 TC Energy

POWER MARKET UPDATE



FORWARD PRICES TABLE (INDICATIVE AS OF MARCH 1ST, 2024)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BoM	\$64.90	\$70.69	\$53.35	\$1.72	37.84257
April	\$81.50	\$92.90	\$58.70	\$1.40	58.36855
BoY	\$70.47	\$80.26	\$50.19	\$1.72	41.03535
2025	\$60.01	\$68.75	\$42.50	\$3.05	19.68767
2026	\$61.25	\$70.22	\$43.30	\$3.45	17.75414
2027	\$64.50	\$75.10	\$43.30	\$3.43	18.82442

All prices are indicative as of March 1st, 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 – FEBRUARY 2024

February 2024 settled at \$80.75/MWh, representing a 35% decrease from February 2023's settle of \$123.50/MWh and a 47% decrease from January's settle of \$152.78/MWh. The maximum pool price was \$868.30/MWh for February, compared to \$999.99/MWh in January. The average price between the on-peak and off-peak for February differed by \$34.45/MWh, resulting in on-peak and off-peak price settles of \$92.23/MWh and \$57.79/MWh, respectively. February forwards settled between \$106 and \$129, 31 days preceding the month.

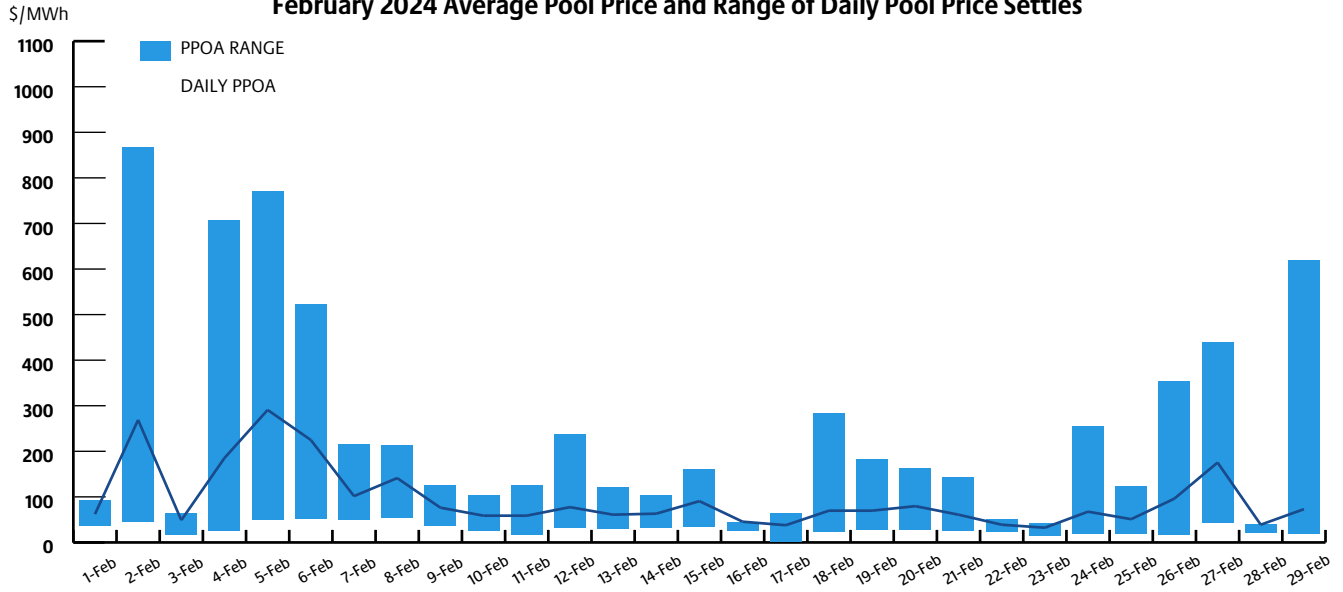
February 2024 had six triple digit daily settles, occurring on February 2nd, 4th-6th, 8th, and 27th. These triple digit settles ranged from a 'low' of \$122.80/MWh on February 8th to a 'high' of \$258.91/MWh on February 5th. The month saw 137 hours settle above \$100/MWh, with the SMP peaking at \$917.46/MWh on February 2nd during HE19.

