

TransCanada Power Market Update

July 2017

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$29.50	\$39.83	\$14.75	\$2.43	12.1
July	\$28.00	\$37.80	\$14.00	\$2.39	11.7
BOY	\$30.00	\$40.50	\$15.00	\$2.45	12.2
2018	\$46.00	\$62.10	\$23.00	\$2.44	18.9
2019	\$46.00	\$62.10	\$23.00	\$2.30	20.0
2020	\$47.00	\$63.45	\$23.50	\$2.28	20.6

All prices are indicative as of July 6, 2017. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – June 2017

The summer has officially arrived and things are beginning to get a lot sunnier! Although we saw windier weather throughout the month, there were still some warm temperatures averaging in the low 20s. The weak El Nino continues to develop throughout the rest of the summer. Due to this, most of Canada can expect normal to above normal amounts of precipitation

The pool price average for the month settled at \$18.25MW/h, which is the lowest average yet for 2017 and comes in \$3.65 lower than last month's average of \$21.90MW/h. With prices generally staying consistent on a day-to-day basis, the first half of the month had a frequent number of times where prices hit the market floor. On June 10th, the price dropped to \$0.00MW/h or \$0.01MW/h for eight hours in the early morning. This surplus was caused by blazing wind matched with a full tie by HE 21 and Friday load; even SD 6 coming offline halfway through the surplus didn't affect pricing. The following day we saw soft market prices again for six hours, however this time prices were also impacted by Keephills #2 and Sundance #6 coming online. On Sunday, June 18th, the last of market floor prices for the month occurred for seven hours due to a packed import BC/MATL tie line, a healthy merit stack and moderate wind generation.

On a year-over-year basis the average demand for the month increased 8% from June 2016's average monthly demand of 8,369MW to this month's demand of 9,054MW. The peak for AIL demand was on the 26th coming in at 10,372MW, lingering above 10,000MW for eight consecutive hours.

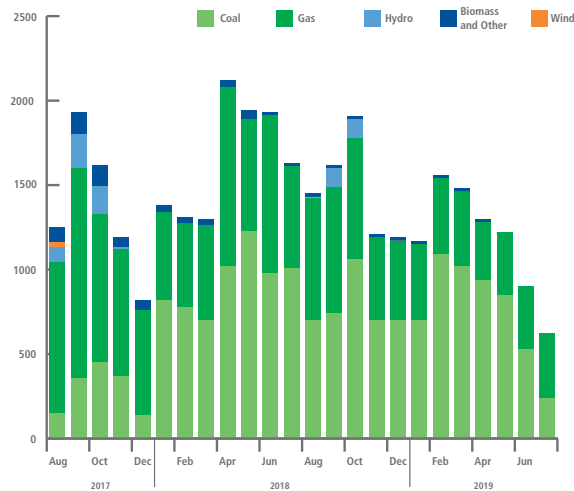
¹FORWARD-LOOKING INFORMATION This publication contains certain information that is forward looking and is intended to provide useful and timely information to Alberta power market participants. All information is from sources deemed reliable and is subject to errors and omissions which we believe to be correct, however, assume no responsibility for. The words "anticipate", "forecast", "expect", "believe", "may", "should", "estimate", "plan" or other similar words are used to identify such forward-looking information. All forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time of this publication and are not guarantees of future performance. By their nature, forward-looking statements are subject to various assumptions, risks and uncertainties which could cause actual outcomes to differ materially from the anticipated results or expectations expressed or implied in such statements. Readers are cautioned against placing undue reliance on forward-looking information and not to use future-oriented information or financial outlooks for anything other than their intended purpose. TransCanada undertakes no obligation to update or revise any forward-looking information except as required by law.

