

electricity market update**Pipeline Boss Questions Rush for Renewable Energy**

Another perspective on natural gas versus renewable energy.

Ontario is rushing too quickly into expensive renewable energy when natural gas offers some breathing room on energy supply, says Greg Ebel. As Chief Executive of Houston-based Spectra Energy, which owns Union Gas, he's in the natural gas pipeline business and has an interest in this issue. But Ebel says the development of shale gas deposits has so vastly increased reserves of relatively clean energy in North America that there's time to take a more measured approach to renewables. Ebel argued that the development of shale gas deposits in northeastern North America has changed the energy picture. Energy companies have now developed techniques to shatter the rock deep underground, releasing the gas which is then piped to the surface. Ebel figures that today's shale reserves give North America a 100-year supply of gas. That's a reservoir that should allow North America to dramatically lessen its burning of coal and oil.

He also argues that the massive supply will also keep prices far more stable than over the past decades. Coal-burning electric plants in the United States and commercial vehicle fleets can be rapidly converted to gas on a large scale. Ontario is signing big contracts with wind and solar-powered generators, at high prices. (Consumers currently pay about 6 cents a kilowatt hour for the energy portion of their electric bill. Wind generators will get 13.5 cents, and solar generators from 44 to 80 cents.) Ramping up natural gas-fired generation would produce power relatively cleanly, and at far less cost, Ebel argues. Ontario's Green Energy Act, introduced by former Energy Minister George Smitherman, is likely to have too drastic an effect, he said. "I don't think he fully recognized the massive benefits of natural gas, or of having a balanced approach to energy."

(Source: Toronto Star Website)

gas market update**Lake Erie Drilling Ban Urged by Senator**

Michigan Senator, Debbie Stabenow, says United States officials should talk with Canada about the safety of natural gas drilling in the Canadian waters of Lake Erie. Stabenow said recently, she'd like Canada to ban drilling in Erie.

Natural gas drilling is prohibited on the United States side of the Great Lakes, although Michigan allows a few wells drilled under the Great Lakes from land. Canada has 500 offshore gas wells in Lake Erie and 23 that run under the lake from shore. Both nations prohibit offshore oil drilling in the lakes.

Stabenow said United States officials should seek assurances that Canada is prepared to deal with an emergency like the massive Gulf of Mexico slick. The Ontario Ministry of Natural Resources said there are strong rules and tests already in place to prevent such disasters. (Source: CBC News Website)

Shale; a Curse and Blessing for Natural Gas

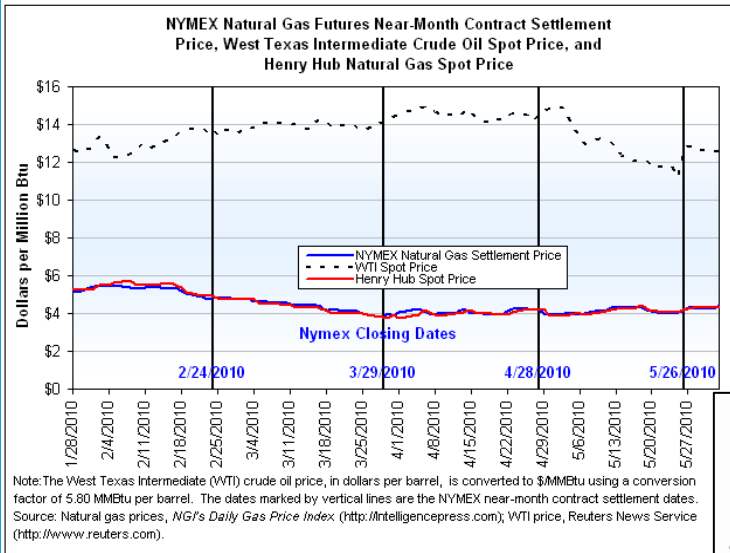
A supply surplus has made natural gas a cheap source of energy, and its growing production from so-called "unconventional" sources such as shale may be destined to keep it that way. "Natural gas is at a historically cheap price, assuming we're just looking at the last ten years, but one major issue not affecting other energy markets is driving the price lower and lower," said Neal Ryan, Managing Partner at Ryan Oil & Gas Partners LLC.

