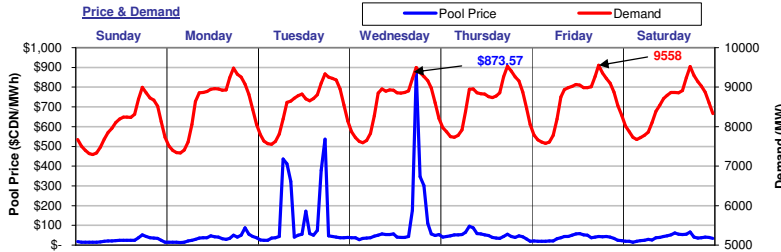


# The Market Monitor

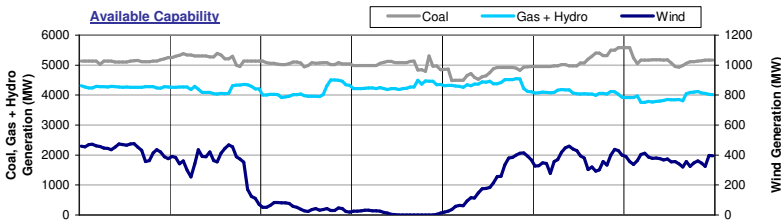
WATCHING THE MARKET : your fact source

Week Ending December 5, 2009

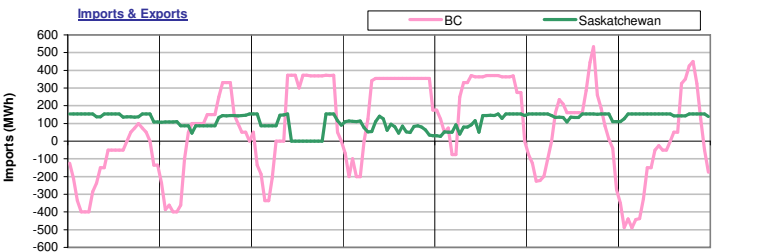
## Weekly Highlights



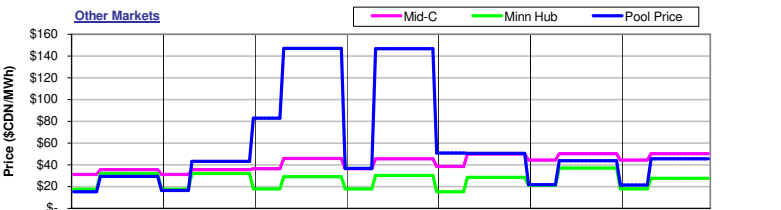
For the week ending December 5, 2009, **Pool Price** averaged \$60.05/MWh and ranged from a minimum of \$13.01/MWh in HE04 on Monday to a maximum of \$873.57/MWh in HE18 on Wednesday. **Demand** reached a high of 9558 MW in HE18 on Friday and a low of 7297 MW in HE05 on Sunday. Average demand for the week was 8094 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.09.



Coal Unit Availability averaged 5076 MW last week. This is an equivalent availability of 84%. **Gas, Hydro and Other Unit Availability** averaged 4175 MW last week, which is an equivalent of 73%. **Wind Generation** averaged 255 MW last week. This is an equivalent availability of 45%. Availability numbers are based on MW offered into the energy merit order.

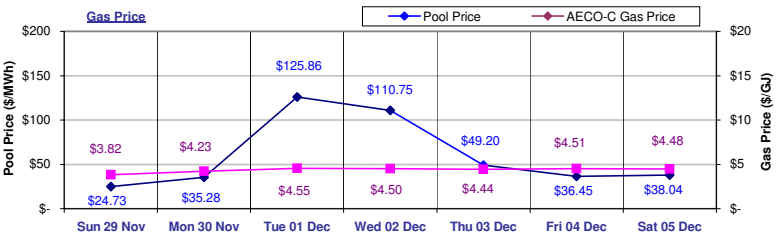


Alberta was a net importer from BC last week with total imports equal to 12,736 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 19,446 MWh. Overall, Alberta imported 32,182 MWh of electricity last week.



