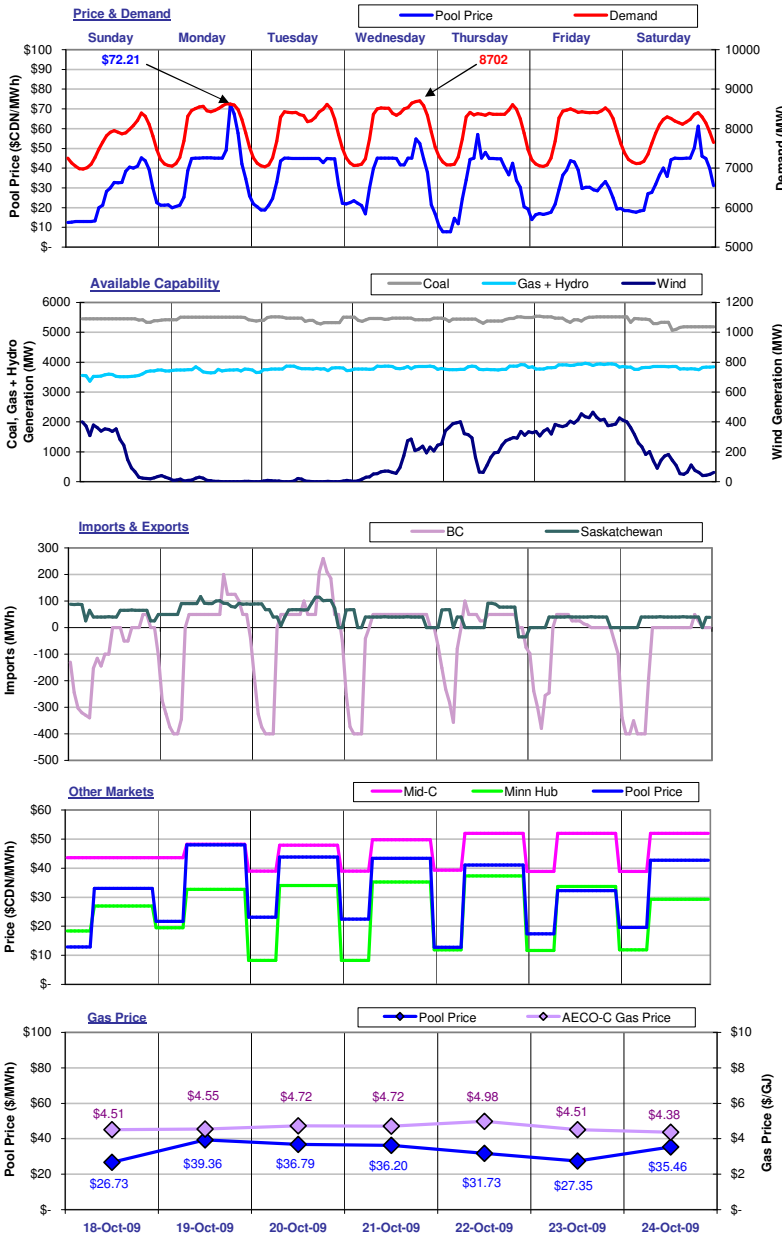


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending October 24, 2009

Weekly Highlights



For the week ending **October 24, 2009**, **Pool Price** averaged **\$33.37/MWh** and ranged from a minimum of **\$7.85/MWh** in HE04 on **Thursday** to a maximum of **\$72.21/MWh** in HE19 on **Monday**. **Demand** reached a high of **8702 MW** in HE20 on **Wednesday** and a low of **6978 MW** in HE05 on **Sunday**. Average demand for the week was **7945 MW**. **Pool Price** and **Demand** were **positively correlated** last week with an R-squared value of **0.77**.

Coal Unit Availability averaged **5426 MW** last week. This is an equivalent availability of **90%**. **Gas, Hydro and Other Unit Availability** averaged **3775 MW** last week, which is an equivalent of **68%**. **Wind Generation** averaged **163 MW** last week. This is an equivalent availability of **29%**. 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 **9,779 MWh**. Alberta was a **net importer from Saskatchewan** last week with total **imports** equal to **7,988 MWh**. Overall, Alberta **exported 1,791 MWh** of electricity last week.

