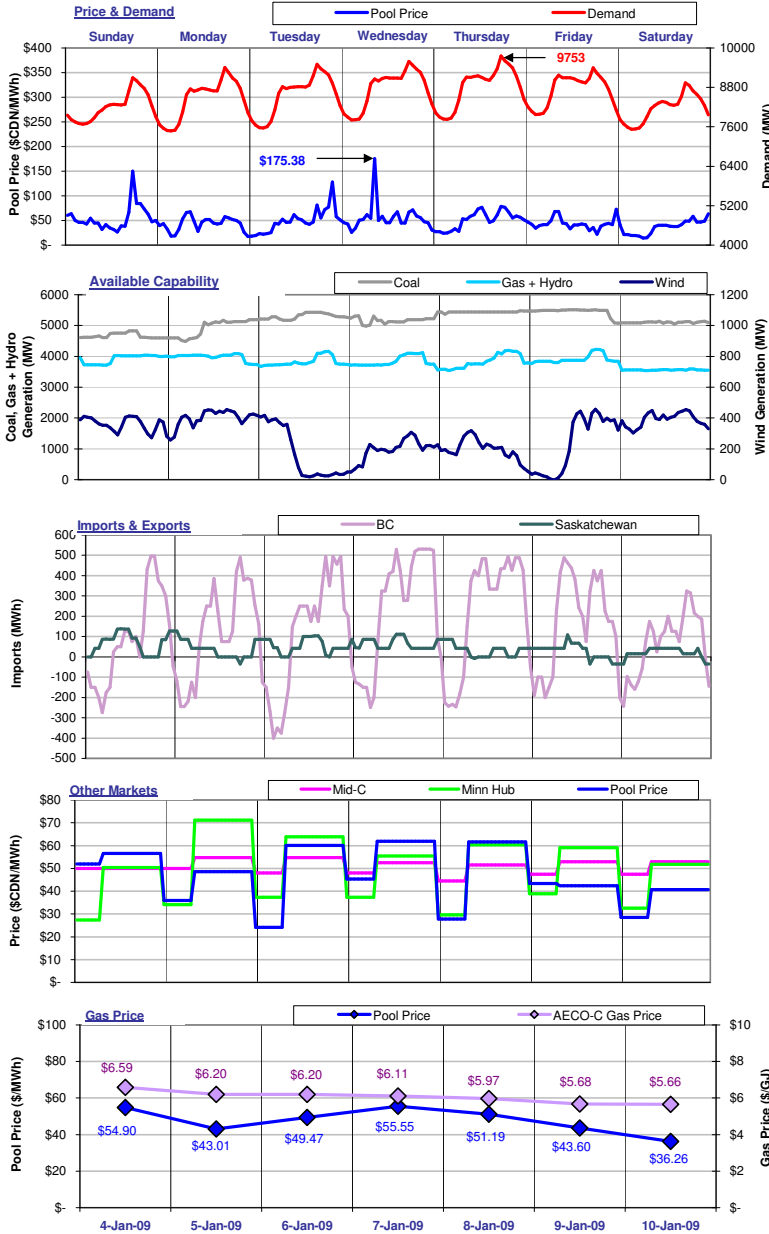


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending January 10, 2009

Weekly Highlights



For the week ending January 10, 2009, **Pool Price** averaged \$47.71/MWh and ranged from a minimum of \$14.56/MWh in HE07 on Saturday to a maximum of \$175.38/MWh in HE09 on Wednesday. **Demand** reached a high of 9753 MW in HE18 on Thursday and a low of 7482 MW in HE04 on Monday. Average demand for the week was 8527 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.28.

Coal Unit Availability averaged 5152 MW last week. This is an equivalent availability of 86%. **Gas, Hydro and Other Unit Availability** averaged 3837 MW last week, which is an equivalent of 74%. **Wind Generation** averaged 278 MW last week. This is an equivalent availability of 56%. 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 24,574 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 7,235 MWh. Overall, Alberta imported 31,809 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 \$53.21/MWh on-peak and \$47.92/MWh off-peak. **Minn Hub** prices averaged \$60.30/MWh on-peak and \$33.89/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.20592.

