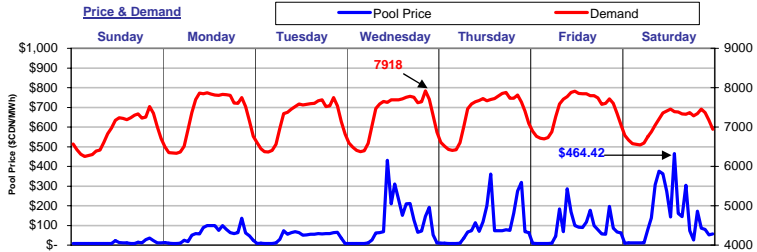


# The Market Monitor

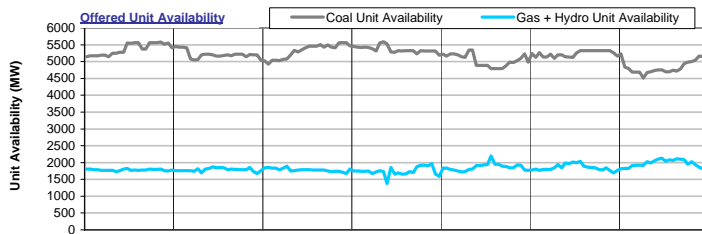
WATCHING THE MARKET : your fact source

Week Ending September 24, 2005

## Weekly Highlights

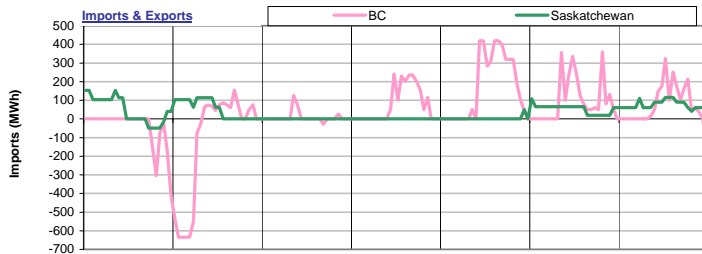


For the week ending Sept 24, 2005, **Pool Price** averaged \$78.31/MWh and ranged from a minimum of \$7.34/MWh in HE08 on Sunday to a maximum of \$464.42/MWh in HE14 on Saturday. **Demand** reached a high of 7918 MW in HE21 on Wednesday and a low of 6250 MW in HE04 on Sunday. Average demand for the week was 7224MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.27.

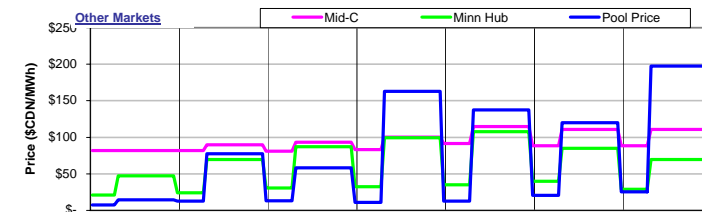


Coal Unit Availability averaged 5195 MW last week. This is an equivalent availability of 89% (based on MCR). Gas and Hydro Unit Availability averaged 1826MW last week, which is an equivalent of 32% (based on MCR).

Availability numbers are based on MW offered into the energy merit order.

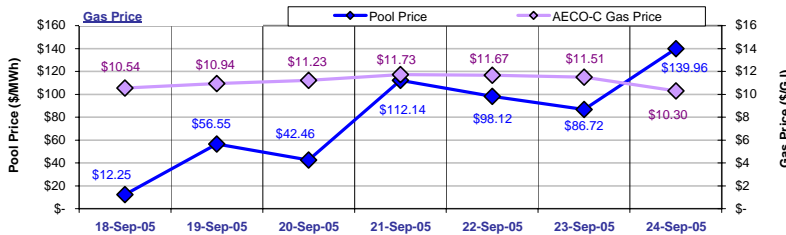


Alberta was a net importer from BC last week with total imports equal to 6,054MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 5,584MWh. Overall, Alberta imported 11,638MWh of electricity last week.



Pool Prices were generally lower than prices in Mid-C and higher than prices in Minn Hub last week. Mid-C prices averaged \$103.25/MWh on-peak and \$85.14/MWh off-peak. Minn Hub prices averaged \$86.39/MWh on-peak and \$30.28/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1787.



The average AECO-C Gas Price last week was \$11.13 and ranged from a minimum of \$10.30/GJ to \$11.73/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 1.16GJ/MWh to a high of 13.59GJ/MWh. The average market heat rate for the week was 7.03GJ/MWh.

