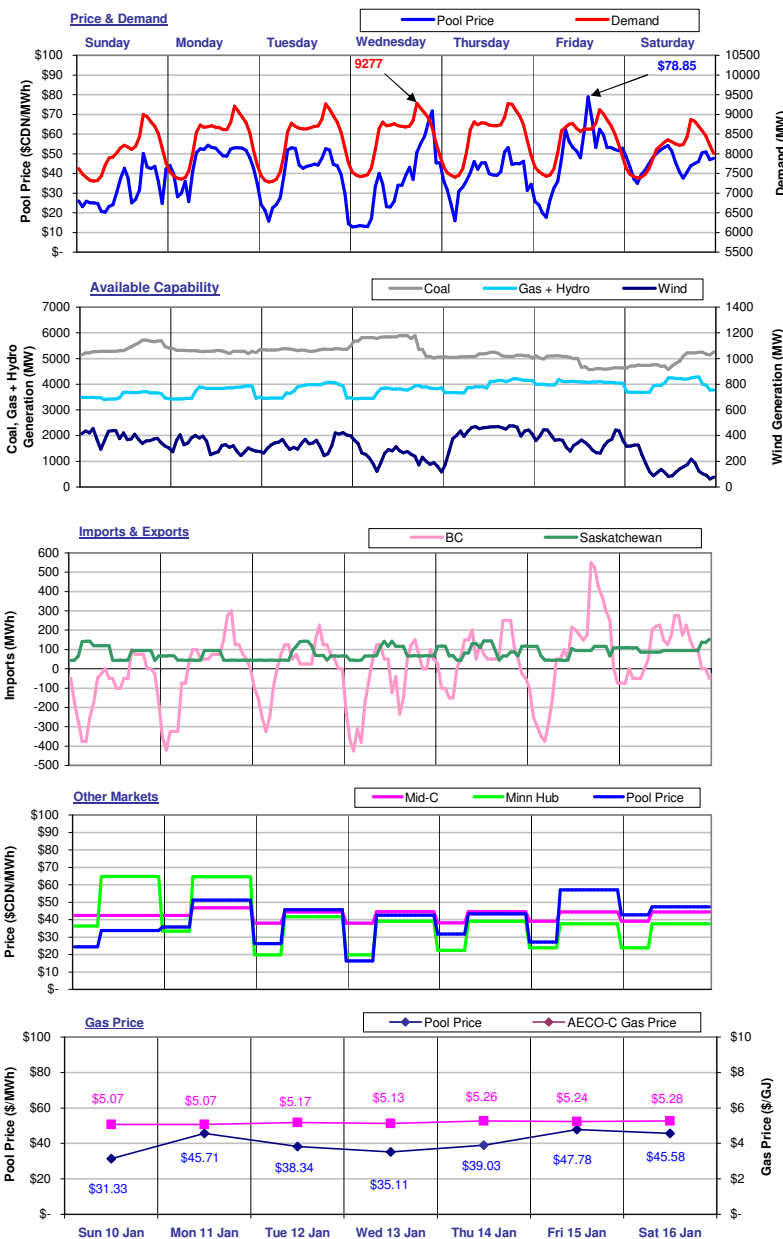


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending January 16, 2010

Weekly Highlights



For the week ending January 16, 2010, **Pool Price** averaged \$40.41/MWh and ranged from a minimum of \$12.86/MWh in HE01 on Wednesday to a maximum of \$78.85/MWh in HE15 on Friday. **Demand** reached a high of 9,277 MW in HE18 on Wednesday and a low of 7,282 MW in HE03 on Tuesday. Average demand for the week was 8,276 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.48.

Coal Unit Availability averaged 5220 MW last week. This is an equivalent availability of 86%. **Gas, Hydro and Other Unit Availability** averaged 3827 MW last week, which is an equivalent of 67%. **Wind Generation** averaged 317 MW last week. This is an equivalent availability of 56%. 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 1,592 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 13,915 MWh. Overall, Alberta imported 15,507 MWh 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 \$44.88/MWh on-peak and \$39.60/MWh off-peak. **Minn Hub** prices averaged \$43.27/MWh on-peak and \$25.66/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.029.