The average **AECO-C Gas Price** last week was \$6.06/GJ and ranged from a minimum of \$5.66/GJ to \$6.59/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.40 GJ/MWh to a high of 9.09 GJ/MWh. The average market heat rate for the week was 7.86 GJ/MWh.

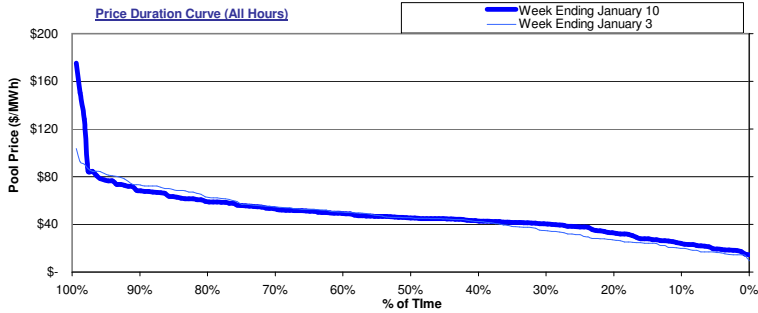


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

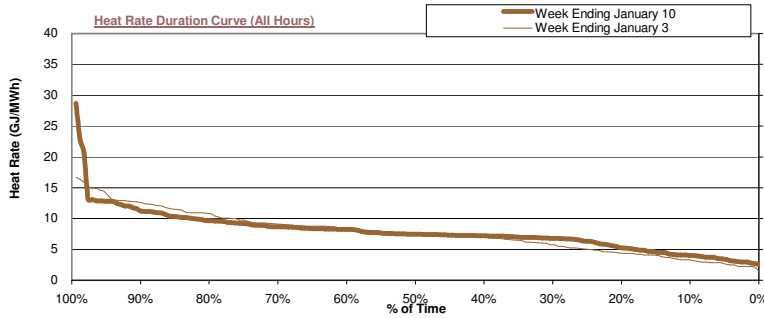
	Sunday 4-Jan	Monday 5-Jan	Tuesday 6-Jan	Wednesday 7-Jan	Thursday 8-Jan	Friday 9-Jan	Saturday 10-Jan	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 54.90	\$ 43.01	\$ 49.47	\$ 55.55	\$ 51.19	\$ 43.60	\$ 36.26	\$ 47.71	\$ 46.25	3.2%	\$ 48.12
On-Peak	NA	\$ 48.60	\$ 60.03	\$ 61.92	\$ 61.60	\$ 42.36	\$ 40.71	\$ 52.53	\$ 52.07	0.9%	\$ 53.06
Off-Peak	\$ 54.90	\$ 31.84	\$ 28.35	\$ 42.83	\$ 30.37	\$ 46.08	\$ 27.35	\$ 41.28	\$ 38.49	7.3%	\$ 37.88
COV	0.47	0.33	0.49	0.50	0.35	0.27	0.38	0.40	0.40	-0.1%	
Heat Rate											
Average	8.33	6.94	7.98	9.09	8.57	7.68	6.40	7.86	7.47	5.2%	7.82
On-Peak	NA	7.84	9.69	10.13	10.32	7.46	7.19	8.77	8.28	5.9%	8.62
Off-Peak	8.33	5.13	4.58	7.01	5.09	8.12	4.83	6.64	6.38	4.1%	6.16
Demand											
Average	8,215	8,447	8,561	8,757	8,822	8,730	8,160	8,527	8,408	1.4%	8,498
Minimum	7,681	7,482	7,568	7,813	7,831	7,978	7,523	7,697	7,651	0.6%	7,482
Maximum	9,098	9,403	9,501	9,588	9,753	9,398	8,937	9,383	9,240	1.5%	9,753
Coal Unit Availability											
Average	4,670	4,923	5,299	5,174	5,442	5,449	5,103	5,152	5,315		5,176
AC/MC	78%	82%	88%	86%	91%	91%	85%	86%	88%	-2.7%	86%
Gas, Hydro and Other Unit Availability											
Average	3,919	3,980	3,825	3,830	3,838	3,911	3,559	3,837	3,610	4.4%	3,760
AC/MC	75%	76%	73%	74%	74%	75%	68%	74%	69%	4.4%	72%



The price duration curves show the % of time that prices were at or below a certain value during the week.

