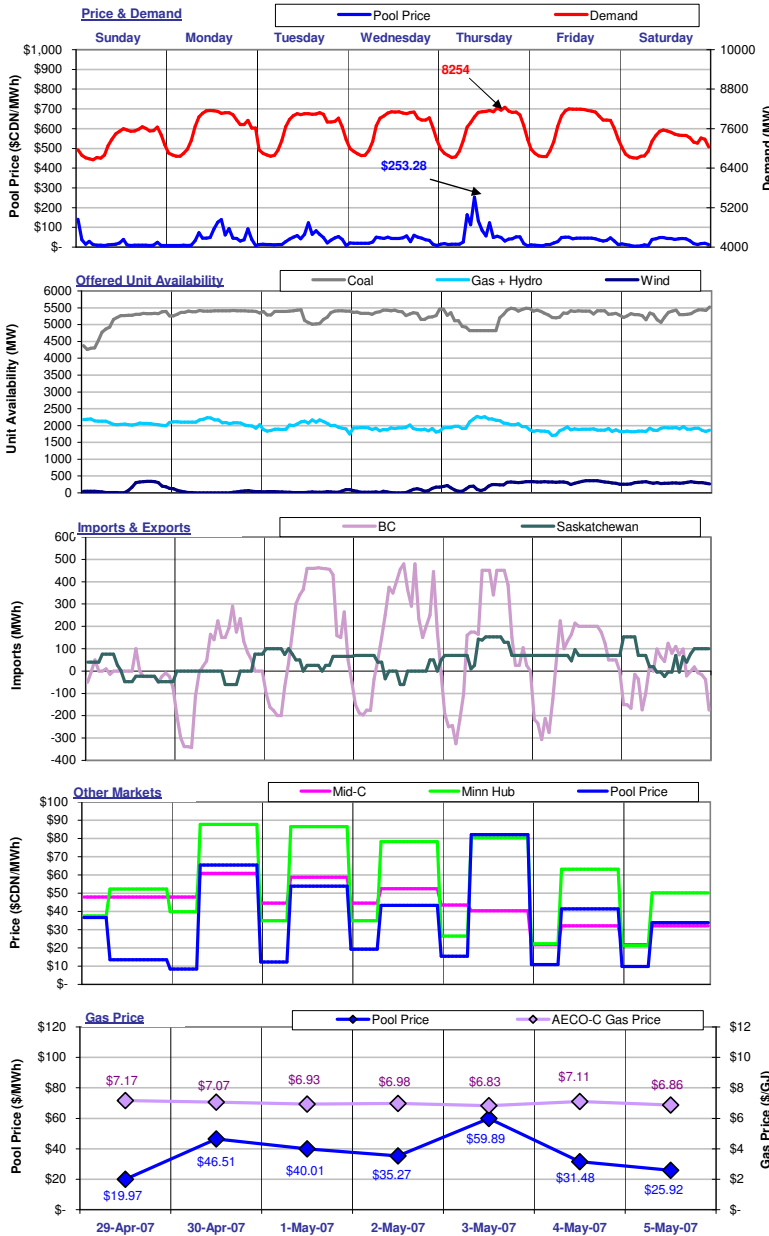


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending May 5, 2007

## Weekly Highlights



For the week ending May 05, 2007, **Pool Price** averaged \$37.01/MWh and ranged from a minimum of \$5.25/MWh in HE04 on Saturday to a maximum of \$253.28/MWh in HE10 on Thursday. **Demand** reached a high of 8254 MW in HE18 on Thursday and a low of 6658 MW in HE05 on Sunday. Average demand for the week was 7516 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.31.

**Coal Unit Availability** averaged 5268 MW last week. This is an equivalent availability of 90% (based on MCR). **Gas and Hydro Unit Availability** averaged 1922 MW last week, which is an equivalent of 36% (based on MCR). **Wind Generation** averaged 153 MW last week. This is an equivalent availability of 35% (based on MCR). 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 9,738MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 10,462 MWh. Overall, Alberta imported 20,200 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 \$46.09/MWh on-peak and \$38.85/MWh off-peak. **Minn Hub** prices averaged \$74.37/MWh on-peak and \$31.03/MWh off-peak.