Pool Prices were generally **lower** than prices in **Mid-C** and **higher** than prices in **Minn Hub** last week. **Mid-C** prices averaged **\$50.28/MWh** on-peak and **\$40.31/MWh** off-peak. **Minn Hub** prices averaged **\$33.72/MWh** on-peak and **\$12.86/MWh** off-peak.

Prices in \$CDN at an exchange rate of 1.03757.

The average **AECO-C Gas Price** last week was **\$4.62 GJ** and ranged from a minimum of **\$4.28/GJ** to **\$4.98/GJ**. Prevailing gas prices resulted in market heat rates ranging from a low of **5.93 GJ/MWh** to a high of **8.65 GJ/MWh**. The average market heat rate for the week was **7.23 GJ/MWh**.

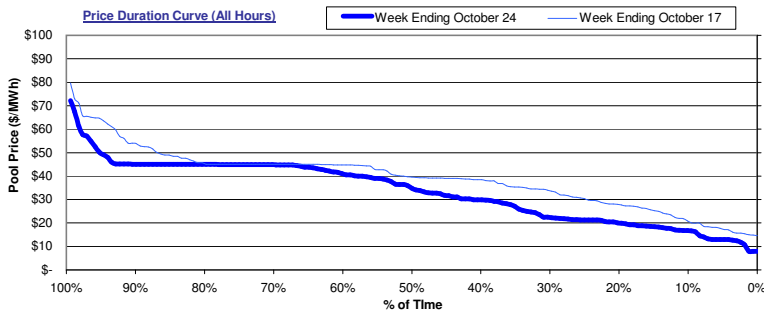


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

Wholesale Market

Weekly Market Statistics

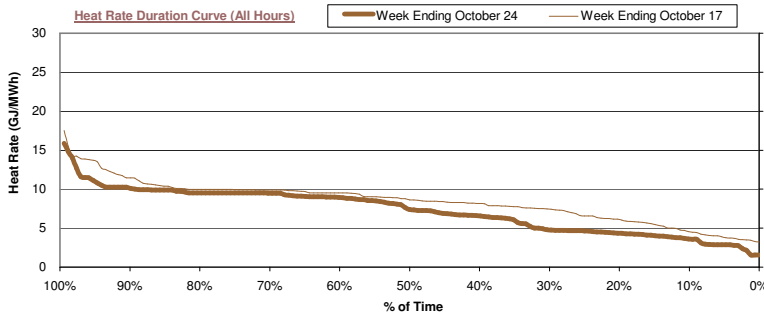
| | Sunday 18-Oct | Monday 19-Oct | Tuesday 20-Oct | Wednesday 21-Oct | Thursday 22-Oct | Friday 23-Oct | Saturday 24-Oct | Average | Last Week | % Change | YTD |
|-----------------------------------------------|------------------|------------------|-------------------|---------------------|--------------------|------------------|--------------------|----------|--------------|----------|----------|
| Pool Price | | | | | | | | | | | |
| Average | \$ 26.73 | \$ 39.36 | \$ 36.79 | \$ 36.20 | \$ 31.73 | \$ 27.35 | \$ 35.46 | \$ 33.37 | \$ 39.12 | -14.7% | \$ 47.18 |
| On-Peak | NA | \$ 47.97 | \$ 43.87 | \$ 43.38 | \$ 41.08 | \$ 32.28 | \$ 42.70 | \$ 41.88 | \$ 44.49 | -5.9% | \$ 60.64 |
| Off-Peak | \$ 26.73 | \$ 22.13 | \$ 22.64 | \$ 21.84 | \$ 13.04 | \$ 17.48 | \$ 20.99 | \$ 22.03 | \$ 31.95 | -31.0% | \$ 28.14 |
| COV | 0.44 | 0.38 | 0.30 | 0.33 | 0.49 | 0.33 | 0.35 | 0.37 | 0.28 | 35.3% | |
| Heat Rate | | | | | | | | | | | |
| Average | 5.93 | 8.65 | 7.79 | 7.67 | 6.37 | 6.06 | 8.10 | 7.23 | 8.80 | -17.9% | 13.03 |
| On-Peak | NA | 10.55 | 9.29 | 9.19 | 8.25 | 7.15 | 9.76 | 9.03 | 10.07 | -10.3% | 16.75 |
| Off-Peak | 5.93 | 4.87 | 4.79 | 4.63 | 2.62 | 3.87 | 4.80 | 4.82 | 7.11 | -32.2% | 7.77 |
| Demand | | | | | | | | | | | |
| Average | 7,652 | 8,055 | 7,976 | 8,066 | 7,995 | 8,012 | 7,857 | 7,945 | 8,008 | -0.8% | 7,886 |
| Minimum | 6,978 | 7,051 | 7,036 | 7,070 | 7,079 | 7,046 | 7,114 | 7,053 | 7,219 | -2.3% | 6,454 |
| Maximum | 8,395 | 8,632 | 8,611 | 8,702 | 8,608 | 8,524 | 8,405 | 8,554 | 8,556 | 0.0% | 9,753 |
| Coal Unit Availability | | | | | | | | | | | |
| Average | 5,431 | 5,484 | 5,428 | 5,448 | 5,432 | 5,482 | 5,277 | 5,426 | 5,167 | | 5,070 |
| AC/MC | 90% | 91% | 90% | 90% | 90% | 91% | 87% | 90% | 86% | 3.7% | 84% |
| Gas, Hydro and Other Unit Availability | | | | | | | | | | | |
| Average | 3,587 | 3,726 | 3,787 | 3,819 | 3,803 | 3,885 | 3,818 | 3,775 | 3,824 | | 3,601 |
| AC/MC | 65% | 67% | 68% | 69% | 69% | 70% | 69% | 68% | 70% | -2.4% | 68% |



