

TC Energy
Power Market
update.

Forward prices table (indicative as of June 4, 2019)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$55.00	\$75.00	\$27.00	\$1.00	55.00
July	\$69.75	\$89.00	\$34.00	\$1.02	68.38
BOY	\$63.25	\$80.30	\$31.00	\$1.42	44.54
2020	\$54.25	\$67.50	\$28.00	\$1.48	36.66
2021	\$55.50	\$69.50	\$27.00	\$1.65	33.64
2022	\$51.25	\$61.00	\$32.00	\$1.75	29.293

All prices are indicative as of June 4, 2019. For Firm power price quotes please contact TC Energy's Power Marketing team. See contacts on the last page.

Alberta market recap – May 2019

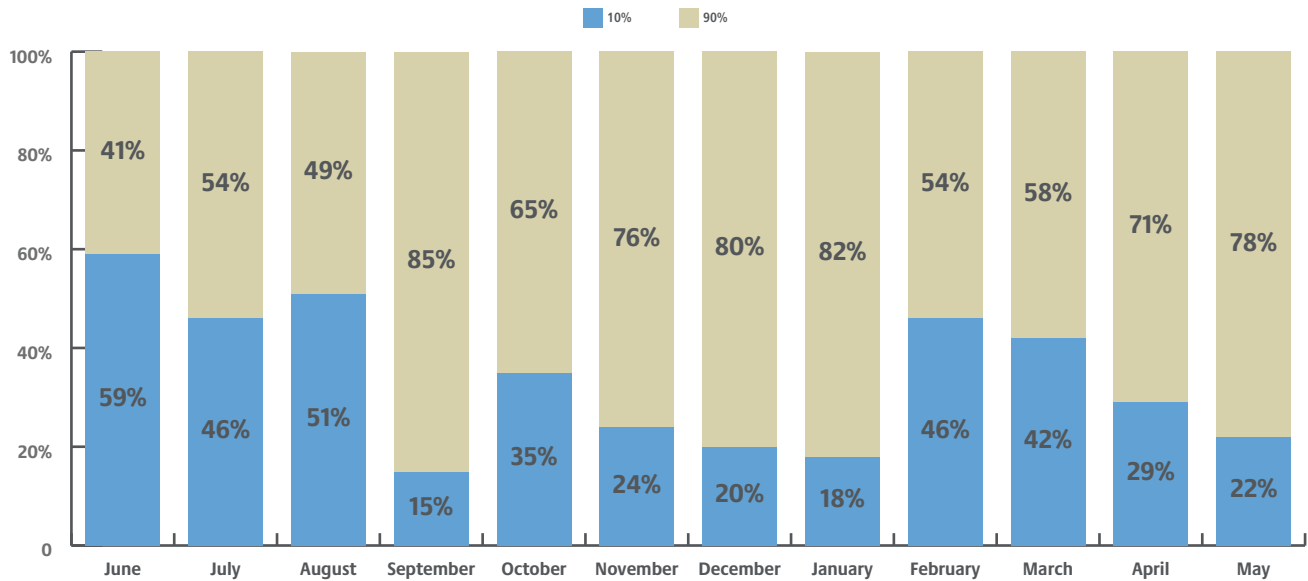
May 2019 settled at \$74.78/MWh, representing a 17% increase from May 2018's settle of \$63.77/MWh and an 83% increase from last month's settle of \$40.80/MWh. The average price between the on-peak and off-peak for May differed by \$68.28/MWh, resulting in on-peak and off-peak prices of \$97.54/MWh and \$29.26/MWh respectively.

There were six major influential days in May for pricing; May 9th, 23rd, 27th - 29th and 31st settling at \$104.52, \$232.68, \$171.62, \$347.71, \$271.16, and \$201.90/MWh respectfully. These six days saw System Marginal Price (SMP) in the \$700-\$900/MWh range more so than not. These high-priced hours are attributed to the Shepard Generating Station coming offline for an unplanned outage, warm-to-hot temperatures increasing demand while also limiting generators output, additional coal units coming offline such as Keephills 2, Keephills 3, and Sundance 6 as well as minimal wind generation.

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The top 10% of high-priced hours averaged \$163.88/MWh, contributing 22% to the monthly settle while the lowest 90% of hours averaged \$64.94/MWh. The chart below demonstrates how this small fraction of high priced hours (10%) can have such a significant impact on the overall monthly settle.