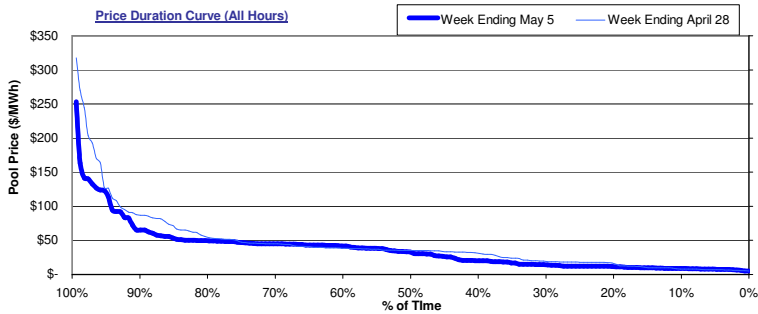
Prices in \$/CDN at an exchange rate of 1.11689.

The average **AECO-C Gas Price** last week was \$6.99/GJ and ranged from a minimum of \$6.83/GJ to \$7.17/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 2.78 GJ/MWh to a high of 8.77 GJ/MWh. The average market heat rate for the week was 5.31 GJ/MWh.

# Wholesale Market

## Weekly Market Statistics

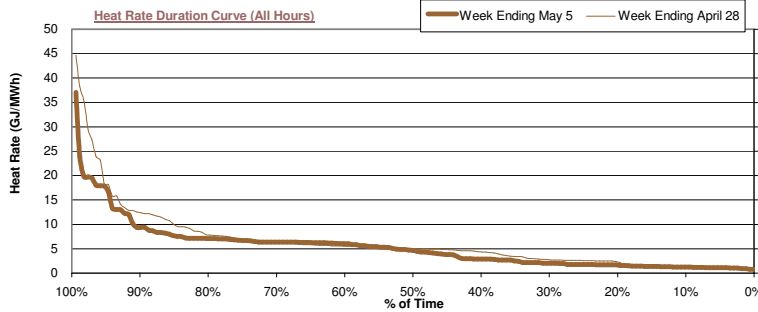
	Sunday 29-Apr	Monday 30-Apr	Tuesday 1-May	Wednesday 2-May	Thursday 3-May	Friday 4-May	Saturday 5-May	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 19.97	\$ 46.51	\$ 40.01	\$ 35.27	\$ 59.89	\$ 31.48	\$ 25.92	\$ <b>37.01</b>	\$ <b>44.28</b>	<b>-16.4%</b>	\$ <b>59.50</b>
On-Peak	NA	\$ 65.47	\$ 53.87	\$ 43.33	\$ 82.11	\$ 41.43	\$ 33.89	\$ <b>53.35</b>	\$ <b>61.33</b>	<b>-13.0%</b>	\$ <b>73.19</b>
Off-Peak	\$ 19.97	\$ 8.57	\$ 12.30	\$ 19.16	\$ 15.44	\$ 11.60	\$ 10.00	\$ <b>15.22</b>	\$ <b>21.55</b>	<b>-29.4%</b>	\$ <b>38.79</b>
COV	1.38	0.83	0.70	0.42	0.99	0.50	0.62	<b>0.78</b>	<b>0.88</b>	<b>-11.6%</b>	
<b>Heat Rate</b>											
Average	2.78	6.58	5.77	5.06	8.77	4.43	3.78	<b>5.31</b>	<b>6.39</b>	<b>-17.0%</b>	<b>8.45</b>
On-Peak	NA	9.26	7.77	6.21	12.02	5.83	4.94	<b>7.67</b>	<b>8.83</b>	<b>-13.1%</b>	<b>10.40</b>
Off-Peak	2.78	1.21	1.77	2.75	2.26	1.63	1.46	<b>2.16</b>	<b>3.15</b>	<b>-31.5%</b>	<b>5.51</b>
<b>Demand</b>											
Average	7,235	7,630	7,605	7,635	7,675	7,659	7,171	<b>7,516</b>	<b>7,600</b>	<b>-1.1%</b>	<b>7,876</b>
Minimum	6,658	6,765	6,761	6,778	6,721	6,755	6,705	<b>6,735</b>	<b>6,843</b>	<b>-1.6%</b>	<b>6,440</b>
Maximum	7,660	8,148	8,080	8,113	8,254	8,201	7,556	<b>8,002</b>	<b>8,086</b>	<b>-1.0%</b>	<b>9,478</b>
<b>Coal Unit Availability</b>											
Average	5,044	5,389	5,301	5,333	5,145	5,347	5,313	<b>5,268</b>	<b>5,203</b>	<b>1.1%</b>	<b>5,387</b>
Utilization	86%	92%	91%	91%	88%	92%	91%	<b>90%</b>	<b>89%</b>	<b>1.1%</b>	<b>92%</b>
<b>Gas and Hydro Unit Availability</b>											
Average	2,074	2,095	1,986	1,904	2,060	1,856	1,880	<b>1,979</b>	<b>2,045</b>	<b>-1.4%</b>	<b>2,251</b>
Utilization	44%	45%	42%	40%	44%	39%	40%	<b>42%</b>	<b>43%</b>	<b>-1.4%</b>	<b>48%</b>



