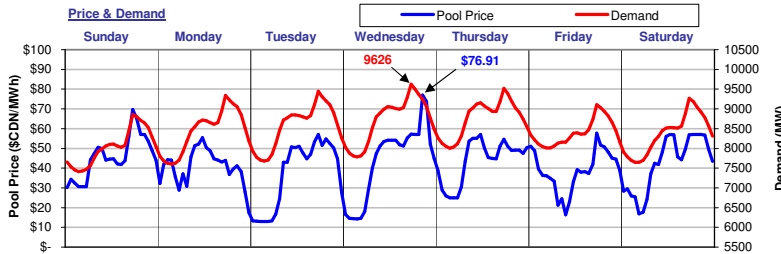


# The Market Monitor

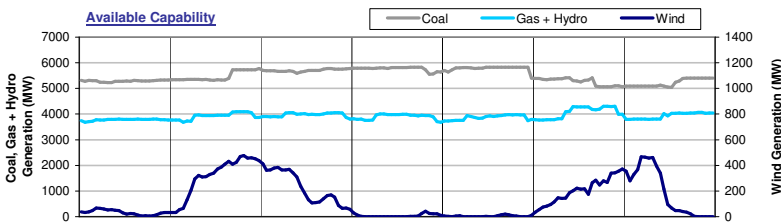
WATCHING THE MARKET : your fact source

Week Ending January 2, 2010

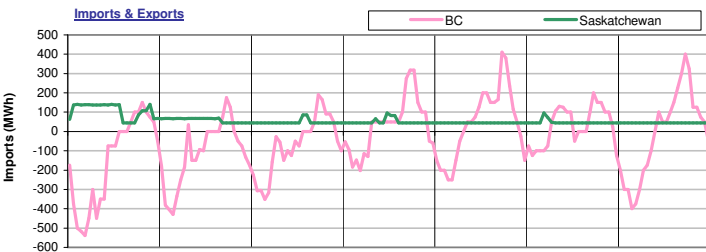
## Weekly Highlights



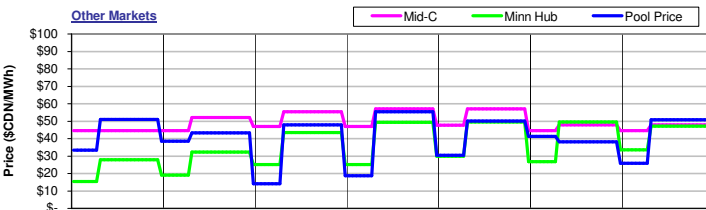
For the week ending January 2, 2010, **Pool Price** averaged \$41.76/MWh and ranged from a minimum of \$13.00/MWh in HE05 on Tuesday to a maximum of \$76.91/MWh in HE21 on Wednesday. **Demand** reached a high of 9,626 MW in HE18 on Wednesday and a low of 7,414 MW in HE04 on Sunday. Average demand for the week was 8,467 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.51.



Coal Unit Availability averaged 5500 MW last week. This is an equivalent availability of 91%. **Gas, Hydro and Other Unit Availability** averaged 3921 MW last week, which is an equivalent of 69%. **Wind Generation** averaged 140 MW last week. This is an equivalent availability of 25%. Availability numbers are based on MW offered into the energy merit order.

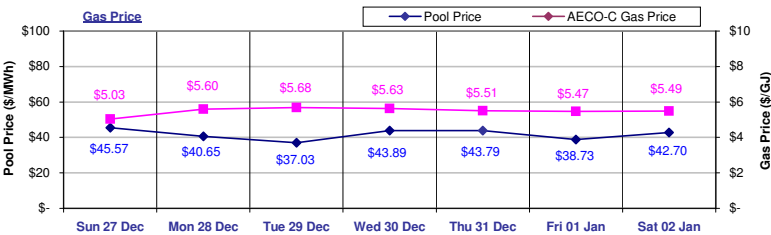


Alberta was a net exporter to BC last week with total exports equal to 6,079 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 9,712 MWh. Overall, Alberta imported 3,633 MWh of electricity last week.



