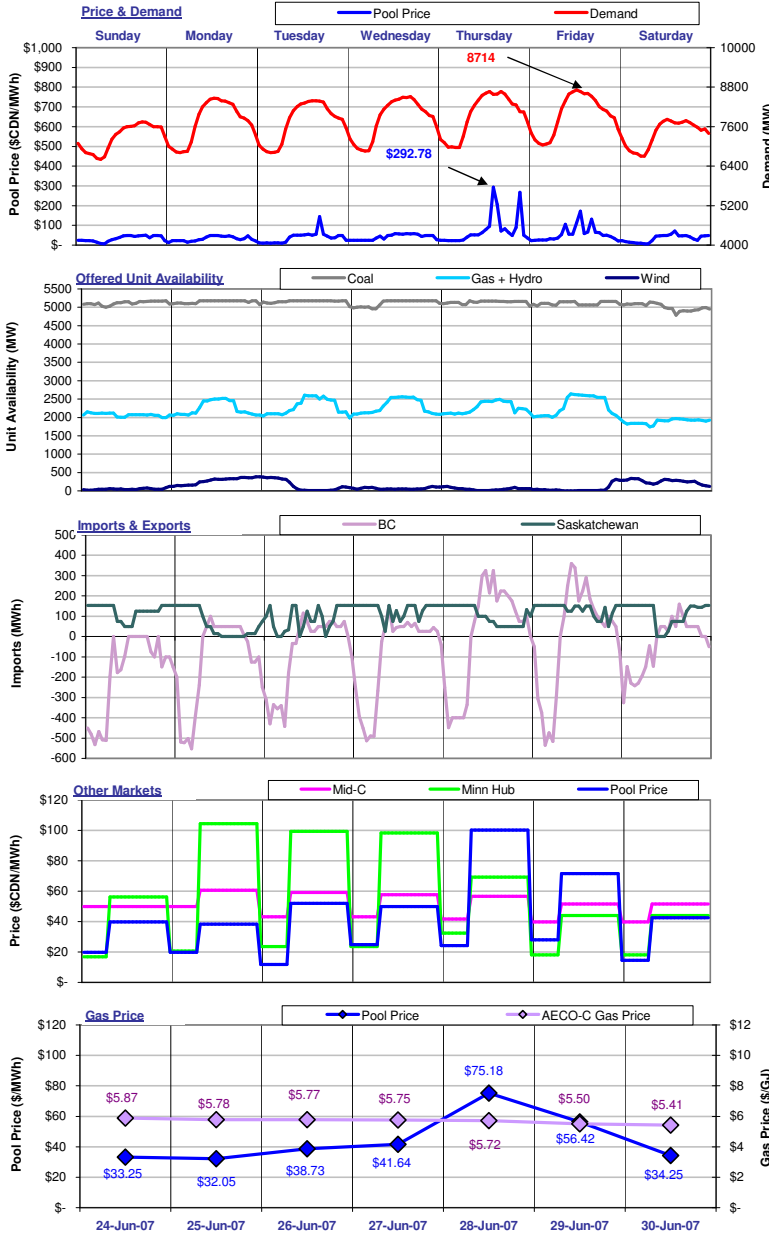


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending June 30, 2007

## Weekly Highlights



For the week ending June 30, 2007, **Pool Price** averaged \$44.50/MWh and ranged from a minimum of \$6.24/MWh in HE08 on Sunday to a maximum of \$292.78/MWh in HE15 on Thursday. **Demand** reached a high of 8714 MW in HE13 on Friday and a low of 6602 MW in HE07 on Sunday. Average demand for the week was 7698 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.36.

**Coal Unit Availability** averaged 5113 MW last week. This is an equivalent availability of 88% (based on MCR). **Gas and Hydro Unit Availability** averaged 2191 MW last week, which is an equivalent of 40% (based on MCR). **Wind Generation** averaged 127 MW last week. This is an equivalent availability of 29% (based on MCR). 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 12,251 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 18,171 MWh. Overall, Alberta imported 5,920 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 \$56.19/MWh on-peak and \$43.88/MWh off-peak. **Minn Hub** prices averaged \$76.57/MWh on-peak and \$21.87/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.06851.

