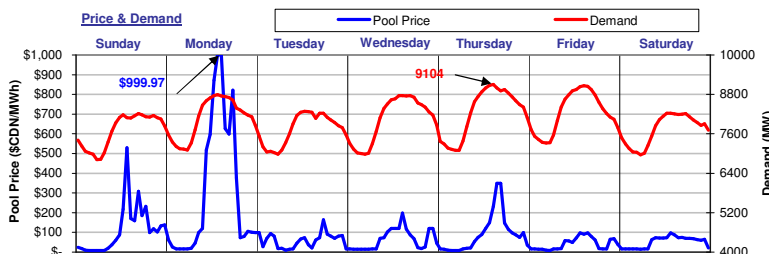


# The Market Monitor

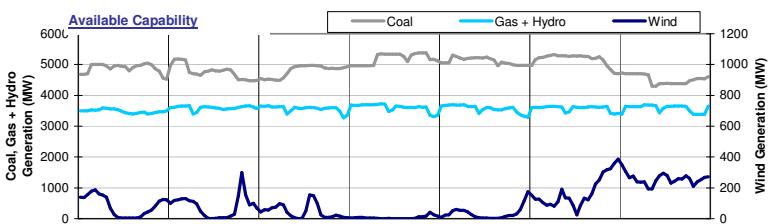
WATCHING THE MARKET : your fact source

Week Ending July 5, 2008

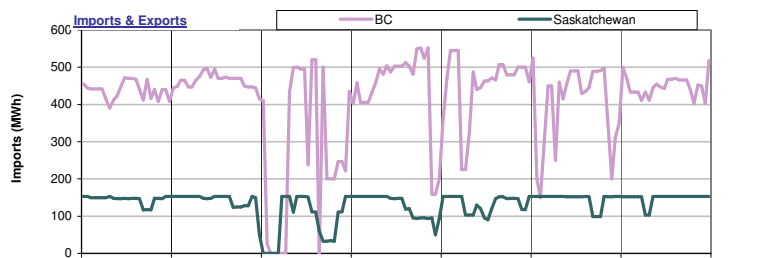
## Weekly Highlights



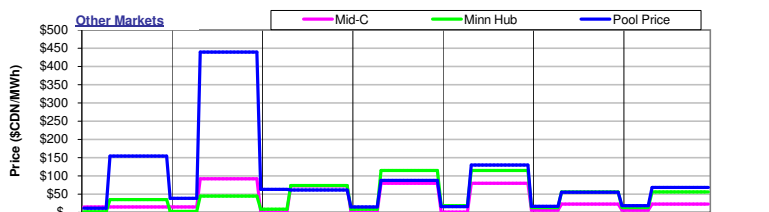
For the week ending July 5, 2008, **Pool Price** averaged \$103.51/MWh and ranged from a minimum of \$7.60/MWh in HE05 on Monday to a maximum of \$999.97/MWh in HE14 on Monday. **Demand** reached a high of 9104 MW in HE15 on Thursday and a low of 6817 MW in HE06 on Sunday. Average demand for the week was 7971 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.20.



**Coal Unit Availability** averaged 4920 MW last week. This is an equivalent availability of 82%. **Gas, Hydro and Other Unit Availability** averaged 3569 MW last week, which is an equivalent of 73%. **Wind Generation** averaged 97 MW last week. This is an equivalent availability of 19%. Availability numbers are based on MW offered into the energy merit order.

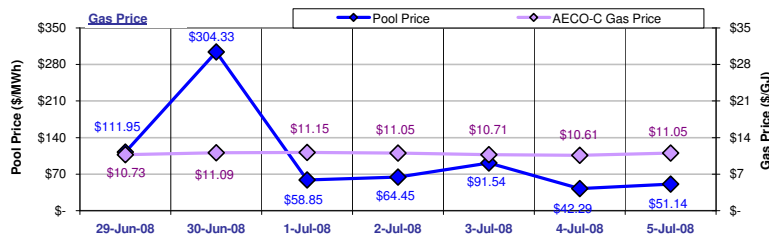


Alberta was a net importer from BC last week with total imports equal to 69,925 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 22,381 MWh. Overall, Alberta imported 92,306 MWh of electricity last week.



