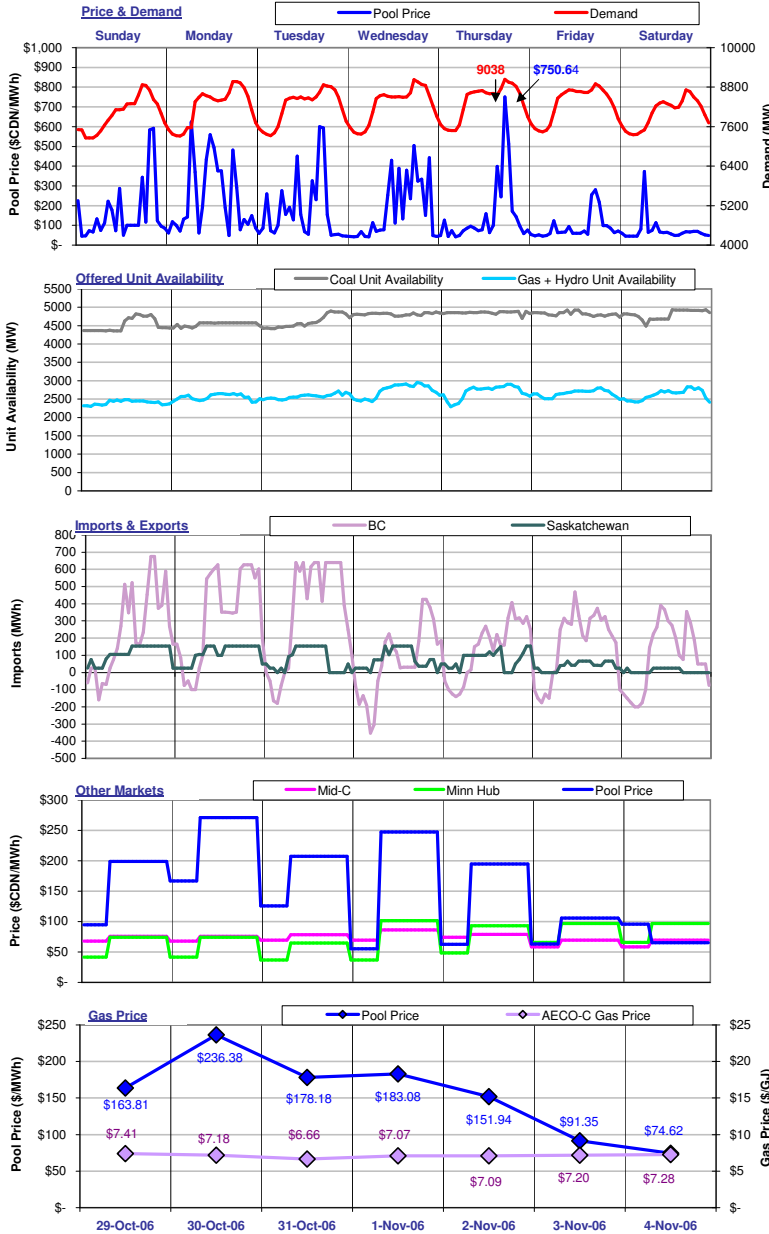


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending November 4, 2006

## Weekly Highlights



For the week ending **November 4, 2006**, **Pool Price** averaged \$154.19/MWh and ranged from a minimum of \$41.63/MWh in HE02 on Wednesday to a maximum of \$750.64/MWh in HE18 on Thursday.  
**Demand** reached a high of 9038 MW in HE18 on Thursday and a low of 7255 MW in HE03 on Sunday. Average demand for the week was 8190 MW.  
**Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.14.

**Coal Unit Availability** averaged 4709 MW last week. This is an equivalent availability of 81% (based on MCR).  
**Gas and Hydro Unit Availability** averaged 2603 MW last week, which is an equivalent of 46% (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 33054MWh.  
 Alberta was a net importer from **Saskatchewan** last week with total imports equal to 11,928 MWh.  
 Overall, Alberta imported 44,982 MWh of electricity last week.

