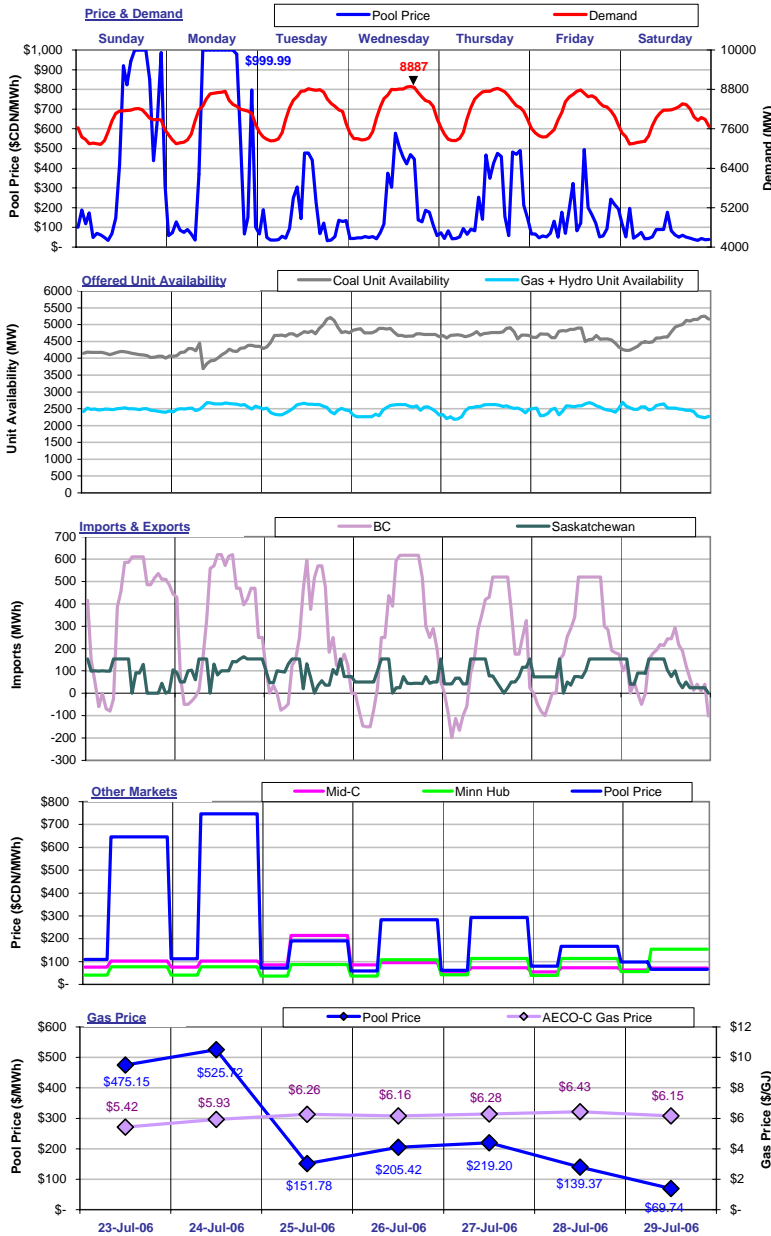


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 29, 2006

## Weekly Highlights



For the week ending July 29, 2006, **Pool Price** averaged \$255.20/MWh and ranged from a minimum of \$32.07/MWh in HE19 on Tuesday to a maximum of \$999.99/MWh in HE17-19 on Sunday and HE10-18 on Monday.

**Demand** reached a high of 8887 MW in HE17 on Wednesday and a low of 7124 MW in HE07 on Sunday. Average demand for the week was 8026 MW.

**Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.19.

**Coal Unit Availability** averaged 4563 MW last week. This is an equivalent availability of 78% (based on MCR). **Gas and Hydro Unit Availability** averaged 2492 MW last week, which is an equivalent of 52% (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 41,868MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 14,720 MWh.

Overall, Alberta imported 56,588 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 \$104.84/MWh on-peak and \$70.53/MWh off-peak.

**Minn Hub** prices averaged \$108.87/MWh on-peak and \$41.96/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.13802.

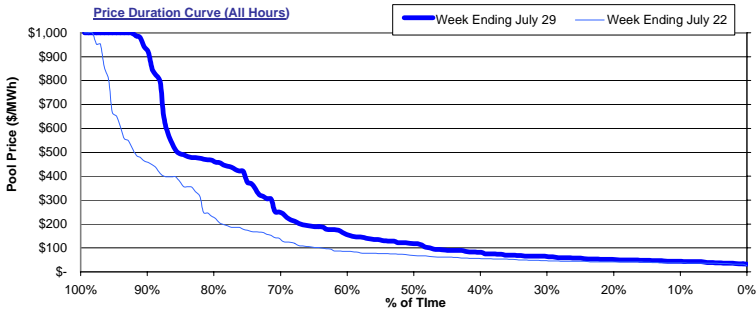
The average **AECO-C Gas Price** last week was \$6.09/GJ and ranged from a minimum of \$5.42/GJ to \$6.43/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 11.34 GJ/MWh to a high of 88.61GJ/MWh. The average market heat rate for the week was 43.12 GJ/MWh.

