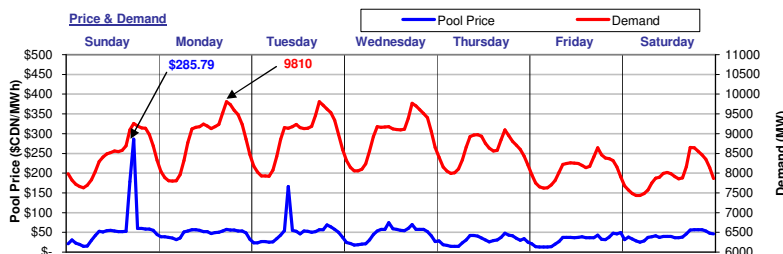


The Market Monitor

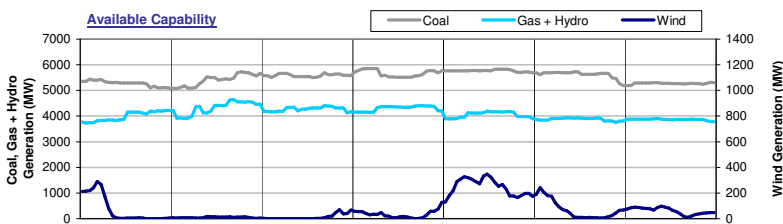
WATCHING THE MARKET : your fact source

Week Ending December 26, 2009

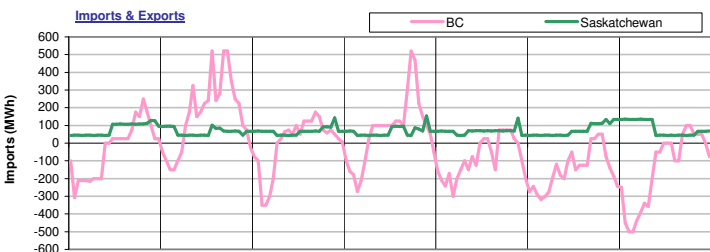
Weekly Highlights



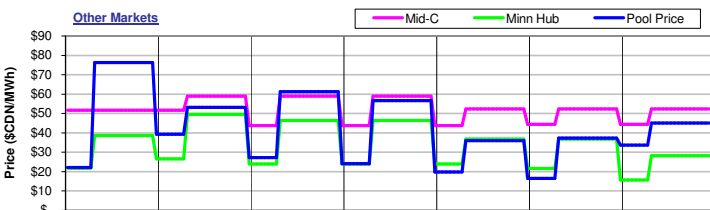
For the week ending December 26 2009, **Pool Price** averaged \$43.69/MWh and ranged from a minimum of \$12.97/MWh in HE05 on Friday to a maximum of \$285.79/MWh in HE17 on Sunday. **Demand** reached a high of 9,810 MW in HE18 on Monday and a low of 7,435 MW in HE05 on Saturday. Average demand for the week was 8,535 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.25.



Coal Unit Availability averaged 5514 MW last week. This is an equivalent availability of 91%. **Gas, Hydro and Other Unit Availability** averaged 4097 MW last week, which is an equivalent of 72%. **Wind Generation** averaged 73 MW last week. This is an equivalent availability of 13%. Availability numbers are based on MW offered into the energy merit order.

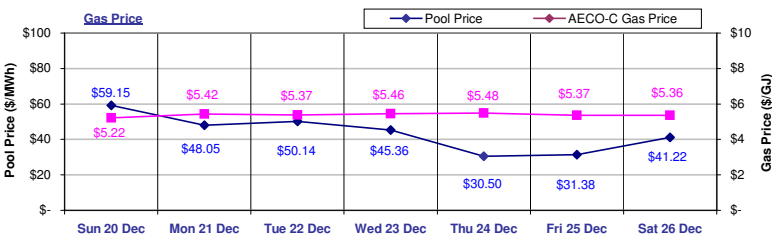


Alberta was a net exporter to BC last week with total exports equal to 4,189 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 12,043 MWh. Overall, Alberta imported 7,854 MWh of electricity last week.



