

TC Energy  
Power Market  
update.

**Forward prices table (indicative as of Feb 6, 2020)**

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
<b>BOM</b>	\$73.00	\$91.25	\$43.00	\$1.81	40.33149
<b>Mar</b>	\$55.50	\$66.58	\$33.25	\$1.66	33.43373
<b>BOY</b>	\$56.00	\$67.60	\$33.55	\$1.69	33.13609
<b>2021</b>	\$57.00	\$70.25	\$30.50	\$1.80	31.66667
<b>2022</b>	\$53.25	\$64.90	\$30.00	\$1.87	28.47594
<b>2023</b>	\$52.00	\$62.25	\$31.50	\$1.96	26.53061

All prices are indicative as of February 6, 2020. For Firm power price quotes please contact TC Energy's Power Marketing team. See contacts on the last page.

**Alberta Market Recap – January 2020**

January 2020 settled at \$120.67/MWh, representing a 219% increase from January 2019's settle of \$37.83/MWh and a 179% increase from last month's settle of \$43.19/MWh. The average price between the on-peak and off-peak for January differed by \$101.59/MWh, resulting in on-peak and off-peak prices of \$154.53/MWh and \$52.94/MWh respectively.

There were six marginal days of influential pricing in January; January 12th through 17th settling at \$170.04, \$666.32, \$530.51, \$674.72, \$609.73 and \$148.67 per MWh.

Despite heavy to full volumes of imports flowing into the province, January 12th price drivers can be attributed to declining wind generation throughout the day (nearly a 700MW drop), strong weekend load caused by cold temperatures across the province and limited baseload availability.

January 13th saw increasingly colder temps, a continuation of strong load coupled with next to no wind. Throughout the morning, Alberta's coal fleet availability was reduced to 70% which was further weakened when Sundance 4 and Genesee 1 came offline at 18:35 and 19:25 (respectively). The loss in availability from these two units resulted in SMP being pinned at \$999.99 and an emergency alert being issued by the AESO.

Relentless frigid temperatures, minimal wind and the continuation of a reduced thermal fleet kept Alberta power prices above \$965/MWh all morning and into the afternoon on January 14th. With peak load hitting a new all-time high of 11,698MW HE 18 (hour ending), prices continued to remain in the triple digits for nearly the entirety of the day and night.

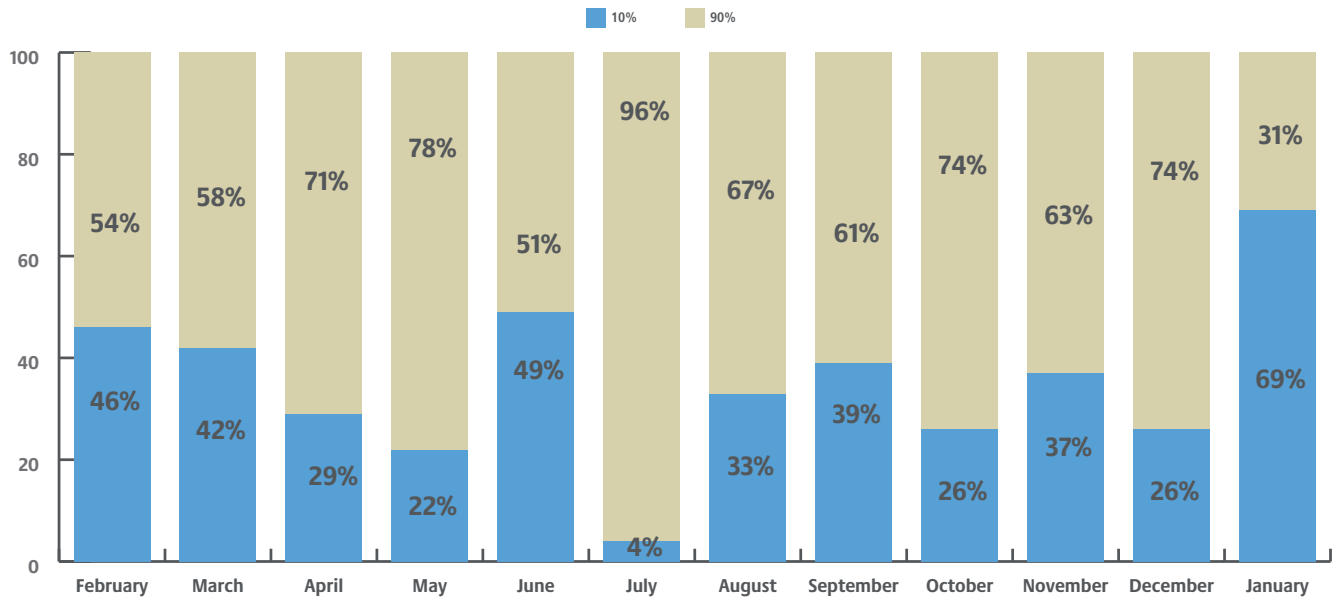
January 15th saw no let up from the previous days. Artic temperatures remained, with Red Deer registering a low of -42°C HE 7-11, along with non-existent wind and further reduced thermal availability (Sheerness 2 offline prior to the morning ramp).