The average **AECO-C Gas Price** last week was \$5.69/GJ and ranged from a minimum of \$5.41/GJ to \$5.87/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.55 GJ/MWh to a high of 13.14 GJ/MWh. The average market heat rate for the week was 7.84 GJ/MWh.

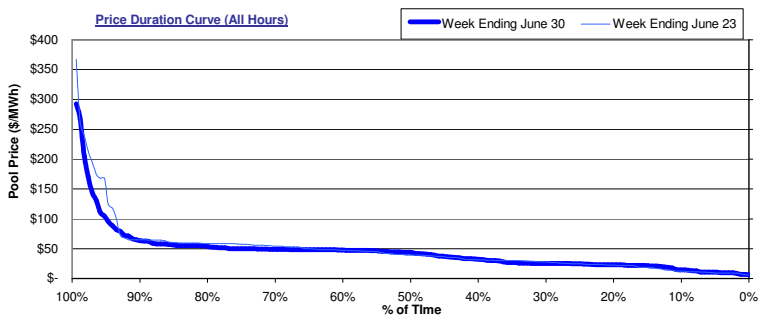


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

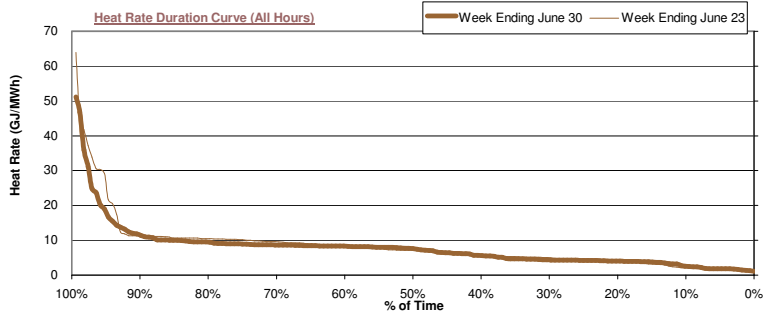
## Weekly Market Statistics

	Sunday 24-Jun	Monday 25-Jun	Tuesday 26-Jun	Wednesday 27-Jun	Thursday 28-Jun	Friday 29-Jun	Saturday 30-Jun	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 33.25	\$ 32.05	\$ 38.73	\$ 41.64	\$ 75.18	\$ 56.42	\$ 34.25	\$ 44.50	\$ 47.91	-7.1%	\$ 56.58
On-Peak	NA	\$ 38.29	\$ 51.95	\$ 49.90	\$ 100.14	\$ 71.51	\$ 42.48	\$ 59.05	\$ 65.46	-9.8%	\$ 72.02
Off-Peak	\$ 33.25	\$ 19.57	\$ 12.28	\$ 25.12	\$ 25.25	\$ 26.22	\$ 17.79	\$ 25.11	\$ 24.51	2.4%	\$ 33.61
COV	0.43	0.37	0.74	0.32	0.99	0.67	0.54	0.58	0.56	3.9%	
<b>Heat Rate</b>											
Average	5.66	5.55	6.71	7.24	13.14	10.26	6.33	7.84	7.69	2.0%	8.26
On-Peak	NA	6.63	9.00	8.68	17.51	13.01	7.85	10.45	10.55	-1.0%	10.51
Off-Peak	5.66	3.39	2.13	4.37	4.41	4.77	3.29	4.37	3.88	12.6%	4.91
<b>Demand</b>											
Average	7,275	7,742	7,741	7,830	7,960	7,960	7,377	7,698	7,574	1.6%	7,985
Minimum	6,602	6,810	6,808	6,860	6,964	7,047	6,704	6,828	6,716	1.7%	6,635
Maximum	7,744	8,464	8,385	8,509	8,669	8,714	7,817	8,329	8,214	1.4%	9,478
<b>Coal Unit Availability</b>											
Average	5,115	5,148	5,157	5,115	5,138	5,109	5,006	5,113	4,942		5,305
Utilization	88%	88%	88%	88%	88%	87%	86%	88%	85%	2.9%	91%
<b>Gas and Hydro Unit Availability</b>											
Average	2,073	2,252	2,297	2,300	2,265	2,310	1,890	2,198	2,137		2,194
Utilization	43%	46%	47%	47%	47%	48%	39%	45%	44%	1.3%	45%



