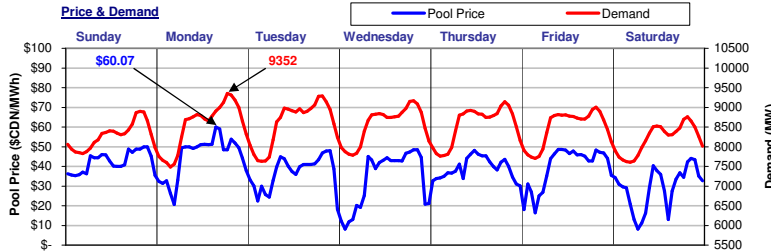


# The Market Monitor

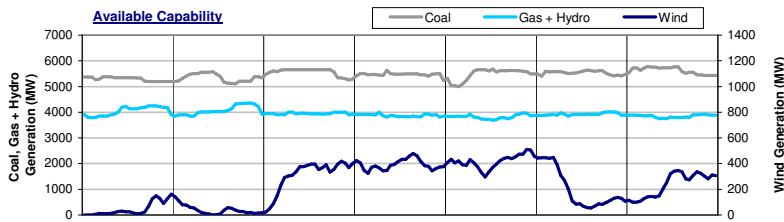
WATCHING THE MARKET : your fact source

Week Ending February 27, 2010

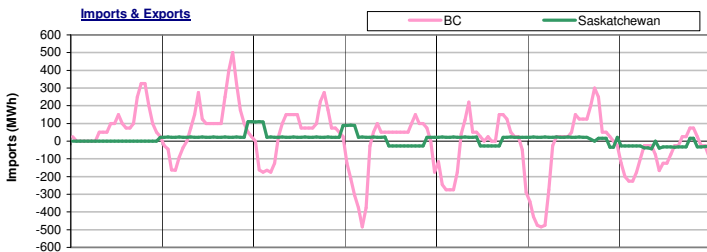
## Weekly Highlights



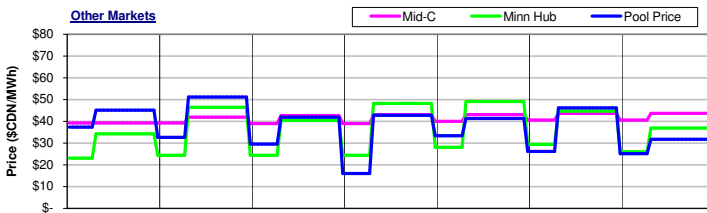
For the week ending February 27, 2010, **Pool Price** averaged \$38.12/MWh and ranged from a minimum of \$8.09/MWh in HE07 on Saturday to a maximum of \$60.07/MWh in HE16 on Monday. **Demand** reached a high of 9,352 MW in HE19 on Monday and a low of 7,482 MW in HE04 on Monday. Average demand for the week was 8,457 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.53.



Coal Unit Availability averaged 5472 MW last week. This is an equivalent availability of 90%. **Gas, Hydro and Other Unit Availability** averaged 3933 MW last week, which is an equivalent of 69%. **Wind Generation** averaged 235 MW last week. This is an equivalent availability of 37%. Availability numbers are based on MW offered into the energy merit order.

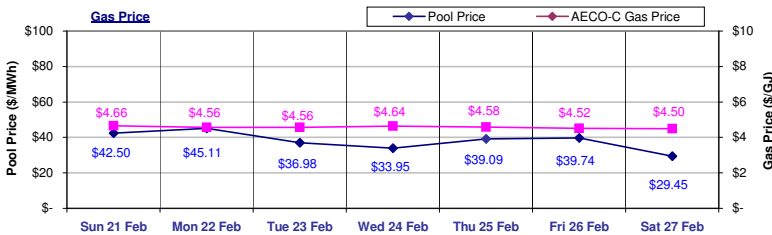


Alberta was a net importer from **BC** last week with total imports equal to 1,521 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 1,789 MWh. Overall, Alberta imported 3,310 MWh of electricity last week.



