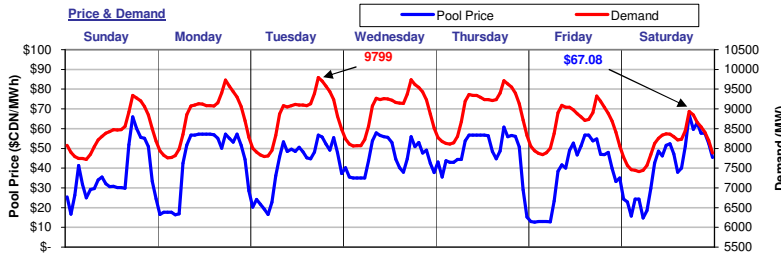


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending January 9, 2010

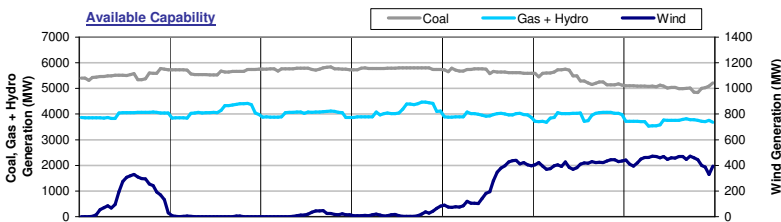
## Weekly Highlights



For the week ending January 9, 2010, **Pool Price** averaged \$42.04/MWh and ranged from a minimum of \$12.72/MWh in HE02 on Friday to a maximum of \$67.08/MWh in HE18 on Saturday.

**Demand** reached a high of 9,799 MW in HE18 on Tuesday and a low of 7,413 MW in HE05 on Saturday. Average demand for the week was 8,659 MW.

**Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.65.

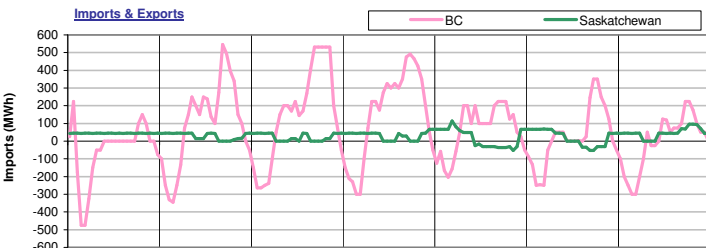


Coal Unit Availability averaged 5547 MW last week. This is an equivalent availability of 92%.

Gas, Hydro and Other Unit Availability averaged 3978 MW last week, which is an equivalent of 70%.

Wind Generation averaged 183 MW last week. This is an equivalent availability of 32%.

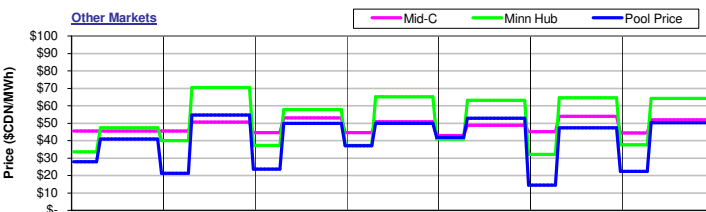
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer to BC last week with total imports equal to 10,622 MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 5,103 MWh.

Overall, Alberta imported 15,725 MWh of electricity last week.

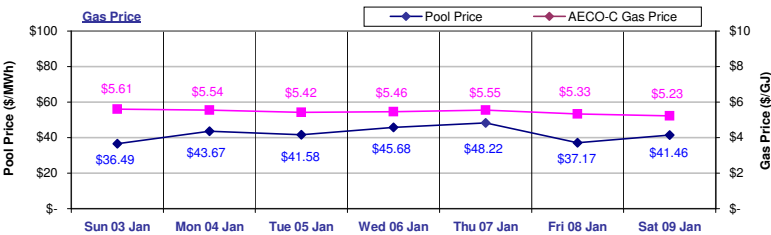


Pool Prices were generally lower than prices in Mid-C and lower than prices in Minn Hub last week.

