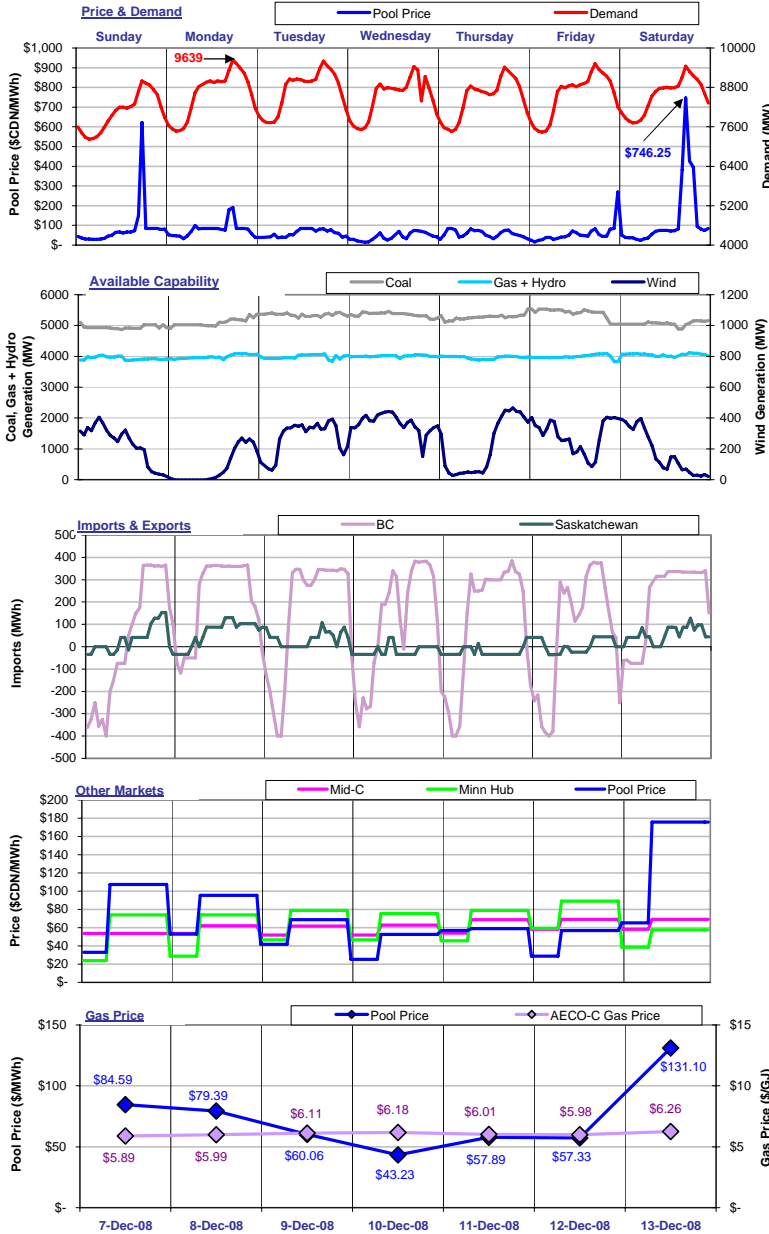


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending December 13, 2008

Weekly Highlights



For the week ending December 13, 2008, **Pool Price** averaged \$73.37/MWh and ranged from a minimum of \$15.09/MWh in HE05 on Wednesday to a maximum of \$746.25/MWh in HE18 on Saturday. **Demand** reached a high of 9639 MW in HE18 on Monday and a low of 7225 MW in HE04 on Sunday. Average demand for the week was 8486 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.12.

Coal Unit Availability averaged 5213 MW last week. This is an equivalent availability of 87%. **Gas, Hydro and Other Unit Availability** averaged 3989 MW last week, which is an equivalent of 78%. **Wind Generation** averaged 231 MW last week. This is an equivalent availability of 46%. 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 21,235 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 3,618 MWh. Overall, Alberta imported 24,853 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 \$65.55/MWh on-peak and \$54.58/MWh off-peak. **Minn Hub** prices averaged \$75.60/MWh on-peak and \$41.41/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.27141.