**Pool Prices** were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$46.29/MWh on-peak and \$37.47/MWh off-peak. **Minn Hub** prices averaged \$30.82/MWh on-peak and \$17.97/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.0614.



The average **AECO-C Gas Price** last week was \$4.36 GJ and ranged from a minimum of \$3.82/GJ to \$4.55/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.48 GJ/MWh to a high of 27.69 GJ/MWh. The average market heat rate for the week was 13.54 GJ/MWh.

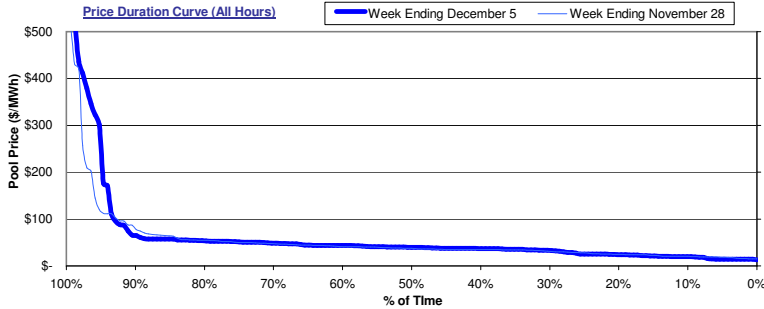


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

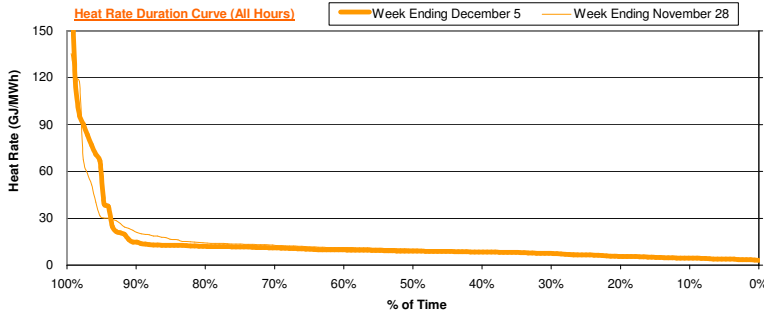
	Sunday 29-Nov	Monday 30-Nov	Tuesday 1-Dec	Wednesday 2-Dec	Thursday 3-Dec	Friday 4-Dec	Saturday 5-Dec	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 24.73	\$ 35.28	\$ 125.86	\$ 110.75	\$ 49.20	\$ 36.45	\$ 38.04	\$ 60.05	\$ 52.09	15.3%	\$ 47.62
On-Peak	NA	\$ 43.30	\$ 147.10	\$ 146.86	\$ 50.54	\$ 43.70	\$ 45.55	\$ 79.51	\$ 69.58	14.3%	\$ 61.15
Off-Peak	\$ 24.73	\$ 19.25	\$ 83.39	\$ 38.54	\$ 46.54	\$ 21.95	\$ 23.03	\$ 34.10	\$ 28.78	18.5%	\$ 28.48
COV	0.42	0.48	1.26	1.64	0.33	0.35	0.37	0.69	0.69	-0.2%	
<b>Heat Rate</b>											
Average	6.48	8.34	27.69	24.58	11.09	8.09	8.50	13.54	13.92	-2.8%	13.07
On-Peak	NA	10.24	32.36	32.60	11.39	9.69	10.17	17.74	18.42	-3.7%	16.78
Off-Peak	6.48	4.55	18.35	8.56	10.49	4.87	5.14	7.93	7.93	0.0%	7.81
<b>Demand</b>											
Average	8,049	8,513	8,516	8,621	8,623	8,635	8,530	8,498	8,259	2.9%	7,921
Minimum	7,297	7,334	7,556	7,596	7,729	7,574	7,672	7,537	7,328	2.9%	6,454
Maximum	8,998	9,478	9,333	9,495	9,526	9,558	9,519	9,415	9,100	3.5%	9,753
<b>Coal Unit Availability</b>											
Average	5,134	5,242	5,054	5,021	4,761	5,163	5,160	5,076	4,687		5,043
AC/MC	85%	87%	83%	83%	79%	85%	85%	84%	77%	6.4%	84%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	4,268	4,206	4,114	4,283	4,366	4,074	3,915	4,175	4,127		3,647
AC/MC	76%	74%	73%	76%	77%	72%	69%	74%	73%	0.8%	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 **December 5**, prices were at or below:

\$20/MWh	11% of the time
\$50/MWh	71% of the time
\$100/MWh	93% of the time
\$250/MWh	95% of the time
\$500/MWh	98% 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 **December 5** implied market heat rates were at or below:

5.0 GJ/MWh	15% of the time
10.0 GJ/MWh	64% of the time
15.0 GJ/MWh	91% of the time
20.0 GJ/MWh	92% of the time

### Market Share Statistics

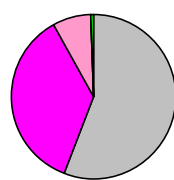
By Fuel Type:

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

Weekly Generation by Fuel Type

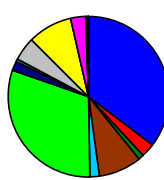


Weekly Price Setting by Fuel Type



By Submitting Customer:

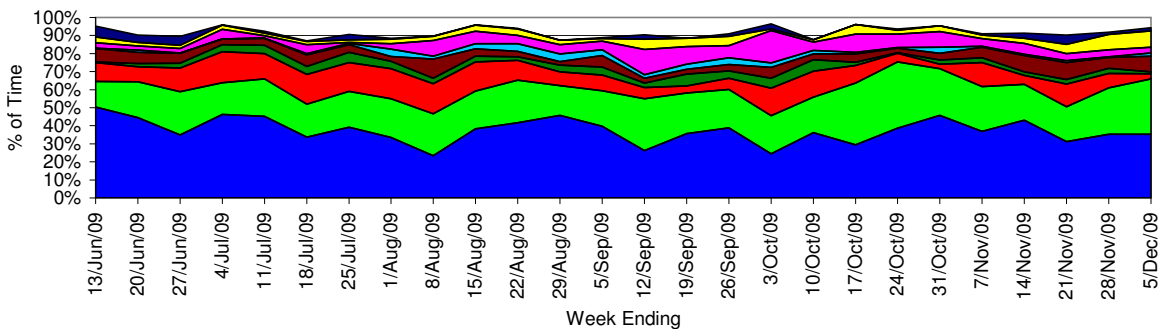
Weekly Price Setting by Submitting Customer



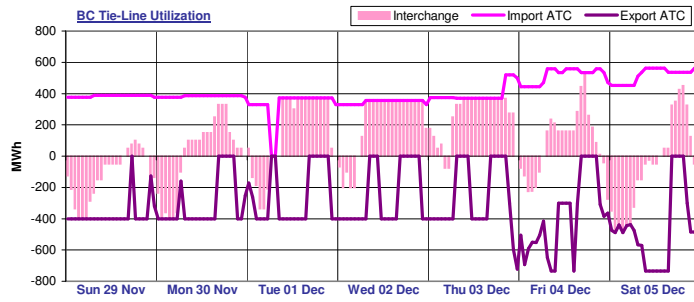
Last week, **coal units** were responsible for 59.3% of the generation in the province and set price 55.9% of the time. **Gas-cogen** units accounted for 28.4% of the generation and set price 35.9% of the time last week while **other gas** units made up 4.8% of generation and set price 7.6% of the time.

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 35.3% of the time and the top five price setters set price a total of 88.3% of the time.