**Pool Prices** were generally lower than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$52.93/MWh on-peak and \$45.69/MWh off-peak. **Minn Hub** prices averaged \$45.24/MWh on-peak and \$25.03/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.049.



The average **AECO-C Gas Price** last week was \$5.49/GJ and ranged from a minimum of \$5.03/GJ to \$5.68/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.52 GJ/MWh to a high of 9.06 GJ/MWh. The average market heat rate for the week was 7.63 GJ/MWh.

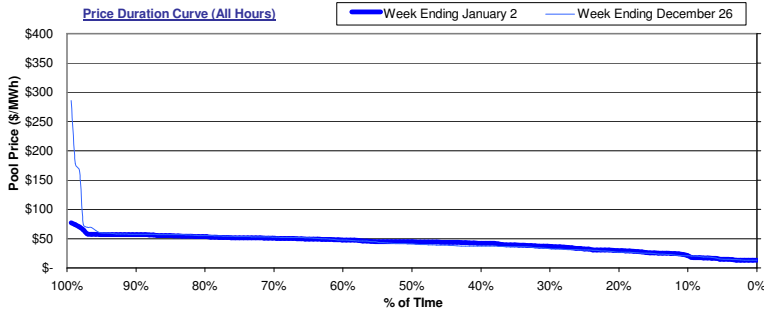


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

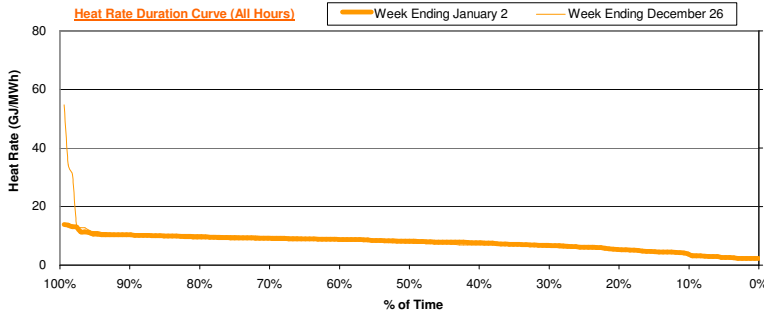
## Weekly Market Statistics

	Sunday 27-Dec	Monday 28-Dec	Tuesday 29-Dec	Wednesday 30-Dec	Thursday 31-Dec	Friday 1-Jan	Saturday 2-Jan	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 45.57	\$ 40.65	\$ 37.03	\$ 43.89	\$ 43.79	\$ 38.73	\$ 42.70	\$ 41.76	\$ 43.69	-4.4%	\$ 40.71
On-Peak	NA	\$ 43.38	\$ 47.87	\$ 55.41	\$ 50.10	\$ 38.15	\$ 50.83	\$ 47.62	\$ 48.26	-1.3%	\$ 44.49
Off-Peak	\$ 45.57	\$ 35.20	\$ 15.36	\$ 20.83	\$ 31.17	\$ 39.87	\$ 26.42	\$ 33.95	\$ 37.59	-9.7%	\$ 33.15
COV	0.24	0.22	0.46	0.44	0.25	0.27	0.32	0.31	0.43	-27.8%	
<b>Heat Rate</b>											
Average	9.06	7.26	6.52	7.80	7.95	7.08	7.77	7.63	8.13	-6.1%	7.43
On-Peak	NA	7.74	8.43	9.85	9.10	6.98	9.26	8.56	8.92	-4.1%	8.12
Off-Peak	9.06	6.28	2.70	3.70	5.66	7.29	4.81	6.40	7.08	-9.6%	6.05
<b>Demand</b>											
Average	8,039	8,434	8,565	8,712	8,761	8,392	8,367	8,467	8,535	-0.8%	8,380
Minimum	7,414	7,604	7,679	7,789	8,003	8,014	7,646	7,736	7,780	-0.6%	7,646
Maximum	8,858	9,345	9,445	9,626	9,522	9,110	9,271	9,311	9,290	0.2%	9,271
<b>Coal Unit Availability</b>											
Average	5,289	5,472	5,706	5,768	5,785	5,262	5,218	5,500	5,514	-0.2%	5,240
AC/MC	87%	90%	94%	95%	96%	87%	86%	91%	91%	-0.2%	87%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,777	3,924	3,975	3,897	3,869	4,067	3,936	3,921	4,097	-3.1%	4,002
AC/MC	66%	69%	70%	68%	68%	71%	69%	69%	72%	-3.1%	70%