The average **AECO-C Gas Price** last week was \$5.17/GJ and ranged from a minimum of \$5.07/GJ to \$5.28/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.17 GJ/MWh to a high of 9.11 GJ/MWh. The average market heat rate for the week was 7.80 GJ/MWh.

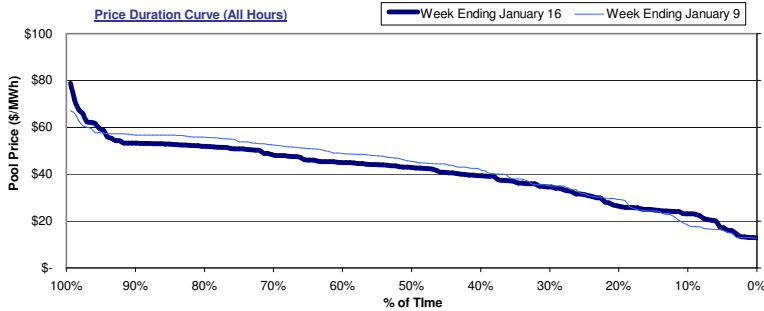


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

Wholesale Market

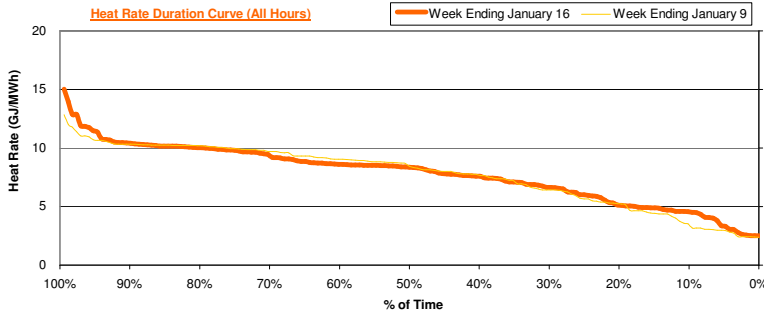
Weekly Market Statistics

	Sunday 10-Jan	Monday 11-Jan	Tuesday 12-Jan	Wednesday 13-Jan	Thursday 14-Jan	Friday 15-Jan	Saturday 16-Jan	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 31.33	\$ 45.71	\$ 38.34	\$ 35.11	\$ 39.03	\$ 47.78	\$ 45.58	\$ 40.41	\$ 42.04	-3.9%	\$ 41.16
On-Peak	NA	\$ 51.12	\$ 45.66	\$ 42.59	\$ 43.38	\$ 56.98	\$ 47.31	\$ 47.84	\$ 50.83	-5.9%	\$ 48.64
Off-Peak	\$ 31.33	\$ 34.88	\$ 23.69	\$ 20.15	\$ 30.31	\$ 29.38	\$ 42.13	\$ 30.51	\$ 30.32	0.6%	\$ 29.88
COV	0.28	0.19	0.32	0.50	0.22	0.34	0.12	0.28	0.33	-13.7%	
Heat Rate											
Average	6.17	9.02	7.41	6.85	7.42	9.11	8.64	7.80	7.72	1.1%	7.72
On-Peak	NA	10.09	8.83	8.31	8.24	10.87	8.96	9.22	9.37	-1.7%	9.12
Off-Peak	6.17	6.89	4.58	3.93	5.76	5.60	7.98	5.92	5.51	7.5%	5.60
Demand											
Average	8,022	8,320	8,321	8,399	8,429	8,344	8,096	8,276	8,659	-4.4%	8,456
Minimum	7,303	7,352	7,282	7,418	7,402	7,429	7,383	7,367	7,815	-5.7%	7,282
Maximum	8,997	9,209	9,266	9,277	9,276	9,116	8,864	9,144	9,513	-3.9%	9,799
Coal Unit Availability											
Average	5,421	5,289	5,348	5,623	5,110	4,839	4,907	5,220	5,547		5,365
AC/MC	90%	87%	88%	93%	84%	80%	81%	86%	92%	-5.4%	89%
Gas, Hydro and Other Unit Availability											
Average	3,559	3,724	3,774	3,739	3,961	4,062	3,973	3,827	3,978		3,915
AC/MC	62%	65%	66%	65%	69%	71%	70%	67%	70%	-2.6%	69%