February 5th saw the highest daily average and on-peak price settles of \$258.91/MWh and \$349.14/MWh, respectively, whereas February 27th saw the highest daily off-peak price settle of \$142.22/MWh. The significant price settles on the 5th were driven by a combination of extreme cold weather, reduced availability of renewable and thermal energy sources, and limitations on the import interties. The Alberta Internal Load (AIL) averaged 10,590 MW that day, slightly higher than the monthly average. Wind generation saw a notable decline, dropping by approximately 400 MW throughout the day,

with generation dipping to single digits and a daily capacity factor of just 3%, a stark contrast to the monthly average of 31%. Solar generation offered some support during the afternoon, peaking at 627 MW with an average capacity factor of 8%, which was still below the monthly average of 14%. The province also grappled with multiple thermal plant outages, leading to coal and gas availabilities of 53% and 78%, respectively, and contributing to over 3,000 MW of outages. Interconnection constraints were evident, with the BC and MATL interties allowing an average of only 360 MW/h into the province during peak hours, while the SK intertie managed an inflow of 111 MW/h.

Conversely, February 23rd saw the lowest daily average and on-peak price settles of \$24.14/MWh and \$26.12/MWh, respectively, whereas February 17th saw the lowest daily off-peak price settle of \$18.94/MWh. On the 23rd, AIL was measured at 10,435 MW, which was 107 MW below the monthly average. Wind generation reached its peak for the month on this day, generating 3,304 MW, which corresponds to a 74% capacity factor, significantly exceeding the monthly average capacity factor of 31%. Solar generation also performed strongly, with an average capacity factor of 23%, significantly outpacing the monthly average of 14%. The robust output from renewable sources was enough to compensate for the thermal power outages in the province, which resulted in 72% gas and 48% coal availability. Moreover, the province served as a net electricity exporter, with an average of 935 MW being exported each hour through the BC intertie for the entire day.

February 2024 Average Pool Price and Range of Daily Pool Price Settle

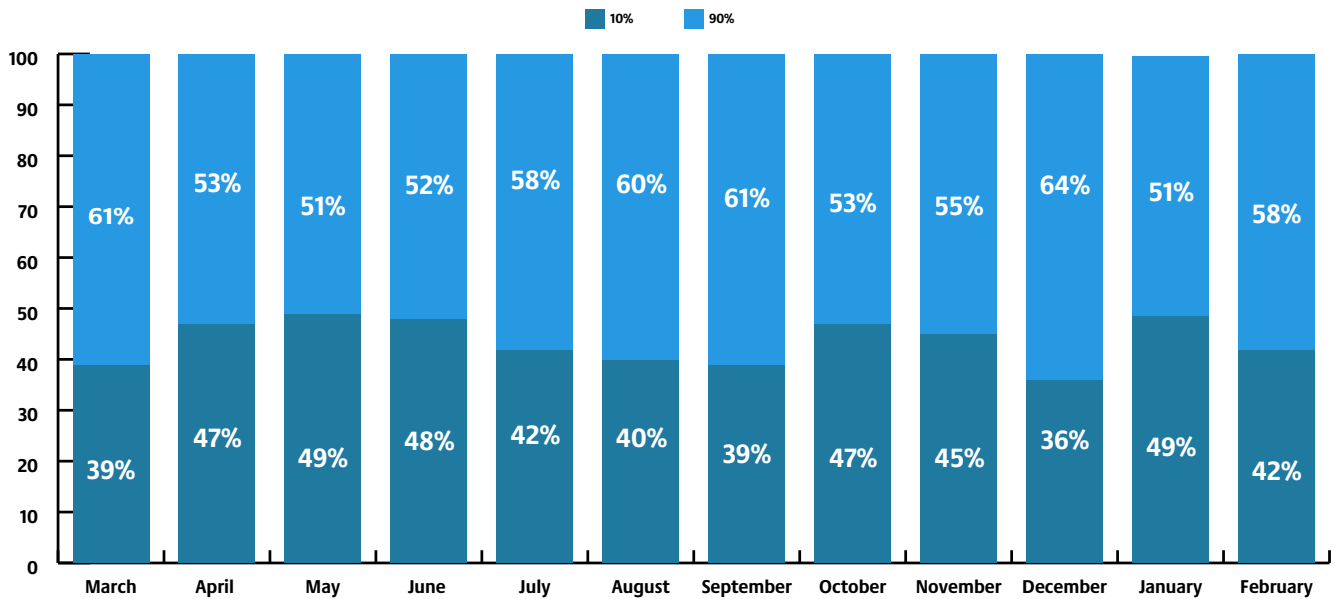


Average AIL for the month was 10,542 MW, with hourly peak load hitting 11,452 MW on February 26th HE 18. This represents a 0.8% increase from February 2023's average AIL of 10,458 MW and a 1.0% decrease from its hourly peak load of 11,572 MW.