**Pool Prices** were generally lower than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$43.05/MWh on-peak and \$39.65/MWh off-peak. **Minn Hub** prices averaged \$44.32/MWh on-peak and \$25.67/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.04.



The average **AECO-C Gas Price** last week was \$4.57/GJ and ranged from a minimum of \$4.50/GJ to \$4.66/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.55 GJ/MWh to a high of 9.89 GJ/MWh. The average market heat rate for the week was 8.33 GJ/MWh.

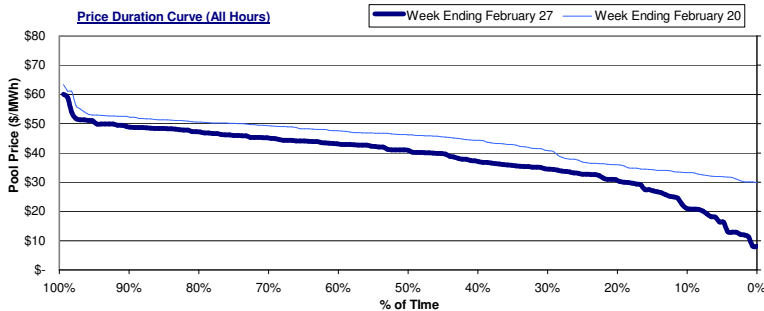


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

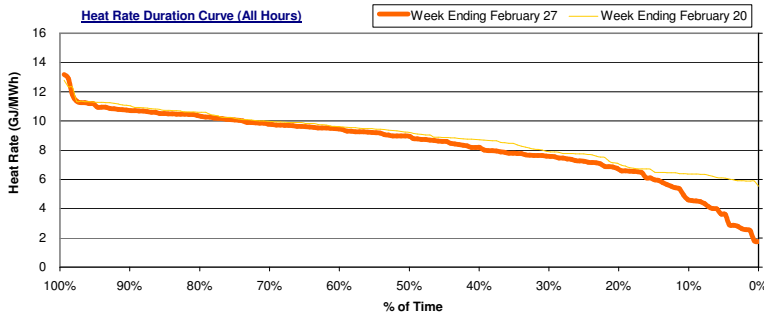
	Sunday 21-Feb	Monday 22-Feb	Tuesday 23-Feb	Wednesday 24-Feb	Thursday 25-Feb	Friday 26-Feb	Saturday 27-Feb	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 42.50	\$ 45.11	\$ 36.98	\$ 33.95	\$ 39.09	\$ 39.74	\$ 29.45	\$ 38.12	\$ 44.22	-13.8%	\$ 43.80
On-Peak	NA	\$ 51.17	\$ 41.92	\$ 42.76	\$ 41.36	\$ 46.19	\$ 31.78	\$ 42.53	\$ 48.85	-12.9%	\$ 50.10
Off-Peak	\$ 42.50	\$ 32.97	\$ 27.09	\$ 16.35	\$ 34.56	\$ 26.86	\$ 24.81	\$ 32.24	\$ 38.05	-15.3%	\$ 34.23
COV	0.12	0.23	0.22	0.42	0.14	0.26	0.36	0.25	0.15	61.5%	
<b>Heat Rate</b>											
Average	9.12	9.89	8.10	7.32	8.53	8.80	6.55	8.33	8.91	-6.6%	8.52
On-Peak	NA	11.22	9.19	9.22	9.03	10.23	7.06	9.32	9.96	-6.4%	9.75
Off-Peak	9.12	7.23	5.94	3.52	7.55	5.95	5.51	7.01	7.52	-6.8%	6.66
<b>Demand</b>											
Average	8,281	8,534	8,584	8,558	8,559	8,487	8,196	8,457	8,402	0.7%	8,533
Minimum	7,829	7,482	7,629	7,785	7,764	7,705	7,608	7,686	7,659	0.4%	7,282
Maximum	8,901	9,352	9,287	9,164	9,141	9,001	8,762	9,087	9,041	0.5%	9,799
<b>Coal Unit Availability</b>											
Average	5,295	5,342	5,562	5,469	5,477	5,537	5,620	5,472	5,319		5,369
AC/MC	87%	88%	92%	90%	90%	91%	93%	90%	88%	2.5%	89%
<b>Gas, Hydro and Other Unit Availability</b>											
Average	4,044	4,074	3,949	3,875	3,823	3,925	3,845	3,933	4,026		4,038
AC/MC	71%	72%	70%	68%	68%	69%	68%	69%	71%	-1.6%	71%



