 TC Energy

# POWER MARKET UPDATE



## FORWARD PRICES TABLE (INDICATIVE AS OF FEBRUARY 1<sup>ST</sup>, 2024)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BoM	\$96.75	\$112.63	\$65.00	\$1.47	65.63817
March	\$73.00	\$137.00	\$59.95	\$1.74	42.03132
BoY	\$74.05	\$84.97	\$52.19	\$1.94	38.20161
2025	\$63.25	\$72.50	\$44.00	\$3.06	20.65913
2026	\$64.20	\$73.54	\$45.51	\$3.45	18.62435
2027	\$66.45	\$76.92	\$45.51	\$3.40	19.55965

All prices are indicative as of February 1<sup>st</sup>, 2024. For firm power price quotes please contact TC Energy's Power Marketing team. See contacts on the last page.

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## ALBERTA MARKET RECAP – JANUARY 2024

January 2024 settled at \$152.78, representing a 21% increase from January 2023's settle of \$126.13/MWh and a 194% increase from December's settle of \$52.05/MWh. The maximum pool price was \$999.99/MWh for January, compared to \$548.789/MWh in December. The average price between the on-peak and off-peak for January differed by \$67.76/MWh, resulting in on-peak and off-peak price settles of \$175.36/MWh and \$107.60/MWh, respectively. January forwards settled between \$105 and \$133.50, 31 days preceding the month.

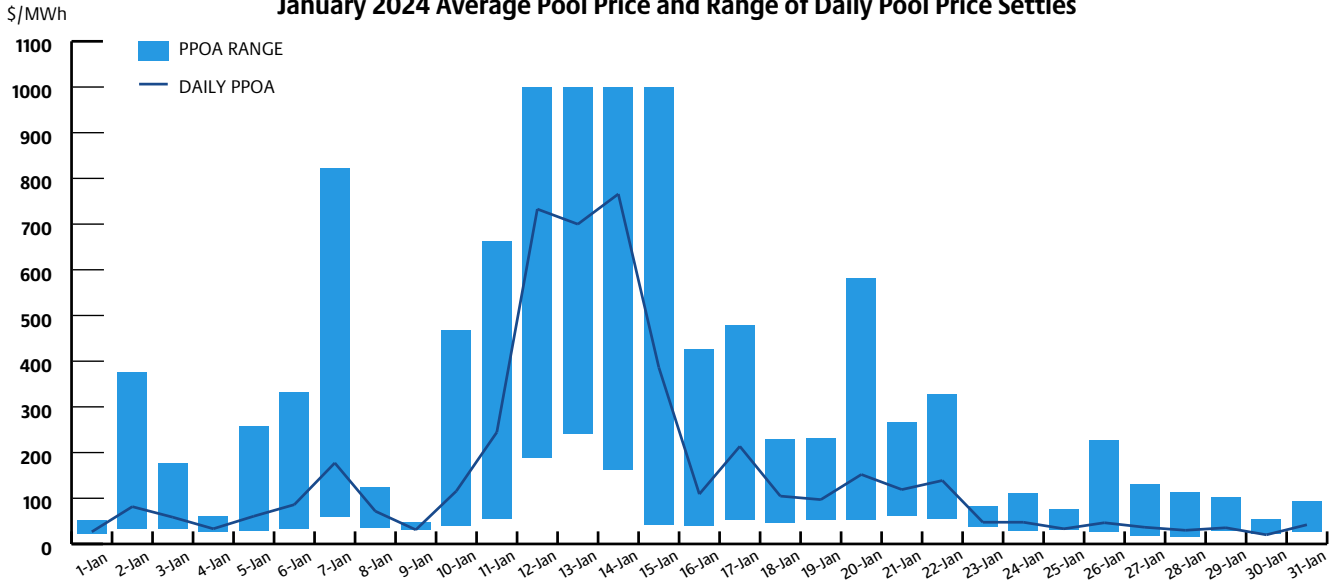
January 2024 had thirteen triple digit daily settles, occurring on January 7<sup>th</sup>, 10<sup>th</sup>-18<sup>th</sup>, and 20<sup>th</sup>-22<sup>nd</sup>. These triple digit settles ranged from a 'low' of \$105.95/MWh on January 18<sup>th</sup> to a 'high' of \$707.12/MWh on January 14<sup>th</sup>. The month saw 216 hours settle above \$100/MWh, with the SMP peaking at \$999.99/MWh multiple times, settling at the price cap 17 times during the cold snap in the province from January 12<sup>th</sup>-15<sup>th</sup>.