Hours contributing to monthly average price



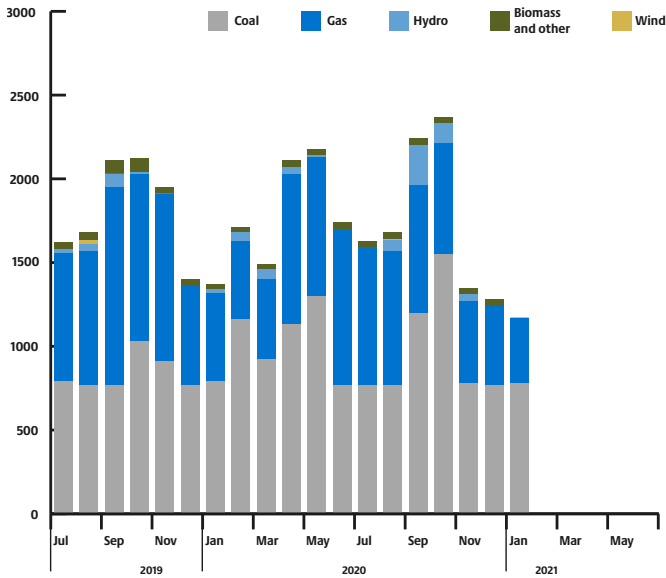
Average Alberta Internal Load (AIL) for the month was 9,106 MW, with peak load hitting 10,023 MW on May 30th, 2019. This represents a 0.5% increase from May 2018's average AIL of 9,288 MW and a 3% decrease from its peak load of 10,294 MW.

The weighted average temperature across the province for May was 10.05°C representing a 4.62°C decrease from last May when the average was 14.69° C. The month saw a range in weighted average temperatures from -4.0° C on May 1st to 27.6° C on May 29th aligning with a gradual increase in spring temperatures with a few hotter than normal days on May 28th – May 29th.

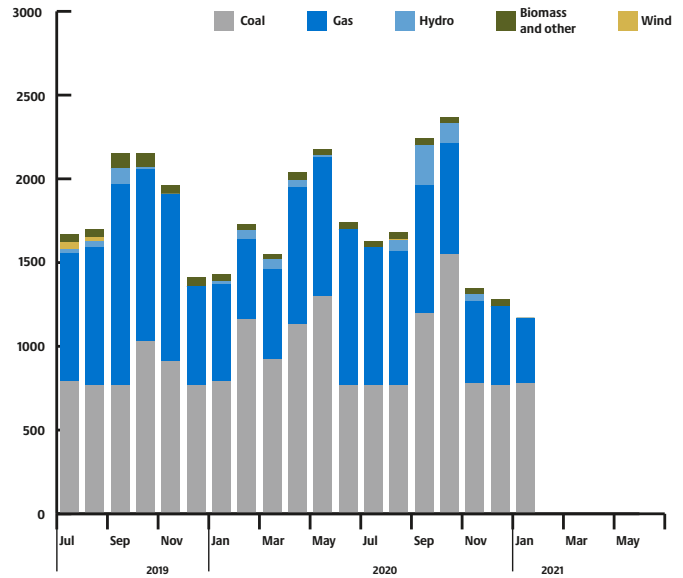
Monthly outages

Minimal changes have occurred to the outage report since last month, with the most noteworthy change being the removal of an 80 MW gas outage in April 2020.

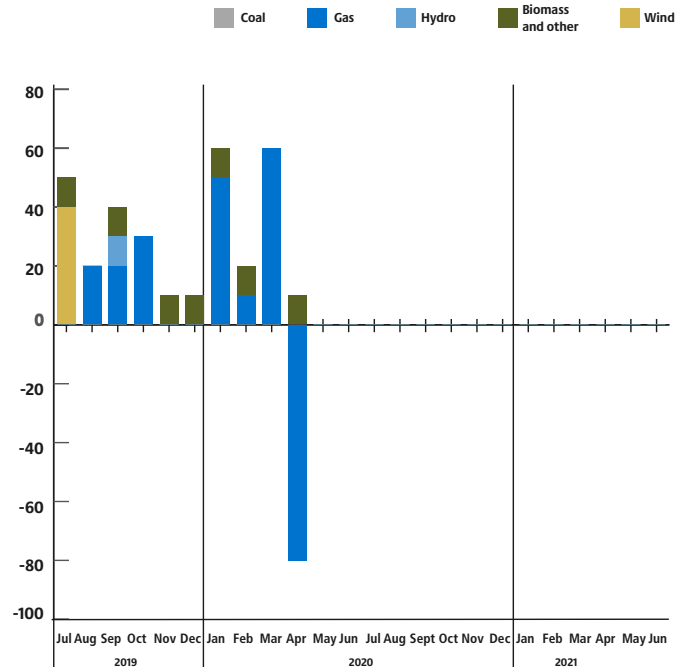
AESO monthly outages (as of May 2019)