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 2**, prices were at or below:

\$20/MWh	10% of the time
\$50/MWh	67% 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 2** implied market heat rates were at or below:

5.0 GJ/MWh	18% of the time
10.0 GJ/MWh	86% of the time
15.0 GJ/MWh	100% of the time
20.0 GJ/MWh	100% of the time

### Market Share Statistics

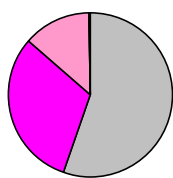
By Fuel Type:

Legend: Coal (Grey), Gas - Cogen (Pink), Gas - Other (Red), Hydro (Green), Other (Blue)

Weekly Generation by Fuel Type

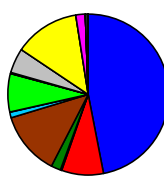


Weekly Price Setting by Fuel Type



By Submitting Customer:

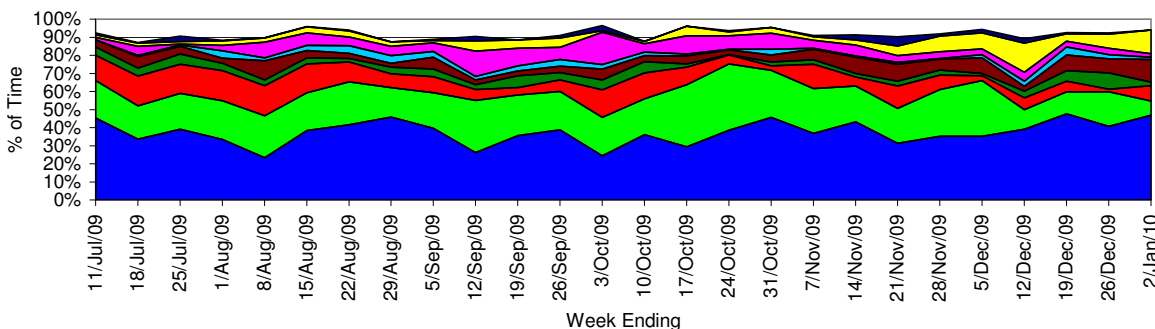
Weekly Price Setting by Submitting Customer



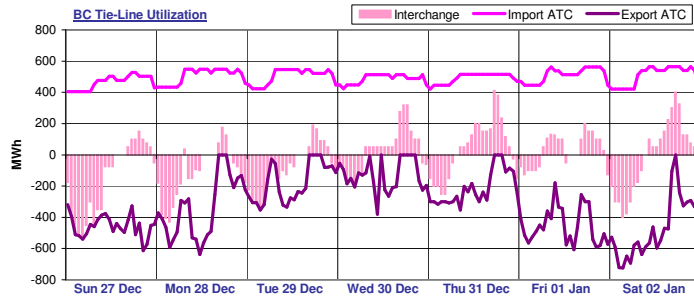
Last week, **coal units** were responsible for **64.5%** of the generation in the province and set price **55.2%** of the time. **Gas-cogen** units accounted for **25.8%** of the generation and set price **31.3%** of the time last week while **other gas** units made up **4.2%** of generation and set price **13.2%** 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 **46.9%** of the time and the top five price setters set price a total of **88.9%** of the time.