The average **AECO-C Gas Price** last week was \$6.06/GJ and ranged from a minimum of \$5.89/GJ to \$6.26/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 7.00 GJ/MWh to a high of 20.95GJ/MWh. The average market heat rate for the week was 12.09 GJ/MWh.

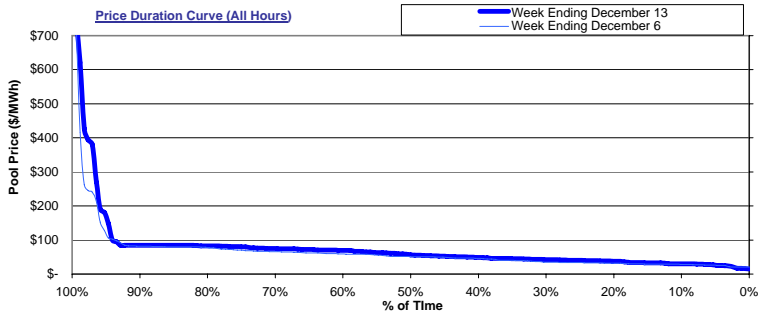


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

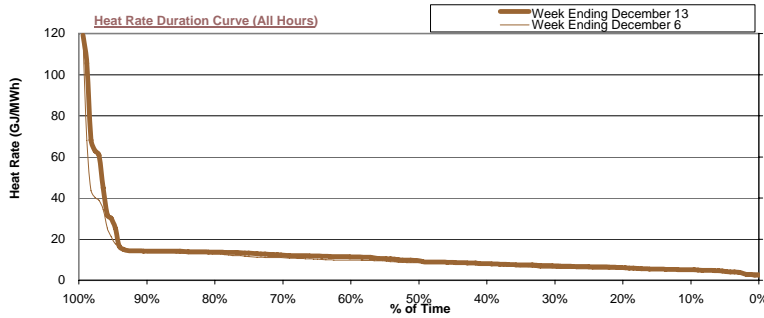
	Sunday 7-Dec	Monday 8-Dec	Tuesday 9-Dec	Wednesday 10-Dec	Thursday 11-Dec	Friday 12-Dec	Saturday 13-Dec	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 84.59	\$ 79.39	\$ 60.06	\$ 43.23	\$ 57.89	\$ 57.33	\$ 131.10	\$ 73.37	\$ 63.27	16.0%	\$ 89.34
On-Peak	NA	\$ 95.28	\$ 68.84	\$ 52.51	\$ 58.97	\$ 56.72	\$ 175.65	\$ 84.66	\$ 79.26	6.8%	\$ 117.22
Off-Peak	\$ 84.59	\$ 47.60	\$ 42.51	\$ 24.67	\$ 55.73	\$ 58.55	\$ 42.01	\$ 58.31	\$ 41.94	39.0%	\$ 47.40
COV	1.39	0.47	0.30	0.45	0.30	0.86	1.34	0.73	0.64	14.8%	
Heat Rate											
Average	14.36	13.25	9.83	7.00	9.64	9.58	20.95	12.09	9.53	26.8%	11.45
On-Peak	NA	15.90	11.26	8.50	9.82	9.48	28.06	13.84	11.94	15.9%	15.02
Off-Peak	14.36	7.94	6.95	3.99	9.28	9.78	6.71	9.75	6.33	54.1%	6.07
Demand											
Average	8,036	8,610	8,701	8,484	8,473	8,560	8,539	8,486	8,284	2.4%	7,930
Minimum	7,225	7,471	7,732	7,519	7,462	7,440	7,725	7,511	7,332	2.4%	6,411
Maximum	8,996	9,639	9,603	9,435	9,415	9,523	9,440	9,436	9,211	2.4%	9,710
Coal Unit Availability											
Average	4,950	5,096	5,350	5,354	5,273	5,406	5,064	5,213	5,239	-0.4%	5,063
AC/MC	82%	85%	89%	89%	88%	90%	84%	87%	87%		84%
Gas, Hydro and Other Unit Availability											
Average	3,938	3,989	3,985	4,010	3,963	3,987	4,052	3,989	3,859	2.5%	3,467
AC/MC	77%	78%	78%	78%	77%	78%	79%	78%	75%		69%