Mid-C prices averaged \$51.52/MWh on-peak and \$44.68/MWh off-peak.

Minn Hub prices averaged \$64.23/MWh on-peak and \$36.99/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.0512.



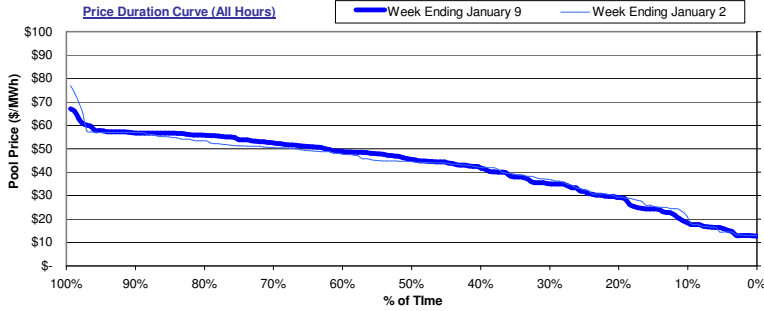
The average AECO-C Gas Price last week was \$5.45/GJ and ranged from a minimum of \$5.23/GJ to \$5.61/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 6.50 GJ/MWh to a high of 8.69 GJ/MWh. The average market heat rate for the week was 7.72 GJ/MWh.

# Wholesale Market

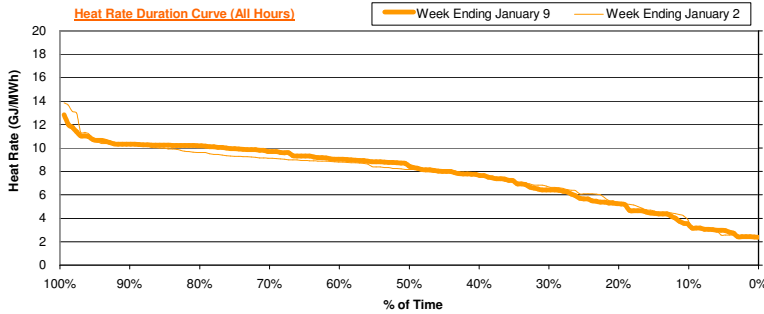
## Weekly Market Statistics

	Sunday 3-Jan	Monday 4-Jan	Tuesday 5-Jan	Wednesday 6-Jan	Thursday 7-Jan	Friday 8-Jan	Saturday 9-Jan	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 36.49	\$ 43.67	\$ 41.58	\$ 45.68	\$ 48.22	\$ 37.17	\$ 41.46	\$ 42.04	\$ 41.76	0.7%	\$ 41.74
On-Peak	NA	\$ 54.66	\$ 49.98	\$ 49.93	\$ 52.80	\$ 47.28	\$ 50.32	\$ 50.83	\$ 47.62	6.7%	\$ 49.24
Off-Peak	\$ 36.49	\$ 21.69	\$ 24.79	\$ 37.18	\$ 39.06	\$ 16.95	\$ 23.76	\$ 30.32	\$ 33.95	-10.7%	\$ 29.58
COV	0.35	0.39	0.32	0.18	0.22	0.44	0.38	0.33	0.31	4.2%	
<b>Heat Rate</b>											
Average	6.50	7.88	7.67	8.37	8.69	6.98	7.93	7.72	7.63	1.1%	7.65
On-Peak	NA	9.86	9.22	9.14	9.52	8.87	9.62	9.37	8.56	9.5%	9.03
Off-Peak	6.50	3.91	4.57	6.81	7.04	3.18	4.54	5.51	6.40	-14.0%	5.42
<b>Demand</b>											
Average	8,395	8,776	8,821	8,934	8,964	8,611	8,110	8,659	8,467	2.3%	8,597
Minimum	7,723	7,760	7,797	8,061	8,110	7,843	7,413	7,815	7,736	1.0%	7,413
Maximum	9,345	9,733	9,799	9,738	9,713	9,325	8,938	9,513	9,311	2.2%	9,799
<b>Coal Unit Availability</b>											
Average	5,507	5,647	5,764	5,781	5,674	5,408	5,047	5,547	5,500		5,479
AC/MC	91%	93%	95%	95%	94%	89%	83%	92%	91%	0.8%	90%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	3,971	4,117	4,012	4,136	3,962	3,937	3,710	3,978	3,921		3,983
AC/MC	70%	72%	70%	72%	69%	69%	65%	70%	69%	1.0%	70%