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

For the week ending **February 27**, prices were at or below:

\$20/MWh	7% 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 **February 27** implied market heat rates were at or below:

5.0 GJ/MWh	11% of the time
10.0 GJ/MWh	74% of the time
15.0 GJ/MWh	100% of the time
20.0 GJ/MWh	100% of the time

### Market Share Statistics

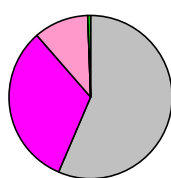
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



By Submitting Customer:

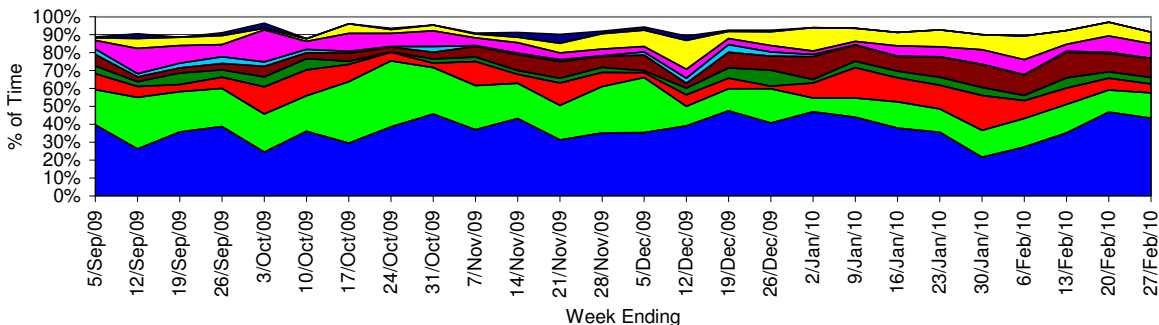
Weekly Price Setting by Submitting Customer



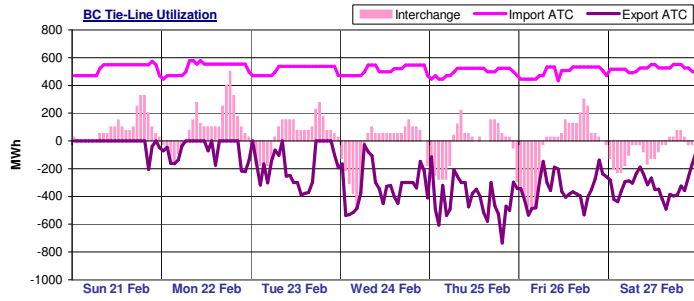
Last week, **coal units** were responsible for **63.5%** of the generation in the province and set price **56.4%** of the time. **Gas-cogen** units accounted for **25.2%** of the generation and set price **32.1%** of the time last week while **other gas** units made up **4.5%** of generation and set price **10.8%** 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 **43.4%** of the time and the top five price setters set price a total of **82.9%** of the time.

