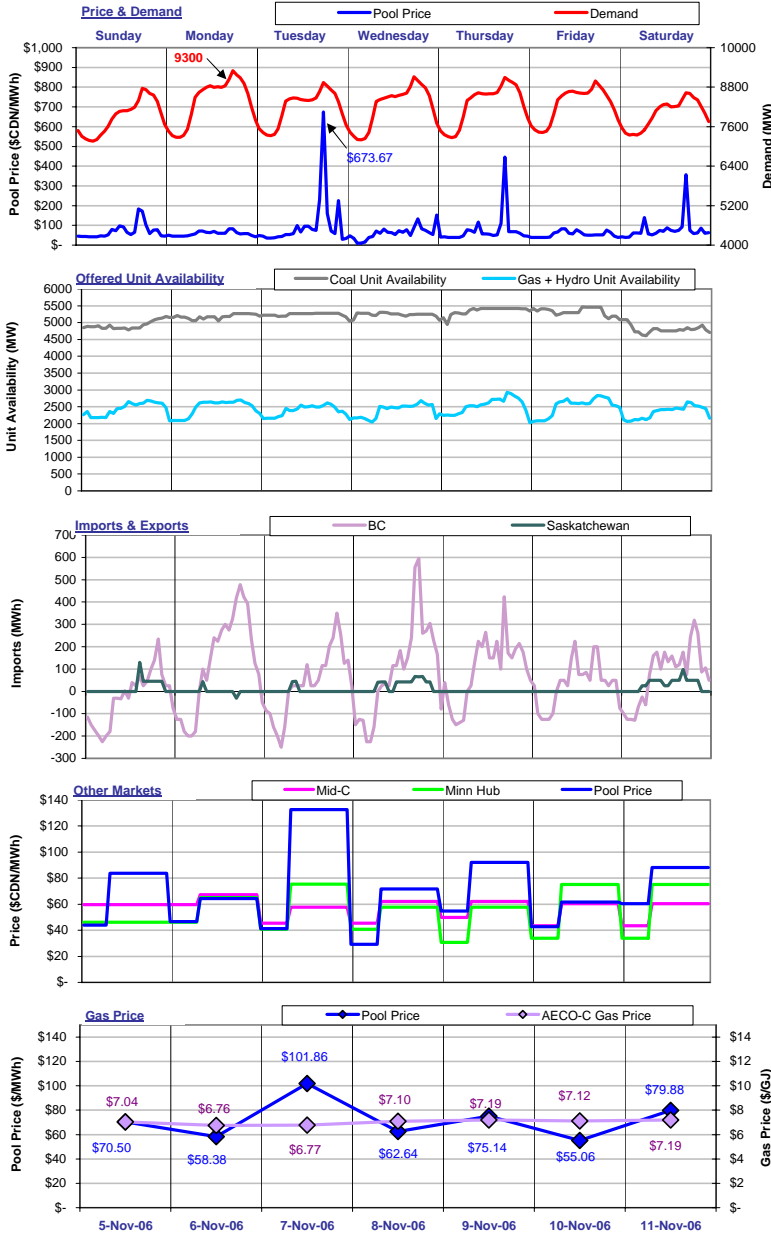


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending November 11, 2006

## Weekly Highlights



For the week ending November 11, 2006, **Pool Price** averaged \$71.92/MWh and ranged from a minimum of \$10.06/MWh in HE04 on Wednesday to a maximum of \$673.67/MWh in HE18 on Tuesday. **Demand** reached a high of 9300 MW in HE18 on Monday and a low of 7158 MW in HE05 on Sunday. Average demand for the week was 8169 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.12.

**Coal Unit Availability** averaged 5152 MW last week. This is an equivalent availability of 88% (based on MCR). **Gas and Hydro Unit Availability** averaged 2437 MW last week, which is an equivalent of 43% (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 10,638 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 1,870 MWh. Overall, Alberta imported 12,508 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 \$61.71/MWh on-peak and \$49.54/MWh off-peak. **Minn Hub** prices averaged \$67.70/MWh on-peak and \$38.88/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.13037.