**Pool Prices** were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$61.73/MWh on-peak and \$6.54/MWh off-peak. **Minn Hub** prices averaged \$76.85/MWh on-peak and \$9.50/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.0112.



The average **AECO-C Gas Price** last week was \$10.91/GJ and ranged from a minimum of \$10.61/GJ to \$11.15/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 3.99 GJ/MWh to a high of 27.44 GJ/MWh. The average market heat rate for the week was 9.45 GJ/MWh.

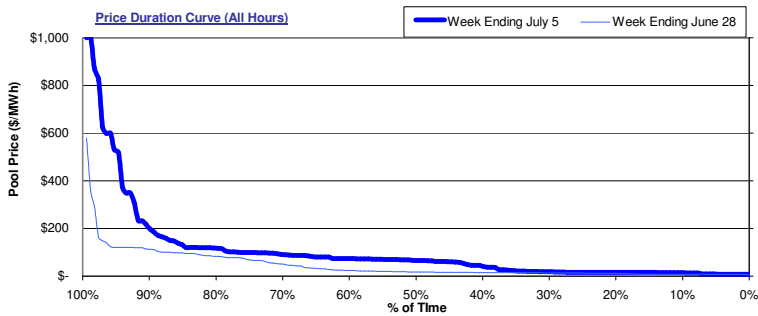


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

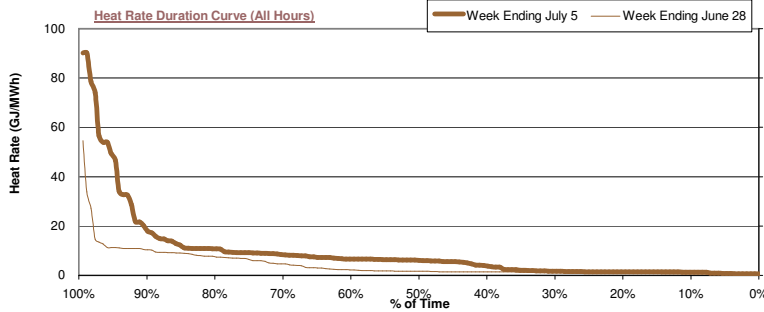
	Sunday 29-Jun	Monday 30-Jun	Tuesday 1-Jul	Wednesday 2-Jul	Thursday 3-Jul	Friday 4-Jul	Saturday 5-Jul	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 111.95	\$ 304.33	\$ 58.85	\$ 64.45	\$ 91.54	\$ 42.29	\$ 51.14	\$ 103.51	\$ 45.34	128.3%	\$ 91.41
On-Peak	NA	\$ 439.72	\$ 61.82	\$ 87.43	\$ 130.12	\$ 55.04	\$ 68.57	\$ 140.45	\$ 68.98	103.6%	\$ 117.32
Off-Peak	\$ 111.95	\$ 33.54	\$ 52.90	\$ 18.49	\$ 14.40	\$ 16.78	\$ 16.30	\$ 54.25	\$ 13.81	292.7%	\$ 52.21
COV	1.10	1.15	0.64	0.82	1.07	0.73	0.56	0.87	0.82	5.8%	
<b>Heat Rate</b>											
Average	10.43	27.44	5.28	5.83	8.55	3.99	4.63	9.45	4.14	128.2%	10.53
On-Peak	NA	39.64	5.54	7.91	12.15	5.19	6.21	12.77	6.30	102.8%	13.52
Off-Peak	10.43	3.02	4.74	1.67	1.34	1.58	1.48	5.01	1.26	296.5%	6.02
<b>Demand</b>											
Average	7,696	8,080	7,743	8,051	8,248	8,247	7,733	7,971	7,817	2.0%	7,957
Minimum	6,817	7,111	6,976	6,982	7,095	7,322	6,961	7,038	6,892	2.1%	6,411
Maximum	8,215	8,789	8,283	8,767	9,104	9,069	8,226	8,636	8,464	2.0%	9,710
<b>Coal Unit Availability</b>											
Average	4,879	4,773	4,795	5,196	5,116	5,165	4,519	4,920	4,992		5,090
AC/MC	81%	79%	80%	87%	85%	86%	75%	82%	83%	-1.2%	85%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,486	3,597	3,566	3,607	3,570	3,580	3,580	3,569	3,439		3,594
AC/MC	72%	74%	73%	74%	73%	74%	74%	73%	71%	2.7%	74%