### Weekly Price Setting by Submitting Customer

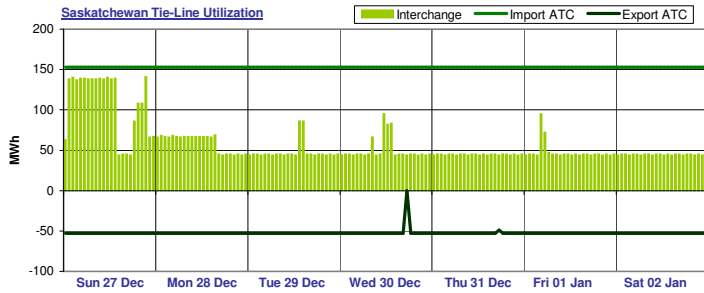


# Interties

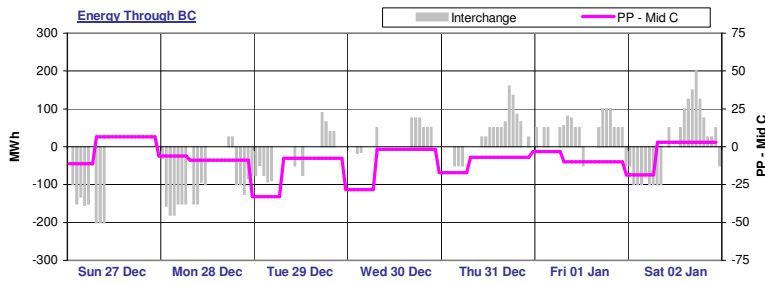


BC import capacity was 11% utilized last week while BC export capacity was 32% utilized. Energy was being imported into Alberta over the BC tie-line 43% of the time and exported out of Alberta over the BC tie-line 48% of the time last week. There was no activity on the BC tie-line 10% of the time last 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.



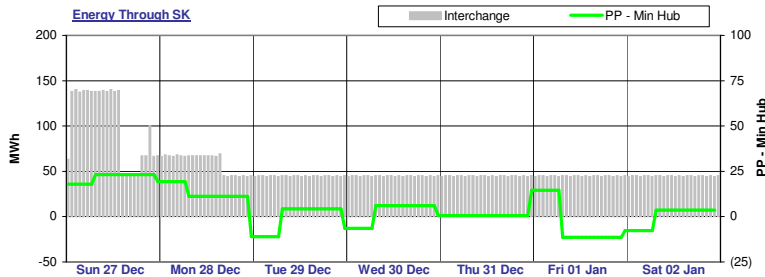
Saskatchewan import capacity was 38% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 100% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 0% of the time last week.



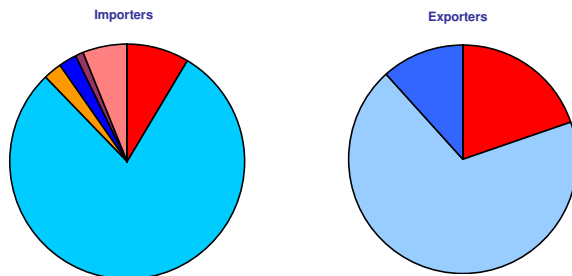
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



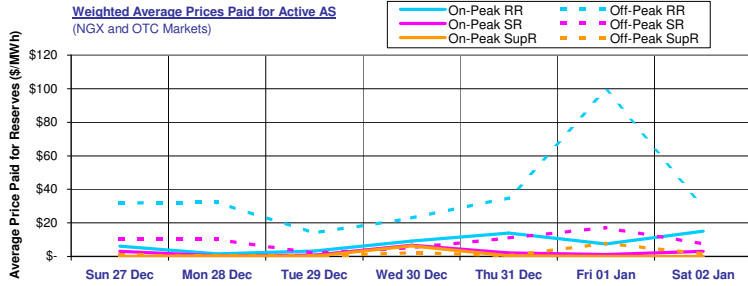
Tie-Line Market Shares



Last week, there were a total of 6 importers. The most active importer had a market share of 79.4% while the second most active importer had a market share of 8.5%. There were a total of 3 exporters last week. The most active exporter had a market share of 68.6% while the next largest exporter had a market share of 19.6%.

