

TransCanada Power Market Update

October 2017

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$24.25	\$32.74	\$12.13	\$0.95	25.5
November	\$26.25	\$35.44	\$13.13	\$2.05	12.8
BOY	\$29.00	\$39.15	\$14.50	\$2.28	12.7
2018	\$44.50	\$60.08	\$22.25	\$2.14	20.8
2019	\$46.00	\$62.10	\$23.00	\$2.13	21.6
2020	\$45.25	\$61.09	\$22.63	\$2.21	20.5

All prices are indicative as of indicative of Oct 3, 2017. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – September 2017

Prices in the Alberta electricity market remained mild with hourly settles staying below \$50.00/MWh until the last week of the month. On Monday September 25th, two hours settled in the triple digits above \$250.00/MWh (HE 12 settled at \$277.01/MWh and HE 14 settled at \$263.92/MWh), while System Marginal Price (SMP) sat at \$999.00/MWh for 14 minutes during HE 14. The day after, during the afternoon of Tuesday September 26th, prices spiked for two hours reaching \$295.57/MWh during HE 15 and reaching the month's maximum hourly spot price settle of \$630.47/MWh during HE 14. At this time, the AESO ended up declaring an Energy Emergency Alert 1 (EEA1), where all available resources in the energy market have been used to meet AES firm load with about 500MW in reserves still available, starting at 13:26 and ending at 14:11. The short price spikes during both of these days were largely attributed to strong load in the province, low wind generation, coal outages, and an ongoing tie outage.

Overall, September ended up settling at \$22.11/MWh which is a \$2.46/MWh decrease compared to last month. However, similar to the previous months this year, September's Alberta Internal Load (AIL) increased again when compared to year 2012 – 2016. When compared YoY, September 2017's average AIL was 9,021 MW (ranging from 7,790 MW to 10,524 MW), which was a 3% increase from the same month last year which had an average AIL of 8,741 MW (ranging from 7,681 MW to 9,857 MW).

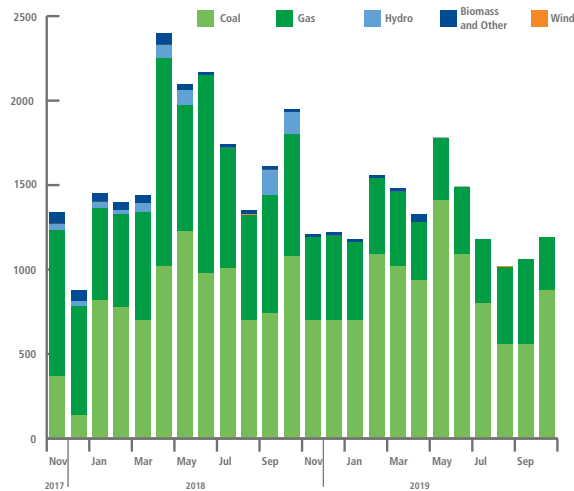
¹FORWARD-LOOKING INFORMATION This publication contains certain information that is forward looking and is intended to provide useful and timely information to Alberta power market participants. All information is from sources deemed reliable and is subject to errors and omissions which we believe to 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