# Wholesale Market

## Weekly Market Statistics

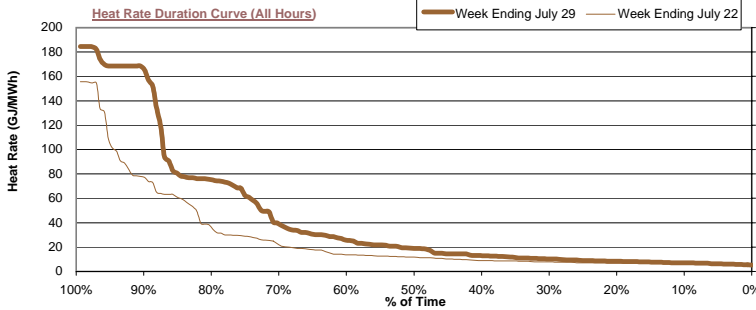
	Sunday 23-Jul	Monday 24-Jul	Tuesday 25-Jul	Wednesday 26-Jul	Thursday 27-Jul	Friday 28-Jul	Saturday 29-Jul	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 475.15	\$ 525.72	\$ 151.78	\$ 205.42	\$ 219.20	\$ 139.37	\$ 69.74	\$ 255.20	\$ 164.37	55.3%	\$ 66.22
On-Peak	NA	\$ 746.19	\$ 189.94	\$ 283.51	\$ 292.67	\$ 166.25	\$ 65.28	\$ 290.64	\$ 246.23	18.0%	\$ 85.76
Off-Peak	\$ 475.15	\$ 84.79	\$ 75.47	\$ 49.25	\$ 72.26	\$ 85.62	\$ 78.68	\$ 207.95	\$ 55.23	276.5%	\$ 35.85
COV	0.84	0.84	0.94	0.89	0.81	0.76	0.60	0.81	0.87	-6.8%	
<b>Heat Rate</b>											
Average	87.69	88.61	24.23	33.34	34.92	21.67	11.34	43.12	30.44	41.6%	10.57
On-Peak	NA	125.77	30.32	46.02	46.62	25.85	10.61	47.53	45.72	4.0%	13.69
Off-Peak	87.69	14.29	12.05	7.99	11.51	13.32	12.79	37.22	10.08	269.4%	5.73
<b>Demand</b>											
Average	7,746	8,027	8,134	8,208	8,162	8,107	7,795	8,026	8,005	0.3%	7,831
Minimum	7,124	7,144	7,238	7,266	7,240	7,353	7,139	7,215	7,136	1.1%	6,351
Maximum	8,216	8,740	8,817	8,887	8,833	8,778	8,360	8,662	8,650	0.1%	9,306
<b>Coal Unit Availability</b>											
Average	4,124	4,175	4,763	4,758	4,720	4,664	4,735	4,563	4,828		5,348
Utilization	71%	71%	82%	81%	81%	80%	81%	78%	83%	-4.6%	92%
<b>Gas and Hydro Unit Availability</b>											
Average	2,474	2,570	2,496	2,453	2,468	2,501	2,483	2,492	2,445		2,025
Utilization	52%	54%	52%	52%	52%	53%	52%	52%	51%	1.0%	43%



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 29**, prices were at or below:

- \$20/MWh 0% of the time
- \$50/MWh 18% of the time
- \$100/MWh 47% of the time
- \$250/MWh 70% of the time
- \$500/MWh 85% 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.

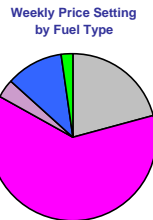
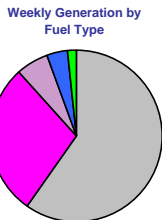
For the week ending **July 29** implied market heat rates were at or below:

- 5.0 GJ/MWh 0% of the time
- 10.0 GJ/MWh 29% of the time
- 15.0 GJ/MWh 46% of the time
- 20.0 GJ/MWh 52% of the time

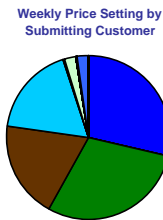
### Market Share Statistics

By Fuel Type:

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

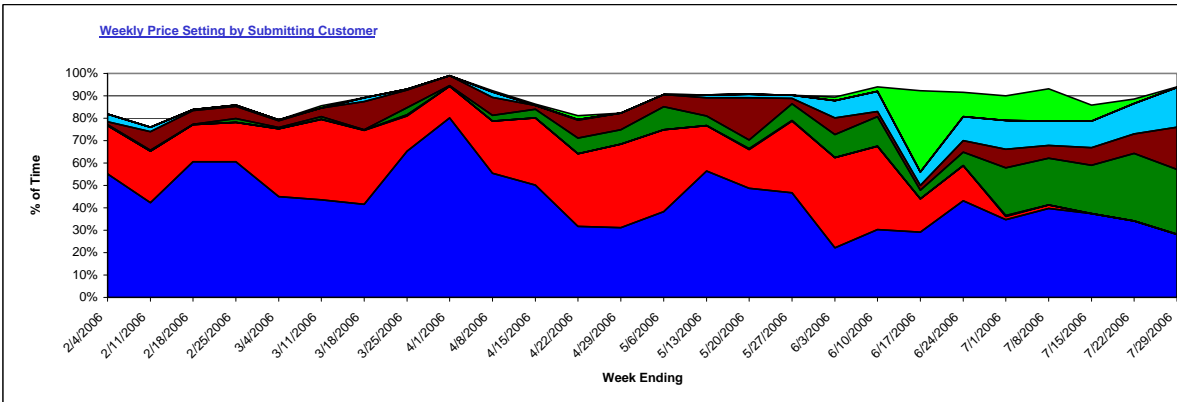


By Submitting Customer:

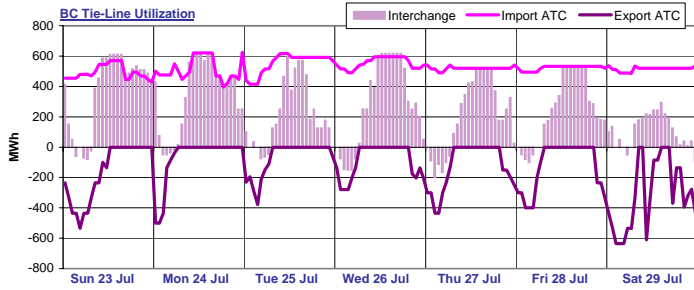


Last week, coal units were responsible for 59.6% of the generation in the province and set price 20.9% of the time. Gas-cogen units accounted for 28.8% of the generation and set price 61.9% of the time last week while other gas units made up 6.2% of generation and set price 3.6% of the time.

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 28.9% of the time and the top five price setters set price a total of 95.9% of the time.

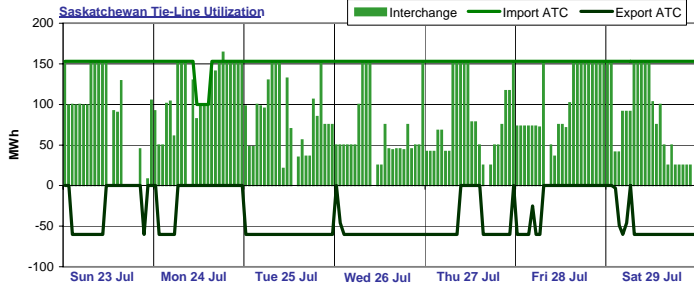


# Interties

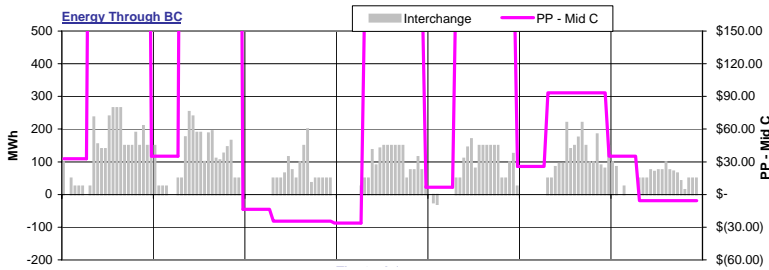


BC import capacity was 48% utilized last week while BC export capacity was 12% utilized. Energy was being imported into Alberta over the BC tie-line 76% of the time and exported out of Alberta over the BC tie-line 17% of the time last week. There was no activity on the BC tie-line 7% of the time last 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.



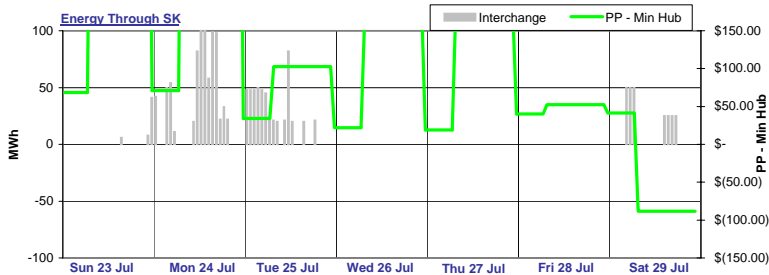
Saskatchewan import capacity was 59% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 93% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 7% of the time last week.