Pool Prices were generally lower than prices in **Mid-C** and lower than prices in **Minn Hub** last week. **Mid-C** prices averaged \$55.63/MWh on-peak and \$46.19/MWh off-peak. **Minn Hub** prices averaged \$40.68/MWh on-peak and \$22.54/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.0659.



The average **AECO-C Gas Price** last week was \$5.38/GJ and ranged from a minimum of \$5.22/GJ to \$5.48/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.56 GJ/MWh to a high of 11.33 GJ/MWh. The average market heat rate for the week was 8.13 GJ/MWh.

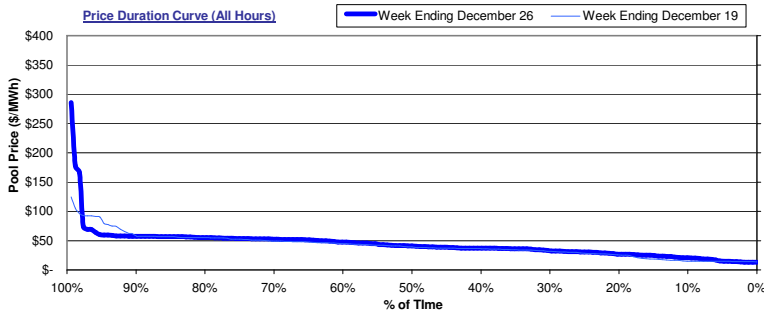


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

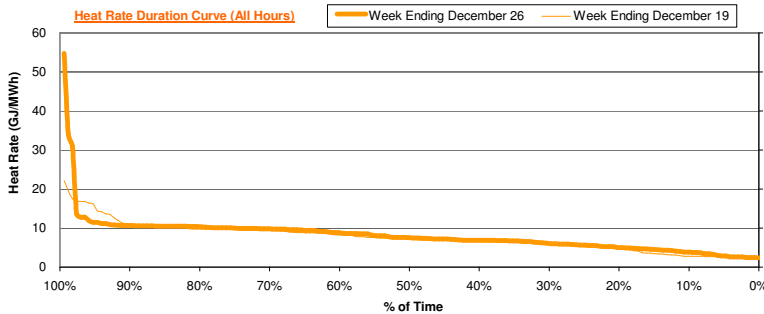
	Sunday 20-Dec	Monday 21-Dec	Tuesday 22-Dec	Wednesday 23-Dec	Thursday 24-Dec	Friday 25-Dec	Saturday 26-Dec	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 59.15	\$ 48.05	\$ 50.14	\$ 45.36	\$ 30.50	\$ 31.38	\$ 41.22	\$ 43.69	\$ 41.41	5.5%	\$ 47.89
On-Peak	NA	\$ 53.18	\$ 61.30	\$ 56.65	\$ 35.97	\$ 37.29	\$ 45.15	\$ 48.26	\$ 46.94	2.8%	\$ 61.23
Off-Peak	\$ 59.15	\$ 37.78	\$ 27.82	\$ 22.77	\$ 19.57	\$ 19.55	\$ 33.36	\$ 37.59	\$ 34.03	10.5%	\$ 28.80
COV	0.97	0.18	0.56	0.39	0.32	0.37	0.23	0.43	0.40	9.3%	
Heat Rate											
Average	11.33	8.86	9.33	8.31	5.56	5.84	7.70	8.13	7.61	6.9%	12.81
On-Peak	NA	9.80	11.41	10.38	6.56	6.94	8.43	8.92	8.69	2.7%	16.37
Off-Peak	11.33	6.96	5.18	4.17	3.57	3.64	6.23	7.08	6.16	14.9%	7.70
Demand											
Average	8,428	8,856	8,903	8,941	8,570	8,104	7,944	8,535	8,868	-3.8%	7,973
Minimum	7,630	7,801	7,923	8,057	7,992	7,620	7,435	7,780	8,024	-3.0%	6,454
Maximum	9,259	9,810	9,809	9,767	9,096	8,639	8,650	9,290	9,747	-4.7%	10,236
Coal Unit Availability											
Average	5,276	5,406	5,586	5,668	5,767	5,621	5,273	5,514	5,678		5,072
AC/MC	87%	89%	92%	94%	95%	93%	87%	91%	94%	-2.7%	84%
Gas, Hydro and Other Unit Availability											
Average	3,988	4,320	4,271	4,300	4,054	3,876	3,866	4,097	3,990		3,672
AC/MC	70%	76%	75%	75%	71%	68%	68%	72%	70%	1.8%	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 26**, prices were at or below:

\$20/MWh	8% of the time
\$50/MWh	63% of the time
\$100/MWh	98% of the time
\$250/MWh	99% 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 **December 26** implied market heat rates were at or below:

5.0 GJ/MWh	20% of the time
10.0 GJ/MWh	75% of the time
15.0 GJ/MWh	98% of the time
20.0 GJ/MWh	98% of the time

Market Share Statistics

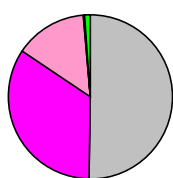
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type

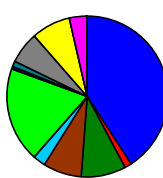


Weekly Price Setting by Fuel Type



By Submitting Customer:

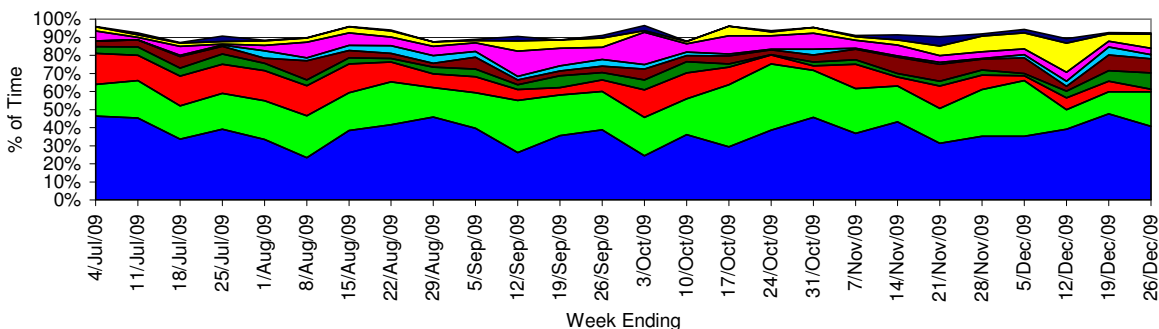
Weekly Price Setting by Submitting Customer



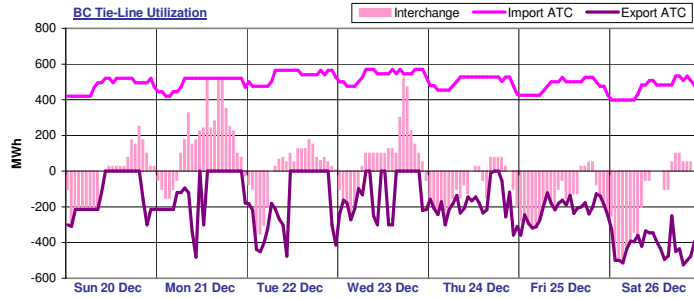
Last week, **coal units** were responsible for **64.1%** of the generation in the province and set price **50.1%** of the time. **Gas-cogen** units accounted for **27.2%** of the generation and set price **34.4%** of the time last week while **other gas** units made up **4.0%** of generation and set price **14.1%** of the time.

A total of **14** market participants set price last week. **One** market participants set price more than **20%** of the time last week. The top price setter set price **40.8%** of the time and the top five price setters set price a total of **84.1%** of the time.