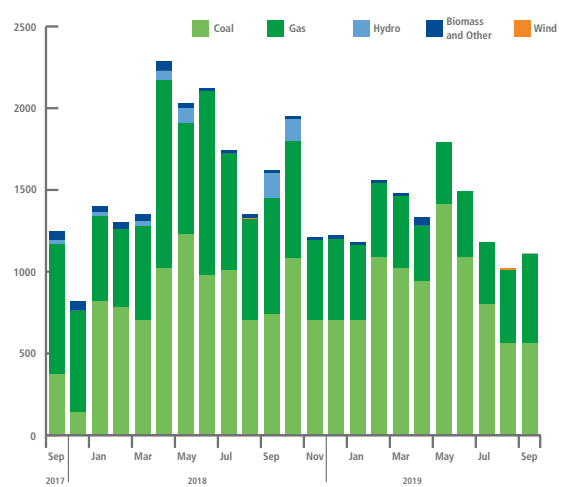
October 2017

Monthly Outages

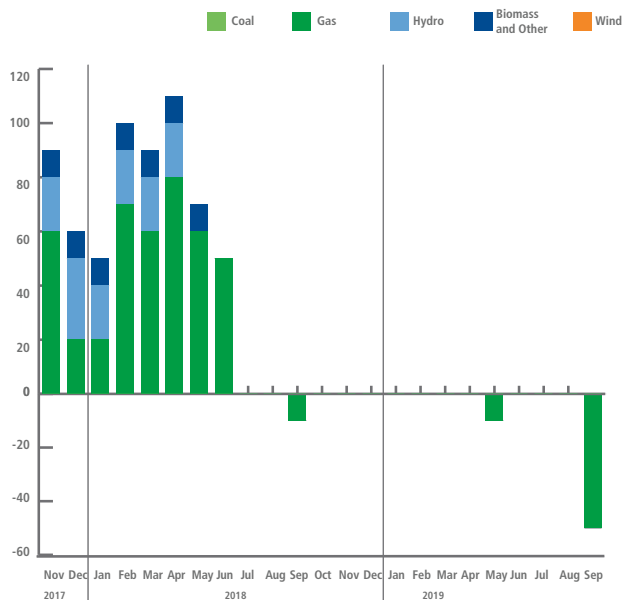
AESO Monthly Outages (as of October 2, 2017)



AESO Monthly Outages (as of September 6, 2017)



Month-over-Month Change in Outages
(October 2017 over September 2017)



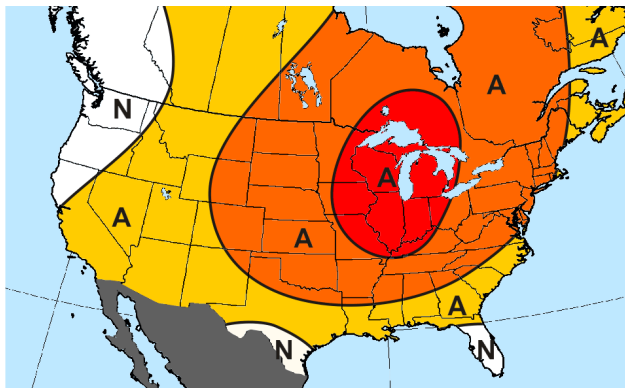
The most notable changes in the Month-Over-Month outages occur next month November through to June 2018 with about 50 additional MW of gas added to the outage mix. On average, we can expect approximately 800 MW of gas will be on outage for the next 8 or so months.

TransCanada Power Market Update

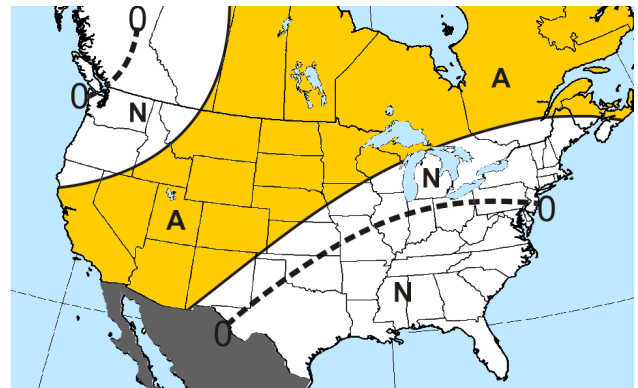
October 2017

MDA Weather Services 30-60 Day Outlook

October 2017



November 2017



Fall is here! According to MDA Weather Services, Alberta will likely experience slightly above normal temperatures for this month and will probably face near-normal temperatures in November. The majority of the remaining provinces and states shall see warmth; particular those within the Midwest which can expect to see +3.0 to +4.9 anomalies this upcoming month.

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In Other News

Balancing Pool to Terminate Sundance B & Sundance C PPA's

On September 18th, 2017, the Balancing Pool announced that it is terminating the Sundance B and Sundance C PPA's, effective no later than the end of March 2018. The news release can be found [here](#).

Roadmap for Reducing Greenhouse Gas Emissions

The Canada Green Building Council (CaGBC) released a new roadmap report for reducing greenhouse gas emissions from large building such as office towers, recreation centers, hospitals, schools, etc. With Alberta and Ontario emitting the most carbon, their buildings have the greatest potential for retrofitting and reducing emissions. The full report can be found [here](#).

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