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 9**, prices were at or below:

\$20/MWh	11% of the time
\$50/MWh	62% of the time
\$100/MWh	100% 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 9** implied market heat rates were at or below:

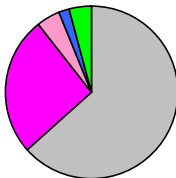
5.0 GJ/MWh	19% of the time
10.0 GJ/MWh	76% of the time
15.0 GJ/MWh	100% of the time
20.0 GJ/MWh	100% of the time

### Market Share Statistics

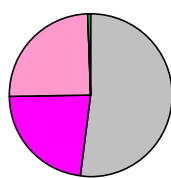
By Fuel Type:

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

Weekly Generation by Fuel Type

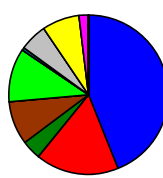


Weekly Price Setting by Fuel Type



By Submitting Customer:

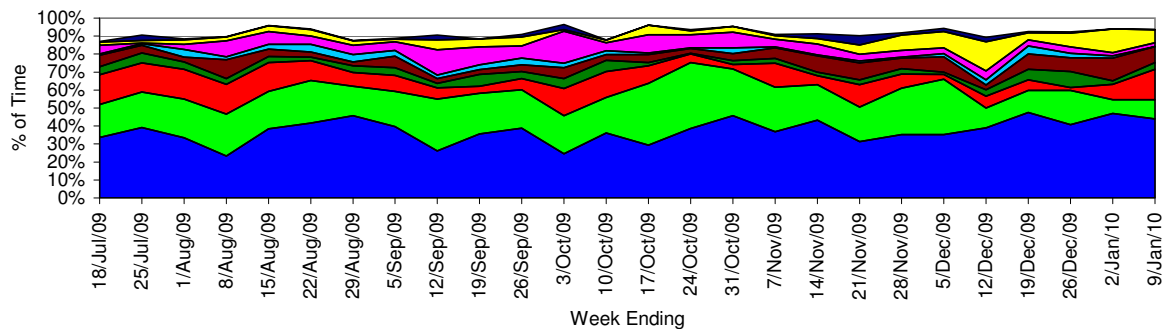
Weekly Price Setting by Submitting Customer



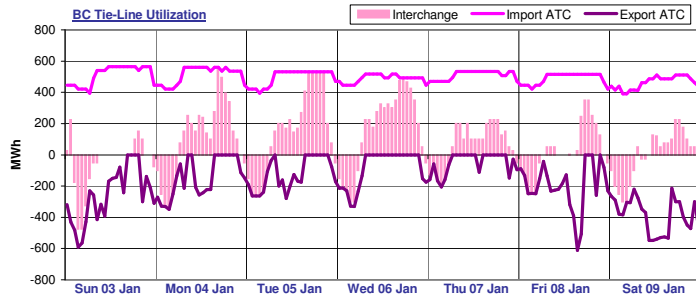
Last week, **coal units** were responsible for 63.4% of the generation in the province and set price 52.0% of the time. **Gas-cogen** units accounted for 26.0% of the generation and set price 22.7% of the time last week while **other gas** units made up 4.5% of generation and set price 24.7% of the time.

A total of 10 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 43.9% of the time and the top five price setters set price a total of 87.9% of the time.

