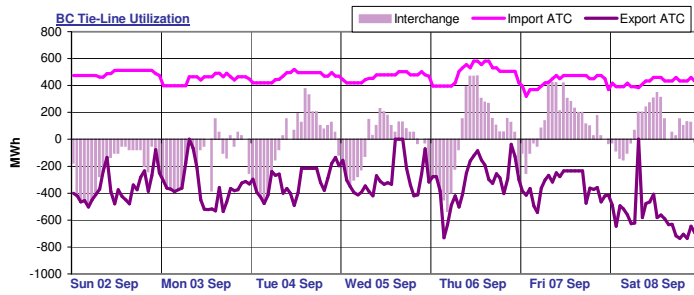
Last week, **coal units** were responsible for 66.4% of the generation in the province and set price 72.0% of the time. **Gas-cogen** units accounted for 25.3% of the generation and set price 23.6% of the time last week while **other gas** units made up 4.0% of generation and set price 4.0% of the time.

A total of **11** 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 46.3% of the time and the top five price setters set price a total of 88.7% of the time.

### Weekly Price Setting by Submitting Customer

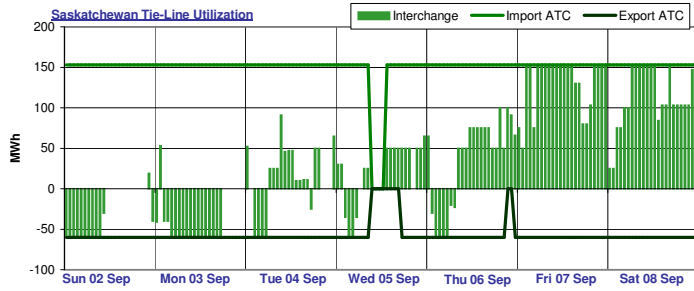


# Interties

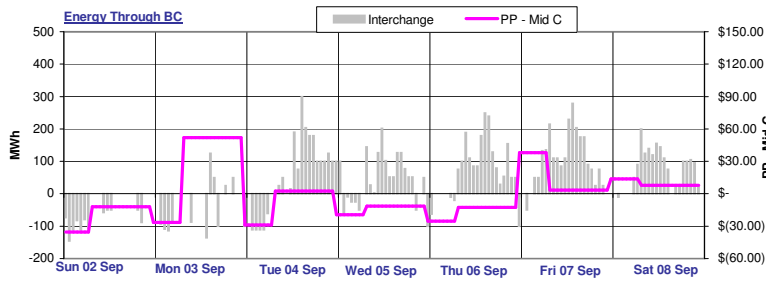


BC import capacity was 18% utilized last week while BC export capacity was 33% utilized. Energy was being imported into Alberta over the BC tie-line 47% of the time and exported out of Alberta over the BC tie-line 48% of the time last week. There was no activity on the BC tie-line 5% of the time last 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.



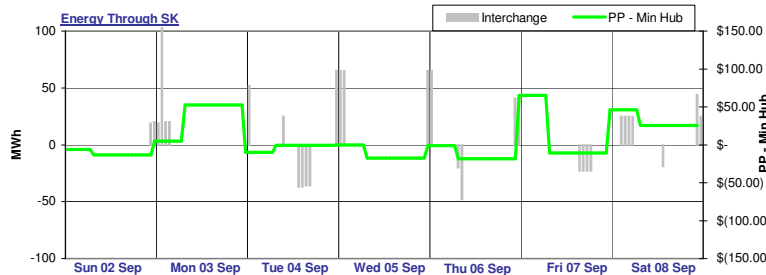
Saskatchewan import capacity was 36% utilized last week while Saskatchewan export capacity was 32% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 57% of the time and exported out of Alberta over the Saskatchewan tie-line 27% of the time last week. There was no activity on the Saskatchewan tie-line 16% of the time last week.



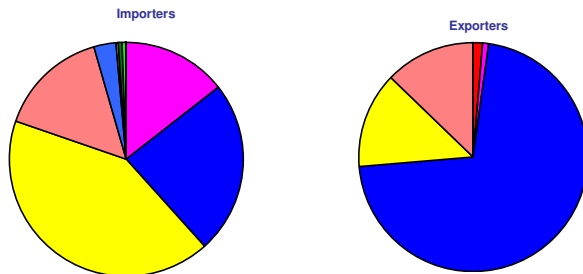
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

Alberta prices were generally 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.