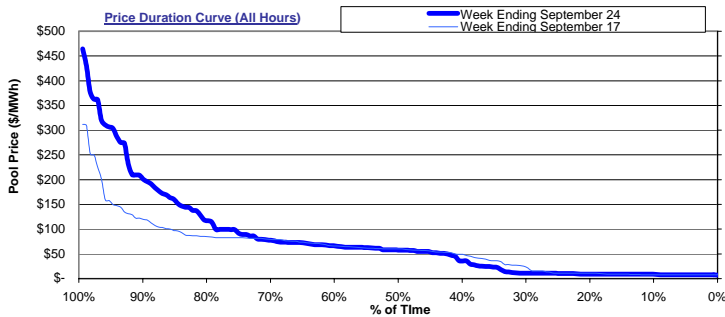


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for 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

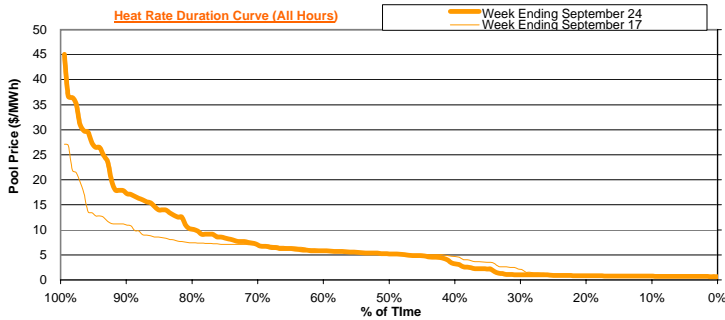
	Sunday 18-Sep	Monday 19-Sep	Tuesday 20-Sep	Wednesday 21-Sep	Thursday 22-Sep	Friday 23-Sep	Saturday 24-Sep	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 12.25	\$ 56.55	\$ 42.46	\$ 112.14	\$ 98.12	\$ 86.72	\$ 139.96	\$ 78.31	\$ 61.41	27.5%	\$ 54.65
On-Peak	NA	\$ 77.52	\$ 58.10	\$ 162.72	\$ 137.57	\$ 120.00	\$ 197.51	\$ 125.57	\$ 85.58	46.7%	\$ 66.29
Off-Peak	\$ 12.25	\$ 14.61	\$ 11.18	\$ 10.98	\$ 19.23	\$ 20.16	\$ 24.86	\$ 15.31	\$ 29.18	-47.5%	\$ 36.35
COV	0.62	0.64	0.56	1.00	1.01	0.83	0.97	0.80	0.68	17.6%	
<b>Heat Rate</b>											
Average	1.16	5.17	3.78	9.56	8.41	7.54	13.59	7.03	6.09	15.5%	7.30
On-Peak	NA	7.08	5.17	13.87	11.79	10.43	19.17	11.25	7.53	49.5%	8.81
Off-Peak	1.16	1.33	1.00	0.94	1.65	1.75	2.41	1.40	2.69	-48.2%	5.36
<b>Demand</b>											
Average	6,879	7,303	7,208	7,306	7,338	7,441	7,091	7,224	7,309	-1.2%	7,456
Minimum	6,250	6,330	6,363	6,375	6,407	6,696	6,541	6,423	6,510	-1.3%	6,017
Maximum	7,523	7,869	7,744	7,918	7,877	7,913	7,459	7,758	7,802	-0.6%	9,236
<b>Coal Unit Availability</b>											
Average	5,373	5,212	5,316	5,362	5,039	5,235	4,831	5,195	5,159	0.6%	5,178
Utilization	92%	89%	91%	92%	86%	90%	83%	89%	88%	0.6%	89%
<b>Gas and Hydro Unit Availability</b>											
Average	1,781	1,786	1,784	1,741	1,863	1,854	1,971	1,826	1,956	-2.3%	2,126
Utilization	37%	38%	37%	37%	39%	39%	41%	32%	34%	-2.3%	37%



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 24**, prices were at or below:

- \$20/MWh 34% of the time
- \$50/MWh 42% of the time
- \$100/MWh 79% of the time
- \$250/MWh 92% of the time
- \$500/MWh 100% of the time

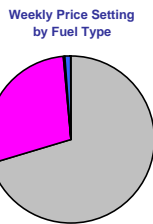
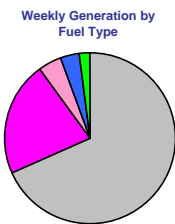