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

For the week ending **October 24**, prices were at or below:

- \$20/MWh 20% of the time
- \$50/MWh 95% 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 **October 24** implied market heat rates were at or below:

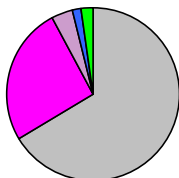
- 5.0 GJ/MWh 32% of the time
- 10.0 GJ/MWh 89% of the time
- 15.0 GJ/MWh 99% of the time
- 20.0 GJ/MWh 100% of the time

Market Share Statistics

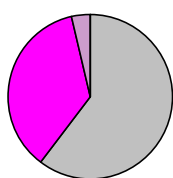
By Fuel Type:

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:

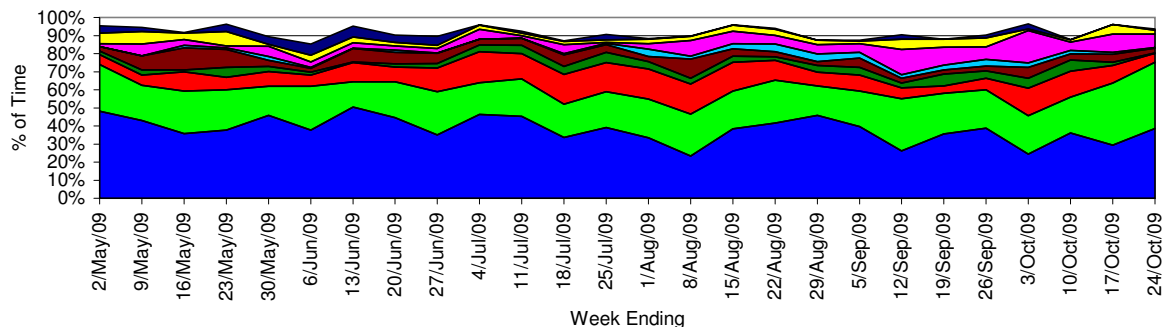
Weekly Price Setting by Submitting Customer



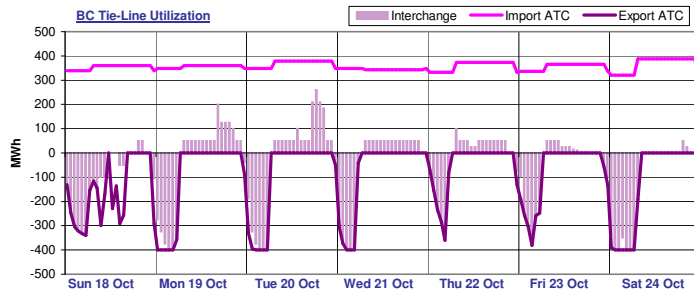
Last week, **coal units** were responsible for **66.3%** of the generation in the province and set price **60.3%** of the time. **Gas-cogen** units accounted for **25.8%** of the generation and set price **36.1%** of the time last week while **other gas** units made up **3.9%** of generation and set price **3.6%** of the time.