Driven by the nation's growing need for energy and high natural-gas prices in recent years, interest in gas derived from shale, a geologic formation, has increased despite the high costs involved with developing the sources. "Shale gas provides the largest source of growth in United States natural gas supply," according to the Energy Information Administration's Annual Energy Outlook 2010 report.

(Source: INDT Website)

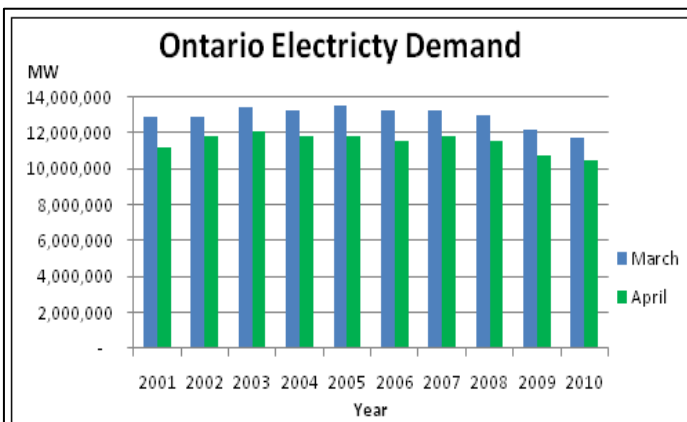
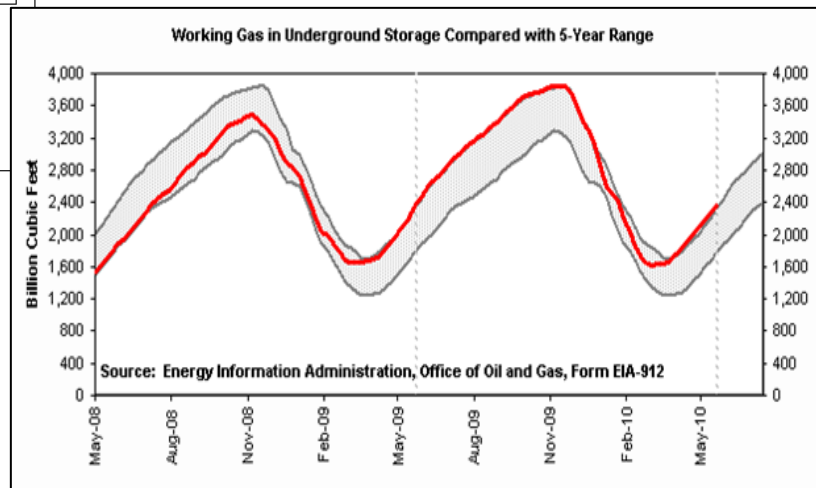


weekly market update



At the New York Mercantile Exchange (NYMEX), the futures contract for July delivery at the Henry Hub settled on Tuesday June 1, 2010 climbing by about 6% since the previous Wednesday May 26, 2010. (Source: EIA Website)

Working gas in storage was 2,357 Bcf as of Friday May 28, 2010, according to EIA estimates. This represents a net increase of 88 Bcf from the previous week. Stocks were 38 Bcf higher than last year at this time and 306 Bcf above the 5-year average of 2,051 Bcf. (Source: EIA Website)



Source: IESO Website

Total Monthly Demand for April:	10,475 GWh
Highest Hourly Demand:	17,398 MW
(at 11:00 a.m., April 9)	
Lowest Hourly Demand:	11,951 MW
(at 4:00 a.m., April 4)	
Average Hourly Demand:	14,548 MW
Average Hourly Available Capacity:	24,165 MW
Average Hourly Imports:	390 MW
Average Hourly Exports:	786 MW



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