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

For the week ending **July 5**, prices were at or below:

- \$20/MWh 32% of the time
- \$50/MWh 42% of the time
- \$100/MWh 76% of the time
- \$250/MWh 92% of the time
- \$500/MWh 94% 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.

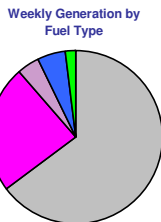
For the week ending **July 5** implied market heat rates were at or below:

- 5.0 GJ/MWh 43% of the time
- 10.0 GJ/MWh 79% of the time
- 15.0 GJ/MWh 89% of the time
- 20.0 GJ/MWh 90% of the time

### Market Share Statistics

By Fuel Type:

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



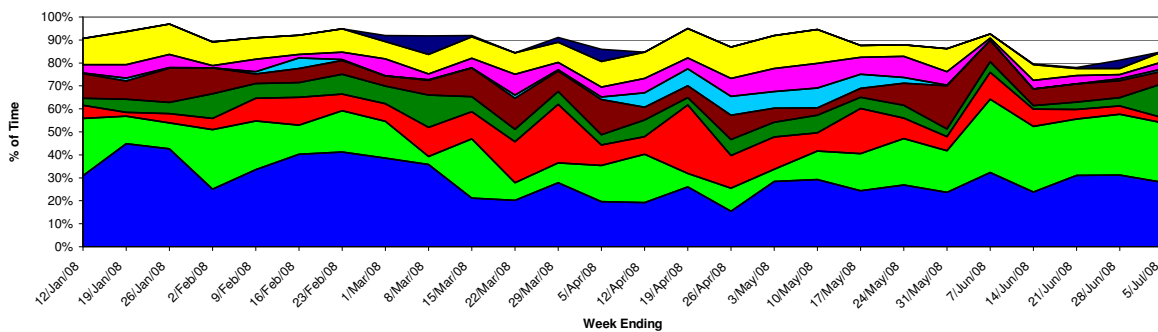
By Submitting Customer:



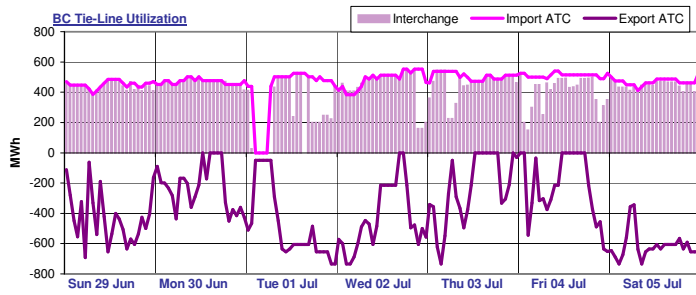
Last week, **coal units** were responsible for **64.8%** of the generation in the province and set price **53.0%** of the time. **Gas-cogen** units accounted for **23.8%** of the generation and set price **35.1%** of the time last week while **other gas** units made up **4.1%** of generation and set price **7.6%** of the time.

A total of **12** 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 **28%** of the time and the top five price setters set price a total of **82.2%** of the time.