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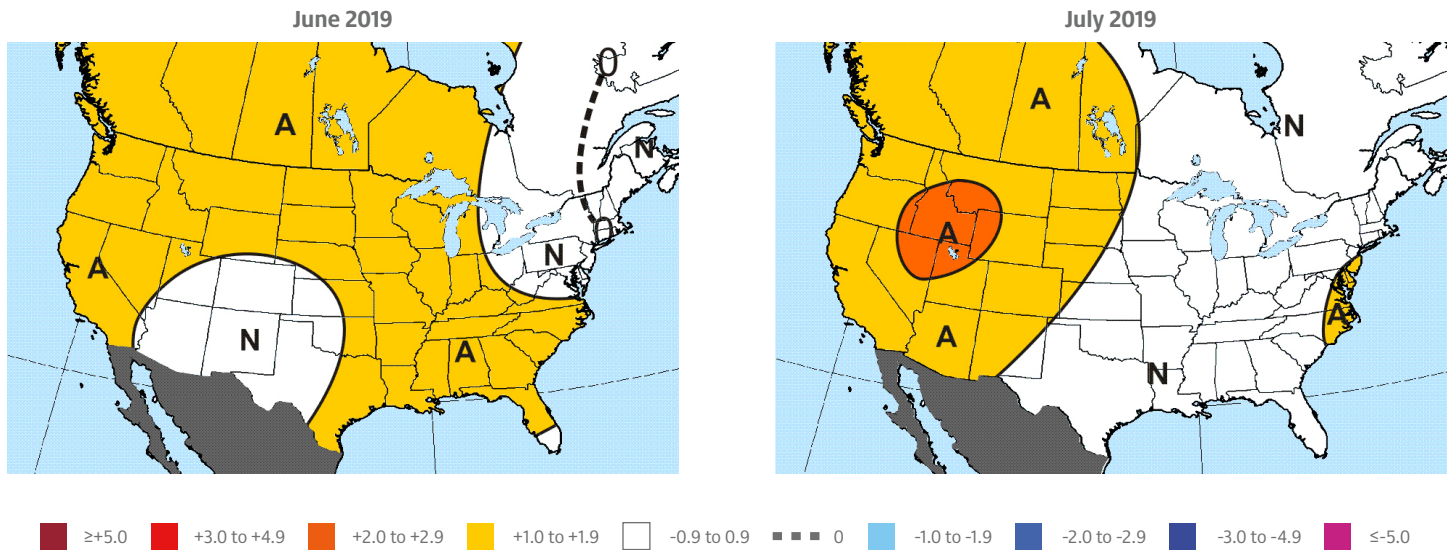
Month-over-month change in outages (May 2019 over June 2019)



Radiant solutions 30-60 day outlook

May 2019 saw a month featuring anomalous heat in areas of the South and Mid-Atlantic while anomalously cool from the Southwest to the High Plains.

Radiant Solutions Outlook for June 2019 forecasts hotter trends in the south due to an irregularly hot start to the month while the northeast trends cooler as does the southwest. They currently indicate that Alberta will see a +1.0 to +1.9°F departure from 1981-2010 normal temperatures.



Industry news

It was announced at the end of May that Canadian Utilities Ltd., a subsidiary of ATCO had sold its Canadian fossil fuel power generation portfolio to Heartland Generation Ltd., an affiliate of Energy Capital Partners for \$835 million. This portfolio consists of 11 plants; nine of which are in Alberta, one in British Columbia and one in Ontario, making up 2100 MW of generation capacity. The Alberta coal plants acquired by Heartland Generation Ltd. were being converted to natural gas prior to the sale, a process which is expected to continue with the new owners. This sale leaves Canadian Utilities Ltd. with just 250MW of generating capacity over the span of five plants; one in Alberta, two in Australia and two in Mexico.

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