January 14<sup>th</sup> saw the highest daily average and on-peak price settles of \$707.12/MWh and \$864.91/MWh, respectively, whereas January 15<sup>th</sup> saw the highest daily off-peak price settle of \$501.40/MWh. The province experienced extreme cold conditions during January 11<sup>th</sup> through the 15<sup>th</sup>, with temperatures reaching as low as -44°C in parts of the province and Alberta Internal Load (AIL) reaching a new hourly peak of 12,384 MW on the 11<sup>th</sup>. Wind generation decreased dramatically from a daily average of 1,014 MW on

January 11<sup>th</sup> to an average of 80 MW over the next three days (January 12<sup>th</sup>-14<sup>th</sup>), which equates to an average capacity factor of 2% during this period. Solar generation was only able to reach a daily average capacity factor of 9%. Gas availability in the province remained steady at approximately 75%. The AB/MATL intertie flows switched directions periodically throughout this time, as other regions were also experiencing supply constraints and strong price signals. The AESO declared six Energy Emergency alerts during this period and stated that there was a high risk of rotating power outages in the province, however, this did not materialize due to last resort measures and the remarkable response from Albertans to reduce residential load after a text alert was issued.

Conversely, January 30<sup>th</sup> saw the lowest daily average and on-peak price settles of \$29.18/MWh and \$30.12/MWh, respectively, whereas January 27<sup>th</sup> saw the lowest daily off-peak price settle of \$22.39/MWh. On January 30<sup>th</sup>, average AIL was 10,400 MW, which was 481 MW lower than the monthly average. Average wind generation on this day was the highest observed during the month, coming in at 2,670 MW (60% capacity factor), just about twice the amount of the monthly average. Solar generation was 1% lower compared to the monthly average capacity factor of 7%, with its hourly generation peaking at 483 MW. Alberta was a net exporter all day, with an on-peak average of 478 MW flowing out to the BC intertie and 49 MW flowing in from the MATL intertie, while the SK intertie was on outage.

### January 2024 Average Pool Price and Range of Daily Pool Price Settle

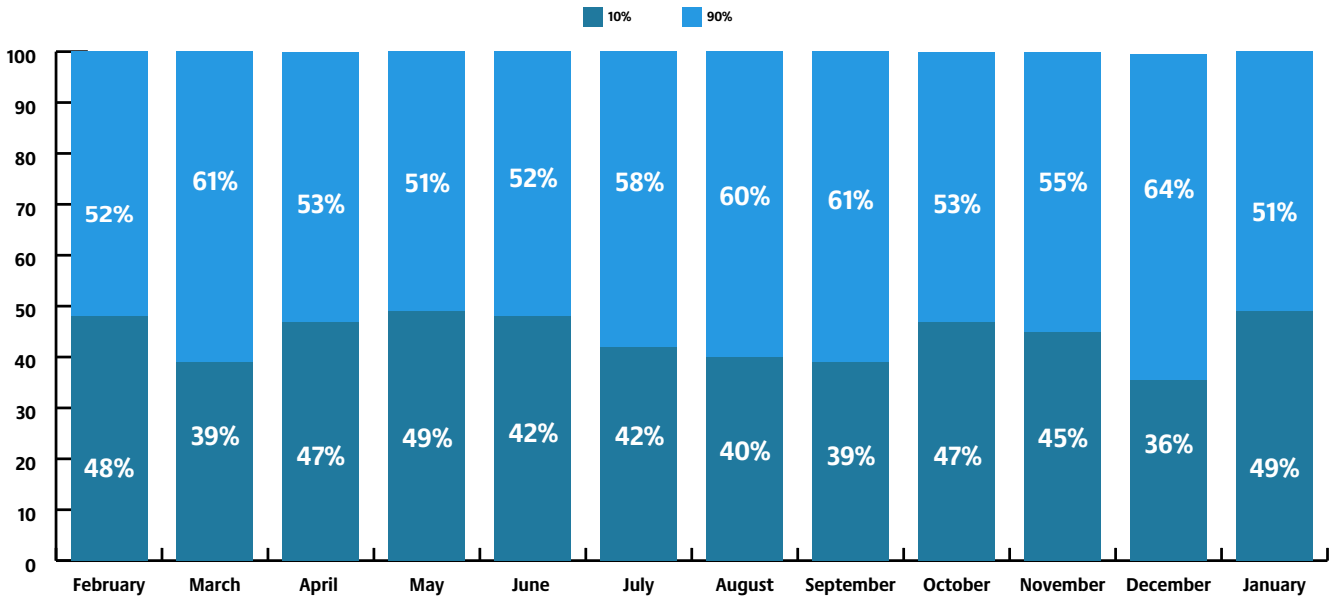


Average AIL for the month was 10,871 MW, with hourly peak load hitting 12,384 MW on January 11th HE 18. This represents a 4.7% increase from January 2023’s average AIL of 10,387 MW and a 9.7% increase from its hourly peak load of 11,290 MW.