The price duration curves show the % of time that prices were at or below a certain value during the week. For the week ending **January 16**, prices were at or below:

\$20/MWh	6% of the time
\$50/MWh	71% of the time
\$100/MWh	100% of the time
\$250/MWh	100% 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 **January 16** implied market heat rates were at or below:

5.0 GJ/MWh	18% of the time
10.0 GJ/MWh	79% of the time
15.0 GJ/MWh	99% of the time
20.0 GJ/MWh	100% of the time

Market Share Statistics

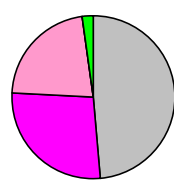
By Fuel Type:

Legend: Coal (grey), Gas - Cogen (pink), Gas - Other (light blue), Hydro (green), Other (yellow)

Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



By Submitting Customer:

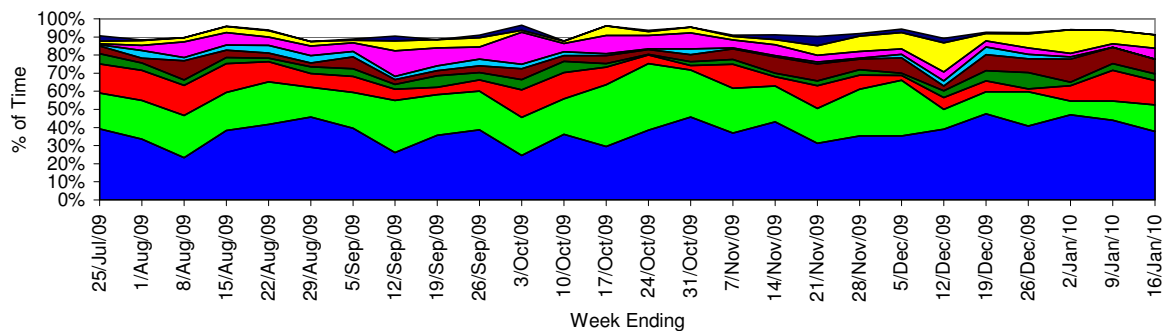
Weekly Price Setting by Submitting Customer



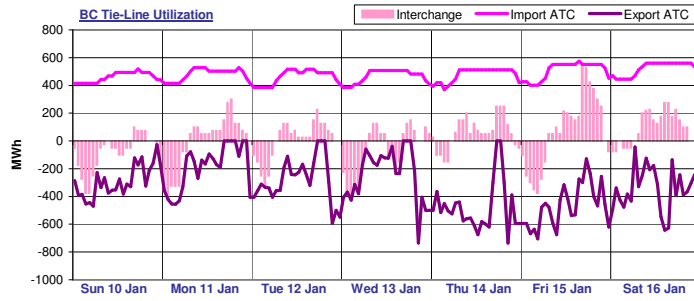
Last week, **coal units** were responsible for **62.2%** of the generation in the province and set price **48.6%** of the time. **Gas-cogen** units accounted for **24.5%** of the generation and set price **27.3%** of the time last week while **other gas** units made up **5.0%** of generation and set price **21.9%** of the time.

A total of **11** 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 **37.8%** of the time and the top five price setters set price a total of **81.5%** of the time.

