

TransCanada Power Market Update

July 2018

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$50.00	\$59.00	\$39.00	\$1.10	45.5
August	\$79.50	\$93.02	\$62.01	\$1.28	62.1
BOY	\$67.00	\$85.76	\$46.90	\$1.52	44.1
2019	\$58.00	\$75.40	\$40.60	\$1.63	35.6
2020	\$53.50	\$69.55	\$37.45	\$1.58	33.9

All prices are indicative as of indicative of July 4, 2018. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – June 2018

June 2018 ended up settling at \$63.44/MWh which is consistent with May 2018's monthly settle of \$63.11/MWh. However, the month did see close to a 300% increase from June 2017's monthly settle of \$16.78/MWh.

Contributing to this high monthly settle were the 53 hours settling above the \$100.00/MWh mark and 25 hours settling above the \$500.00/MWh mark. The top 10% of June's hourly settles contributed 59% of the value to the monthly average settle, while the bottom 90% contributed 41%, which indicates how influential scarcity events can be on average prices over time. The highest priced hour for the month occurred on June 8th Hour Ending 15 and settled below the price cap at \$930.00/MWh. As well, price only settled at the floor of \$0.00/MWh for 1 hour on June 6th in HE 3.

The triple digit pricing throughout the month was attributed to consistently higher load (above 10,000 MW), mild wind generation and thermal unit derates and outages. In Alberta, temperatures ranged from a low of 3 degrees Celsius to a high of 28 degrees Celsius, similar to June of last year.

On the demand side, Alberta saw a bit of a swing in AIL for the month as demand went as low as 8,184 MW and got as high as 10,430 MW on June 25th HE14. On average, AIL was 9,198 MW with 69 hours being over 10,000 MW. As a reference, demand for June 2017 ranged from 7,600 MW to 10,372 with only 16 hours being over 10,000 MW.

On the tie lines, the MATL intertie experienced two unplanned outages in the back end of the month, June 20 HE 15 June 22 HE18 and June 25th HE 18- June 27th HE 16. Average hourly price for the June 20th – June 22nd outage was \$118/MWh, driven by the lack of import capability and higher loads with price hitting \$735/MWh on June 21 HE13. While average price for June 25th-27th remained much softer at an average of \$30/MWh.

AB-BC intertie had a planned outage for June 27 HE8 -June 28 HE18. The tie line outage was shortened to just June 27th HE 8:00 MT to HE 15:00 MT. The shortened tie line outage softened prices for June 28th for an average daily settle of \$30.39/MWh instead of an anticipated triple digit settle.

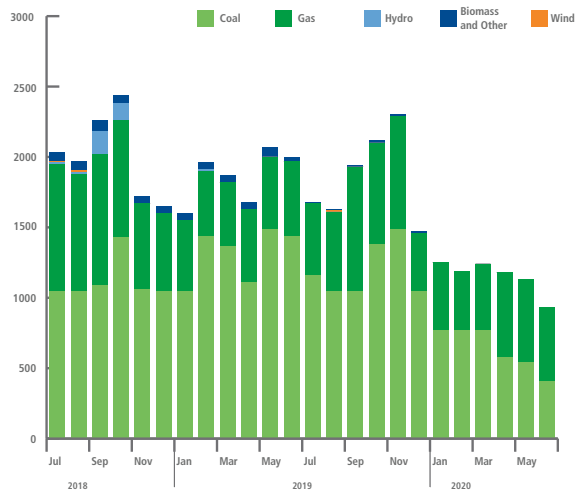
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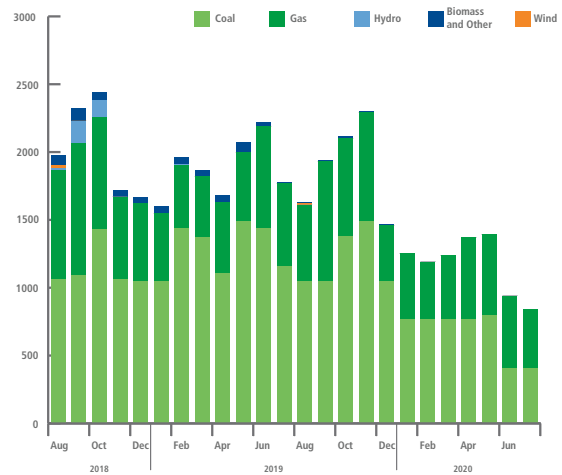
July 2018