**Pool Prices** were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week.  
**Mid-C** prices averaged \$76.34/MWh on-peak and \$66.50/MWh off-peak.  
**Minn Hub** prices averaged \$87.92/MWh on-peak and \$48.15/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.12019.

The average **AECO-C Gas Price** last week was \$7.13/GJ and ranged from a minimum of \$6.66/GJ to \$7.41/GJ.  
 Prevailing gas prices resulted in market heat rates ranging from a low of 10.25 GJ/MWh to a high of 32.92 GJ/MWh. The average market heat rate for the week was 21.72 GJ/MWh.

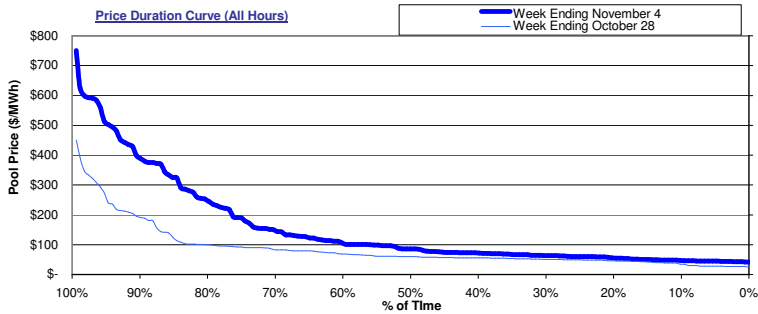


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

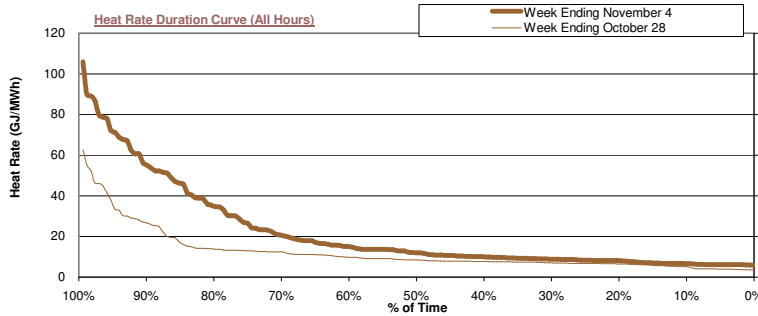
	Sunday 29-Oct	Monday 30-Oct	Tuesday 31-Oct	Wednesday 1-Nov	Thursday 2-Nov	Friday 3-Nov	Saturday 4-Nov	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 163.81	\$ 236.38	\$ 178.18	\$ 183.08	\$ 151.94	\$ 91.35	\$ 74.62	\$ 154.19	\$ 86.34	78.6%	\$ 79.94
On-Peak	NA	\$ 271.08	\$ 207.15	\$ 247.18	\$ 194.69	\$ 105.81	\$ 65.47	\$ 181.90	\$ 112.21	62.1%	\$ 104.57
Off-Peak	\$ 163.81	\$ 166.97	\$ 120.23	\$ 54.89	\$ 66.44	\$ 62.44	\$ 92.92	\$ 117.26	\$ 51.86	126.1%	\$ 42.94
COV	0.92	0.76	0.93	0.85	1.12	0.71	0.87	0.88	0.75	16.9%	
<b>Heat Rate</b>											
Average	22.12	32.92	26.75	25.88	21.44	12.69	10.25	21.72	12.00	81.0%	13.29
On-Peak	NA	37.76	31.09	34.94	27.48	14.70	9.00	25.83	15.57	65.9%	17.38
Off-Peak	22.12	23.26	18.05	7.76	9.38	8.67	12.77	16.25	7.25	124.2%	7.14
<b>Demand</b>											
Average	7,984	8,201	8,212	8,272	8,347	8,301	8,011	8,190	8,052	1.7%	7,853
Minimum	7,255	7,319	7,326	7,375	7,479	7,445	7,355	7,365	7,213	2.1%	6,351
Maximum	8,868	8,966	8,870	9,026	9,038	8,905	8,721	8,913	8,614	3.5%	9,306
<b>Coal Unit Availability</b>											
Average	4,520	4,539	4,610	4,817	4,853	4,822	4,803	4,709	4,773		5,254
Utilization	77%	78%	79%	82%	83%	83%	82%	81%	82%	-1.1%	90%
<b>Gas and Hydro Unit Availability</b>											
Average	2,402	2,554	2,575	2,725	2,693	2,655	2,618	2,603	2,532		2,129
Utilization	50%	54%	54%	57%	57%	56%	55%	55%	53%	1.5%	45%



