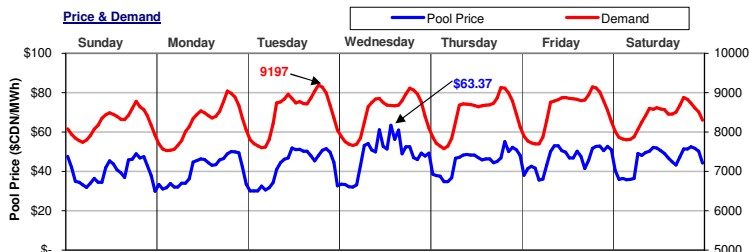


# The Market Monitor

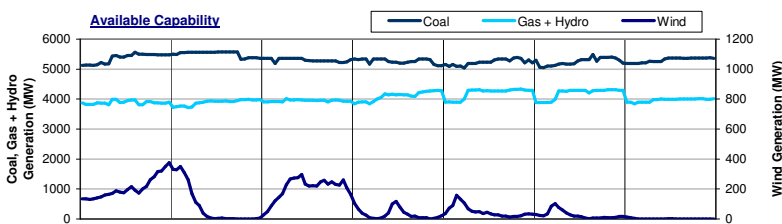
WATCHING THE MARKET : your fact source

Week Ending February 20, 2010

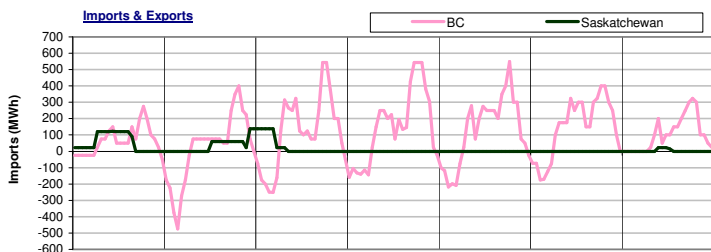
## Weekly Highlights



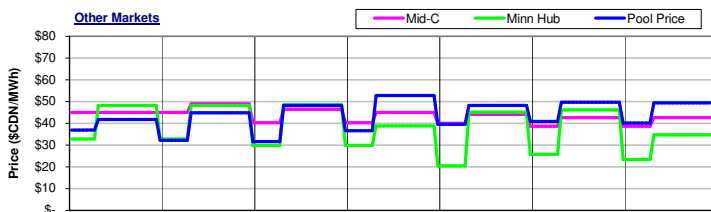
For the week ending February 20, 2010, **Pool Price** averaged \$44.22/MWh and ranged from a minimum of \$29.92/MWh in HE24 on Sunday to a maximum of \$63.37/MWh in HE14 on Wednesday. **Demand** reached a high of 9,197 MW in HE19 on Tuesday and a low of 7,527 MW in HE03 on Monday. Average demand for the week was 8,402 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.67.



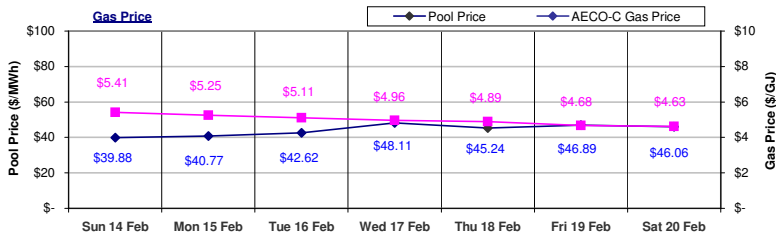
Coal Unit Availability averaged 5319 MW last week. This is an equivalent availability of 88%. **Gas, Hydro and Other Unit Availability** averaged 4026 MW last week, which is an equivalent of 71%. **Wind Generation** averaged 87 MW last week. This is an equivalent availability of 15%. Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer from BC last week with total imports equal to 17,545 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,982 MWh. Overall, Alberta imported 20,527 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 \$44.99/MWh on-peak and \$41.15/MWh off-peak. **Minn Hub** prices averaged \$43.61/MWh on-peak and \$27.86/MWh off-peak. Prices in \$/MWh at an exchange rate of 1.05.



