

TransCanada Power Market Update

February 2019

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$80.00	\$92.00	\$60.00	\$2.48	32.3
March	\$49.50	\$56.50	\$32.75	\$1.74	28.4
BOY	\$53.50	\$68.00	\$30.00	\$1.50	35.7
2020	\$47.25	\$57.50	\$26.50	\$1.63	28.9
2021	\$44.50	\$52.50	\$27.75	\$1.67	26.6
2022	\$43.50	\$48.25	\$32.00	\$1.75	24.9

All prices are indicative as of indicative of February 6, 2018. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

Alberta Market Recap – January 2019

January 2019 settled at \$37.83/MWh, representing a 7% decrease from January 2018 settle of \$40.83/MWh and a 14% decrease from last month's settle of \$43.99/MWh. The average price between the on-peak and off-peak for January differed by \$10/MWh, with the on-peak and off-peak settling at \$43.13/MWh and \$33.07/MWh respectively.

Settling at \$37.83/MWh January 2019 marked as the second lowest settle in the past nine months. January's relatively low settle compared to how the month traded in the forward market can be explained by a few key factors. In the month, pipeline constraints to Pacific Northwest were relieved putting downward pressure on gas prices, winter temperatures remained mild for the majority of the month, and wind generation stayed above 500 MW for 60% of hours.

Both the lowest and highest daily settles occurred at the beginning of the month, on January 6th and 8th at \$29.57/MWh and \$61.52/MWh respectively. Although the 8th had the highest daily settle only two hours (7:00 am and 8:00 am) reached over \$100/MWh settling at \$394.44/MWh and \$165.11/MWh, respectively. For the remainder of the hours on the 8th prices settled under \$60/MWh due to imports on the tie line and a coal unit returning online.

Average Alberta Internal Load (AIL) for the month was 10,308 MW, with peak load hitting 11,355 MW on January 16, 2019. This is on par with January 2018's average AIL of 10,290 MW but a 3% decrease from its peak load of 11,697 MW.

The weighted average temperature across the province for January averaged -7.77° C, a small increase from last January where the average weighted temperature was -9.86° C. Although there was an only 2°C difference from last January the temperatures on Jan 11th and 12th varied quite dramatically year-over-year. In 2018, on the 11th and 12th temperatures averaged -26° C, comparably for the same two days this year the temperature averaged only -5° C in the province.

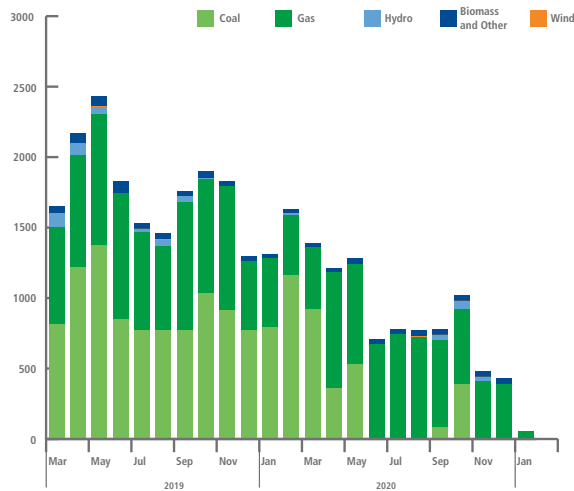
¹FORWARD-LOOKING INFORMATION This publication contains certain information that is forward looking and is intended to provide useful and timely information to Alberta power market participants. All information is from sources deemed reliable and is subject to errors and omissions which we believe to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

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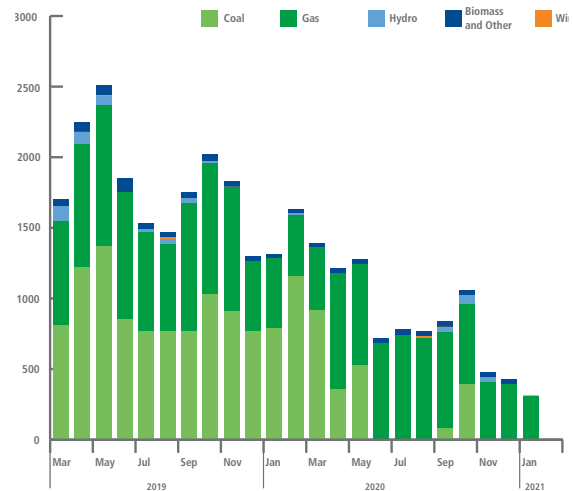
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Monthly Outages