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

For the week ending **November 4**, prices were at or below:

\$20/MWh	0% of the time
\$50/MWh	15% of the time
\$100/MWh	56% of the time
\$250/MWh	80% of the time
\$500/MWh	94% 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 **November 4** implied market heat rates were at or below:

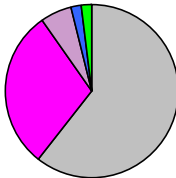
5.0 GJ/MWh	0% of the time
10.0 GJ/MWh	40% of the time
15.0 GJ/MWh	60% of the time
20.0 GJ/MWh	70% of the time

### Market Share Statistics

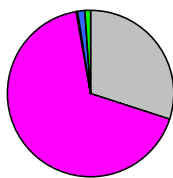
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type

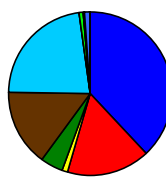


Weekly Price Setting by Fuel Type



By Submitting Customer:

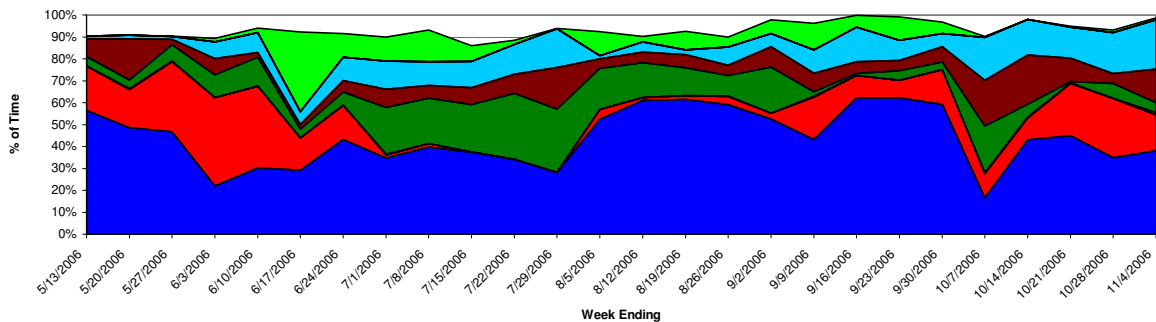
Weekly Price Setting by Submitting Customer



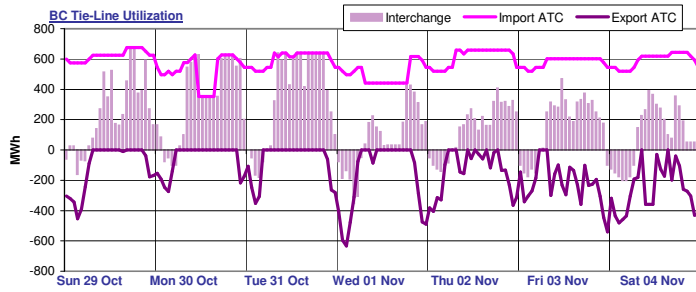
Last week, coal units were responsible for 60.5% of the generation in the province and set price 30.1% of the time. Gas-cogen units accounted for 29.7% of the generation and set price 67.6% of the time last week while other gas units made up 5.9% of generation and set price 0.2% of the time.

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 38.1% of the time and the top five price setters set price a total of 96.8% of the time.