### Weekly Price Setting by Submitting Customer

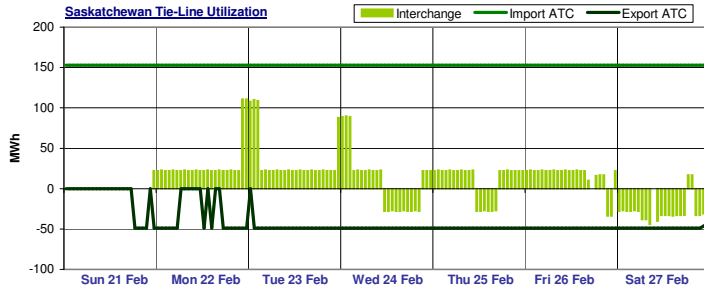


# Interties

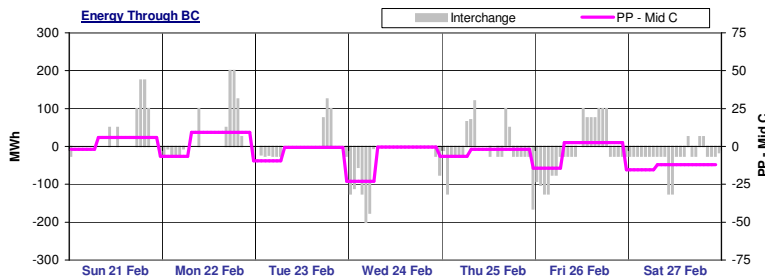


BC import capacity was 13% utilized last week while BC export capacity was 28% utilized. Energy was being imported into Alberta over the BC tie-line 60% of the time and exported out of Alberta over the BC tie-line 32% of the time last week. There was no activity on the BC tie-line 8% of the time last 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.



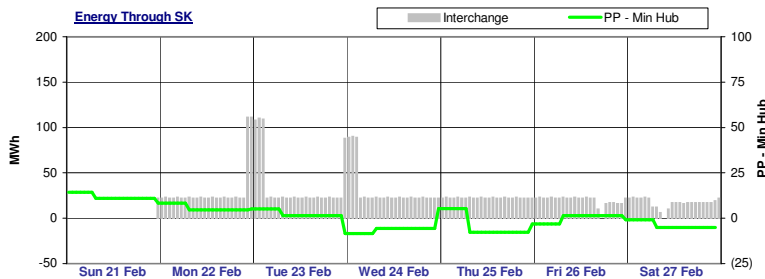
Saskatchewan import capacity was 15% utilized last week while Saskatchewan export capacity was 29% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 62% of the time and exported out of Alberta over the Saskatchewan tie-line 23% of the time last week. There was no activity on the Saskatchewan tie-line 15% of the time last week.



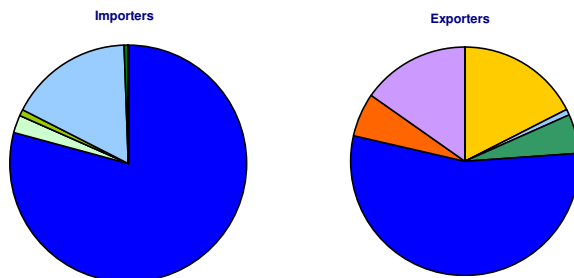
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices.

Alberta prices were generally higher than prices in MISO as represented by spot prices at the Minnesota Hub.

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



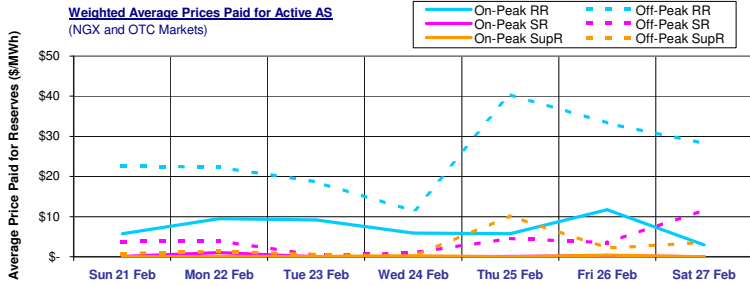
### Tie-Line Market Shares



Last week, there were a total of 5 importers. The most active importer had a market share of 79.1% while the second most active importer had a market share of 17.1%. There were a total of 6 exporters last week. The most active exporter had a market share of 54.7% while the next largest exporter had a market share of 17.4%.