For the week ending **January 10**, prices were at or below:

- \$20/MWh **5%** of the time
- \$50/MWh **63%** 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 **January 10** implied market heat rates were at or below:

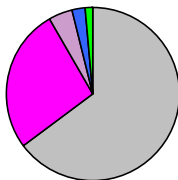
- 5.0 GJ/MWh **18%** of the time
- 10.0 GJ/MWh **83%** of the time
- 15.0 GJ/MWh **98%** of the time
- 20.0 GJ/MWh **98%** of the time

Market Share Statistics

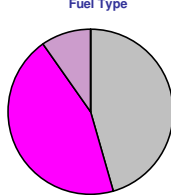
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



By Submitting Customer:

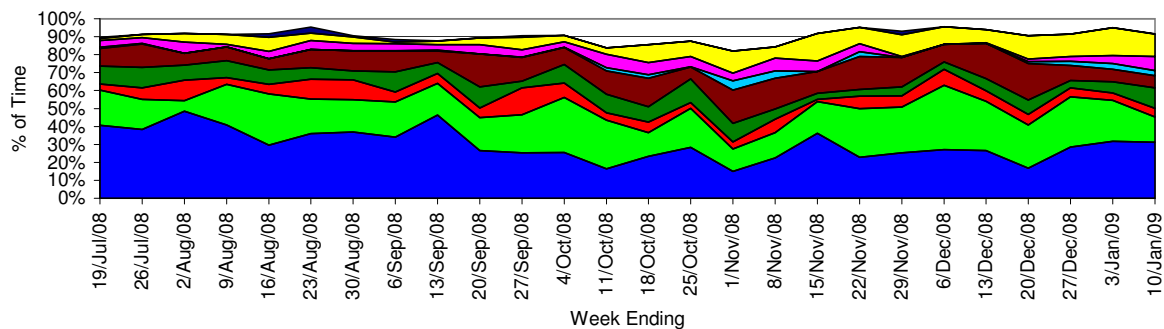
Weekly Price Setting by Submitting Customer



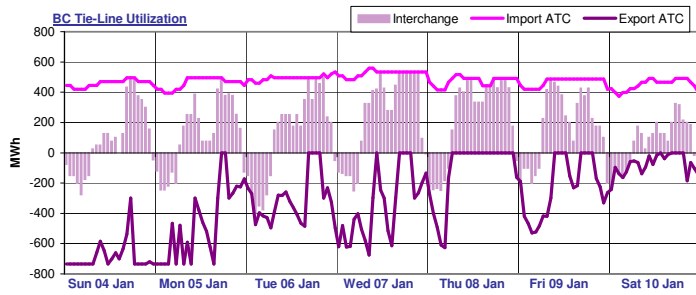
Last week, **coal units** were responsible for **64.8%** of the generation in the province and set price **45.7%** of the time. **Gas-cogen** units accounted for **27.0%** of the generation and set price **44.7%** of the time last week while **other gas** units made up **4.4%** of generation and set price **9.7%** of the time.

A total of **13** 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 **31.2%** of the time and the top five price setters set price a total of **77.2%** of the time.