### Weekly Price Setting by Submitting Customer

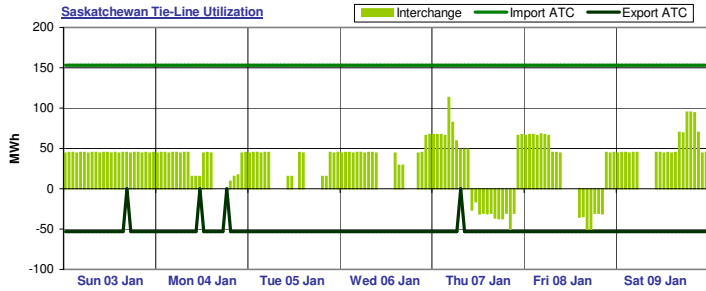


# Interties

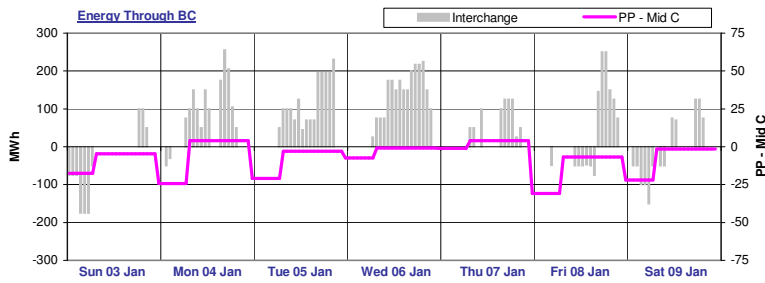


**BC import capacity** was 23% utilized last week while **BC export capacity** was 34% utilized. Energy was being imported into Alberta over the BC tie-line 57% of the time and exported out of Alberta over the BC tie-line 31% of the time last week. There was no activity on the BC tie-line 12% of the 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.



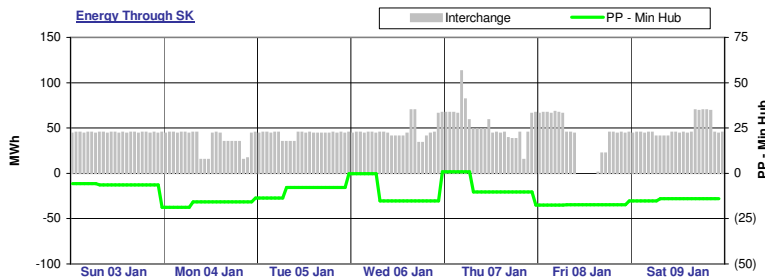
**Saskatchewan import capacity** was 32% utilized last week while **Saskatchewan export capacity** was 34% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 72% of the time and exported out of Alberta over the Saskatchewan tie-line 11% of the time last week. There was no activity on the Saskatchewan tie-line 17% of the time last week.



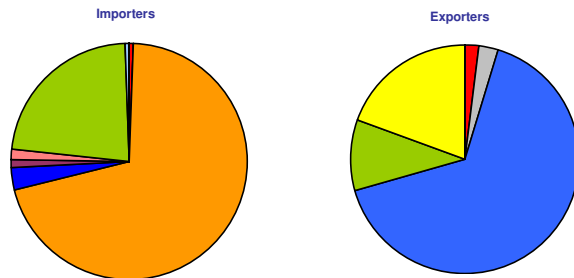
Last week, Alberta spot prices were mostly **lower** relative to prices in the Pacific Northwest as represented by **Mid-C** index prices.

Alberta prices were generally **lower** than prices in MAPP as represented by spot prices at the **Minnesota Hub**.

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



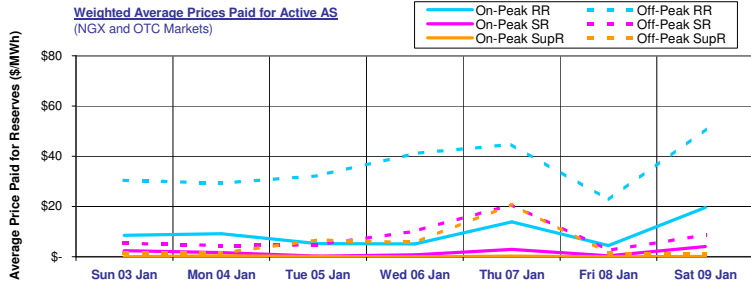
## Tie-Line Market Shares



Last week, there were a total of 7 importers. The most active importer had a market share of 70.5% while the second most active importer had a market share of 22.8%. There were a total of 5 exporters last week. The most active exporter had a market share of 65.9% while the next largest exporter had a market share of 19.5%.