The price duration curves show the % of time that prices were at or below a certain value during the week. For the week ending **June 30**, prices were at or below:

- \$20/MWh 13% of the time
- \$50/MWh 76% of the time
- \$100/MWh 95% of the time
- \$250/MWh 98% of the time
- \$500/MWh 100% of the time



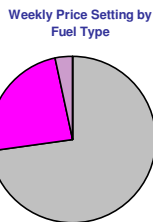
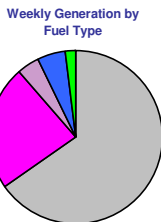
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **June 30** implied market heat rates were at or below:

- 5.0 GJ/MWh 37% of the time
- 10.0 GJ/MWh 85% of the time
- 15.0 GJ/MWh 94% of the time
- 20.0 GJ/MWh 96% of the time

### Market Share Statistics

By Fuel Type:

Legend: Coal (Grey), Gas - Cogen (Pink), Gas - Other (Light Blue), Hydro (Dark Blue), Other (Green)



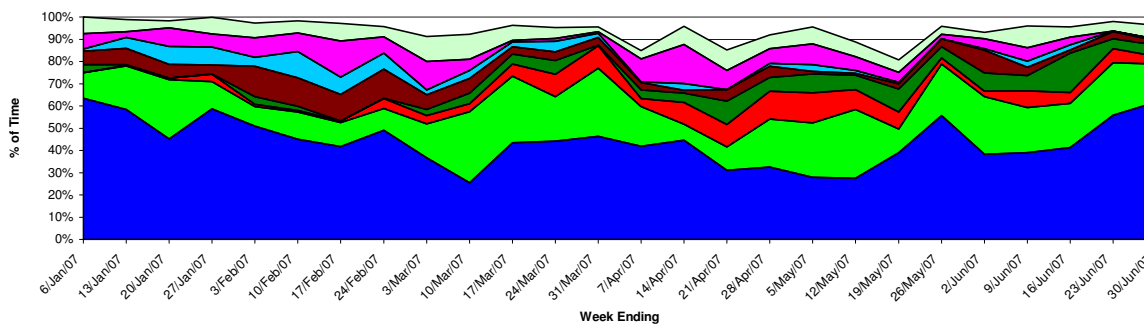
By Submitting Customer:



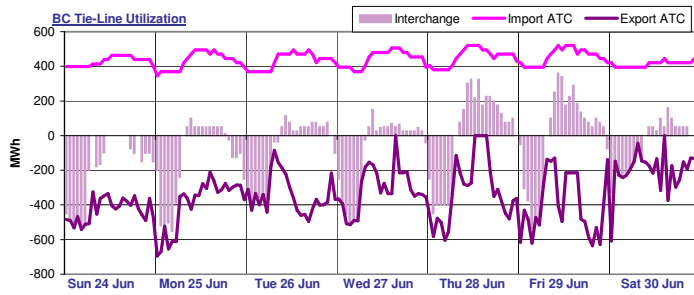
Last week, **coal units** were responsible for 65.4% of the generation in the province and set price 72.7% of the time. **Gas-cogen** units accounted for 23.3% of the generation and set price 24.0% of the time last week while **other gas** units made up 4.2% of generation and set price 3.4% of the time.

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 61.7% of the time and the top five price setters set price a total of **93.5%** of the time.