The average **AECO-C Gas Price** last week was \$7.02/GJ and ranged from a minimum of \$6.76/GJ to \$7.19/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 7.74 GJ/MWh to a high of 15.05GJ/MWh. The average market heat rate for the week was 10.26GJ/MWh.

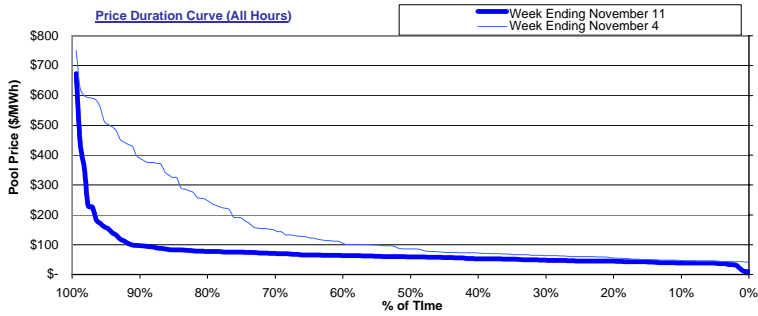


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

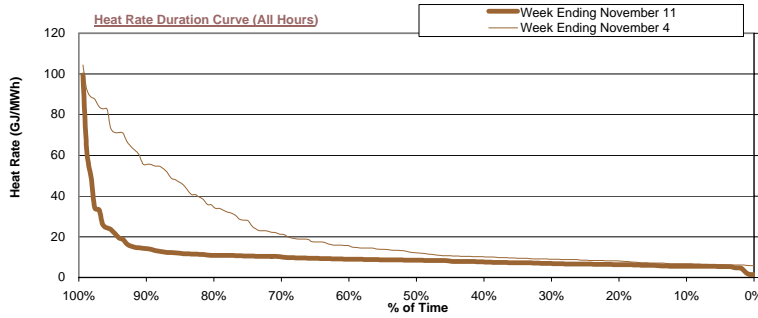
## Weekly Market Statistics

	Sunday 5-Nov	Monday 6-Nov	Tuesday 7-Nov	Wednesday 8-Nov	Thursday 9-Nov	Friday 10-Nov	Saturday 11-Nov	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 70.50	\$ 58.38	\$ 101.86	\$ 62.64	\$ 75.14	\$ 55.06	\$ 79.88	\$ 71.92	\$ 154.19	-53.4%	\$ 79.76
On-Peak	NA	\$ 64.36	\$ 132.72	\$ 71.82	\$ 92.04	\$ 61.58	\$ 88.10	\$ 85.10	\$ 181.90	-53.2%	\$ 104.13
Off-Peak	\$ 70.50	\$ 46.43	\$ 40.14	\$ 44.28	\$ 41.32	\$ 42.01	\$ 63.43	\$ 54.35	\$ 117.26	-53.7%	\$ 43.09
COV	0.54	0.20	1.31	0.53	1.08	0.26	0.78	0.67	0.88	-23.8%	
<b>Heat Rate</b>											
Average	10.02	8.64	15.05	8.82	10.46	7.74	11.11	10.26	21.72	-52.8%	13.21
On-Peak	NA	9.52	19.60	10.11	12.81	8.65	12.25	12.16	25.83	-52.9%	17.24
Off-Peak	10.02	6.87	5.93	6.23	5.75	5.90	8.82	7.73	16.25	-52.4%	7.14
<b>Demand</b>											
Average	7,892	8,374	8,171	8,219	8,277	8,274	7,979	8,169	8,190	-0.2%	7,860
Minimum	7,158	7,274	7,330	7,195	7,263	7,423	7,343	7,284	7,365	-1.1%	6,351
Maximum	8,761	9,300	8,944	9,116	9,095	8,988	8,633	8,977	8,913	0.7%	9,306
<b>Coal Unit Availability</b>											
Average	4,925	5,181	5,238	5,237	5,351	5,328	4,801	5,152	4,709		5,251
Utilization	84%	89%	90%	90%	92%	91%	82%	88%	81%	7.6%	90%
<b>Gas and Hydro Unit Availability</b>											
Average	2,431	2,475	2,380	2,388	2,530	2,518	2,337	2,437	2,603		2,136
Utilization	51%	52%	50%	50%	53%	53%	49%	51%	55%	-3.5%	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 11**, prices were at or below:

- \$20/MWh 1% of the time
- \$50/MWh 33% of the time
- \$100/MWh 91% of the time
- \$250/MWh 98% of the time
- \$500/MWh 99% of the time



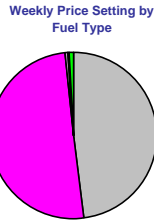
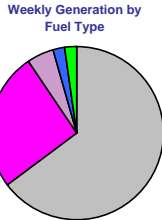
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **November 11** implied market heat rates were at or below:

- 5.0 GJ/MWh 4% of the time
- 10.0 GJ/MWh 70% of the time
- 15.0 GJ/MWh 92% of the time
- 20.0 GJ/MWh 95% of the time

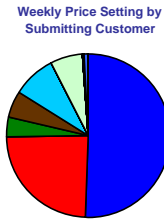
### Market Share Statistics

By Fuel Type:

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



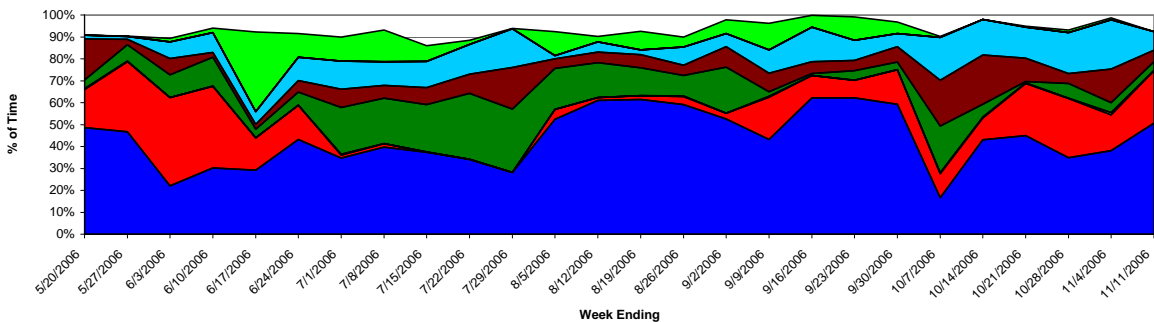
By Submitting Customer:



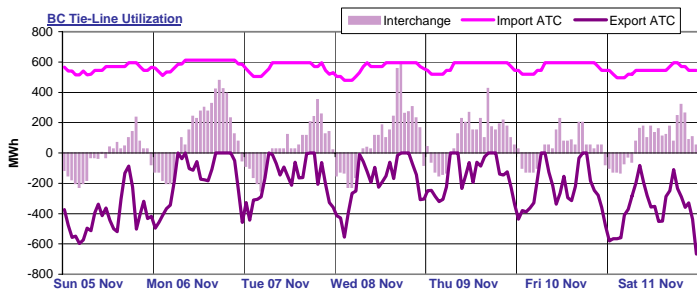
Last week, coal units were responsible for 64.6% of the generation in the province and set price 48.2% of the time. **Gas-cogen** units accounted for 26.1% of the generation and set price 50.2% of the time last week while **other gas** units made up 4.9% of generation and set price 0.4% of the time.

A total of 11 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 50.6% of the time and the top five price setters set price a total of 94.7% of the time.

