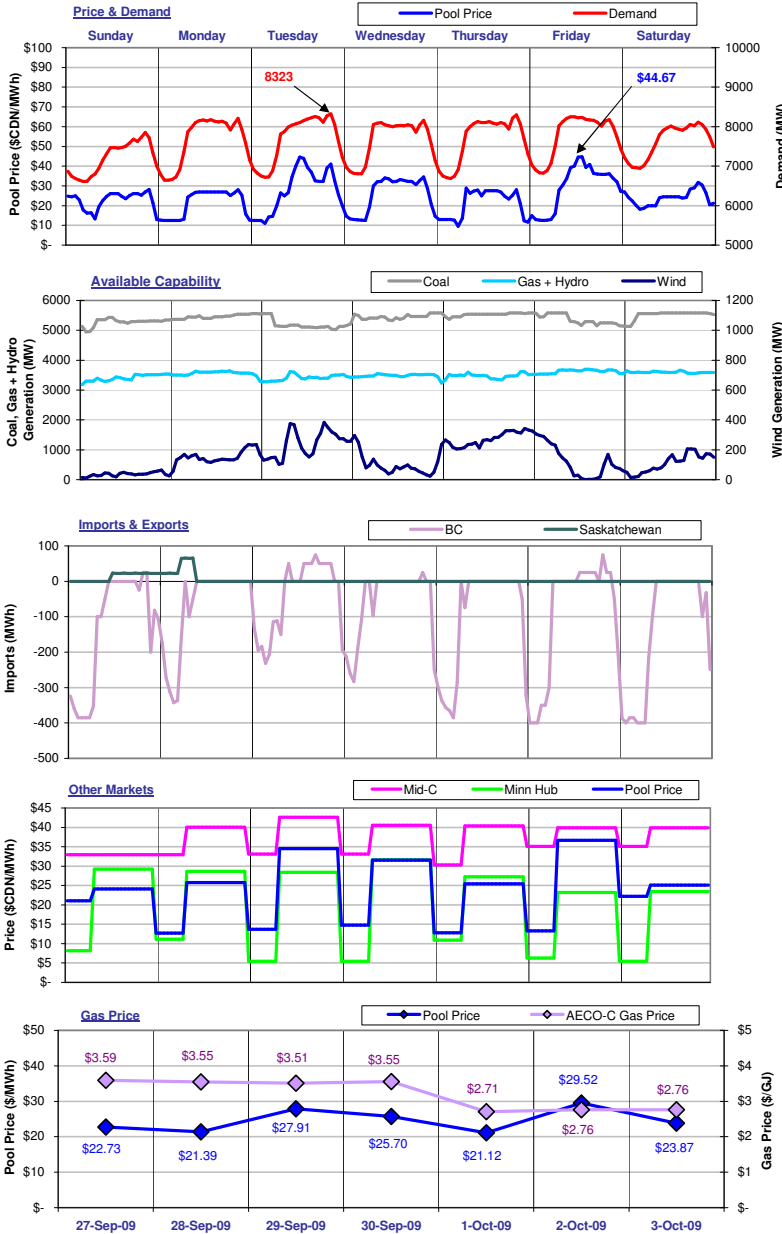


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending October 3, 2009

Weekly Highlights



For the week ending **October 3, 2009**, **Pool Price** averaged \$24.61/MWh and ranged from a minimum of \$9.60/MWh in HE06 on Thursday to a maximum of \$44.67/MWh in HE14 on Friday. **Demand** reached a high of 8323 MW in HE21 on Tuesday and a low of 6615 MW in HE06 on Sunday. Average demand for the week was 7614 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.68.

Coal Unit Availability averaged 5399 MW last week. This is an equivalent availability of 90%. **Gas, Hydro and Other Unit Availability** averaged 3510 MW last week, which is an equivalent of 65%. **Wind Generation** averaged 148 MW last week. This is an equivalent availability of 26%. 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 15,491 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 663 MWh. Overall, Alberta exported 14,828 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 \$40.57/MWh on-peak and \$33.23/MWh off-peak. **Minn Hub** prices averaged \$27.11/MWh on-peak and \$7.56/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.0915.

The average **AECO-C Gas Price** last week was \$3.20/GJ and ranged from a minimum of \$2.71/GJ to \$3.59/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.03 GJ/MWh to a high of 10.68 GJ/MWh. The average market heat rate for the week was 7.81 GJ/MWh.