### Weekly Price Setting by Submitting Customer

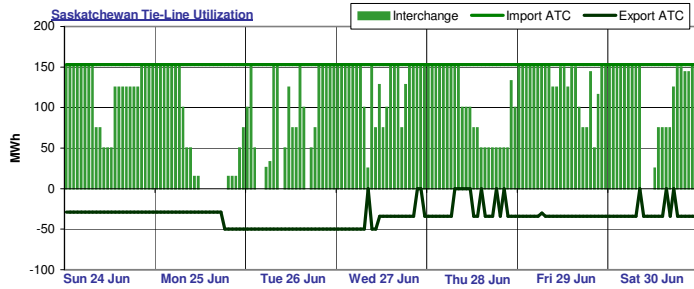


# Interties

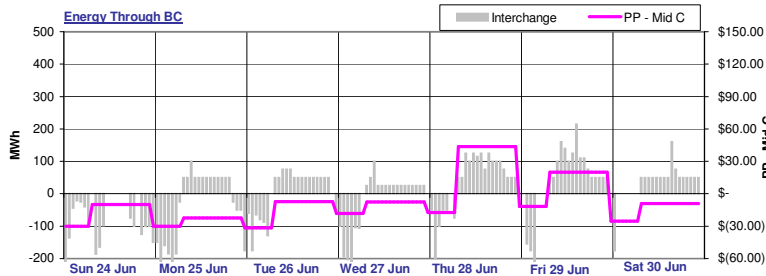


BC import capacity was 11% utilized last week while BC export capacity was 35% utilized. Energy was being imported into Alberta over the BC tie-line 48% of the time and exported out of Alberta over the BC tie-line 43% of the time last week. There was no activity on the BC tie-line 10% of the time last 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.



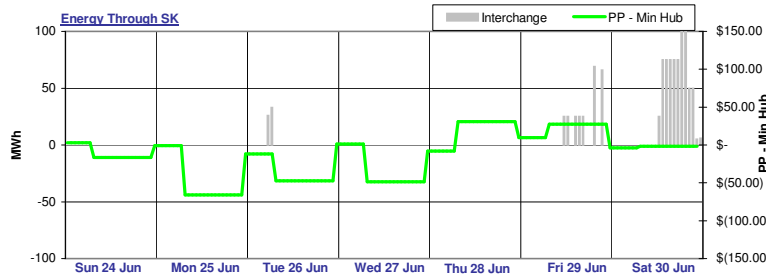
Saskatchewan import capacity was 71% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 92% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 8% of the time last week.



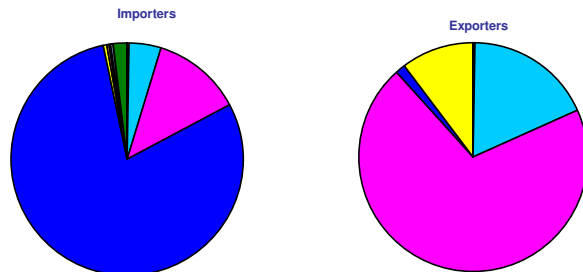
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



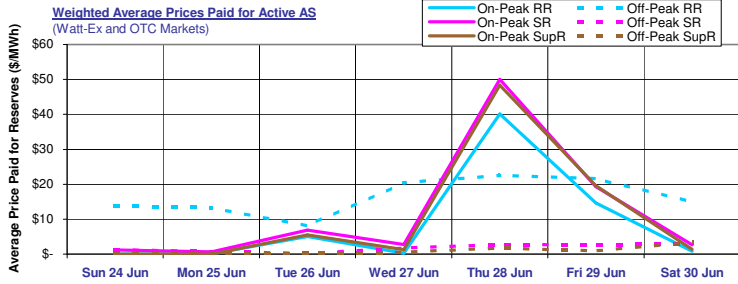
Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 79.3% while the second most active importer had a market share of 12.5%. There were a total of 5 exporters last week. The most active exporter had a market share of 69.9% while the next largest exporter had a market share of 18.3%.