The weighted average temperature across the province for January was -12.79°C representing a 6.41°C decrease from last January when the average was -6.35°C. January 2023 temperatures in Alberta ranged from a high of 15°C in Lethbridge on January 30th HE 14 to a low of -44°C in Edmonton on January 14<sup>th</sup> HE 8.

The top 10% of high-priced hours for January averaged \$779.08/MWh, contributing 49% to the monthly settle, while the bottom 90% of hours averaged \$85.67/MWh.

### Hours contributing to monthly average price

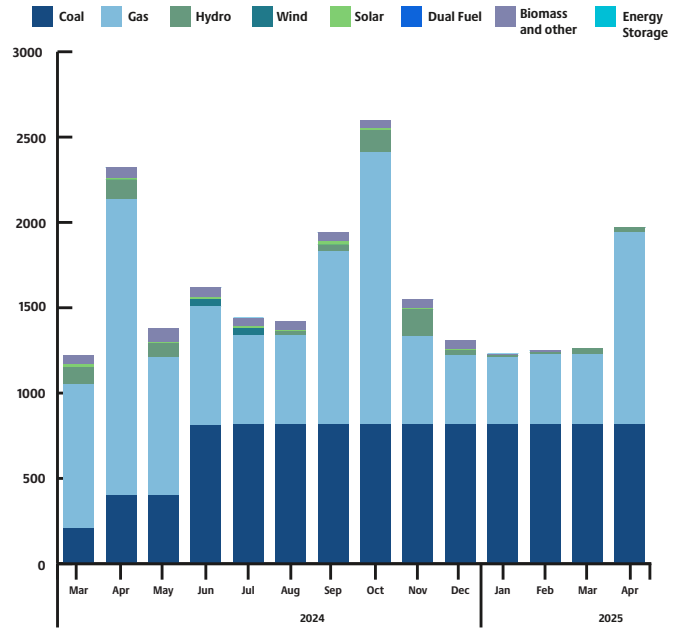
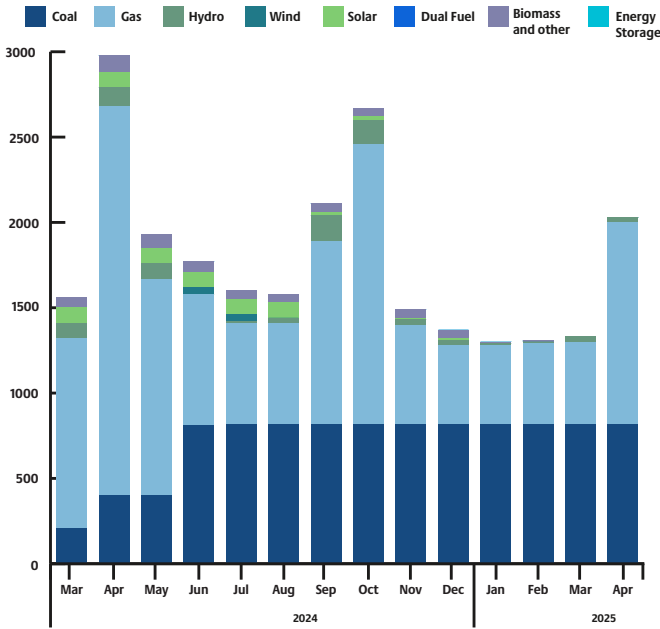


# MONTHLY OUTAGES

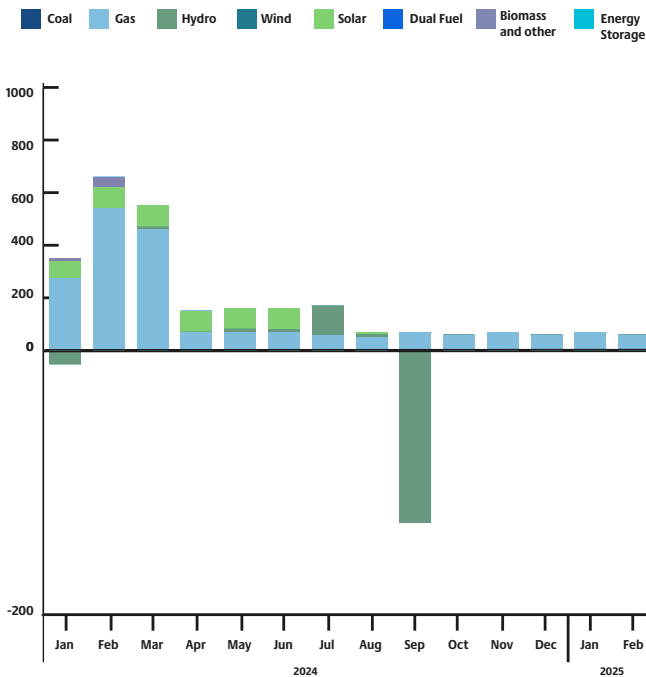
Since last month's outage report, there have been noteworthy changes in gas and hydro outages. Gas outages increased by 270 MW in March 2024, 540 MW in April 2024, and 460 MW in May 2024. Hydro outages increased by 110 MW in September 2024 and decreased by 130 MW in November 2024.