The weighted average temperature across the province for February was -6.25°C representing a 1.73°C increase from last February when the average was -7.98°C. February 2024 temperatures in Alberta ranged from a high of 16°C in Lethbridge on February 1st HE 16 to a low of -33°C in Grande Prairie on February 27th HE 10.

The top 10% of high-priced hours for February averaged \$337.07/MWh, contributing 42% to the monthly settle, while the bottom 90% of hours averaged \$52.09/MWh.

Hours contributing to monthly average price

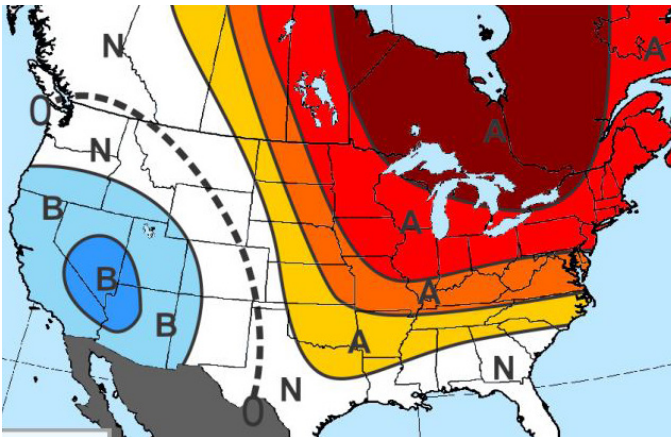


MAXAR'S 30-60 DAY OUTLOOK

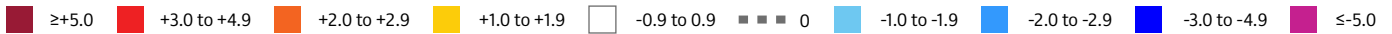
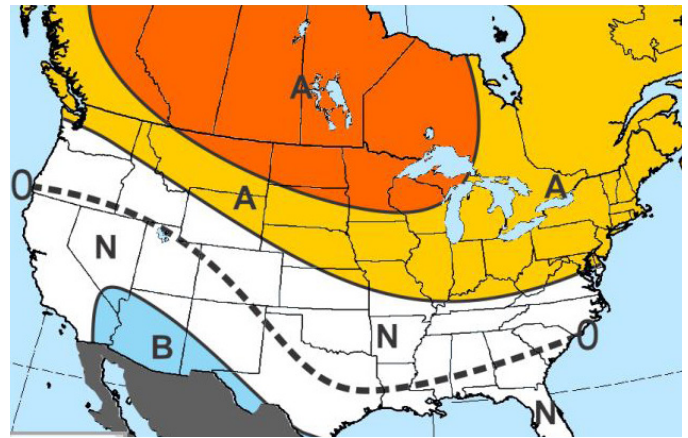
Maxar's final March outlook trended warmer across the eastern half with greater intensity/southward coverage of aboves, while cooler in the West with more widespread belows from California to the western Four Corners. The net result is a forecast of 545 GWHDDs (Gas-Weighted Heating Degree Days) for March, which would rank 8th-warmest since 1950. Maxar's 15-Day forecast valid through March 13 ranks 4th-warmest per GWHDDs. However, the forecast does allow for some colder variability in the latter half of the month. Risks are mixed—further warming is possible amid the strong El Niño, but an expected -AO (Arctic Oscillation) following an upcoming stratospheric warming event could lead to colder risks, especially if the MJO (Madden Julian Oscillation) progresses into Phase 8.

April remains unchanged with aboves remaining favored across the northern tier while belows are in the Southwest. The forecast remains based in part on the ongoing strong El Niño, which is expected to be weakening but will still have a lingering influence on atmospheric circulations. A composite of the four strong El Niño winters since 1990 progressed forward yields a similar pattern with 340 GWHDDs, ranging from 288 (2nd warmest) in 2010 to 370 in 1998 (prior events in 1973 and 1983 were colder). Meanwhile, a composite of the 20 most recent CFS (Climate Forecast System) monthly model runs is in good agreement with our outlook pattern wise but additionally warmer in the details.

March 2024



April 2024



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