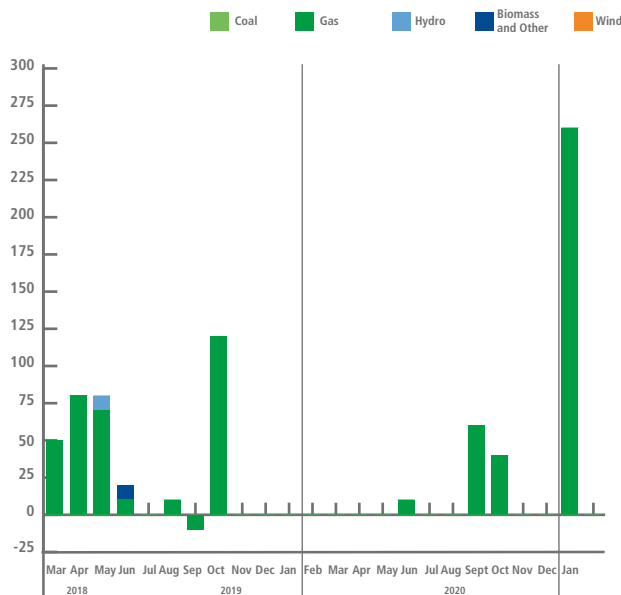
AESO Monthly Outages (as of January 2018)



AESO Monthly Outages (as of February 2019)



Month-over-Month Change in Outages
(January 2018 over February 2018)



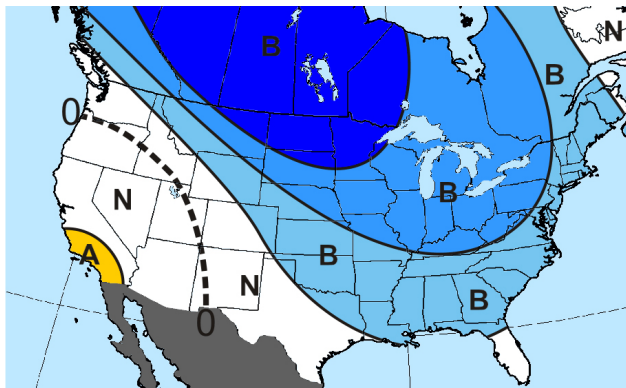
In regards to the upcoming year, there are minimal changes in the AESO's monthly outage schedule from last month's report. Noteworthy is the increase in gas outages for Jan 2021 to 310 MW.

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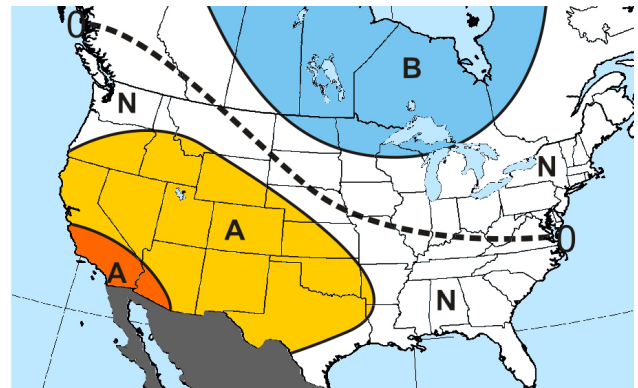
February 2019

Radiant Solutions 30-60 Day Outlook

February 2019



March 2019



January 2019 unfolded with mild temperatures in the front end of the month and cooler temperatures in the back end. Despite the cold weather in the last two weeks January came in slightly warmer than the 10-year average (946.6 GWHDDs) yielding 943.1 GWHDDs (Natural Gas-Weighted Heating Degree Days).

Radiant Solutions Outlook for February 2019 forecasts colder than average temperatures across north-eastern part of the continent including an extreme cold front across the prairies (Alberta-Manitoba). Based on the forecast from Radiant Solutions, February 2019 is on track to be a cold month!

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Industry News:

Balancing Pool Request for Information: Contracting for Offer Control

On January 15, 2019 The Balancing Pool publicly released a Request for Information (“RFI”) seeking to establish a pool of qualified independent third parties that will have the capability and expertise to implement an offer strategy for the coal fleet the Balancing Pool currently operates after the return of the PPAs (Power Purchase Agreement). The third party would be responsible for offer tactics and execution.

For more information [Balancing Pool RFI: Contracting for Offer Control](#)

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