A total of **11** 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 **38.6%** of the time and the top five price setters set price a total of **91.8%** of the time.

Weekly Price Setting by Submitting Customer

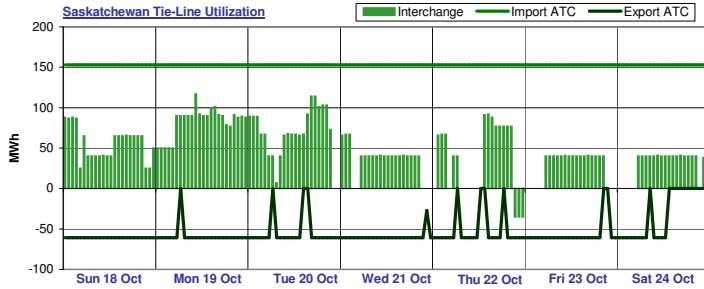


Interties

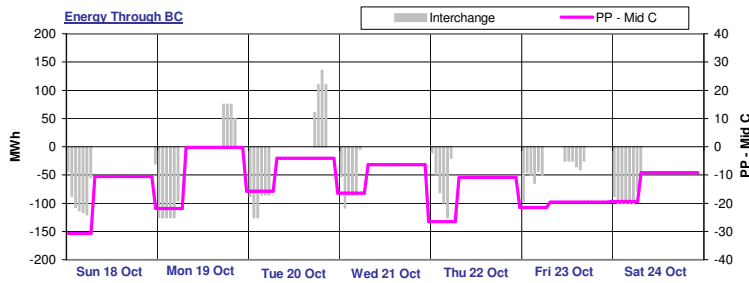


BC import capacity was 8% utilized last week while BC export capacity was 84% utilized. Energy was being imported into Alberta over the BC tie-line 44% of the time and exported out of Alberta over the BC tie-line 34% of the time last week. There was no activity on the BC tie-line 22% of the time last 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.



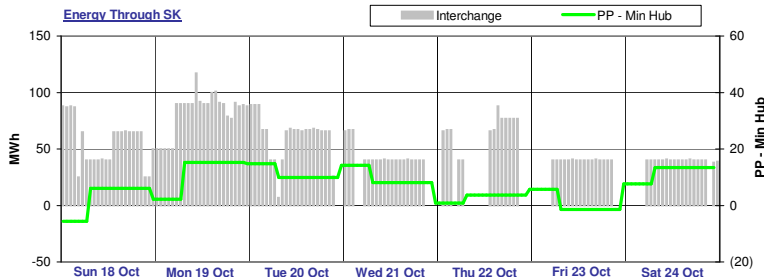
Saskatchewan import capacity was 31% utilized last week while Saskatchewan export capacity was 1% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 81% of the time and exported out of Alberta over the Saskatchewan tie-line 2% of the time last week. There was no activity on the Saskatchewan tie-line 17% of the time last week.



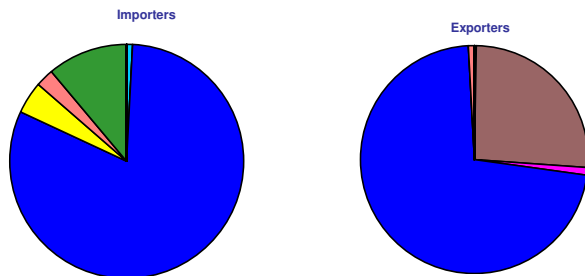
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