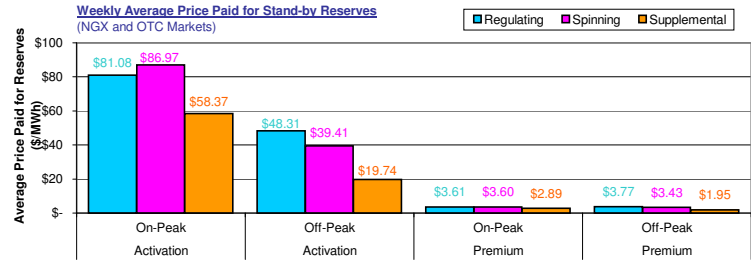
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$9.38/MWh**, **\$1.78/MWh** and **\$0.15/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

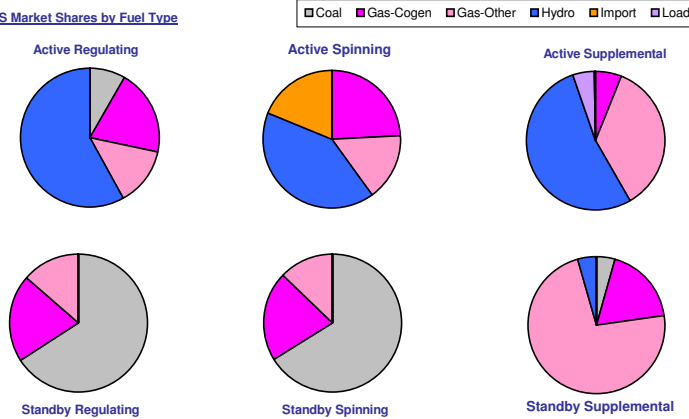
Active average off-peak prices were **higher** and averaged **\$35.88/MWh**, **\$8.15/MWh** and **\$5.58/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$19.74/MWh** for **off-peak supplemental** reserves to **\$86.97/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$1.95/MWh** for **off-peak supplemental** reserves up to **\$3.77/MWh** for **on-peak spinning** reserves.

**AS Market Shares by Fuel Type**

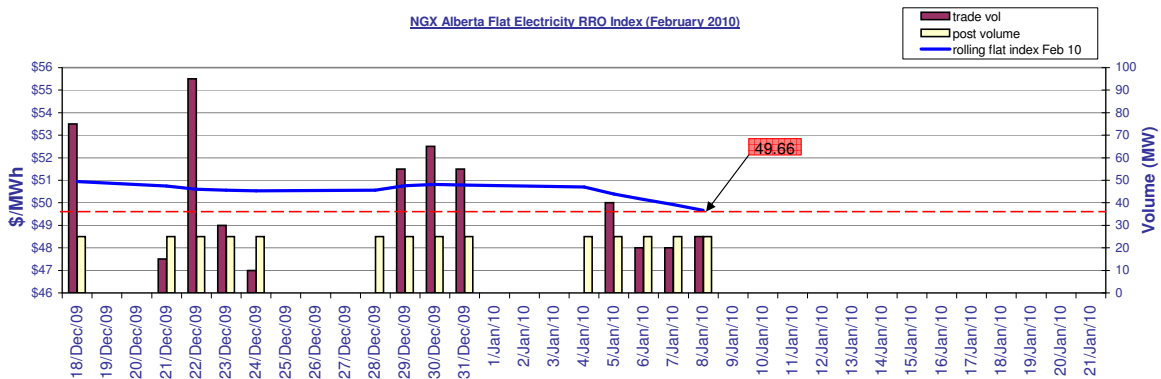


Last week **hydro** units had the largest market share in the **active regulating** reserve market with **58.0%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **41.2%** while in the **active supplemental** reserve market, **hydro** units dominated with a **53.2%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **65.8%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **66.1%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **72.6%**.

# RRO Procurement

**NGX Alberta Flat Electricity RRO Index (February 2010)**



# 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.