The average **AECO-C Gas Price** last week was \$4.99/GJ and ranged from a minimum of \$4.63/GJ to \$5.41/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 7.37 GJ/MWh to a high of 10.01 GJ/MWh. The average market heat rate for the week was 8.91 GJ/MWh.

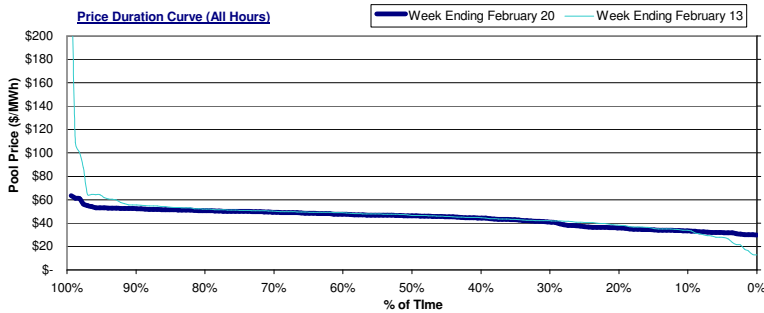


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

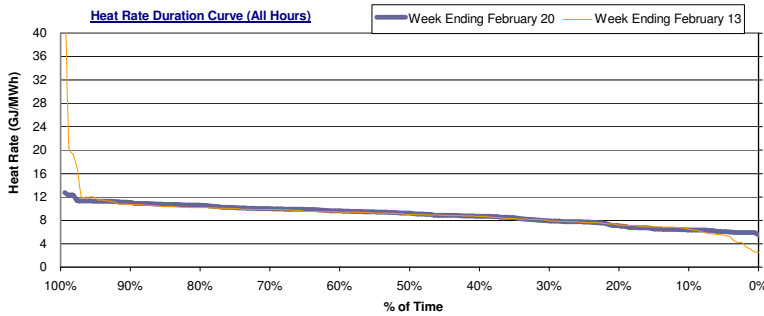
## Weekly Market Statistics

	Sunday 14-Feb	Monday 15-Feb	Tuesday 16-Feb	Wednesday 17-Feb	Thursday 18-Feb	Friday 19-Feb	Saturday 20-Feb	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 39.88	\$ 40.77	\$ 42.62	\$ 48.11	\$ 45.24	\$ 46.89	\$ 46.06	\$ 44.22	\$ 47.03	-6.0%	\$ 44.58
On-Peak	NA	\$ 44.81	\$ 48.17	\$ 52.80	\$ 48.18	\$ 49.72	\$ 49.44	\$ 48.85	\$ 53.96	-9.5%	\$ 51.13
Off-Peak	\$ 39.88	\$ 32.68	\$ 31.53	\$ 38.73	\$ 39.38	\$ 41.22	\$ 39.30	\$ 38.05	\$ 37.79	0.7%	\$ 34.91
COV	0.14	0.17	0.20	0.19	0.12	0.12	0.13	0.15	0.29	-46.7%	
<b>Heat Rate</b>											
Average	7.37	7.77	8.34	9.70	9.26	10.01	9.95	8.91	9.07	-1.7%	8.54
On-Peak	NA	8.54	9.43	10.64	9.86	10.62	10.68	9.96	10.45	-4.7%	9.80
Off-Peak	7.37	6.23	6.17	7.81	8.06	8.80	8.49	7.52	7.23	4.0%	6.69
<b>Demand</b>											
Average	8,235	8,239	8,493	8,478	8,454	8,544	8,368	8,402	8,559	-1.8%	8,543
Minimum	7,737	7,527	7,604	7,657	7,578	7,699	7,808	7,659	7,755	-1.2%	7,282
Maximum	8,777	9,043	9,197	9,117	9,127	9,145	8,879	9,041	9,229	-2.0%	9,799
<b>Coal Unit Availability</b>											
Average	5,366	5,509	5,304	5,267	5,231	5,252	5,307	5,319	5,344		5,355
AC/MC	89%	91%	88%	87%	86%	87%	88%	88%	88%	-0.4%	88%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,887	3,890	3,948	4,103	4,199	4,190	3,966	4,026	4,071		4,052
AC/MC	69%	69%	70%	72%	74%	74%	70%	71%	71%	-0.2%	71%