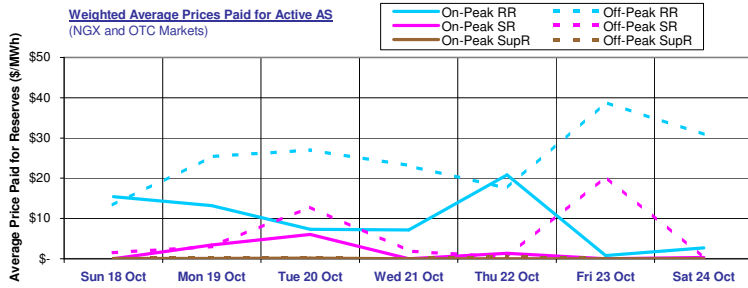
Tie-Line Market Shares



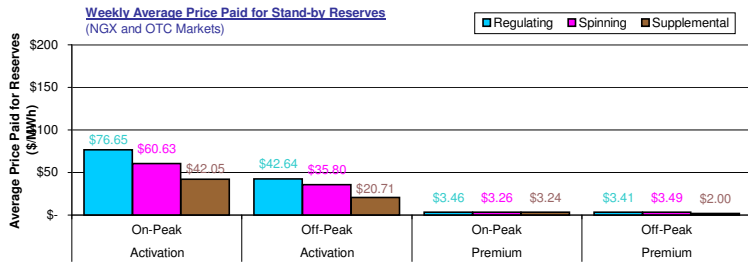
Last week, there were a total of 5 importers. The most active importer had a market share of 81.2% while the second most active importer had a market share of 11.0%. There were a total of 6 exporters last week. The most active exporter had a market share of 72.0% while the next largest exporter had a market share of 26.1%.

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

Ancillary Services Market

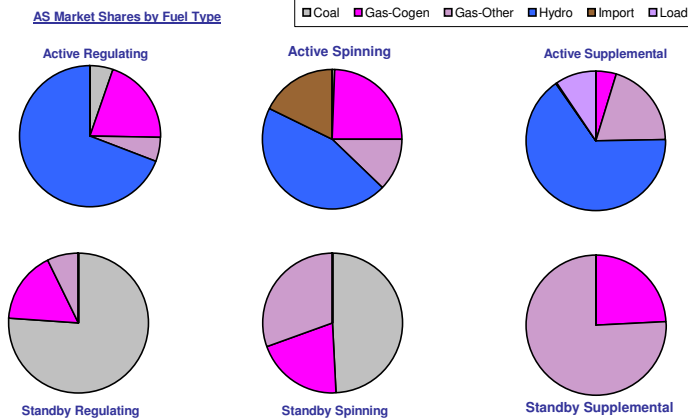


Average on-peak prices paid for active ancillary services last week were **\$9.66/MWh**, **\$1.62/MWh** and **\$0.04/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were **higher** and averaged **\$25.23/MWh**, **\$5.80/MWh** and **\$0.08/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$20.71/MWh** for **off-peak supplemental** reserves to **\$76.65/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$2.00/MWh** for **off-peak supplemental** reserves up to **\$3.49/MWh** for **off-peak spinning** reserves.

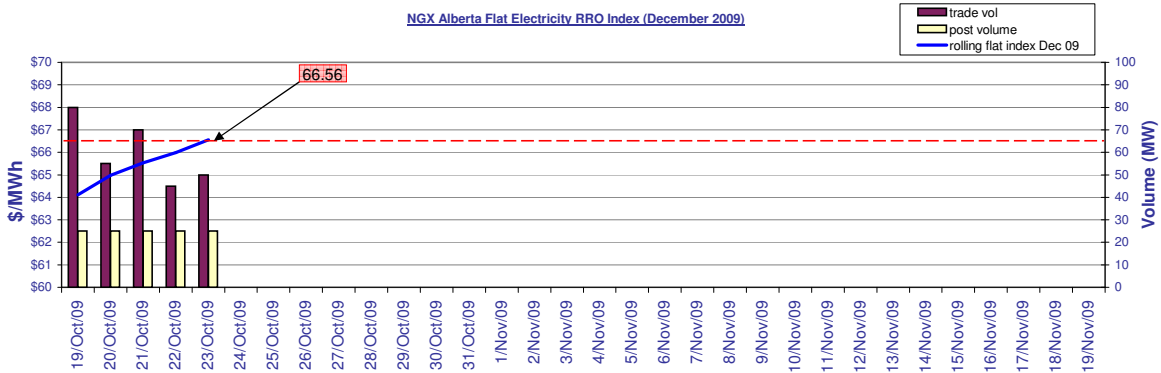
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **69.2%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **45.0%** while in the **active supplemental** reserve market, **hydro** units dominated with a **65.5%** market share.

Coal units dominated the **standby regulating** reserve market with a **76.0%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **49.3%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **75.9%**.

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 (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.