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 13, prices were at or below:

- \$20/MWh 2% of the time
- \$50/MWh 41% of the time
- \$100/MWh 94% of the time
- \$250/MWh 96% 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 13 implied market heat rates were at or below:

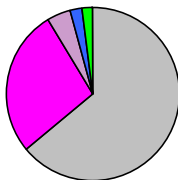
- 5.0 GJ/MWh 10% of the time
- 10.0 GJ/MWh 54% of the time
- 15.0 GJ/MWh 93% of the time
- 20.0 GJ/MWh 95% of the time

Market Share Statistics

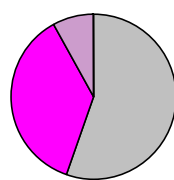
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type

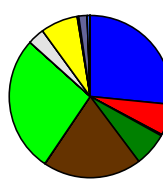


Weekly Price Setting by Fuel Type



By Submitting Customer:

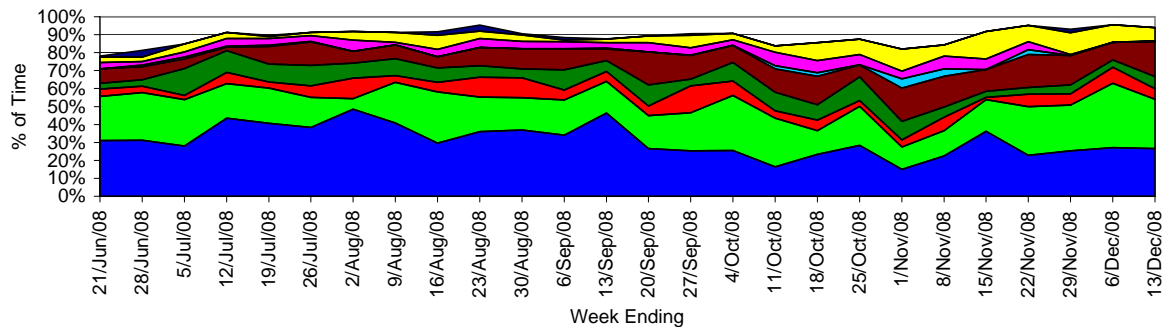
Weekly Price Setting by Submitting Customer



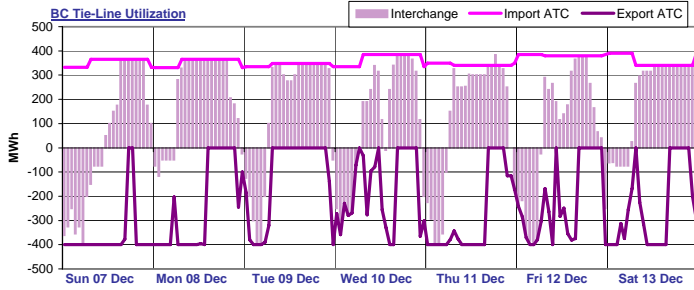
Last week, coal units were responsible for 64.0% of the generation in the province and set price 55.3% of the time. Gas-cogen units accounted for 27.4% of the generation and set price 36.6% of the time last week while other gas units made up 4.4% of generation and set price 8.1% of the time.

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 27.3% of the time and the top five price setters set price a total of 87.5% of the time.