### Weekly Price Setting by Submitting Customer

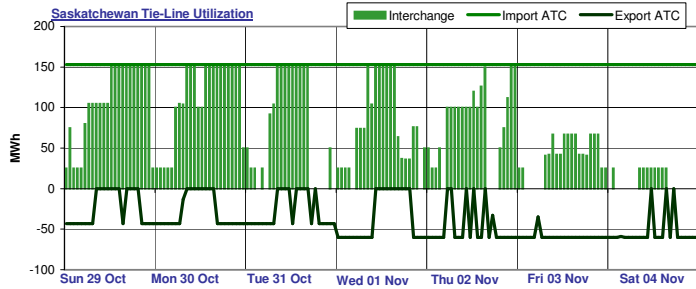


# Interties

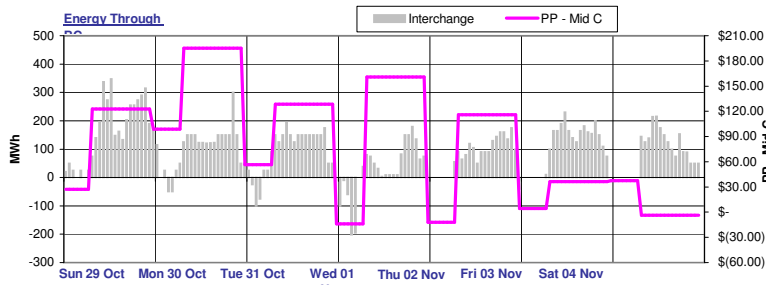


BC import capacity was 38% utilized last week while BC export capacity was 19% utilized. Energy was being imported into Alberta over the BC tie-line 74% of the time and exported out of Alberta over the BC tie-line 23% of the time last week. There was no activity on the BC tie-line 2% of the time last 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.



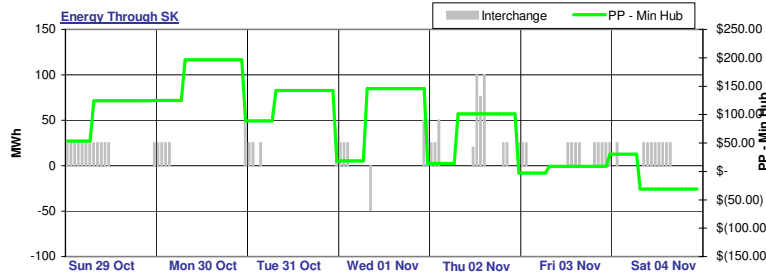
Saskatchewan import capacity was 46% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 80% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 20% of the time last week.



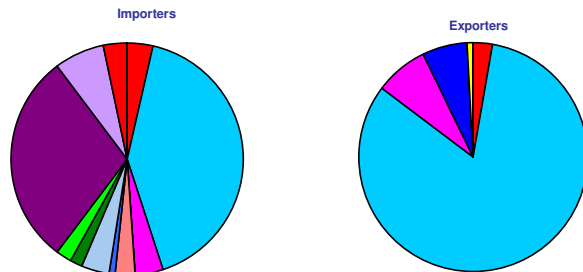
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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 used in energy through BC and SK graphs.



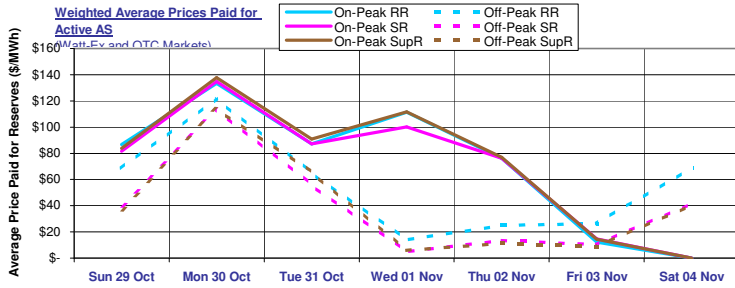
## Tie-Line Market Shares



Last week, there were a total of 11 importers. The most active importer had a market share of 41.3% while the second most active importer had a market share of 29.6%. There were a total of 5 exporters last week. The most active exporter had a market share of 82.4% while the next largest exporter had a market share of 7.6%.