### Weekly Price Setting by Submitting Customer

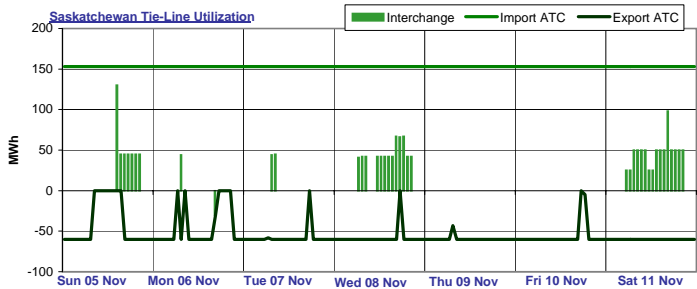


# Interties

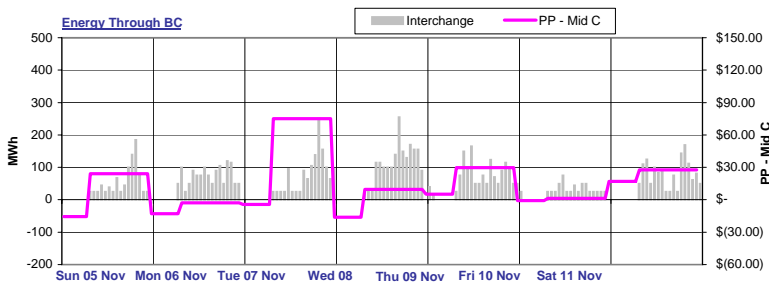


BC import capacity was 17% utilized last week while BC export capacity was 13% utilized. Energy was being imported into Alberta over the BC tie-line 67% of the time and exported out of Alberta over the BC tie-line 30% of the time last week. There was no activity on the BC tie-line 3% of the time last 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.



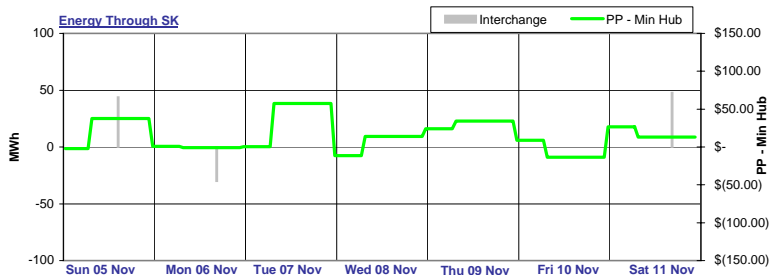
Saskatchewan import capacity was 7% utilized last week while Saskatchewan export capacity was 1% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 23% of the time and exported out of Alberta over the Saskatchewan tie-line 1% of the time last week. There was no activity on the Saskatchewan tie-line 76% of the time last week.



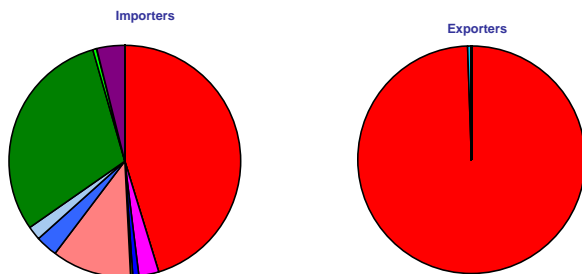
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



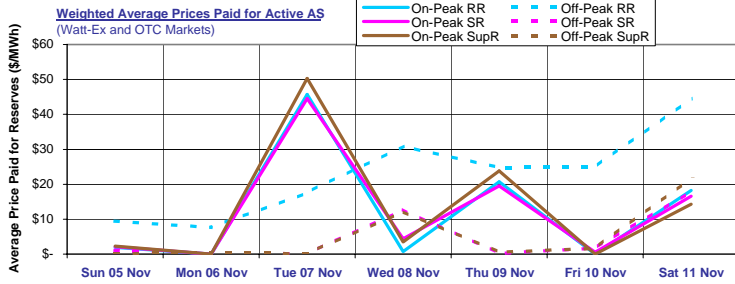
Tie-Line Market Shares



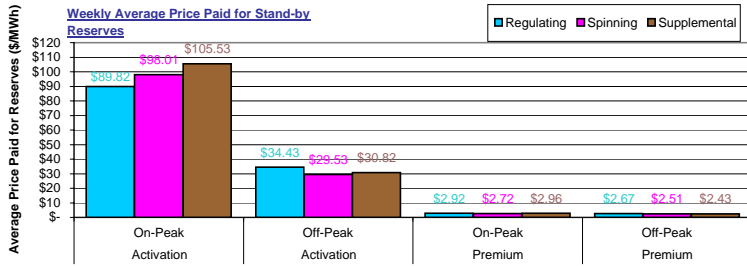
Last week, there were a total of 10 importers. The most active importer had a market share of 45.2% while the second most active importer had a market share of 30.4%. There were a total of 2 exporters last week. The most active exporter had a market share of 99.6% while the next largest exporter had a market share of 0.4%.

