TransCanada Power Market Update

April 2018

Forward Prices Table

	Flat 7x24 ($/MWh)	AB - 6x16 On Peak ($/MWh)	AB - Off-Peak ($/MWh)	AECO Gas ($/GJ)	Heat Rate
BOM	$55.00	$64.90	$42.90	$1.52	36.2
May	$42.50	$49.73	$33.15	$0.97	43.8
BOY	$60.50	$77.44	$42.35	$1.30	46.5
2019	$56.75	$73.78	$39.73	$1.56	36.4
2020	$49.25	$64.03	$34.48	$1.62	30.4

All prices are indicative as of indicative of April 3, 2018. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – March 2018

Spring officially arrived on March 20th, 2018 and was greeted with a warm 8 degrees Celsius day and plenty of sunshine. However, this warmth was short-lived as Calgary has since received its fair share of multiple spring-time snow storms.

Electricity pricing in March was stable with the pool price averaging $32.27/MWh. This monthly average is consistent with last month's settle which was about a buck lower at $31.32/MWh. The maximum hourly settle in March reached $46.06/MWh, while the minimum hourly settle was $20.24/MWh, resulting in a large variance between the minimum and maximum hourly settles of approximately 230%. This can mainly be attributed to higher off-peak hour pricing and low volatility throughout the month when compared to others. We have not seen minimum hourly spot prices settle this high in a very long time.

On the demand side, Alberta saw an average of 10,002 MW, with Alberta Internal Load varying from 8,952 MW to 10,932 MW. This is a slight decrease from last month's demand and a slight increase from March 2017 which had an average demand of 9,628 MW.

As seen in the forward Pricing table, April pricing has experienced an uptick partially due to additional coal outages as of April 1, 2018.

On April 1, 2018, TransAlta temporarily mothballed its Sundance Unit 3 and Sundance Unit 5 for a period of up to one and two years. This will result in 368 MW and 406 MW, respectively, of generation offline for a period of up to two years and can be reflected in April's forward pricing. The total of 674 MW of coal offline as of April 1st is in addition to the retirement of Sundance Unit 1 and the mothball of Sundance Unit 2 which became into effect at the beginning of this year, putting approximately 1,100 MW more coal offline this year than last year.

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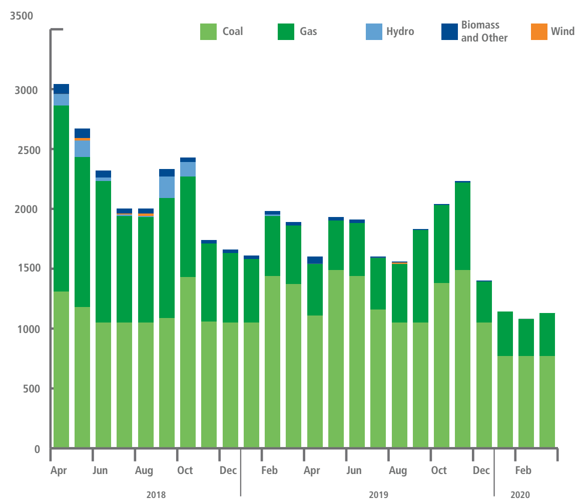
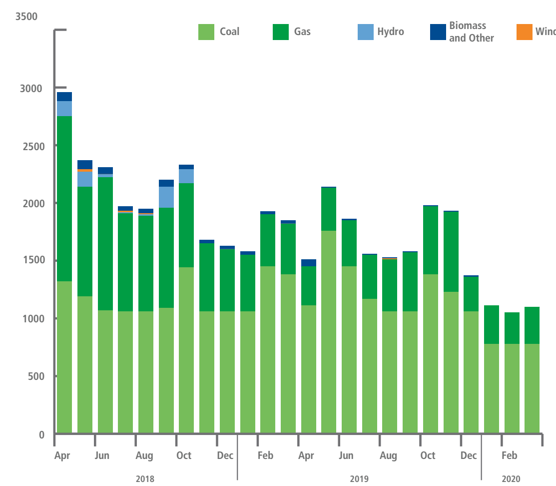
Monthly Outages