Weekly Price Setting by Submitting Customer

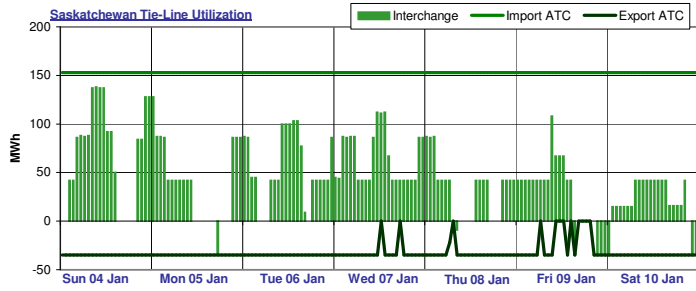


Interties

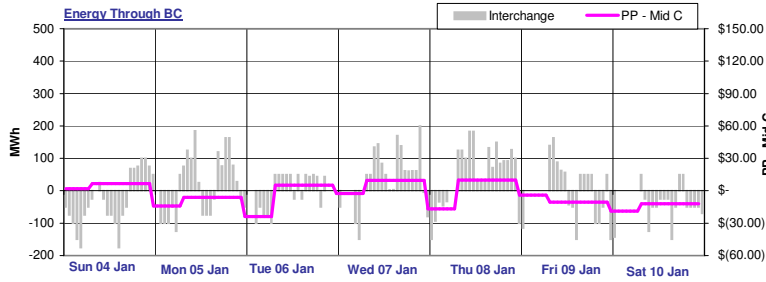


BC import capacity was 47% utilized last week while BC export capacity was 64% utilized. Energy was being imported into Alberta over the BC tie-line 68% of the time and exported out of Alberta over the BC tie-line 31% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



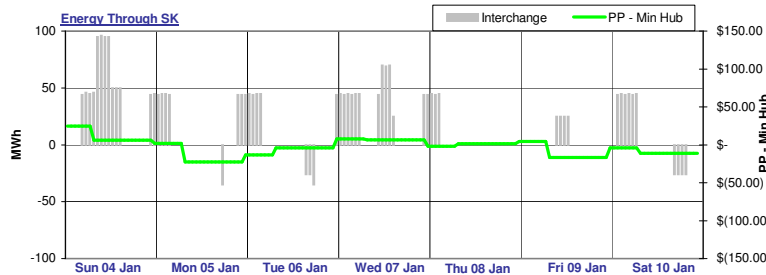
Saskatchewan import capacity was 31% utilized last week while Saskatchewan export capacity was 13% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 74% of the time and exported out of Alberta over the Saskatchewan tie-line 5% of the time last week. There was no activity on the Saskatchewan tie-line 20% of the time last week.



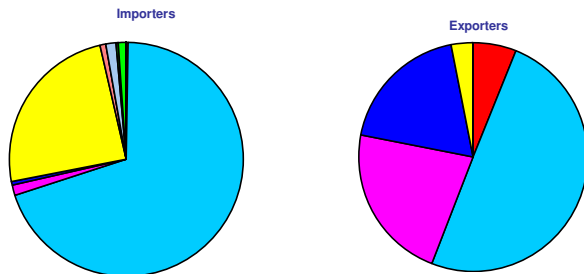
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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