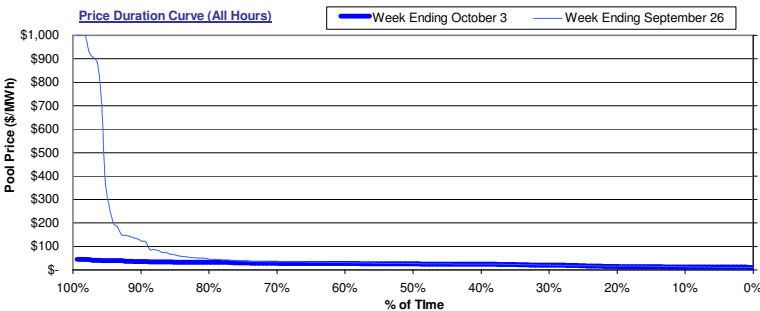


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

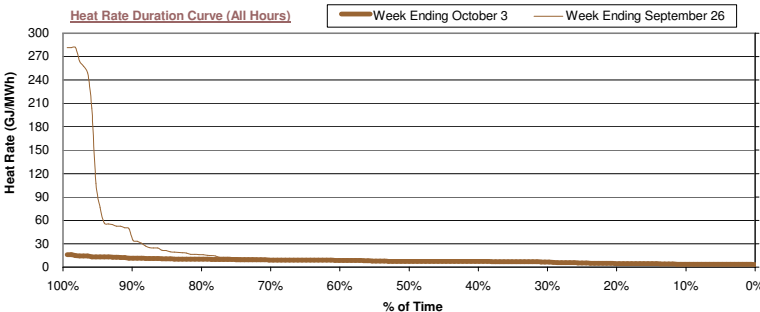
	Sunday 27-Sep	Monday 28-Sep	Tuesday 29-Sep	Wednesday 30-Sep	Thursday 1-Oct	Friday 2-Oct	Saturday 3-Oct	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 22.73	\$ 21.39	\$ 27.91	\$ 25.70	\$ 21.12	\$ 29.52	\$ 23.87	\$ 24.61	\$ 75.32	-67.3%	\$ 48.07
On-Peak	NA	\$ 25.77	\$ 34.55	\$ 31.50	\$ 25.47	\$ 36.67	\$ 25.08	\$ 29.84	\$ 117.96	-74.7%	\$ 62.03
Off-Peak	\$ 22.73	\$ 12.64	\$ 14.65	\$ 14.10	\$ 12.44	\$ 15.22	\$ 21.46	\$ 17.63	\$ 18.47	-4.5%	\$ 28.40
COV	0.19	0.31	0.40	0.35	0.34	0.38	0.15	0.30	0.79	-61.4%	
Heat Rate											
Average	6.33	6.03	7.95	7.24	7.80	10.68	8.66	7.81	22.27	-64.9%	13.47
On-Peak	NA	7.26	9.84	8.87	9.41	13.27	9.09	9.62	34.90	-72.4%	17.37
Off-Peak	6.33	3.56	4.17	3.97	4.59	5.51	7.78	5.40	5.42	-0.4%	7.96
Demand											
Average	7,209	7,653	7,693	7,661	7,681	7,772	7,630	7,614	7,633	-0.2%	7,880
Minimum	6,615	6,643	6,721	6,805	6,689	6,822	6,941	6,748	6,674	1.1%	6,454
Maximum	7,856	8,206	8,323	8,164	8,296	8,253	8,109	8,172	8,294	-1.5%	9,753
Coal Unit Availability											
Average	5,277	5,464	5,181	5,458	5,528	5,356	5,526	5,399	5,236		5,052
AC/MC	88%	91%	86%	91%	92%	89%	92%	90%	87%	2.7%	84%
Gas, Hydro and Other Unit Availability											
Average	3,412	3,559	3,418	3,481	3,479	3,622	3,598	3,510	3,312		3,586
AC/MC	63%	66%	63%	64%	64%	67%	66%	65%	62%	2.6%	68%



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

For the week ending **October 3**, prices were at or below:

- \$20/MWh **30%** of the time
- \$50/MWh **100%** of the time
- \$100/MWh **100%** of the time
- \$250/MWh **100%** of the time
- \$500/MWh **100%** of the time



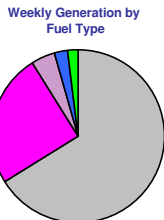
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **October 3** implied market heat rates were at or below:

- 5.0 GJ/MWh **24%** 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:

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



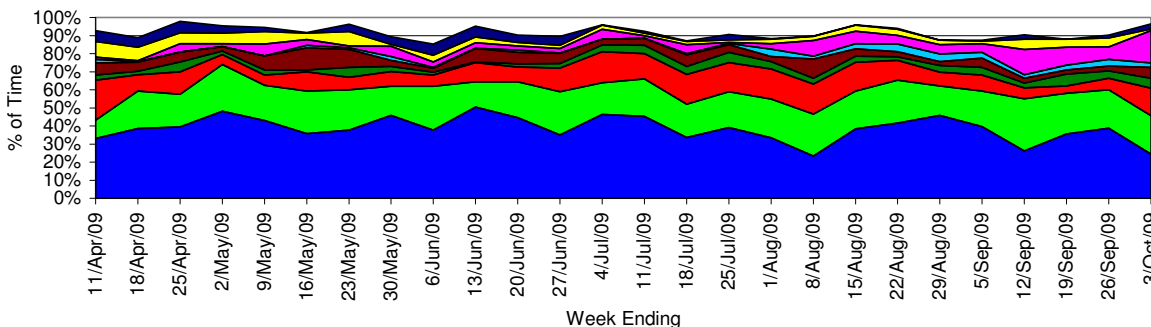
By Submitting Customer:



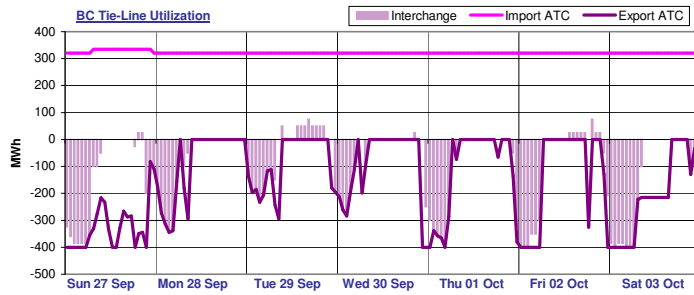
Last week, **coal units** were responsible for **67.2%** of the generation in the province and set price **58.9%** of the time. **Gas-cogen** units accounted for **23.8%** of the generation and set price **28.8%** of the time last week while **other gas** units made up **4.2%** of generation and set price **11.3%** of the time.

A total of **15** 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 **38.8%** of the time and the top five price setters set price a total of **78.1%** of the time.

Weekly Price Setting by Submitting Customer

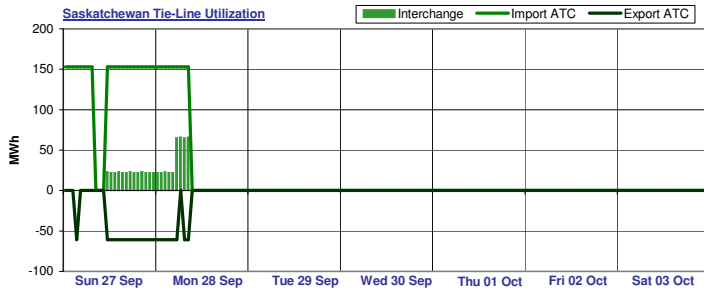


Interties

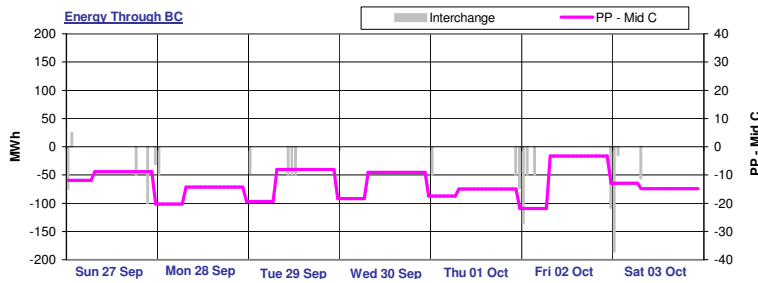


BC import capacity was 2% utilized last week while BC export capacity was 63% utilized. Energy was being imported into Alberta over the BC tie-line 12% of the time and exported out of Alberta over the BC tie-line 40% of the time last week. There was no activity on the BC tie-line 48% of the time last 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.



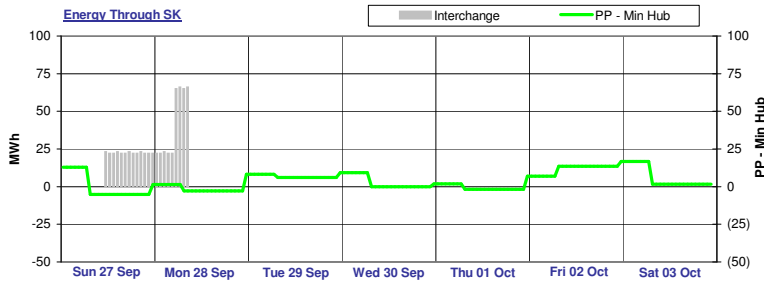
Saskatchewan import capacity was 14% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 13% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 87% of the time last week.