AESO monthly outages (as of February 2024)

AESO monthly outages (as of January 2024)



Month-over-month change in outages (February 2024 over January 2024)

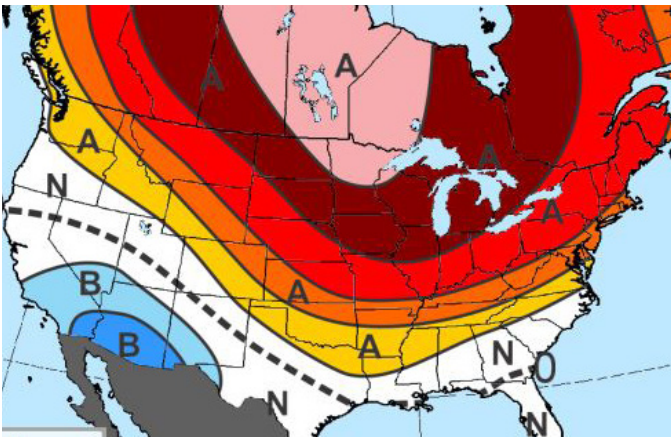


# MAXAR'S 30-60 DAY OUTLOOK

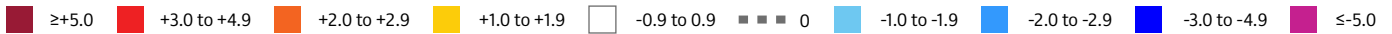
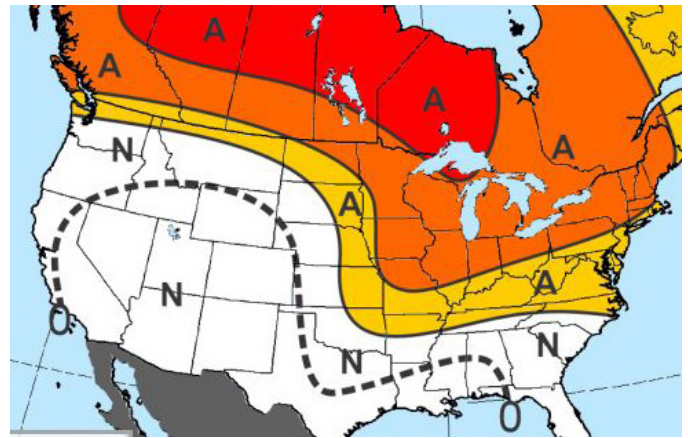
Maxar's final monthly outlook for February undergoes a mix of changes, trending warmer in the West to North-Central US while some colder detail changes are noted in the South and East. The resulting 715 GWHDDs (Gas-Weighted Heating Degree Days) (including Leap Day) ranks 15<sup>th</sup>-warmest since 1950, while 690 GWHDDs for Feb 1-28 would rank 12<sup>th</sup>. Strong warmth encompasses the North-Central US early in the month, with much above spreading into the East during the second week. In the latter half, the expectation is for a more El Niño-like +PNA (Pacific/North-American) pattern with some belows in the Southeast and above in the Northwest, but colder risks stem from the MJO (Madden Julian Oscillation) entering into its colder West Pacific phases.

March remains unchanged, favoring above in the Midwest and East while leaning on the cold side of normal in most of the West. Although the ongoing strong El Niño begins to weaken this spring, it remains the primary pattern driver as the atmosphere has historically been slower to respond. The average of the last four strong El Niño events bears close resemblance to our forecast, averaging an identical 585 GWHDDs (but with a wide range from 487 in 2016 to 651 in 1998). The ECMWF (European Centre for Medium-Range Weather Forecasts) weeklies favor a warm first half of the month across the northern tier while normal to slightly below normal along the southern tier, in line with our outlook.

February 2024



March 2024



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