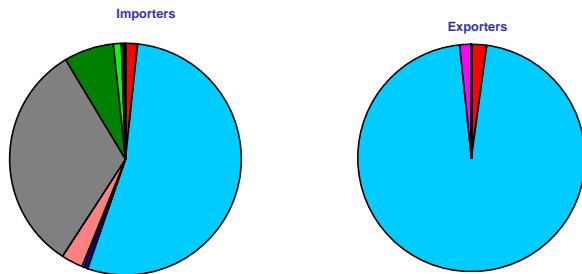
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally higher than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supported import activity across the Alberta - Saskatchewan interconnection.

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



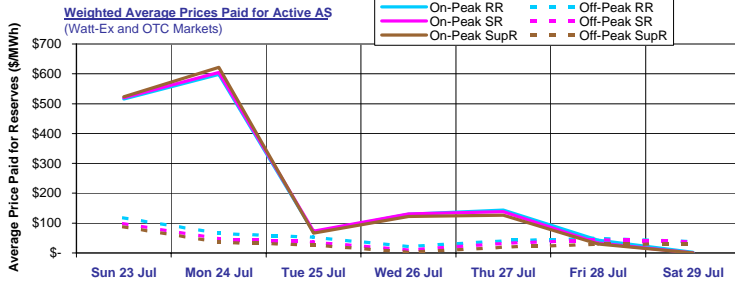
Tie-Line Market Shares



Last week, there were a total of 11 importers. The most active importer had a market share of 53.6% while the second most active importer had a market share of 32.0%. There were a total of 3 exporters last week. The most active exporter had a market share of 96.3% while the next largest exporter had a market share of 2.1%.

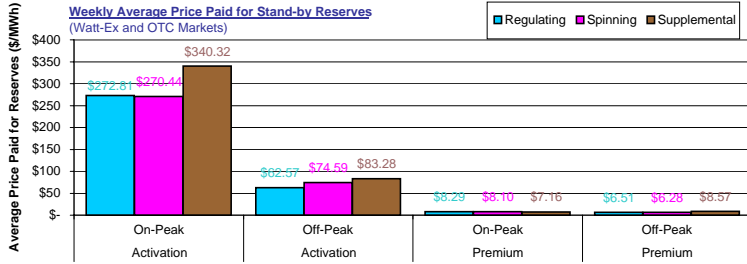
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



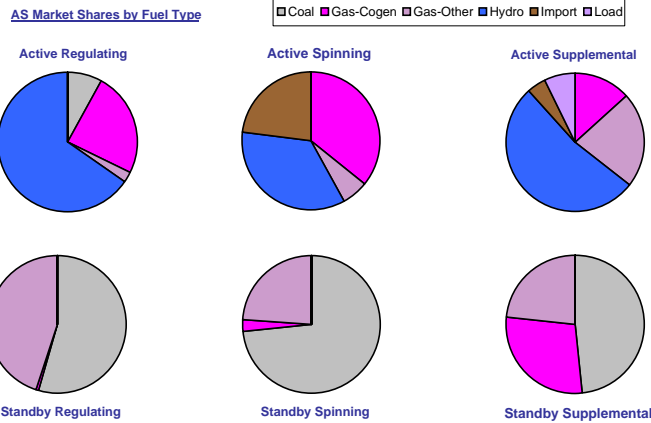
Average on-peak prices paid for active ancillary services last week were \$215.36/MWh, \$218.37/MWh and \$217.34/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat **higher** and averaged \$54.68/MWh, \$43.55/MWh and \$33.62/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$62.57/MWh for **off-peak regulating** reserves to \$340.32/MWh for **on-peak supplemental** reserves.

Weekly average premium prices ranged from \$6.51/MWh for **off-peak regulating** reserves up to \$8.29/MWh for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 65.3%. In the **active spinning** reserve market, **gas cogen** units had the leading market share with 35.8% while in the **active supplemental** reserve market, **hydro** units dominated with a 53.0% market share.

Coal units dominated the **standby regulating** reserve market with a 54.6% market share. Leading market share in the **standby spinning** market was held by coal units with a 73.3% market share. In the **standby supplemental** reserve market, coal units had the leading market share with 48.3%.

## Glossary

- HE** Hour Ending
- 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)
- COV** Coefficient of Variation  
The standard deviation of a series of numbers divided by the mean of the same series of numbers. Used as a measure of volatility.
- ATC** Available Transfer Capacity  
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.
- Sparksread** Sparksreads 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.