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

For the week ending **May 05**, prices were at or below:

\$20/MWh **38%** of the time  
 \$50/MWh **82%** of the time  
 \$100/MWh **94%** of the time  
 \$250/MWh **99%** of the time  
 \$500/MWh **100%** of the time



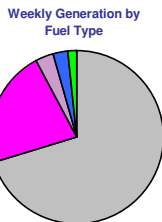
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **May 05** implied market heat rates were at or below:

5.0 GJ/MWh **53%** of the time  
 10.0 GJ/MWh **91%** of the time  
 15.0 GJ/MWh **95%** of the time  
 20.0 GJ/MWh **99%** of the time

### Market Share Statistics

By Fuel Type:

■ Coal ■ Gas - Cogen ■ Gas - Other ■ Hydro ■ Other



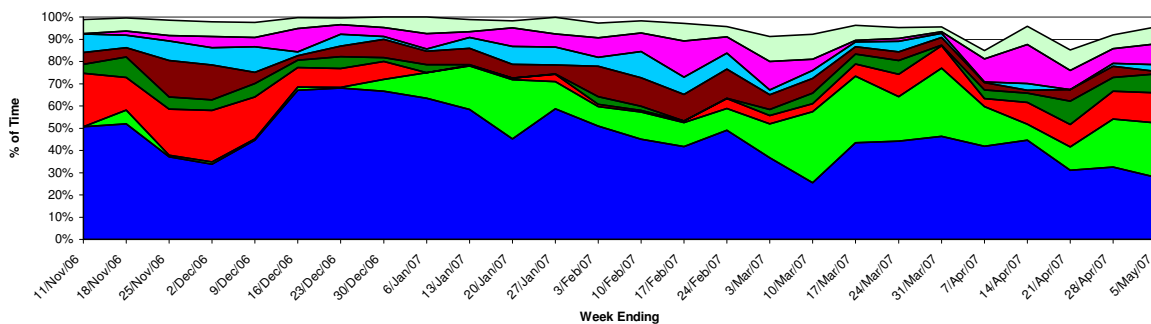
By Submitting Customer:



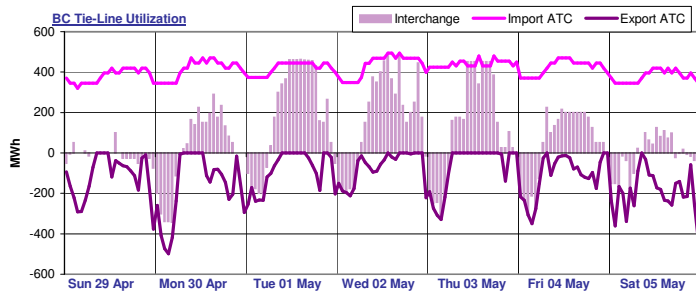
Last week, coal units were responsible for **70.2%** of the generation in the province and set price **75.2%** of the time. **Gas-cogen** units accounted for **22.0%** of the generation and set price **21.6%** of the time last week while **other gas** units made up **3.3%** of generation and set price **3.2%** of the time.