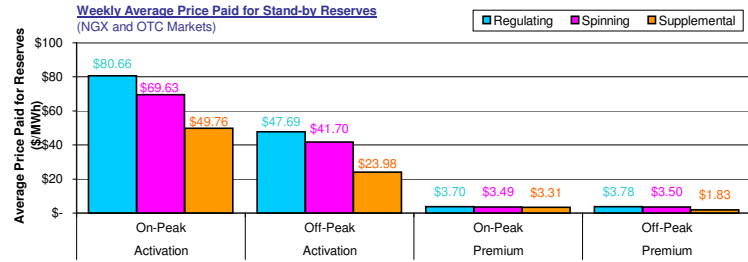
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$8.07/MWh**, **\$2.42/MWh** and **\$1.04/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

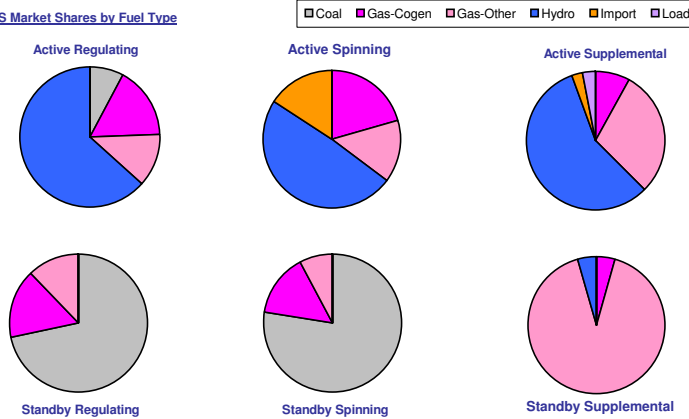
Active average off-peak prices were **higher** and averaged **\$38.13/MWh**, **\$9.08/MWh** and **\$1.81/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$23.98/MWh** for **off-peak supplemental** reserves to **\$80.66/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$1.83/MWh** for **off-peak supplemental** reserves up to **\$3.78/MWh** for **on-peak spinning** reserves.

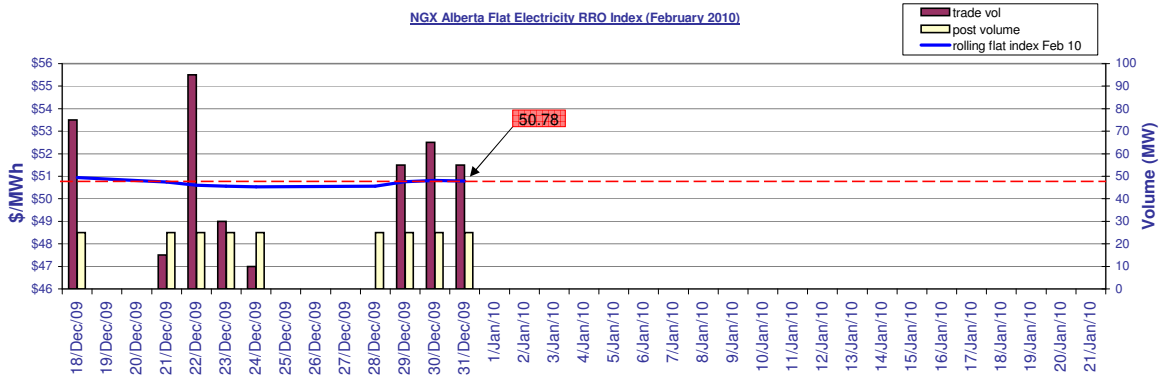
**AS Market Shares by Fuel Type**



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **63.3%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **48.7%** while in the **active supplemental** reserve market, **hydro** units dominated with a **57.0%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **71.8%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **77.4%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **91.0%**.

# 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.