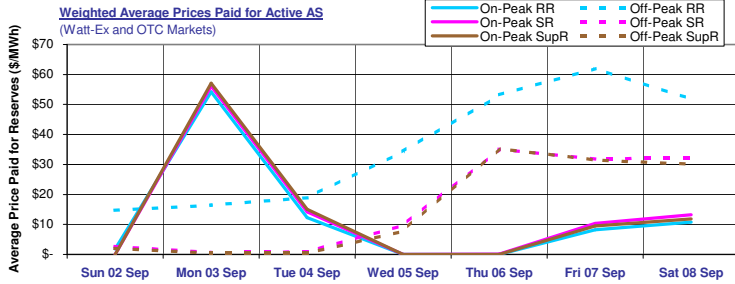
Tie-Line Market Shares



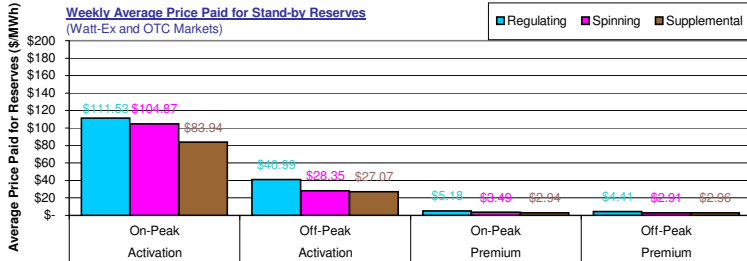
Last week, there were a total of 9 importers. The most active importer had a market share of 41.8% while the second most active importer had a market share of 24.0%. There were a total of 6 exporters last week. The most active exporter had a market share of 71.4% while the next largest exporter had a market share of 13.6%.

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

# Ancillary Services Market

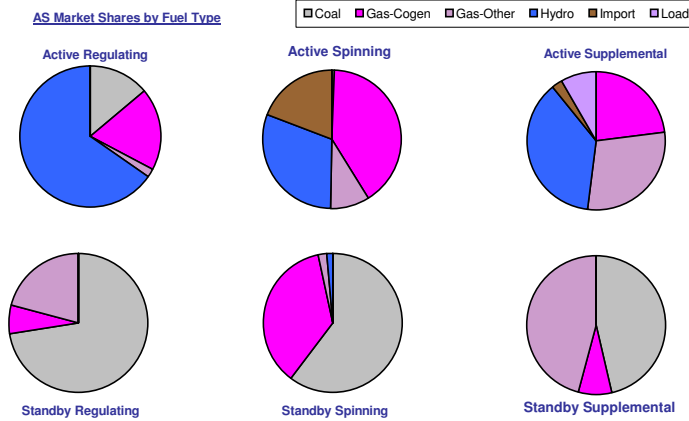


Average on-peak prices paid for active ancillary services last week were **\$12.48/MWh**, **\$13.15/MWh** and **\$13.22/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.  
Active average off-peak prices were **higher** and averaged **\$36.59/MWh**, **\$16.62/MWh** and **\$15.66/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$27.07/MWh** for **off-peak supplemental** reserves to **\$111.53/MWh** for **on-peak regulating** reserves.  
Weekly average premium prices ranged from **\$2.91/MWh** for **off-peak spinning** reserves up to **\$18.11/MWh** for **on-peak regulating** reserves.

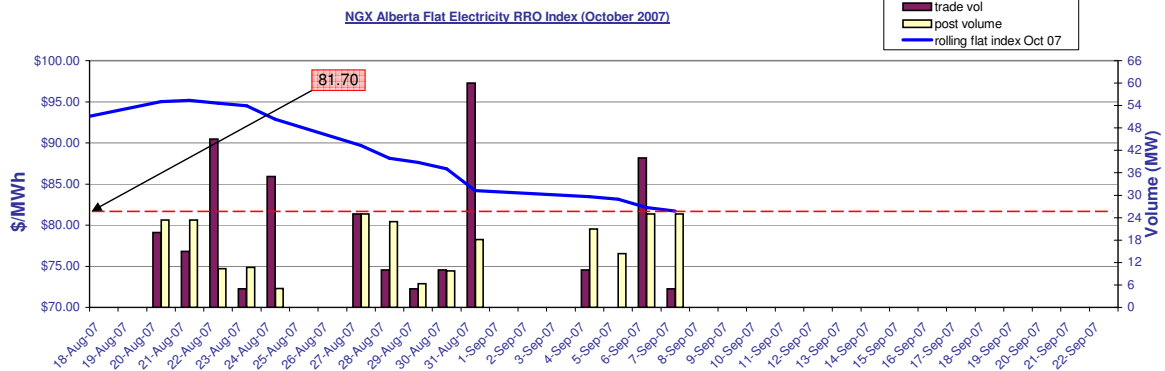
## AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **65.2%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **40.5%** while in the **active supplemental** reserve market, **hydro** units dominated with a **37.2%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **72.6%** 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, **coal** units had the leading market share with **46.5%**.

# 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.