Weekly Price Setting by Submitting Customer

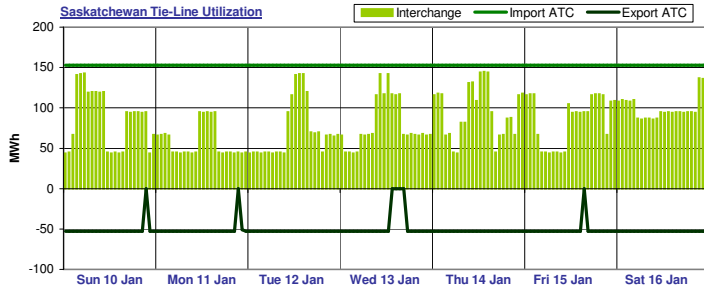


Interties

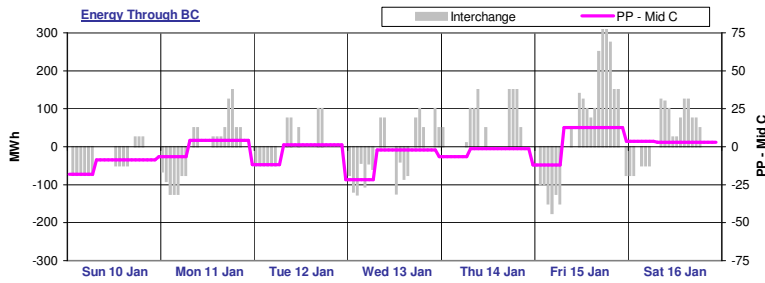


BC import capacity was 14% utilized last week while BC export capacity was 21% utilized. Energy was being imported into Alberta over the BC tie-line 55% of the time and exported out of Alberta over the BC tie-line 36% of the time last week. There was no activity on the BC tie-line 9% of the time last 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.



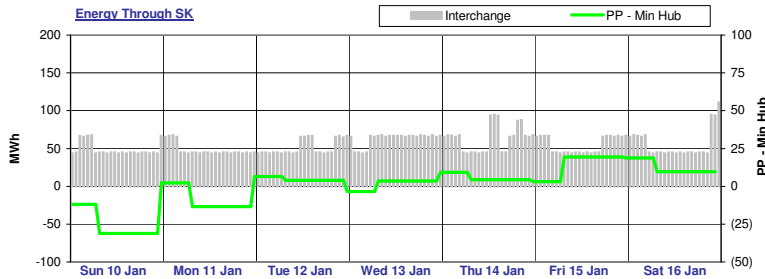
Saskatchewan import capacity was 54% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 100% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 0% of the time last week.



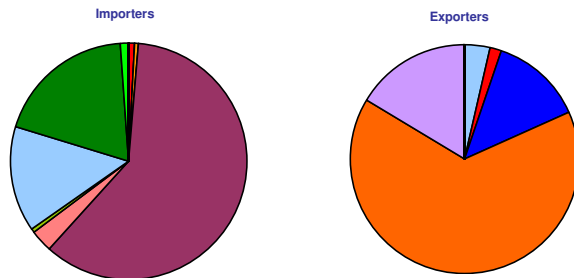
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices.

Alberta prices were generally higher than prices in MISO as represented by spot prices at the Minnesota Hub.

Note: Platt's day-ahead strip prices used in energy through BC and SK graphs.



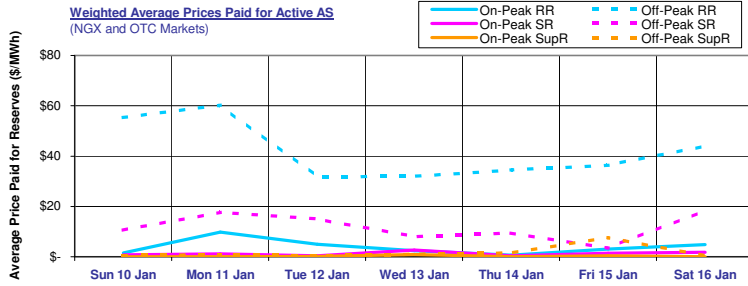
Tie-Line Market Shares



Last week, there were a total of 8 importers. The most active importer had a market share of 60.1% while the second most active importer had a market share of 19.3%. There were a total of 6 exporters last week. The most active exporter had a market share of 65.4% while the next largest exporter had a market share of 16.3%.