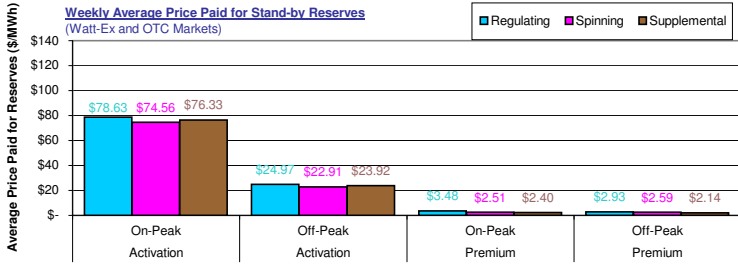
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



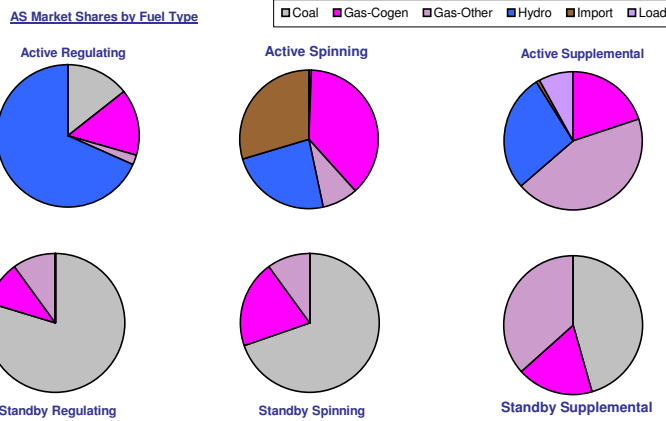
Average on-peak prices paid for active ancillary services last week were **\$9.01/MWh**, **\$12.10/MWh** and **\$11.64/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were **lower** with the exception of off-peak regulating and averaged **\$17.36/MWh**, **\$2.20/MWh** and **\$1.80/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$22.91/MWh** for **off-peak spinning** reserves to **\$78.63/MWh** for **on-peak regulating** reserves.

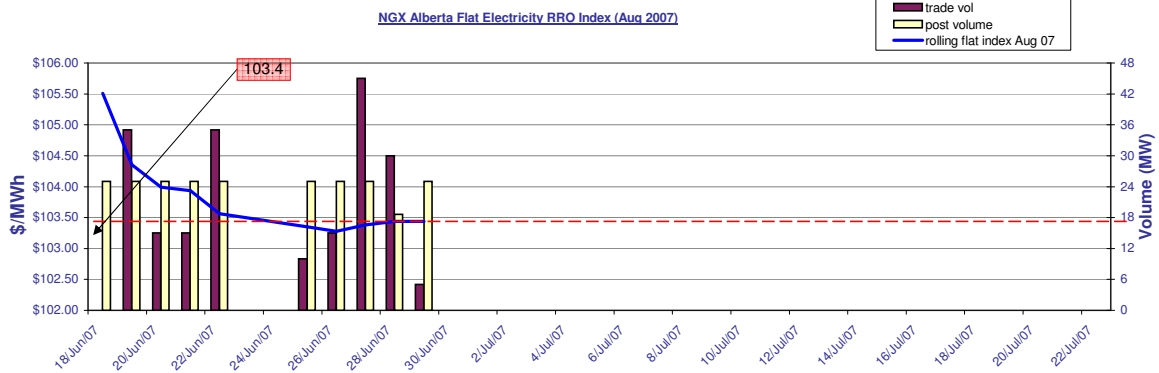
Weekly average premium prices ranged from **\$2.14/MWh** for **off-peak supplemental** reserves up to **\$3.48/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **68.2%**. In the **active spinning** reserve market, **gas cogen** units had the leading market share with **37.7%** while in the **active supplemental** reserve market, **gas** units dominated with a **43.5%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **79.6%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **69.8%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **45.5%**.

# 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.