

TransCanada Power Market Update

March 2017

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$21.25	\$28.69	\$10.63	\$2.36	9.0
April	\$20.50	\$27.68	\$10.25	\$2.25	9.1
BOY	\$25.25	\$34.09	\$12.63	\$2.44	10.3
2018	\$38.63	\$52.15	\$19.32	\$2.58	15.0
2019	\$39.25	\$52.99	\$19.63	\$2.45	16.0
2020	\$40.00	\$54.00	\$20.00	\$2.41	16.6

All prices are indicative as of indicative of March 2, 2017. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – February 2017

February 2017 was a quiet month for the province's electricity market. Prices ended up settling at \$22.18/MWh which is \$1.78/MWh lower than the previous month and almost 30% higher than February 2016's monthly settle of \$17.22/MWh. All hours settled below \$50.00/MWh, with the lowest hourly price settling at \$13.29/MWh and the highest hourly price settling slightly below the \$50.00 mark at \$49.62/MWh during the evening of Oscar Sunday on February 26th. Approximately five coal outages and low wind output were the main reasons Alberta saw this short-lived strong Sunday evening peak.

On top of the increased monthly pool price average, this month also saw an increase in Alberta Internal Load (AIL). The province experienced a 4% increase year-over-year in Alberta Internal Load (AIL) and a 1.4% increase year-over-year when temperature adjusted. February 2017's AIL demand ranged from 8,600 MW to 11,176 MW and averaged 9,929 MW for the entire month compared to demand in February 2016 which ranged from 8,392 MW to 10,643 MW and averaged 9,543 MW.

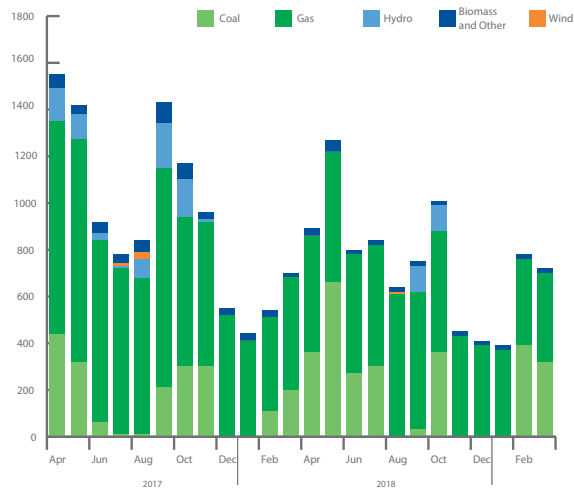
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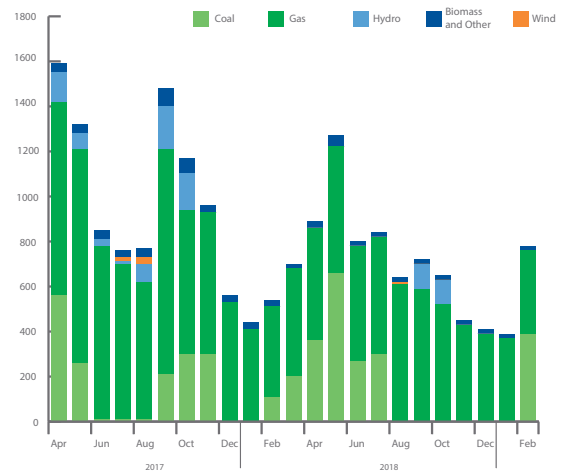
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Monthly Outages

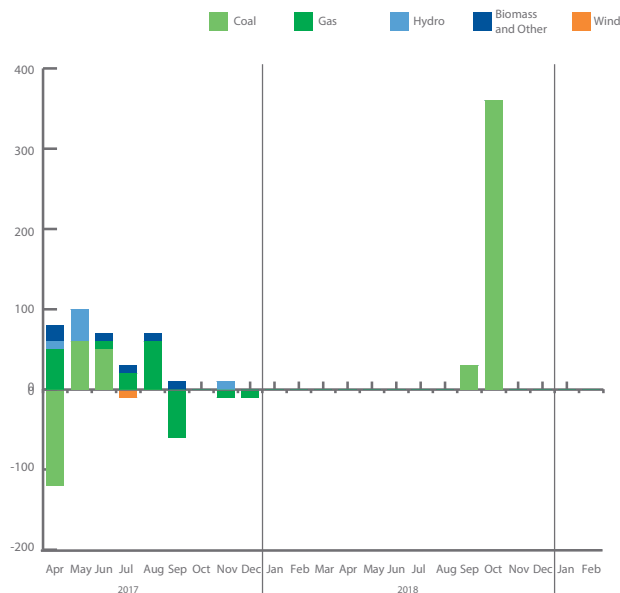
AESO Monthly Outages (as of March 1, 2017)



AESO Monthly Outages (as of Feb 3, 2017)



Month-over-Month Change in Outages
(March 2017 over February 2017)