### Weekly Price Setting by Submitting Customer

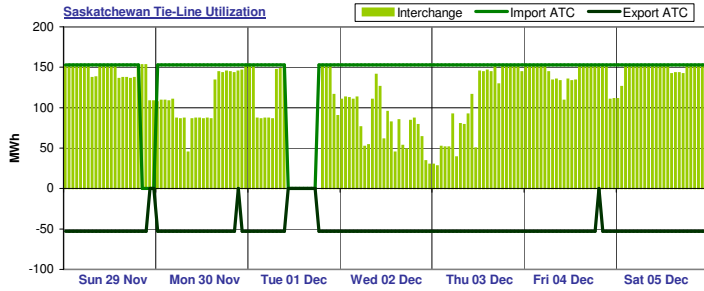


# Interties

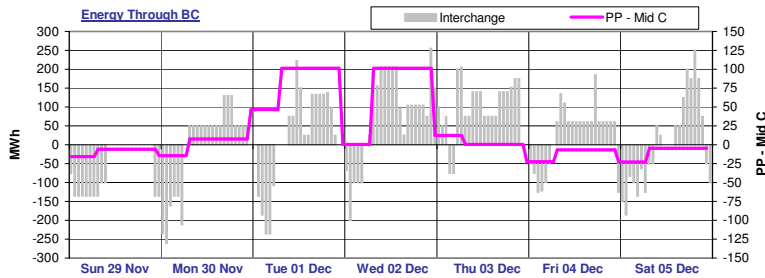


BC import capacity was 39% utilized last week while BC export capacity was 25% utilized. Energy was being imported into Alberta over the BC tie-line 58% of the time and exported out of Alberta over the BC tie-line 35% of the time last week. There was no activity on the BC tie-line 7% of the time last 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.



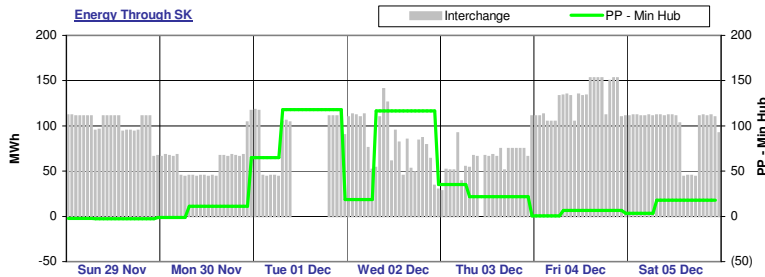
Saskatchewan import capacity was 79% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 95% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 5% of the time last week.



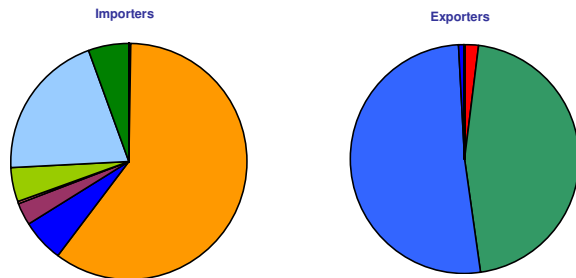
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally higher than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supports import activity across the Alberta - Saskatchewan interconnection.

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



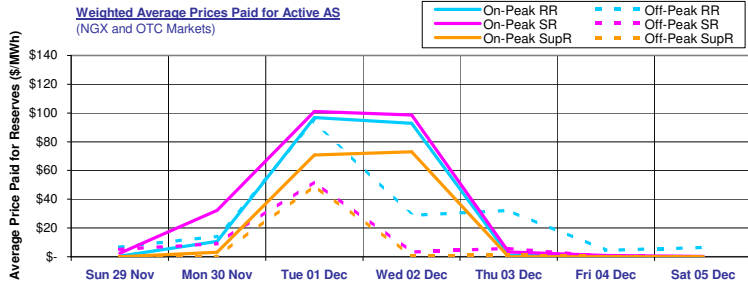
Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 60.1% while the second most active importer had a market share of 20.3%. There were a total of 4 exporters last week. The most active exporter had a market share of 51.2% while the next largest exporter had a market share of 45.9%.