A total of **10** 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 **27.9%** of the time and the top five price setters set price a total of **83.7%** of the time.

### Weekly Price Setting by Submitting Customer

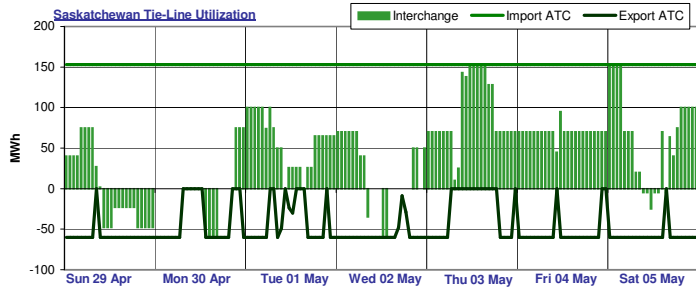


# Interties

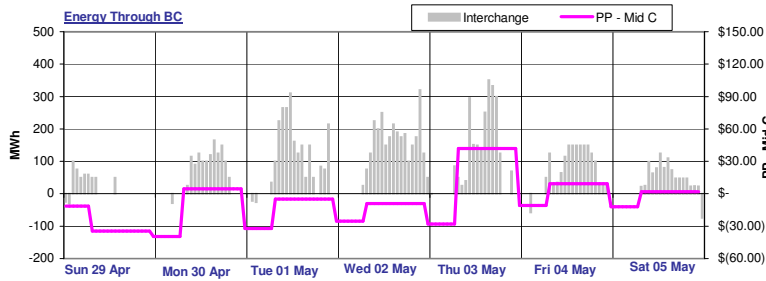


BC import capacity was 23% utilized last week while BC export capacity was 29% utilized. Energy was being imported into Alberta over the BC tie-line 60% of the time and exported out of Alberta over the BC tie-line 30% of the time last week. There was no activity on the BC tie-line 10% of the time last 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.



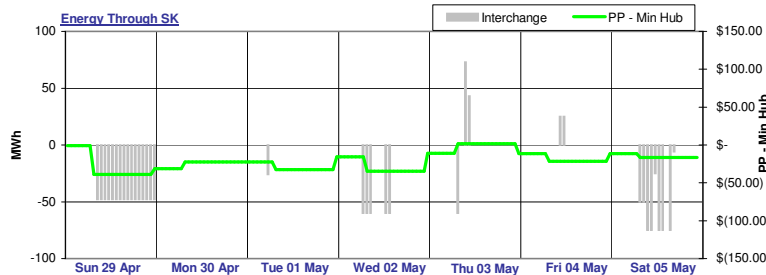
Saskatchewan import capacity was 52% utilized last week while Saskatchewan export capacity was 33% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 64% of the time and exported out of Alberta over the Saskatchewan tie-line 20% of the time last week. There was no activity on the Saskatchewan tie-line 16% of the time last week.



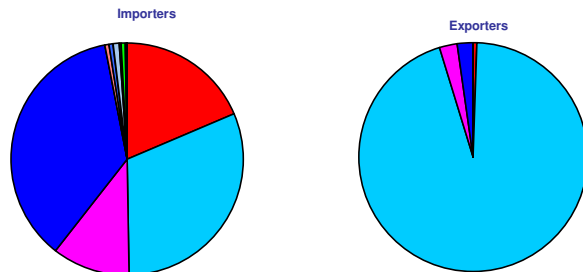
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



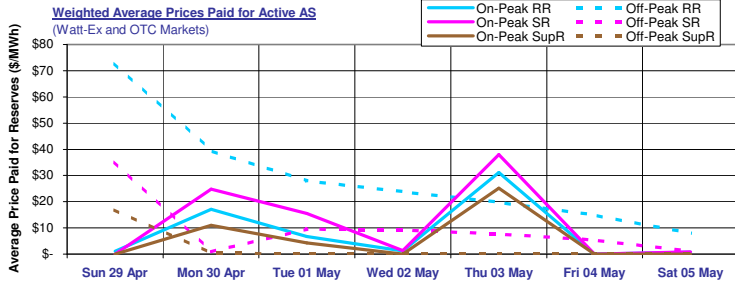
## Tie-Line Market Shares



Last week, there were a total of 12 importers. The most active importer had a market share of 36.5% while the second most active importer had a market share of 30.9%. There were a total of 5 exporters last week. The most active exporter had a market share of 94.8% while the next largest exporter had a market share of 2.3%.