### Weekly Price Setting by Submitting Customer

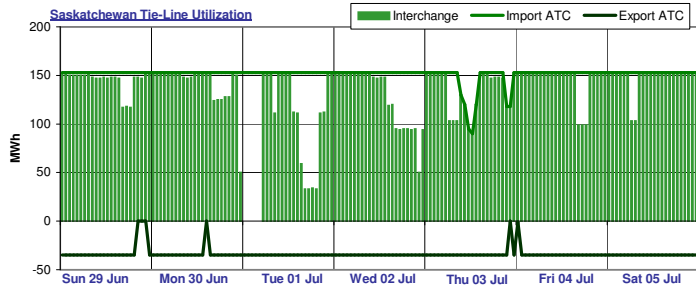


# Interties

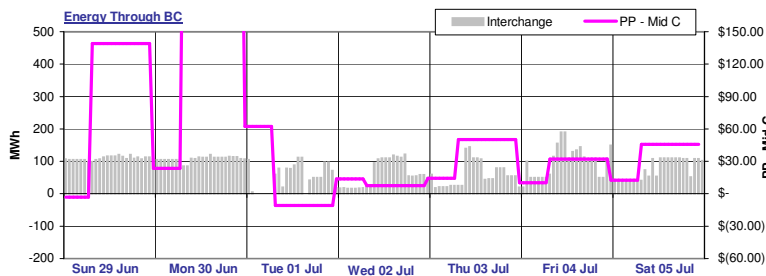


BC import capacity was 89% utilized last week while BC export capacity was 0% utilized. Energy was being imported into Alberta over the BC tie-line 96% of the time and exported out of Alberta over the BC tie-line 4% of the time last week. There was no activity on the BC tie-line 4% of the time last week.

Note: External reserve contract volumes have been subtracted from the BC import ATC as this capacity is not available to import energy into Alberta.



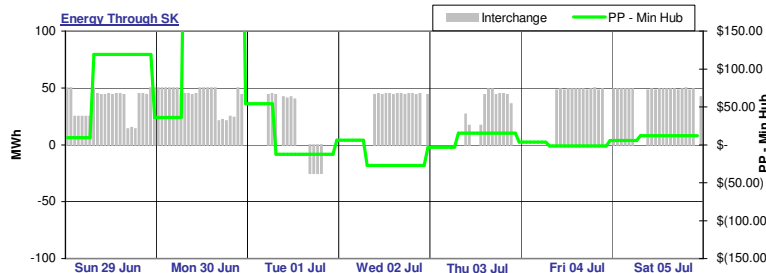
Saskatchewan import capacity was 89% utilized last week while Saskatchewan export capacity was 2% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 97% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 3% of the time last week.



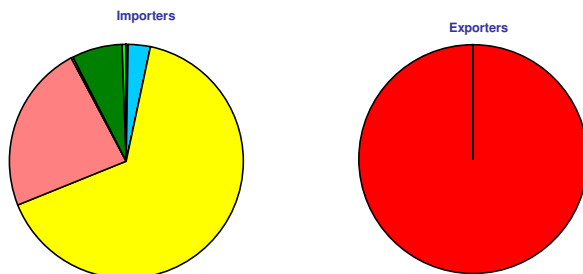
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