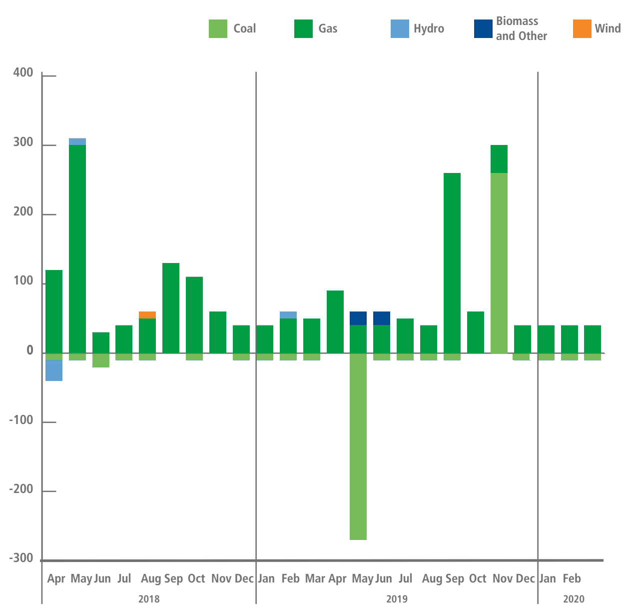
AESO Monthly Outages (as of April 1, 2018)



AESO Monthly Outages (as of March 1, 2018)



Month-over-Month Change in Outages
(April 2018 over March 2018)



April outages haven't changed significantly since last month's report. However, as mentioned above, 674 MW of the coal outages starting in April are from TransAlta's most recent mothballing of Sundance Unit 3 and Sundance Unit 5.

The increase in outages for April is also coupled with natural gas-fired plants offline for maintenance over April and May.

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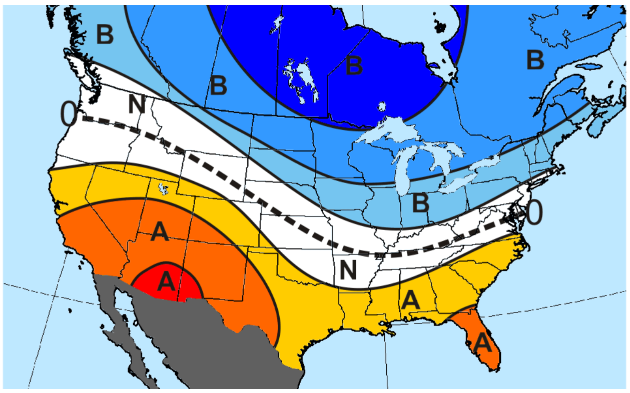
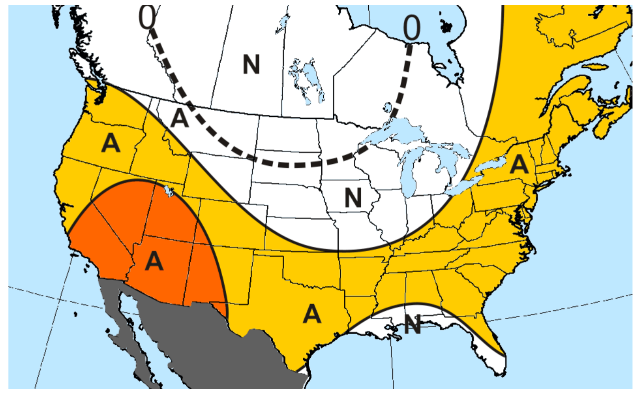
MDA Weather Services 30-60 Day Outlook

April 2018



May 2018



≥+5.0 | +3.0 to +4.9 | +2.0 to +2.9 | +1.0 to +1.9 | -0.9 to 0.9 | -1.0 to -1.9 | -2.0 to -2.9 | -3.0 to -4.9 | ≤-5.0

0

Based on MDA Weather Services' updated 30-60 Day Outlook, we will continue to experience cooler than normal temperatures until at least May. In Canada, this month will see anomalies ranging from -1.0 to -4.9 degrees Fahrenheit. While the most northern parts of AB, SK, MB, ON and QC experience the coolest temperatures, the most southern parts of the United States will be able to enjoy Spring in full force with warmer than expected temperatures.

May will see less extreme weather patterns across North America, as almost all parts will be closer to average temperatures, meaning we will likely see large snow piles lingering for a couple more months.

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