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **September 24**, implied market heat rates were at or below:

- 5.0 GJ/MWh 48% of the time
- 10.0 GJ/MWh 80% of the time
- 15.0 GJ/MWh 86% of the time
- 20.0 GJ/MWh 93% of the time

### Market Share Statistics

By Fuel Type:



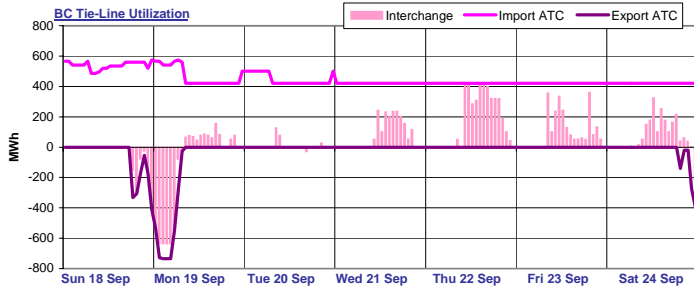
By Submitting Customer:



Last week, coal units were responsible for 68.4% of the generation in the province and set price 70.4% of the time. Gas-cogen units accounted for 21.7% of the generation and set price 28.3% of the time last week while other gas units made up 4.3% of generation and set price 0.1% of the time.

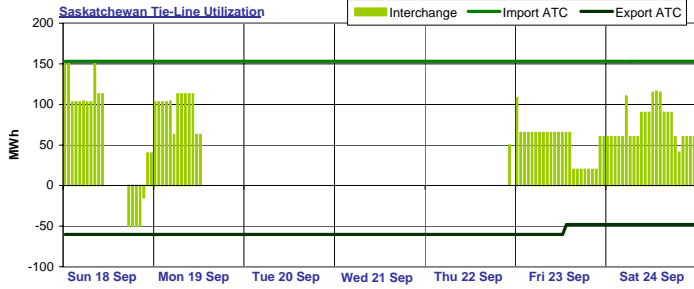
A total of 9 market participants set price last week. Two market participants set price more than 20% of the time last week. The top price setter set price 30.1% of the time and the top five price setters set price a total of 85.7% of the time.

# Interties

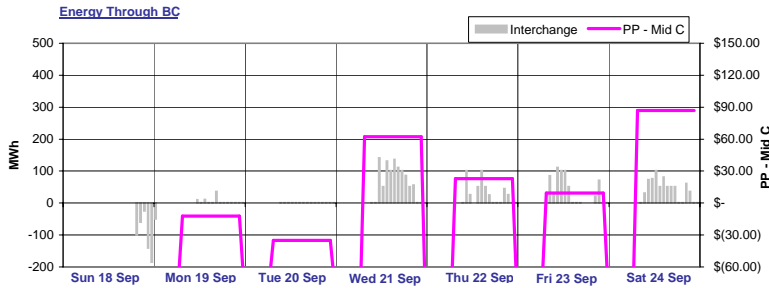


BC import capacity was 16% utilized last week while BC export capacity was 61% utilized. Energy was being imported into Alberta over the BC tie-line 53% of the time and exported out of Alberta over the BC tie-line 10% of the time last week. There was no activity on the BC tie-line 38% of the time last 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.



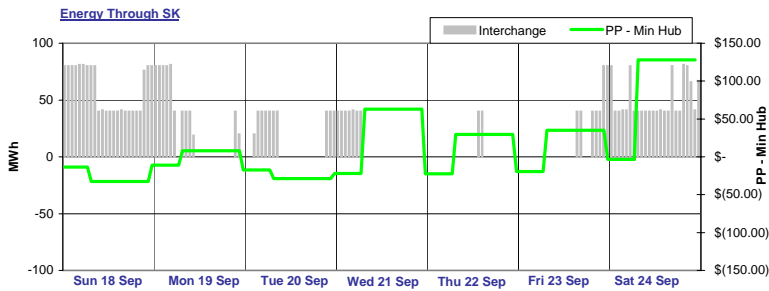
Saskatchewan import capacity was 23% utilized last week while Saskatchewan export capacity was 2% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 45% of the time and exported out of Alberta over the Saskatchewan tie-line 3% of the time last week. There was no activity on the Saskatchewan tie-line 52% of the time last week.