Weekly Price Setting by Submitting Customer

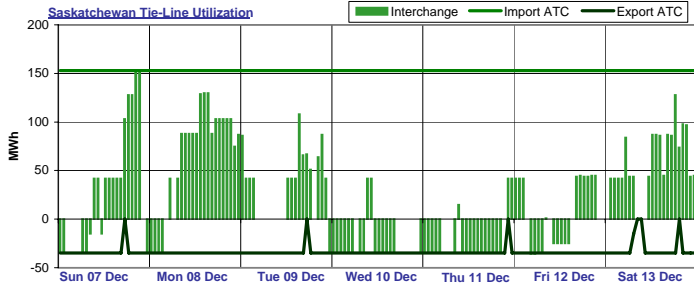


Interties

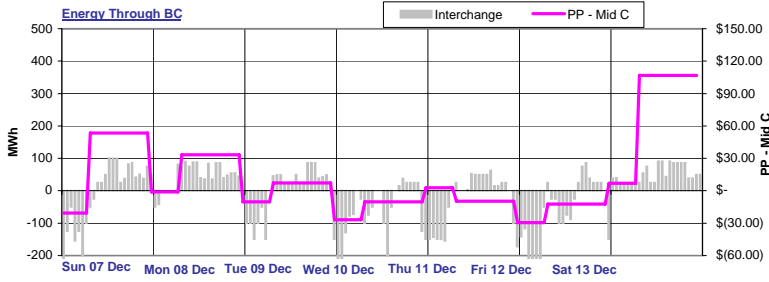


BC import capacity was 58% utilized last week while BC export capacity was 38% utilized. Energy was being imported into Alberta over the BC tie-line 67% of the time and exported out of Alberta over the BC tie-line 32% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



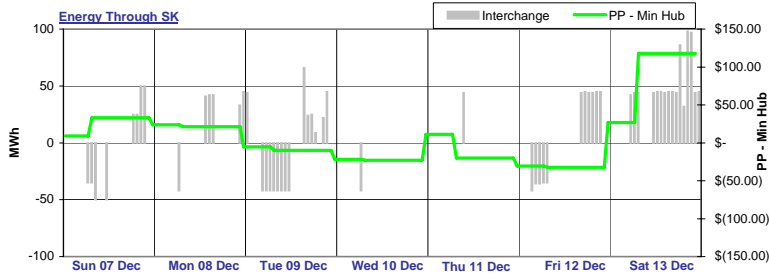
Saskatchewan import capacity was 24% utilized last week while Saskatchewan export capacity was 47% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 47% of the time and exported out of Alberta over the Saskatchewan tie-line 32% of the time last week. There was no activity on the Saskatchewan tie-line 21% of the time last week.



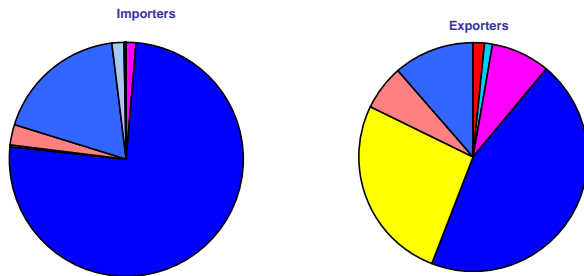
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



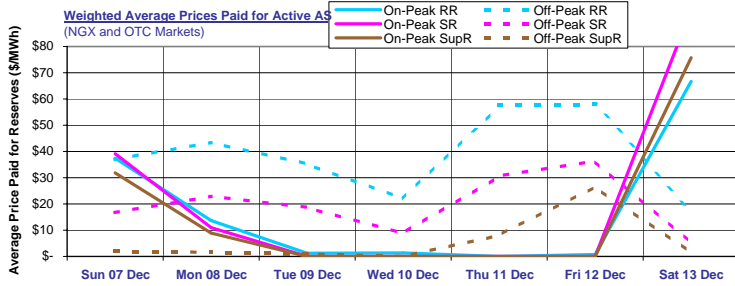
Tie-Line Market Shares



Last week, there were a total of 7 importers. The most active importer had a market share of 75.3% while the second most active importer had a market share of 18.2%. There were a total of 7 exporters last week. The most active exporter had a market share of 44.7% while the next largest exporter had a market share of 26.3%.