Weekly Price Setting by Submitting Customer

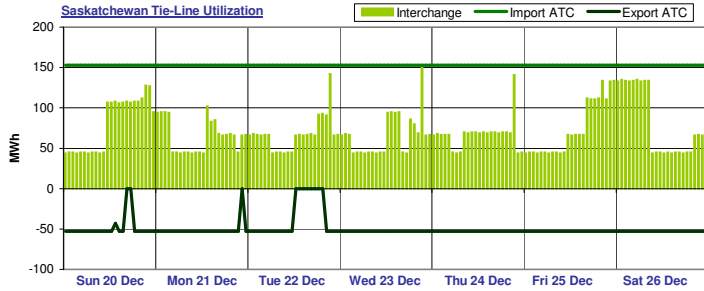


Interties

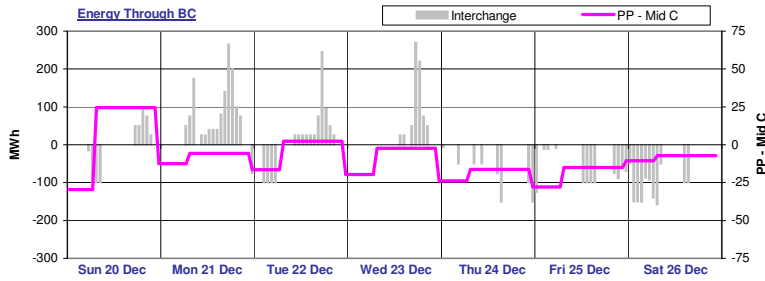


BC import capacity was 12% utilized last week while BC export capacity was 47% utilized. Energy was being imported into Alberta over the BC tie-line 48% of the time and exported out of Alberta over the BC tie-line 46% of the time last week. There was no activity on the BC tie-line 5% of the time last 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.



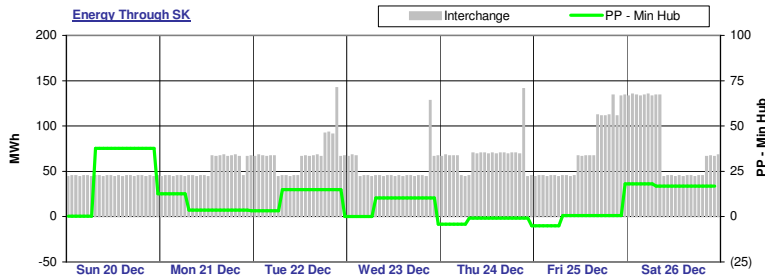
Saskatchewan import capacity was 47% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 100% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 0% of the time last week.



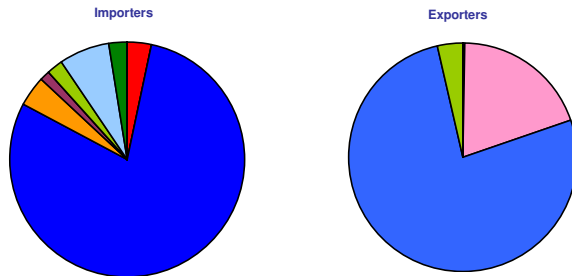
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



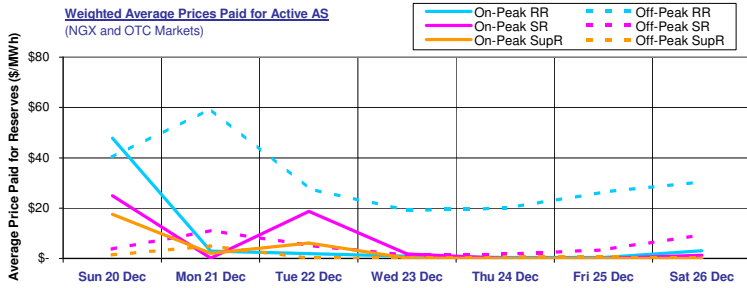
Tie-Line Market Shares



Last week, there were a total of 8 importers. The most active importer had a market share of 79.6% while the second most active importer had a market share of 6.9%. There were a total of 4 exporters last week. The most active exporter had a market share of 76.5% while the next largest exporter had a market share of 19.4%.