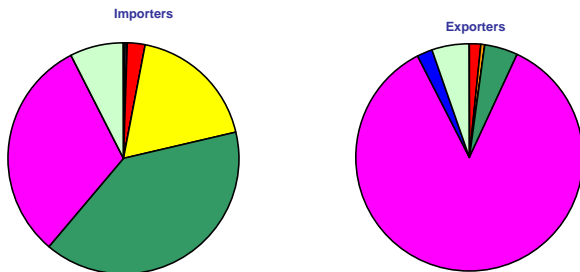
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

Alberta prices were generally higher than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supported import activity across the Alberta - Saskatchewan interconnection.

Note: Platt's day-ahead strip prices for Mid C and Min Hub used in energy through graphs.



**Tie-Line Market Shares**

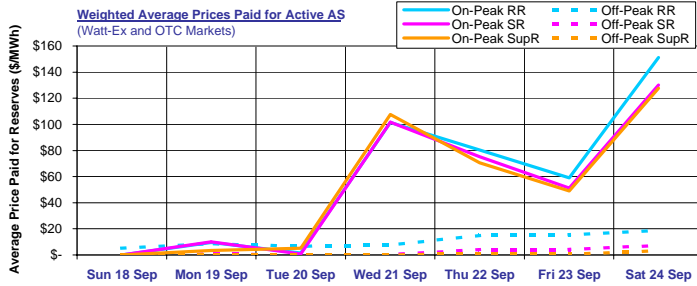


Last week, there were a total of 7 importers. The most active importer had a market share of 39.5% while the second most active importer had a market share of 31.6%.

There were a total of 6 exporters last week. The most active exporter had a market share of 85.4% while the next largest exporter had a market share of 5.2%.

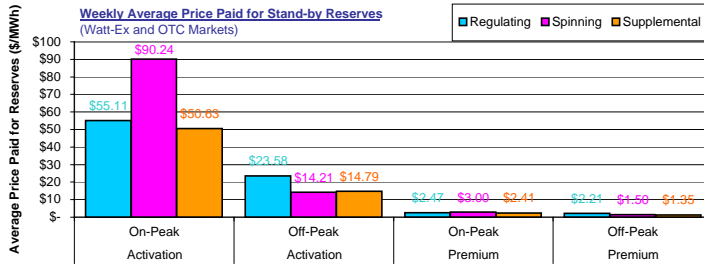
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$57.59/MWh**, **\$52.72/MWh** and **\$51.90/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

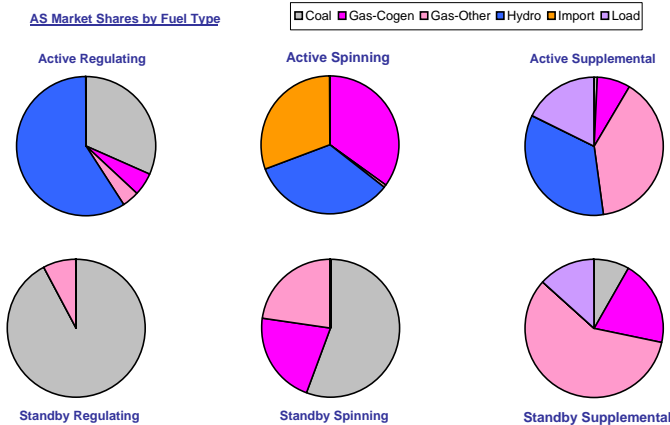
Active average off-peak prices were somewhat lower and averaged **\$11.01/MWh**, **\$2.37/MWh** and **\$0.67/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$14.21/MWh** for **off-peak spinning** reserves to **\$90.24/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$1.35/MWh** for **off-peak supplemental** reserves up to **\$3.00/MWh** for **on-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 **59.1%**. In the **active spinning** reserve market, **Gas-Cogen** units had the leading market share with **35.0%** while in the **active supplemental** reserve market, **Gas-Other** units dominated with a **39.1%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **92.3%** market share. Leading market share in the **standby spinning** market was held by **Coal** units with a **55.6%** market share. In the **standby supplemental** reserve market, **Gas-Other** units had the leading market share with **58.5%**.

## Glossary

<b>HE</b>	Hour Ending
<b>On-Peak Hours</b>	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)
<b>Off-Peak Hours</b>	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)
<b>COV</b>	Coefficient of Variation The standard deviation of a series of numbers divided by the mean of the same series of numbers. Used as a measure of volatility.
<b>ATC</b>	Available Transfer Capacity A measure of the maximum energy flow possible in one direction across an intertie.
<b>Market Heat Rate</b>	The prevailing Pool price divided by the prevailing gas price.
<b>Sparksread</b>	Sparksreads 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.