The price duration curves show the % of time that prices were at or below a certain value during the week. For the week ending February 6, prices were at or below:

\$20/MWh	0% of the time
\$50/MWh	68% of the time
\$100/MWh	98% of the time
\$250/MWh	100% 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 February 20 implied market heat rates were at or below:

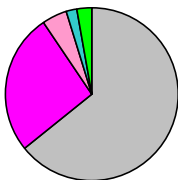
5.0 GJ/MWh	0% of the time
10.0 GJ/MWh	72% of the time
15.0 GJ/MWh	100% of the time
20.0 GJ/MWh	100% of the time

### Market Share Statistics

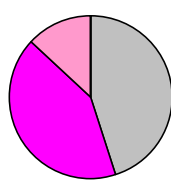
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type

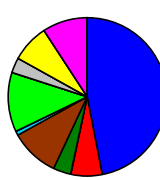


Weekly Price Setting by Fuel Type



By Submitting Customer:

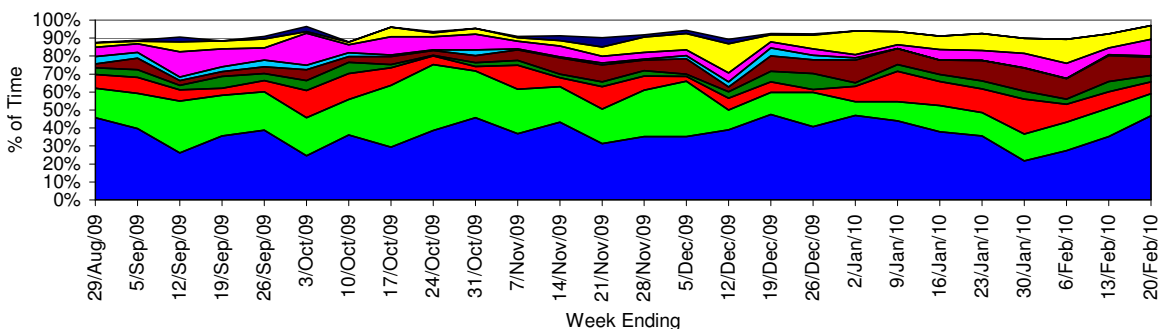
Weekly Price Setting by Submitting Customer



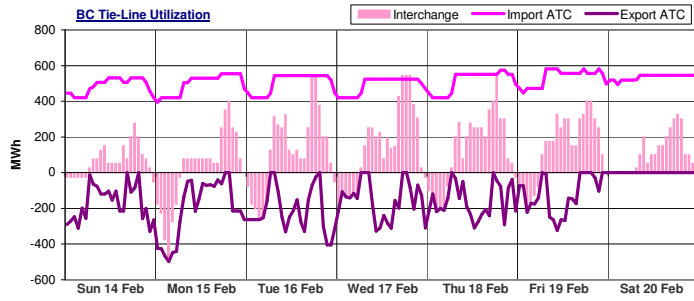
Last week, coal units were responsible for 64.1% of the generation in the province and set price 45.0% of the time. Gas-cogen units accounted for 26.5% of the generation and set price 42.0% of the time last week while other gas units made up 4.7% of generation and set price 13.0% of the time.

A total of 9 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 46.8% of the time and the top five price setters set price a total of 86.2% of the time.