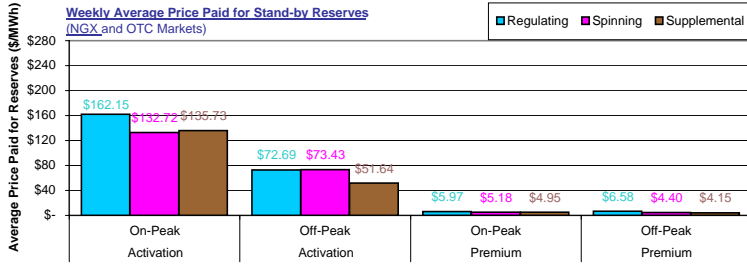
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$17.31/MWh, \$20.14/MWh and \$16.29/MWh respectively for active regulating, spinning and supplemental reserves.

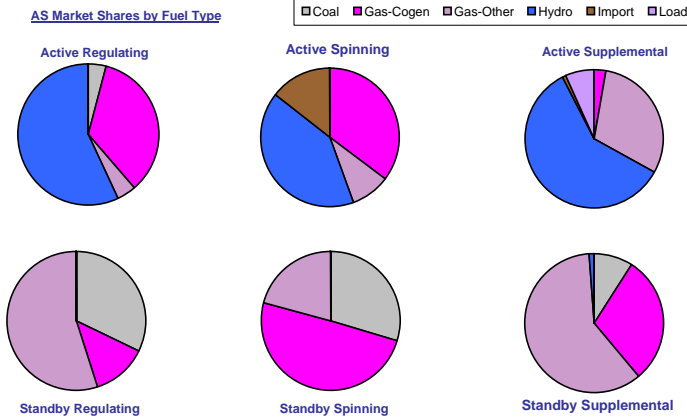
Active average off-peak prices were higher and averaged \$438.69/MWh, \$19.85/MWh and \$5.80/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$51.64/MWh for off-peak supplemental reserves to \$162.15/MWh for on-peak regulating reserves.

Weekly average premium prices ranged from \$4.15/MWh for off-peak supplemental reserves up to \$6.58/MWh for on-peak spinning reserves.

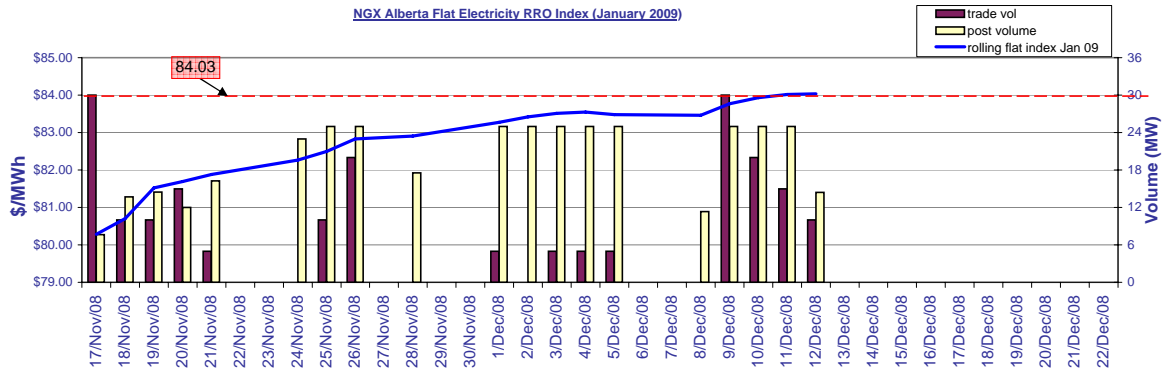
AS Market Shares by Fuel Type



Last week hydro units had the largest market share in the active regulating reserve market with 57.1%. In the active spinning reserve market, hydro units had the leading market share with 41.2% while in the active supplemental reserve market, hydro units dominated with a 59.5% market share.

Coal units dominated the standby regulating reserve market with a 55.1% market share. Leading market share in the standby spinning market was held by gas-cogen units with a 49.5% market share. In the standby supplemental reserve market, coal units had the leading market share with 60.0%.

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.
- Sparksread**
Sparksreads 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.