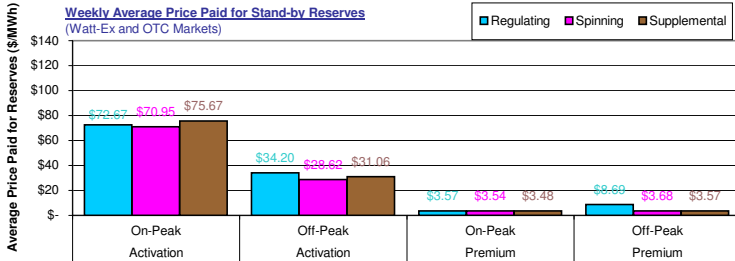
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$8.04/MWh**, **\$11.82/MWh** and **\$5.91/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

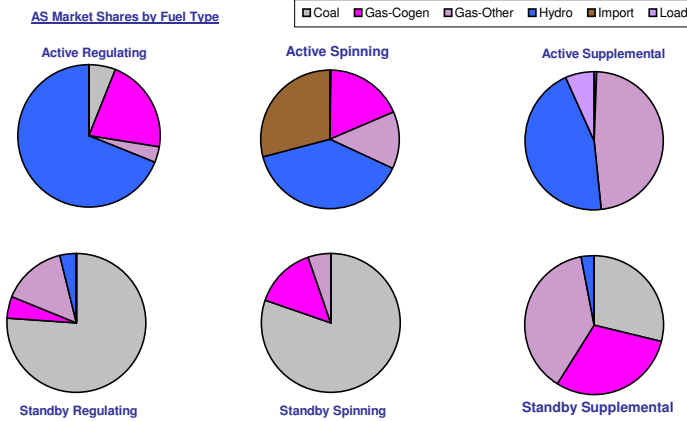
Active average off-peak prices were **lower** with the exception of off-peak regulating and averaged **\$19.85/MWh**, **\$4.91/MWh** and **\$0.06/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$28.62/MWh** for **off-peak spinning** reserves to **\$75.67/MWh** for **on-peak supplemental** reserves.

Weekly average premium prices ranged from **\$3.48/MWh** for **on-peak supplemental** reserves up to **\$8.69/MWh** for **off-peak regulating** reserves.

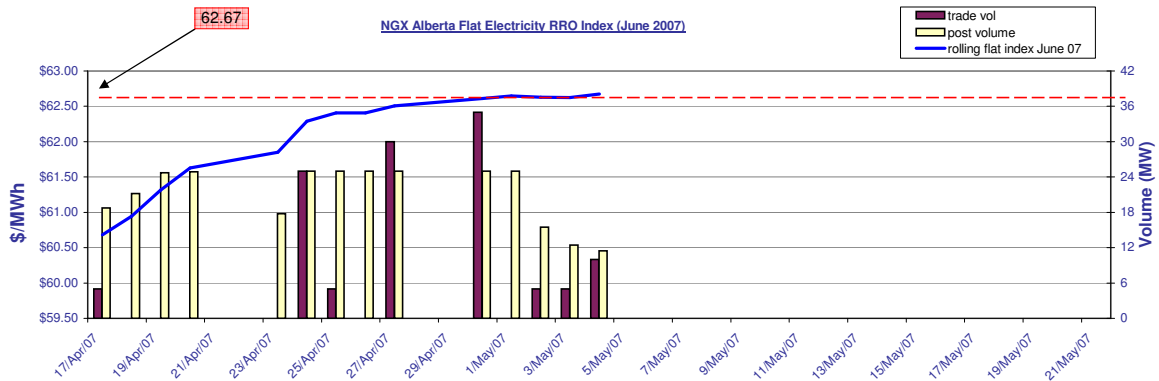
**AS Market Shares by Fuel Type**



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **68.9%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **39.1%** while in the **active supplemental** reserve market, **gas** units dominated with a **47.8%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **76.1%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **80.2%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **38.1%**.

# 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 + holidays (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.