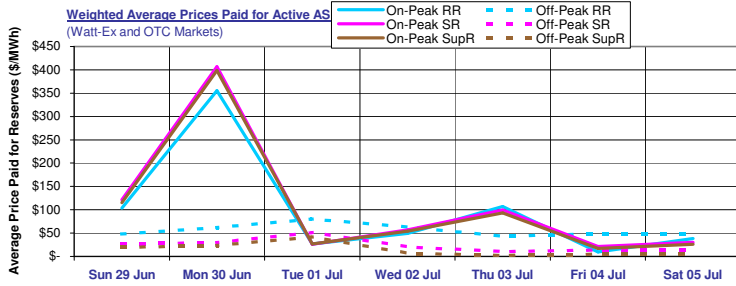
Tie-Line Market Shares



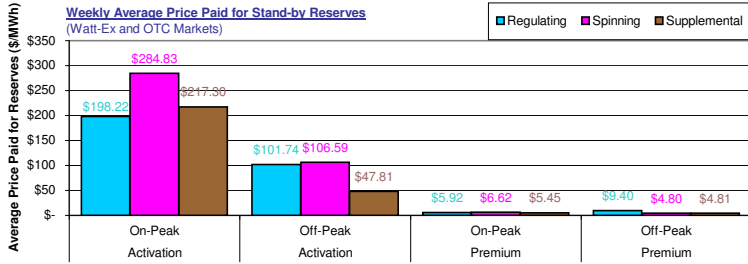
Last week, there were a total of 11 importers. The most active importer had a market share of 65.5% while the second most active importer had a market share of 23.3%. There were a total of 1 exporters last week. The most active exporter had a market share of 100% while the next largest exporter had a market share of 0%.

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

# Ancillary Services Market

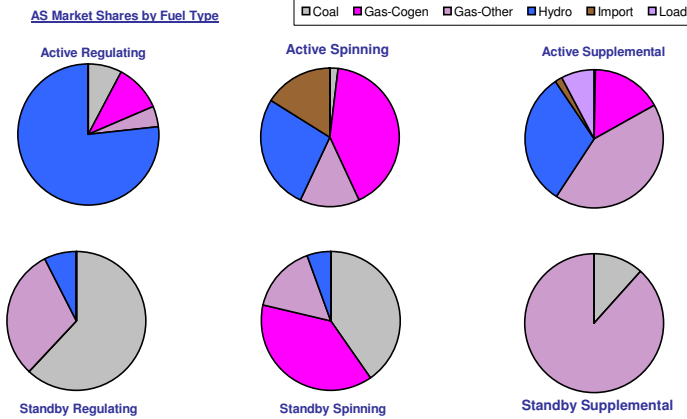


Average on-peak prices paid for active ancillary services last week were **\$99.76/MWh**, **\$109.06/MWh** and **\$108.36/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.  
Active average off-peak prices were **lower** and averaged **\$56.16/MWh**, **\$23.65/MWh** and **\$14.46/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$47.81/MWh** for **off-peak supplemental** reserves to **\$284.03/MWh** for **on-peak spinning** reserves.  
Weekly average premium prices ranged from **\$4.80/MWh** for **off-peak spinning** reserves up to **\$9.40/MWh** for **on-peak spinning** reserves.

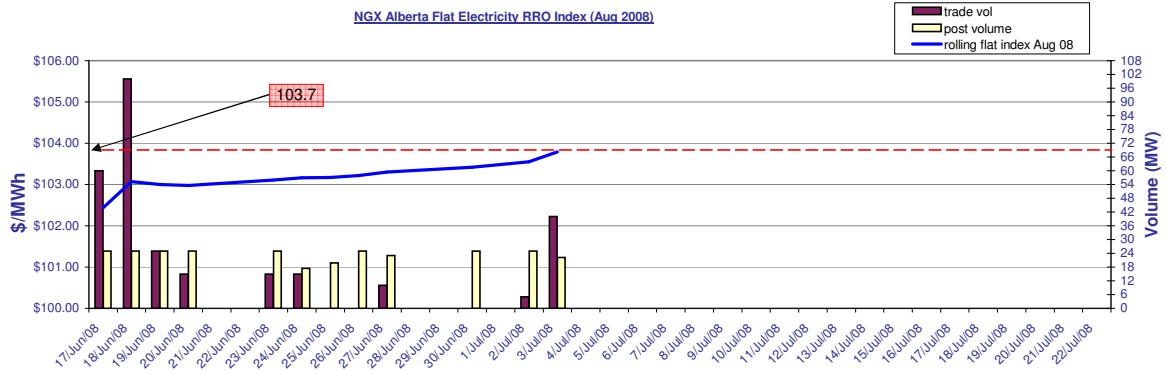
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **76.7%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **40.9%** while in the **active supplemental** reserve market, **gas** units dominated with a **42.2%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **61.9%** market share. Leading market share in the **standby spinning** market was held by **gas-cogen** units with a **40.3%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **88.4%**.

# 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.