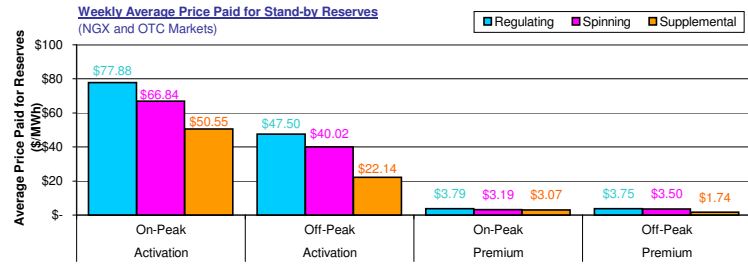
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$3.90/MWh**, **\$1.23/MWh** and **\$0.21/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

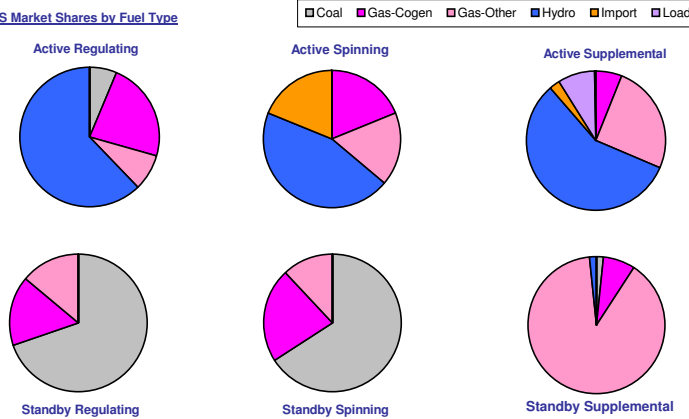
Active average off-peak prices were **higher** and averaged **\$42.02/MWh**, **\$11.78/MWh** and **\$1.72/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$22.14/MWh** for **off-peak supplemental** reserves to **\$77.88/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$1.74/MWh** for **off-peak supplemental** reserves up to **\$3.79/MWh** for **on-peak regulating** reserves.

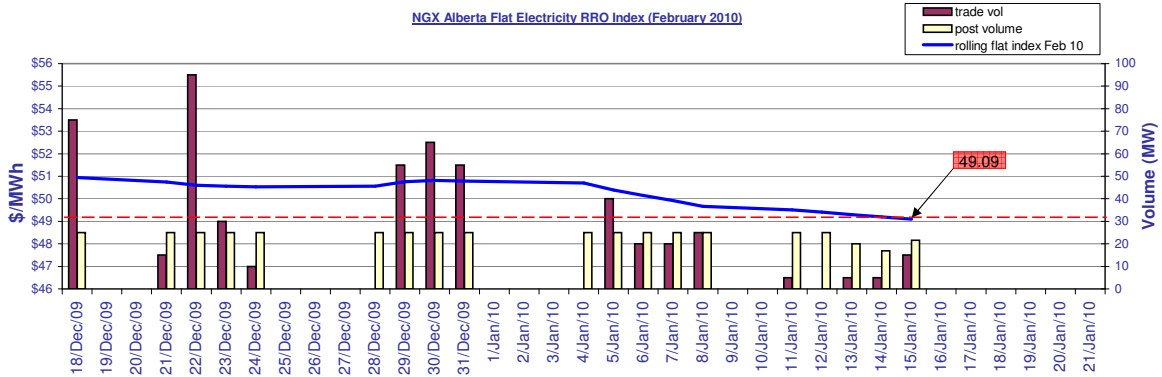
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **62.1%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **45.2%** while in the **active supplemental** reserve market, **hydro** units dominated with a **57.3%** market share.

Coal units dominated the **standby regulating** reserve market with a **69.8%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **65.9%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **89.0%**.

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.