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



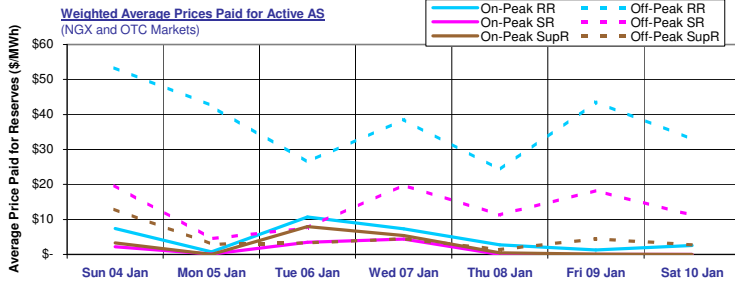
Tie-Line Market Shares



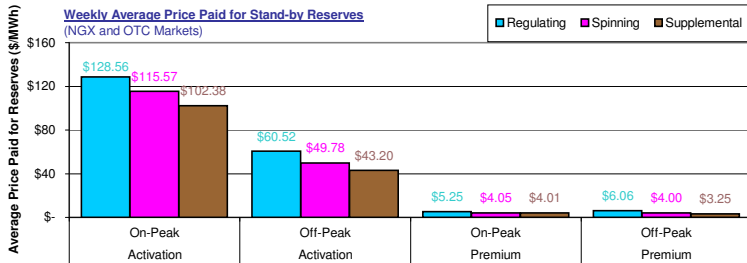
Last week, there were a total of 10 importers. The most active importer had a market share of 69.7% while the second most active importer had a market share of 24.4%. There were a total of 5 exporters last week. The most active exporter had a market share of 49.7% while the next largest exporter had a market share of 22.2%.

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

Ancillary Services Market

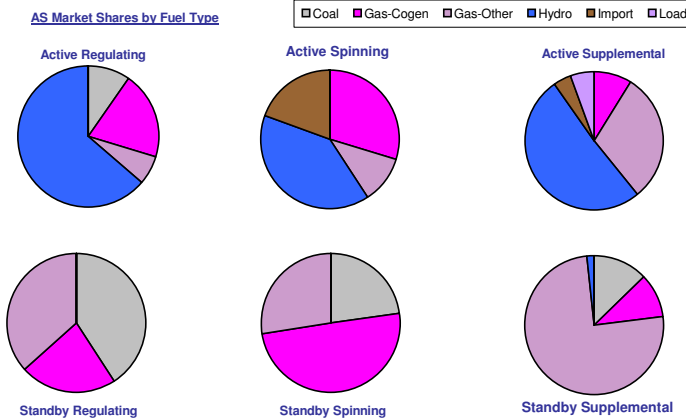


Average on-peak prices paid for active ancillary services last week were **\$4.68/MWh**, **\$1.47/MWh** and **\$2.47/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were **higher** and averaged **\$37.17/MWh**, **\$13.18/MWh** and **\$4.57/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$43.2/MWh** for **off-peak supplemental** reserves to **\$128.56/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$3.25/MWh** for **off-peak supplemental** reserves up to **\$6.06/MWh** for **on-peak spinning** reserves.

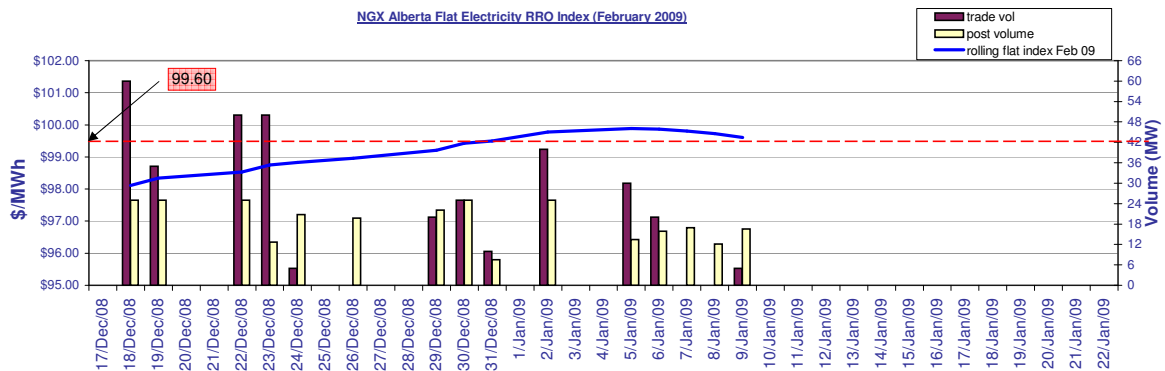
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **63.7%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **39.8%** while in the **active supplemental** reserve market, **hydro** units dominated with a **51.3%** market share.

Coal units dominated the **standby regulating** reserve market with a **40.9%** market share. Leading market share in the **standby spinning** market was held by **gas-cogen** units with a **49.9%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **75.1%**.

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.