### Weekly Price Setting by Submitting Customer

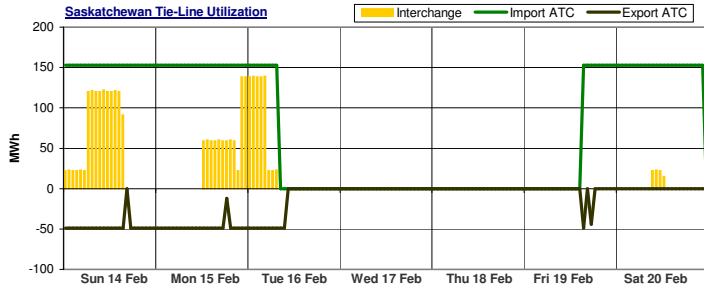


# Interties

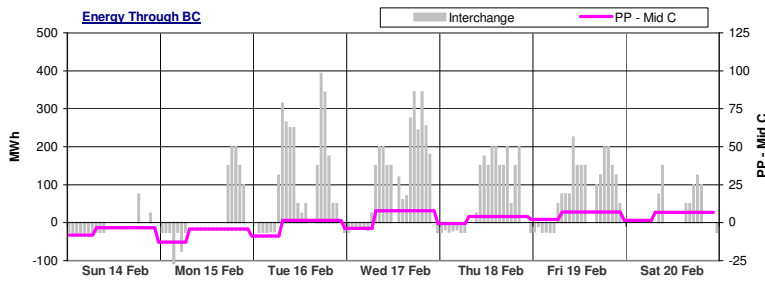


BC import capacity was 26% utilized last week while BC export capacity was 23% utilized. Energy was being imported into Alberta over the BC tie-line 76% of the time and exported out of Alberta over the BC tie-line 24% of the time last week. There was no activity on the BC tie-line 5% of the time last 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.



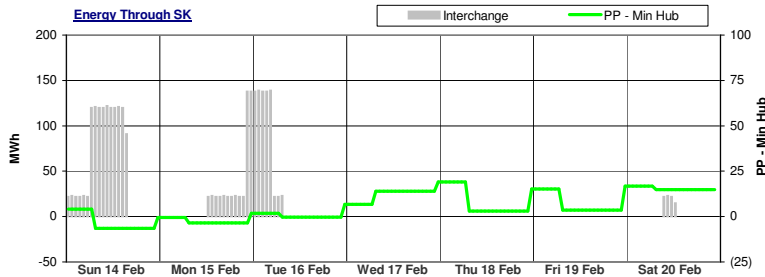
Saskatchewan import capacity was 22% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 24% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 76% of the time last week.



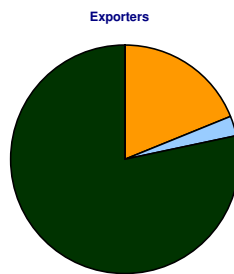
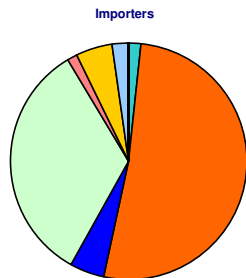
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices.

Alberta prices were generally higher than prices in MISO as represented by spot prices at the Minnesota Hub.