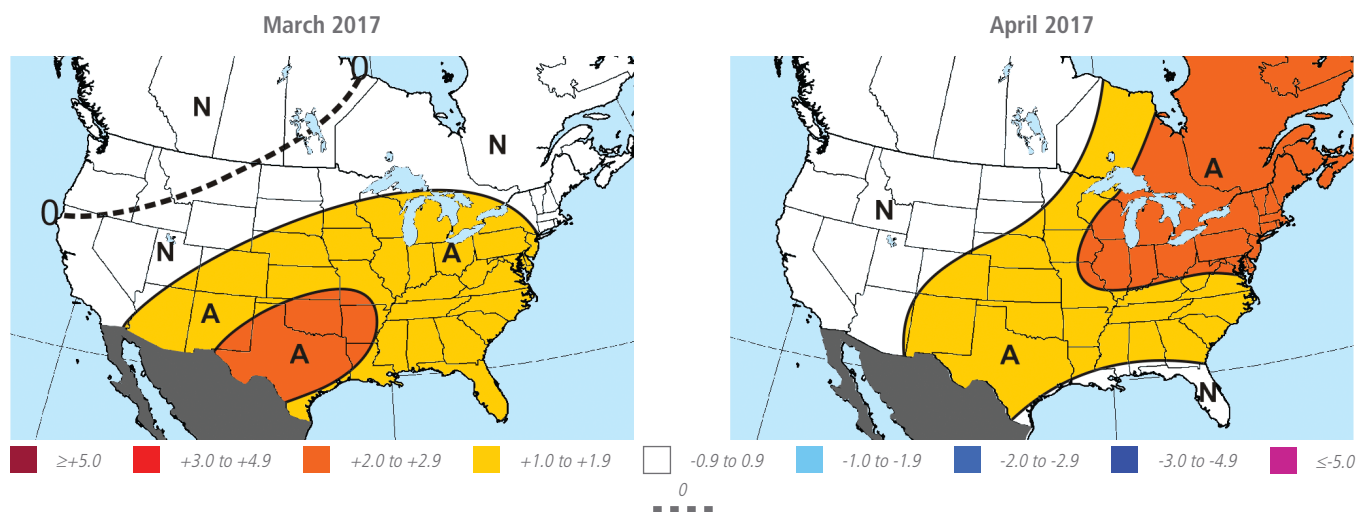


The only significant month-over-month change in outages is in October 2018 when coal increased from 0 MW on outage to 360 MW on outage according to the AESO on March 1, 2017. In the near term, Alberta can expect approximately 1,550 MW of primarily coal and gas on outage for April 2017 and 1,420 MW on outage for May 2017.

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MDA Weather Services 30-60 Day Outlook



February's temperatures varied significantly, ranging from lows of -20.9 degrees Celsius to highs of 16.4 degrees Celsius in Calgary, AB. The first ten days of the month were welcomed with cold temperatures, however, things became warm and more moderate for the last few weeks. Mid-month on February 15th, Calgary reached a record high temperature of 16.4 degrees Celsius, breaking a 101 year old record of 15.6 degrees Celsius in 1916.

According to MDA Weather Services, March temperatures in the Western portion of Canada have been changed from last month to be slightly cooler, while it appears that near normal and warmer than normal temperatures will exist for the rest of Canada and the United States. April and May temperatures will also remain on the cool side of normal for the majority of Canada while the United States Midwest and North East areas will likely experience +1 to +2 anomalies, as seen in the weather images above. Although the record temperature was short lived, Calgary patios did open up and were packed for about a day or two.

In Other News

AESO 2016 Annual Market Statistics

On February 21, 2017, the AESO released their Annual Market Statistics report outlining 2016 market information and historical trends. The report can be found [here](#).

The AESO 2016 Annual Market Statistic report highlights the following:

- The annual average pool price for wholesale electricity fell 45 per cent from its previous-year value to \$18.28/MWh
- The average Alberta load in 2016 decreased 1 percent from 2015, however Alberta did set a new winter peak load in December of 11,458 MW.
- For the first time in 14 years, Alberta was a net exporter of electricity in 2016
- Energy produced by wind generation served 6 per cent of total load in 2016.

Energy Efficiency Alberta

Residential and Commercial Solar Program

On February 27th, a \$36-million rebate program was announced by the Government of Alberta to encourage the installation of affordable residential and commercial solar photovoltaic (PV) systems.

According to Shannon Phillips, this program will lead to a total of 10,000 new panels on Alberta rooftops by 2020, allowing the creation of more jobs in the province through the emerging solar industry.

Phillips says that rebates could be available as early as this summer so stay tuned for details on how to qualify for a rebate.

To learn more, visit [Energy Efficiency Alberta](#).

Residential No-Charge Energy Savings Program

The Residential No-Charge Energy Savings Program offers no-charge installations of energy efficient products in houses, apartments and condos throughout Alberta starting as early as April 2017.

Through this program, installers will remove old products and replace them with more energy-efficient products, such as:

- LED lightbulbs
- LED nightlights
- Faucet aerators
- Low-flow showerheads
- Advanced power strips for audio-visual equipment
- Smart thermostats

To learn more, visit [Energy Efficiency Alberta](#).

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In Other News

Business, Non-Profit, and Institutional Energy Savings Program

This program incentivizes all business, non-profit and institutional organizations to choose and install high-efficiency heating and/or lighting products for a rebate. This program encourages organizations to replace outdated and inefficient equipment in a timely and effective manner. Expect this program to launch in Spring 2017.

Sectors targeted by the program include, but are not limited to:

- Institutions such as schools, hospitals, universities, and colleges
- Office buildings
- Shopping malls
- Individual small or medium businesses (e.g. tenants within the above types of buildings, or standalone businesses)
- Big box stores
- Car dealerships
- Hotels
- Industries such as agri-food, manufacturing, resource extraction

To learn more, visit [Energy Efficiency Alberta](#).

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