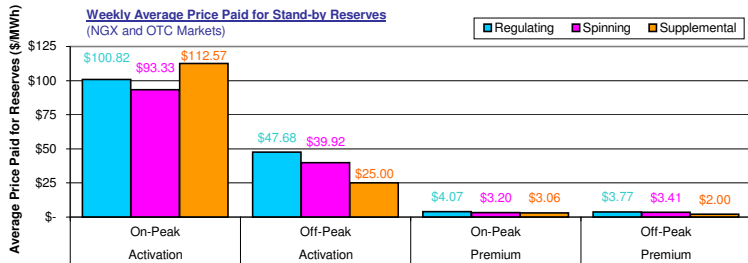
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$29.16/MWh**, **\$34.48/MWh** and **\$21.41/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

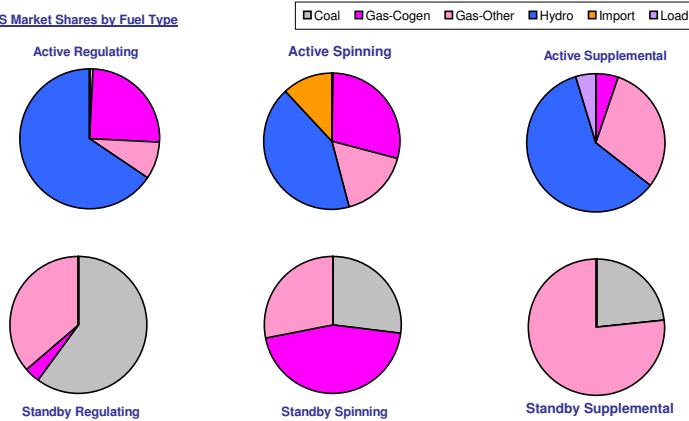
Active average off-peak prices were **lower** and averaged **\$27.21/MWh**, **\$10.84/MWh** and **\$7.36/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$25.00/MWh** for **off-peak supplemental** reserves to **\$112.57/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$2.00/MWh** for **off-peak supplemental** reserves up to **\$4.07/MWh** for **on-peak regulating** reserves.

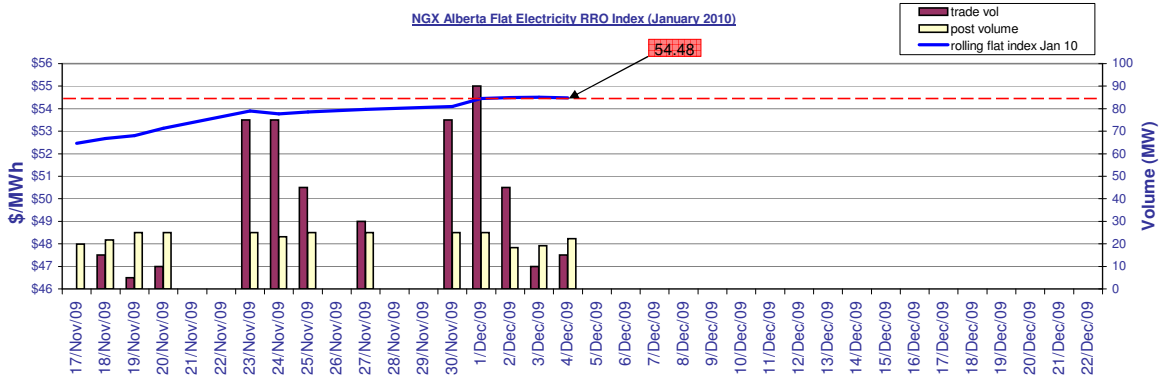
## AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **65.6%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **42.3%** while in the **active supplemental** reserve market, **hydro** units dominated with a **59.7%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **60.0%** market share. Leading market share in the **standby spinning** market was held by **gas** units with a **44.9%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **76.6%**.

# 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.