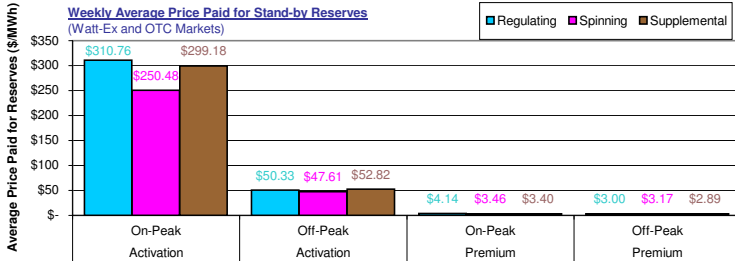
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$72.11/MWh**, **\$70.66/MWh** and **\$73.6/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

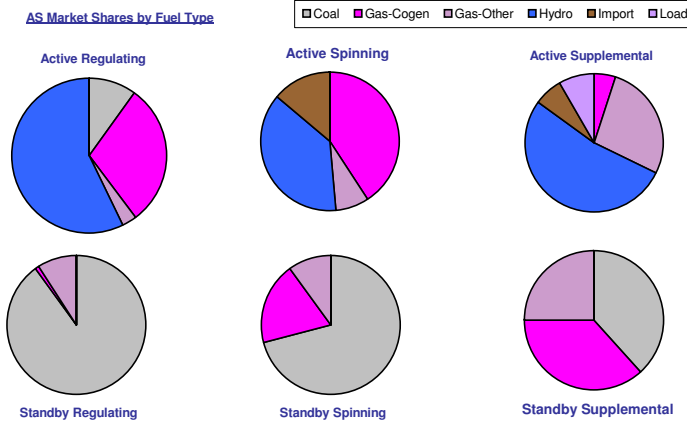
Active average off-peak prices were somewhat **higher** and averaged **\$56.76/MWh**, **\$39.97/MWh** and **\$40.47/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$47.61/MWh** for **off-peak supplemental** reserves to **\$310.76/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$2.89/MWh** for **off-peak supplemental** reserves up to **\$4.14/MWh** for **on-peak regulating** reserves.

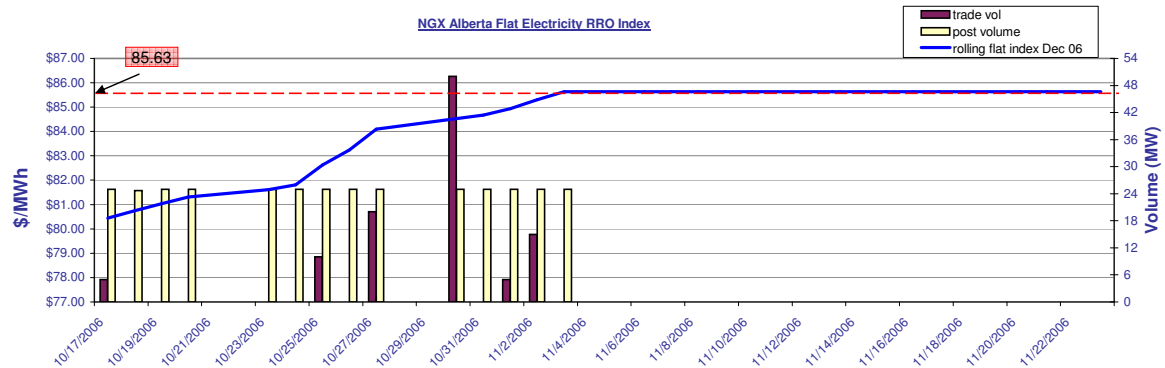
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **57.2%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **40.7%** while in the **active supplemental** reserve market, **hydro** units dominated with a **52.6%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **90.0%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **70.7%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **38.5%**.

# 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.