TransCanada Power Market Update

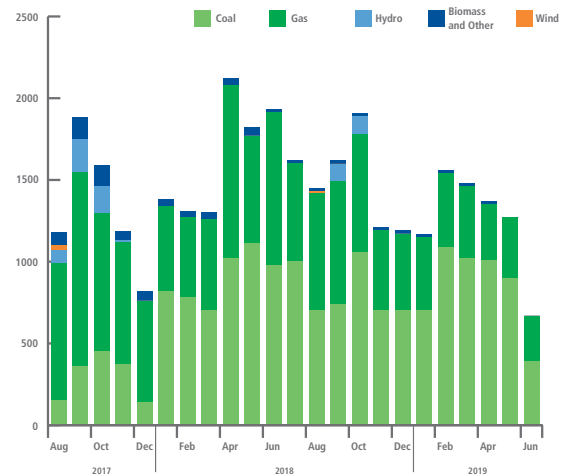
July 2017

Monthly Outages

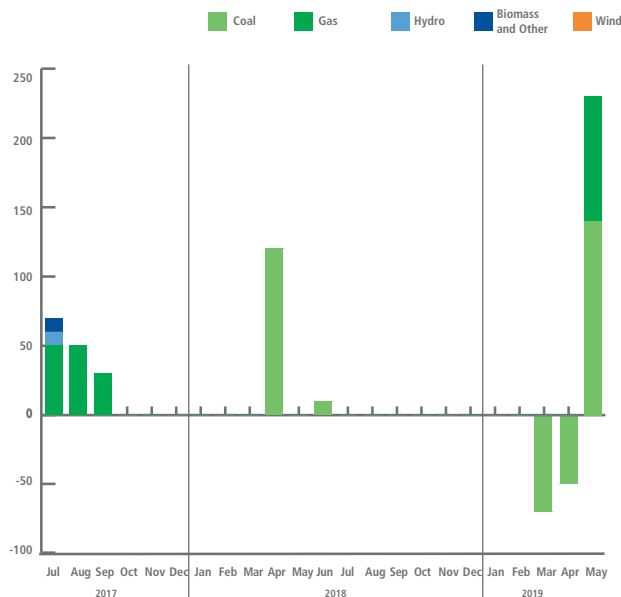
AESO Monthly Outages (as of July 6, 2017)



AESO Monthly Outages (as of June 6, 2017)



Month-over-Month Change in Outages
(July 2017 over June 2017)



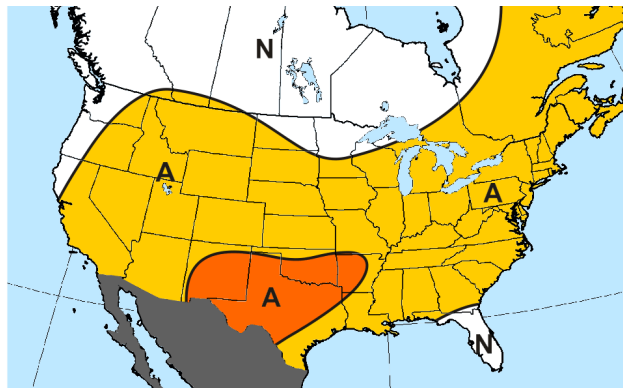
As seen in the Month-over-Month Change in Outages graph above, this month is generally consistent to last month's report except for several small changes. More coal related outage changes appear, especially when looking at November 2017 along with May, July, October and February 2018 and beyond. Outages in respect to hydro are more apparent in the months of October 2017 and 2018. Consistent with last month, April 2018 is still currently the largest period for outages we can see in the two-year outlook, totaling 2,120MW.

TransCanada Power Market Update

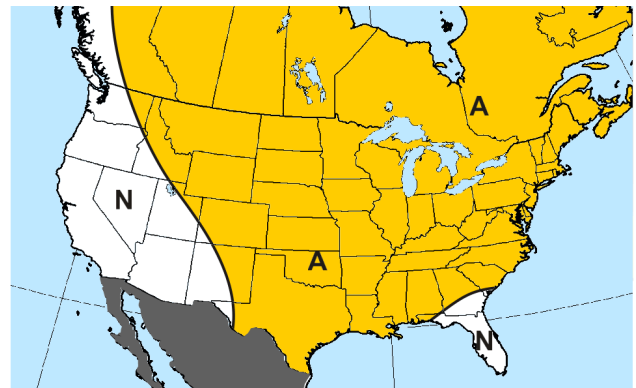
July 2017

MDA Weather Services 30-60 Day Outlook

August 2017



September 2017



Throughout the remaining weeks of July, greater intensity of heat is focused in the West and cooler temperatures are reported in the mid-continent. Normality is expected in the South and Alberta in particular can expect slightly above average temperature.

The following months of both August and September forecast above normal temperatures with +1.0 to +2.0 anomalies through much of the US and mid to eastern continent. Potential hotter risks in the northern and northeastern Rockies appears for the month of August. Impacts from the weak El Nino continue to create above normal temperatures and precipitation in Alberta.

TransCanada Power Market Update

July 2017

In Other News

Balancing Pool Termination Announcement

On July 4th 2017, the Balancing Pool announced it sees it as reasonable that it terminate the Sundance A, Sundance B and Sundance C PPAs. This comes in alignment with the organizations mandate requiring it to manage its generation assets in a commercial manner and to conduct itself in a fashion that is not contrary to the fair, efficient and openly competitive operation of the market.

Following the planned retirement of coal units in 2020, pool prices have potential to become more volatile and therefore termination becomes ideal as the Balancing Pool anticipates considerable losses if it continues to hold onto the PPAs.

Approximately \$475 to \$518 million in savings was estimated by the Balancing Pool in relation to the termination of Sundance B and Sundance C. Sundance A was not considered in the estimation as its PPA is set to expire by the end of 2017. However, should the Balancing Pool decide to move forward with the terminations, Sundance A will be included since early termination costs are still beneficial.

Read more about the announcement [here](#).

Ryan Laverty

Manager, Power Marketing
403.920.5616

ryan_laverty@transcanada.com

Kelsey Johansson

Power Marketing Representative
403.920.5956

kelsey_johansson@transcanada.com

Laura Cyr

Summer Student, Power Marketing
403.920.7136

laura_cyr@transcanada.com