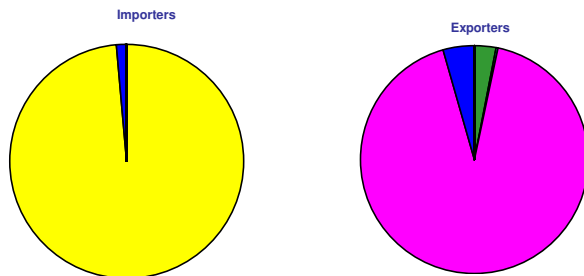
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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

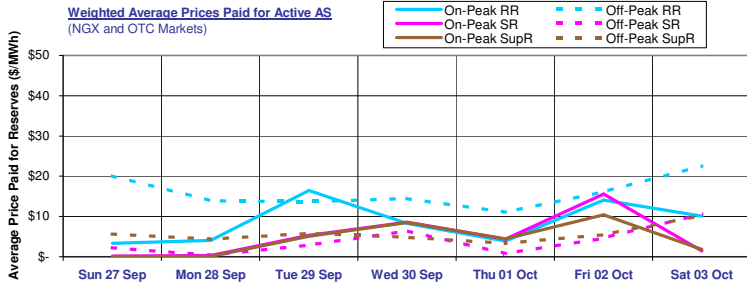


Last week, there were a total of 2 importers. The most active importer had a market share of 98.5% while the second most active importer had a market share of 1.5%.

There were a total of 4 exporters last week. The most active exporter had a market share of 92.3% while the next largest exporter had a market share of 4.5%.

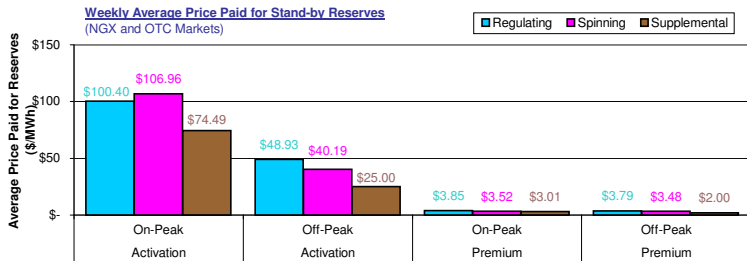
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$8.58/MWh**, **\$5.17/MWh** and **\$4.39/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

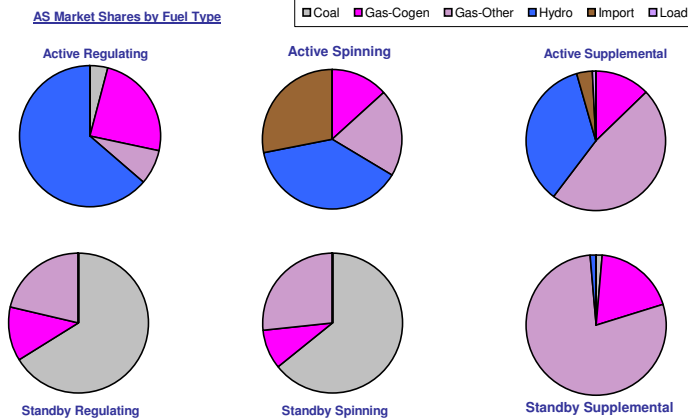
Active average off-peak prices were **higher** and averaged **\$15.80/MWh**, **\$4.00/MWh** and **\$5.68/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$25.00/MWh** for **off-peak supplemental** reserves to **\$106.96/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$2.00/MWh** for **off-peak supplemental** reserves up to **\$3.85/MWh** for **on-peak regulating** reserves.

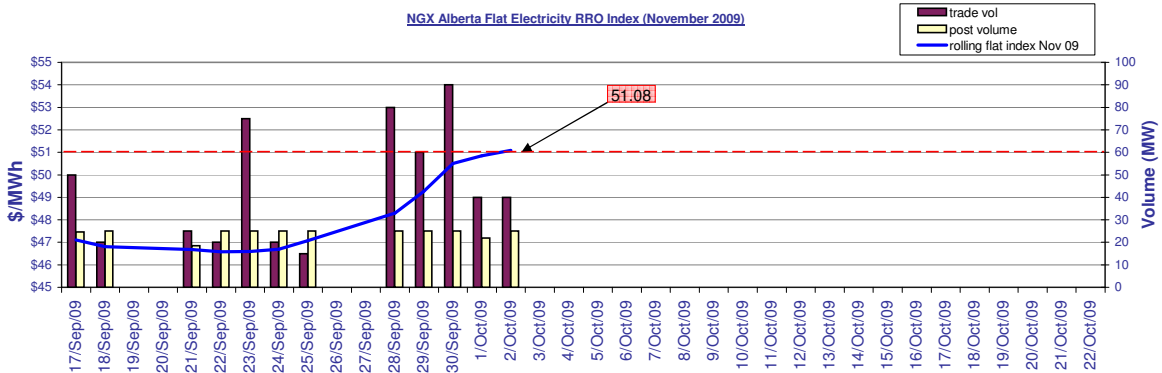
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **63.5%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **38.4%** while in the **active supplemental** reserve market, **gas** units dominated with a **47.6%** market share.

Coal units dominated the **standby regulating** reserve market with a **66.2%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **64.1%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **78.4%**.

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.