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

# Ancillary Services Market

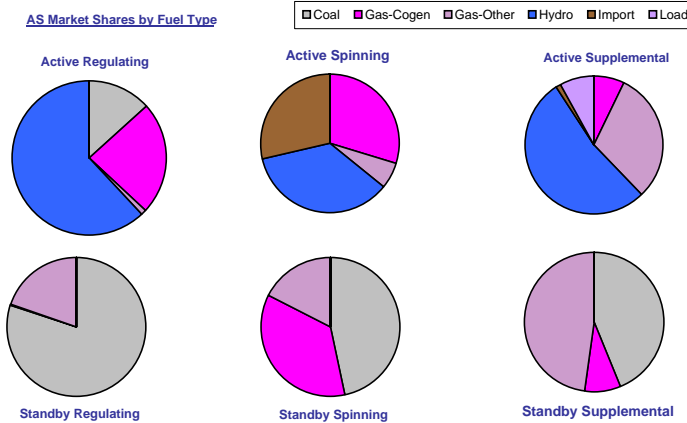


Average on-peak prices paid for active ancillary services last week were \$12.55/MWh, \$12.60/MWh and \$13.63/MWh respectively for active regulating, spinning and supplemental reserves.  
Active average off-peak prices averaged \$22.63/MWh \$4.69/MWh and \$5.19/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$29.53/MWh for off-peak spinning reserves to \$105.53/MWh for on-peak regulating reserves.  
Weekly average premium prices ranged from \$2.43/MWh for off-peak supplemental reserves up to \$2.96/MWh for on-peak spinning reserves.

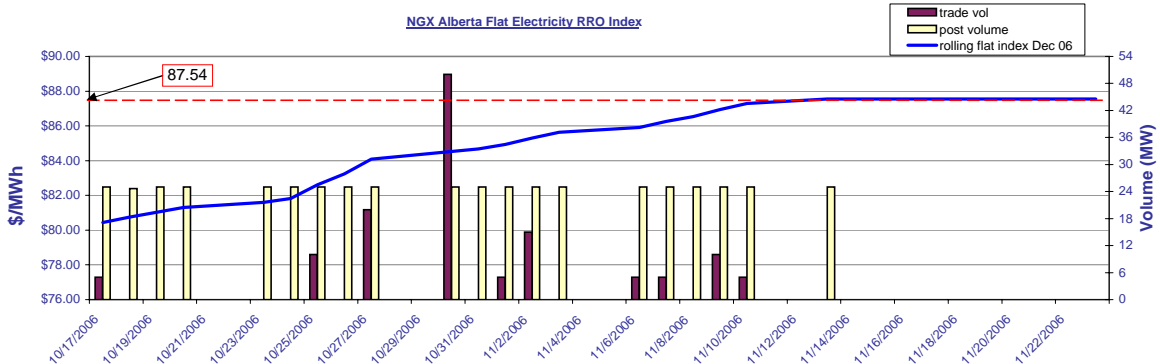
AS Market Shares by Fuel Type



Last week hydro units had the largest market share in the active regulating reserve market with 62.1%. In the active spinning reserve market, hydro units had the leading market share with 35.6% while in the active supplemental reserve market, hydro units dominated with a 52.9% market share.

Coal units dominated the standby regulating reserve market with a 80.1% market share. Leading market share in the standby spinning market was held by coal units with a 46.5% market share. In the standby supplemental reserve market, gas units had the leading market share with 47.9%.

# 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.