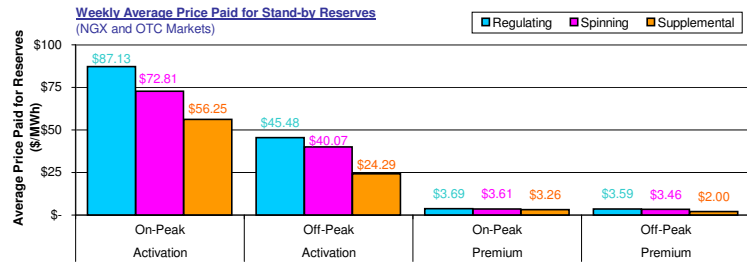
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$8.15/MWh**, **\$6.73/MWh** and **\$3.72/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

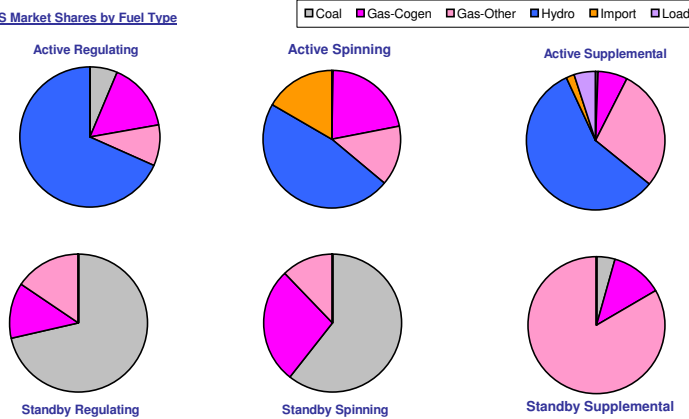
Active average off-peak prices were **higher** and averaged **\$32.10/MWh**, **\$5.07/MWh** and **\$1.04/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$24.29/MWh** for **off-peak supplemental** reserves to **\$87.13/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$2.00/MWh** for **off-peak supplemental** reserves up to **\$3.69/MWh** for **on-peak regulating** reserves.

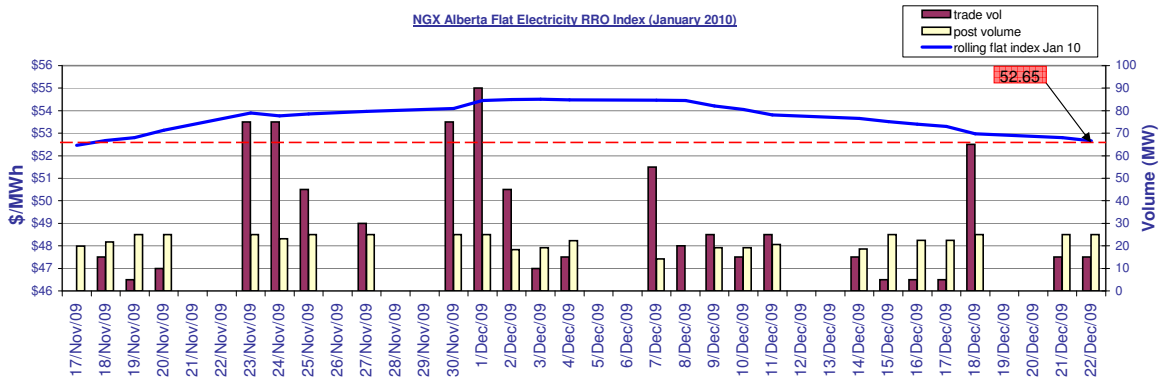
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **68.3%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **47.4%** while in the **active supplemental** reserve market, **hydro** units dominated with a **57.0%** market share.

Coal units dominated the **standby regulating** reserve market with a **71.4%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **60.6%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **83.2%**.

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.