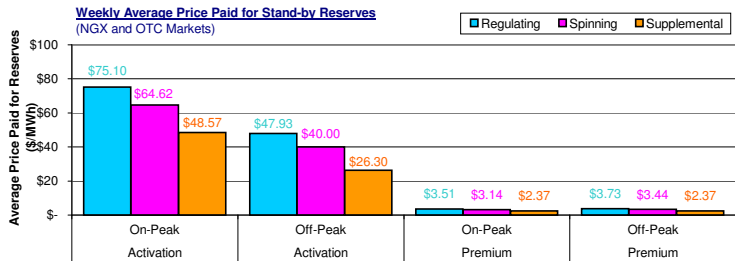
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



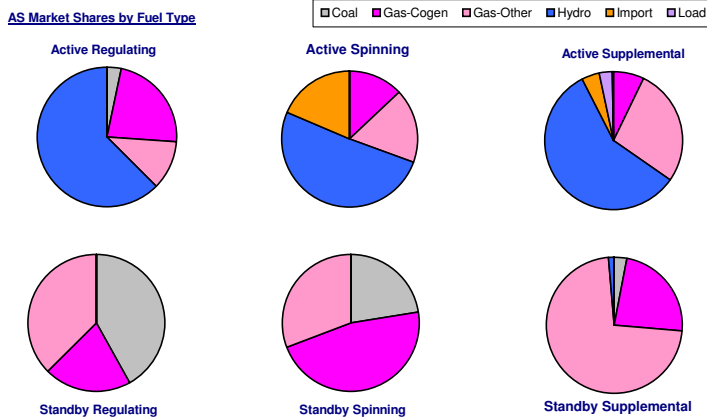
Average on-peak prices paid for active ancillary services last week were **\$8.08/MWh**, **\$0.22/MWh** and **\$0.11/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were **higher** and averaged **\$26.78/MWh**, **\$4.48/MWh** and **\$2.75/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$26.30/MWh** for **off-peak supplemental** reserves to **\$75.10/MWh** for **on-peak regulating** reserves.

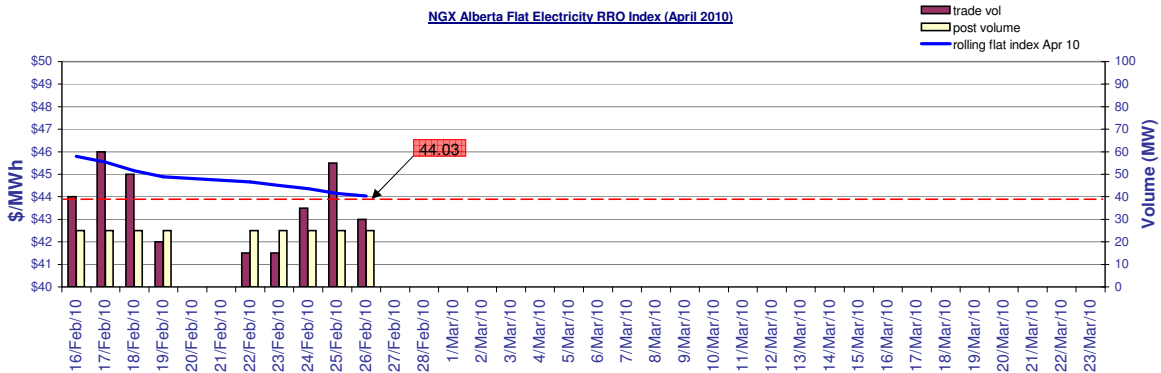
Weekly average premium prices ranged from **\$2.37/MWh** for **off-peak supplemental** reserves up to **\$3.73/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **62.6%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **50.8%** while in the **active supplemental** reserve market, **hydro** units dominated with a **57.8%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **41.9%** market share. Leading market share in the **standby spinning** market was held by **gas cogen** units with a **46.7%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **72.2%**.

# 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.