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



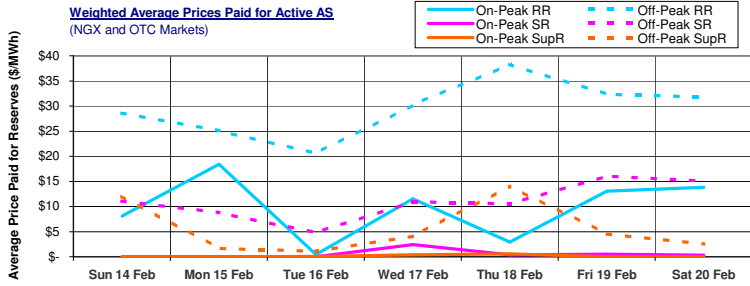
## Tie-Line Market Shares



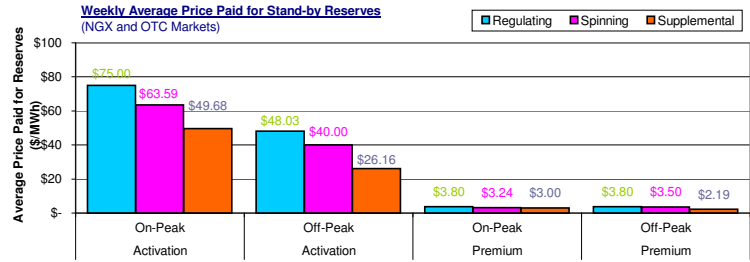
Last week, there were a total of 8 importers. The most active importer had a market share of 51.8% while the second most active importer had a market share of 33.2%. There were a total of 3 exporters last week. The most active exporter had a market share of 78.4% while the next largest exporter had a market share of 19.0%.

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

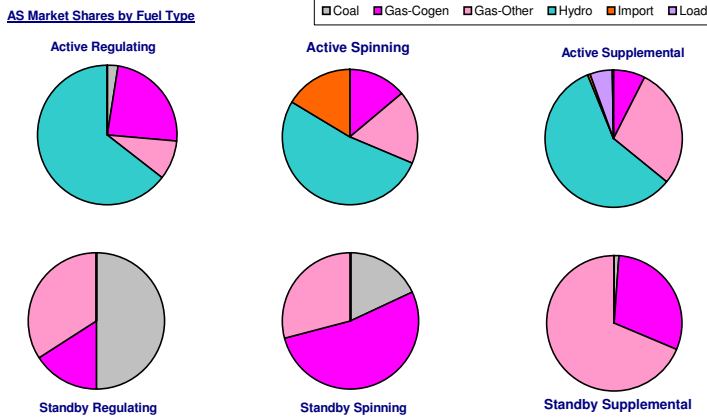
# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$9.59/MWh**, **\$0.55/MWh** and **\$0.16/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were **higher** and averaged **\$29.61/MWh**, **\$11.16/MWh** and **\$6.01/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



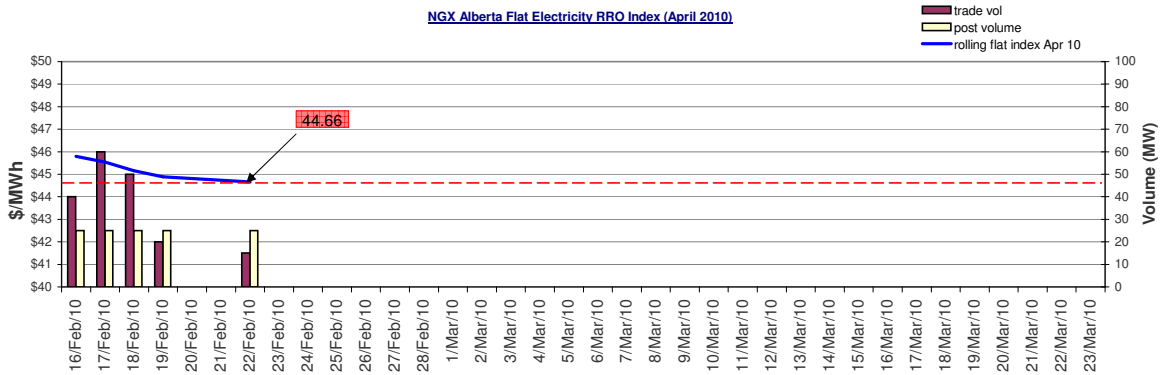
Weekly average activation prices for stand-by reserves ranged from **\$26.16/MWh** for **off-peak supplemental** reserves to **\$75.00/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$2.19/MWh** for **off-peak supplemental** reserves up to **\$3.80/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **64.4%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **52.3%** while in the **active supplemental** reserve market, **hydro** units dominated with a **58.3%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **50.0%** market share. Leading market share in the **standby spinning** market was held by **gas-cogen** units with a **52.7%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **68.6%**.

# 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.