Monthly Outages

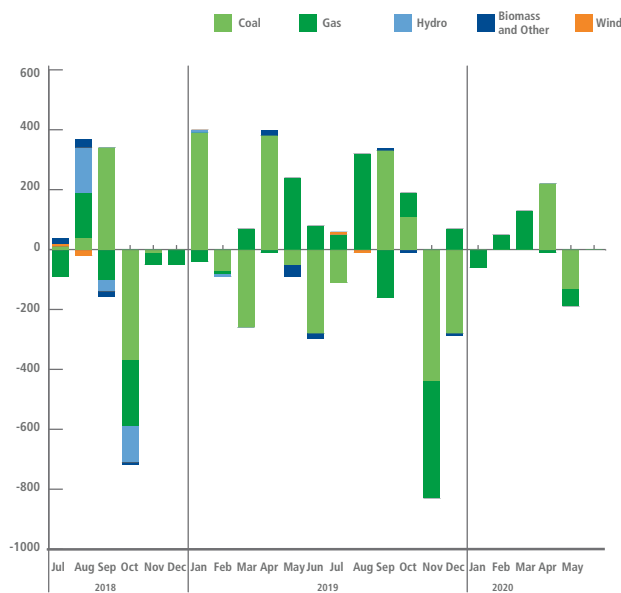
AESO Monthly Outages (as of June 1, 2018)



AESO Monthly Outages (as of July 3, 2018)



Month-over-Month Change in Outages
(June 2018 over July 2018)

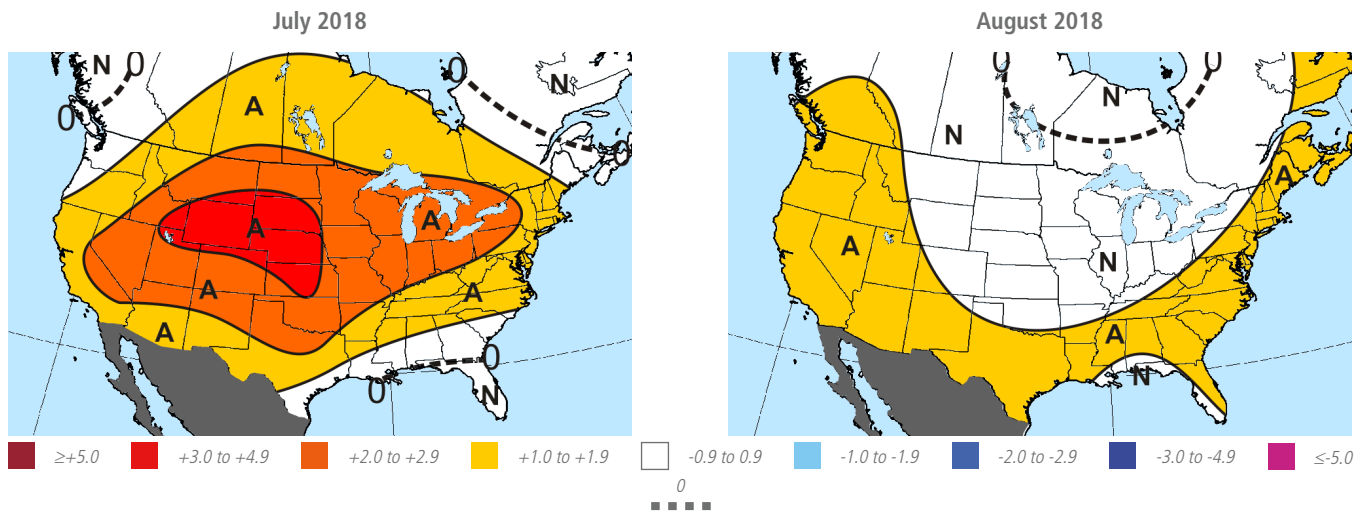


From the Month-over-Month Change in Outages chart above, forecasted outages taken from July 3, 2018 in comparison to June 1, 2018 will be less than previously anticipated. In particular, the months of October 2018 and November 2019 will see more generation online.

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Radiant Solutions 30-60 Day Outlook



For North America as a whole, June was cemented among the Top 4 hottest months since 1950, currently ranked #2 at 277.6 PWCDDs. The month featured broad coverage of above normal temperatures in many areas. Although June did not show extreme temperatures, heat was consistent throughout the month.

Radiant Solutions 30-60 Day Outlook for July has been updated to feature a broad coverage of above average temperatures coast-to-coast, focused from the Interior West to the Midwest. The Southernmost part of Alberta and majority of British Columbia will see above normal temperatures with the remaining parts of Canada in the normal range for both July and August.

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