These same trends continued into January 16th, pinning SMP back to \$999.99 HE 10 and 11, however no further emergency alerts were issued.

January 17th saw its first slight increase in temperatures across the province accompanied by a rise in wind generation output. Although load tracked similar to previous days, these two factors along with greater supply availability helped Alberta power prices ease up from the prior market cap (\$999.99) down to lower triple digits/upper double digits.

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### Hours contributing to monthly average price



The top 10% of high-priced hours averaged \$838.17/MWh, contributing 69% to the monthly settle while the bottom 90% of hours averaged \$41.42/MWh.

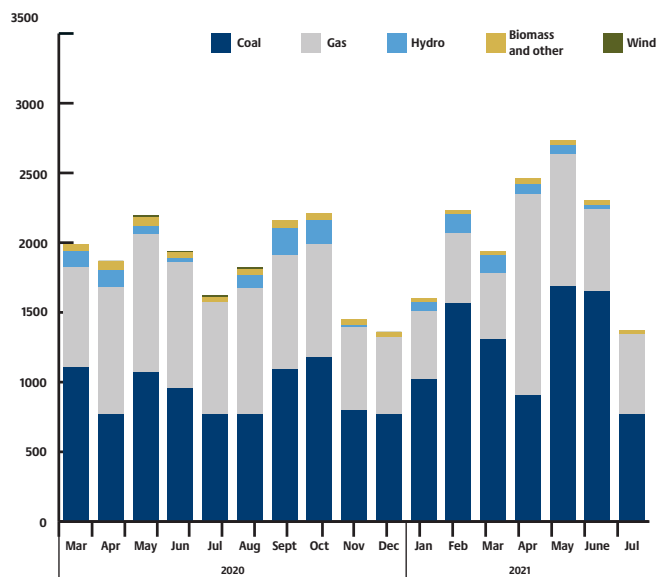
Average Alberta Internal Load (AIL) for the month was 10,517 MW, with peak load hitting 11,698 MW on January 14th, 2020. This represents a 2% increase from January 2019’s average AIL of 10,308 MW a 3% increase from its peak load of 11,355 MW.

The weighted average temperature across the province for January was -12.0°C representing a 4.2°C decrease from last January when the average was -7.8°C. Despite a seemingly overall frigid January, Alberta saw a wide range in temperatures across the month with January 31st reaching a high of 14°C in Lethbridge to a low of -42°C in Red Deer on January 15th from 6am to 11am.

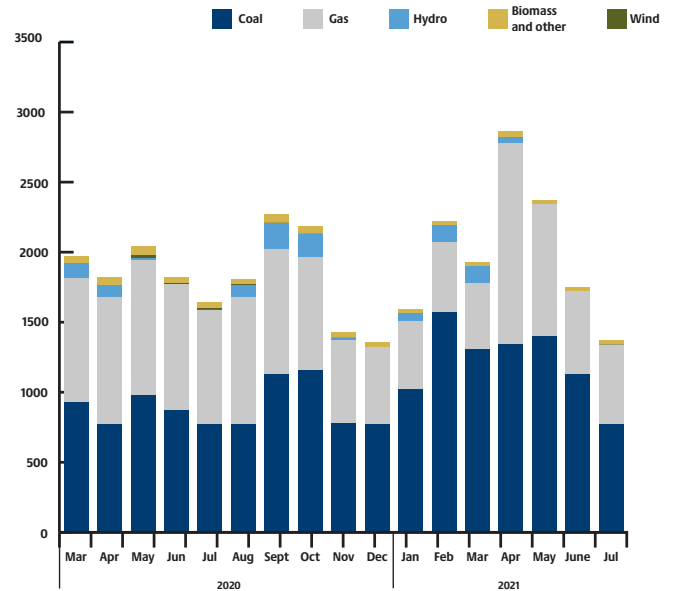
## Monthly outages

Since last month's outage report, there have been increases in coal outages of 180MW, 290MW and 520MW March 2020, May 2021 and June 2021 (respectively). Additionally, there has been a decrease in gas outages of 170MW in March 2020 as well as a decrease in coal outages of 430MW in April 2021.

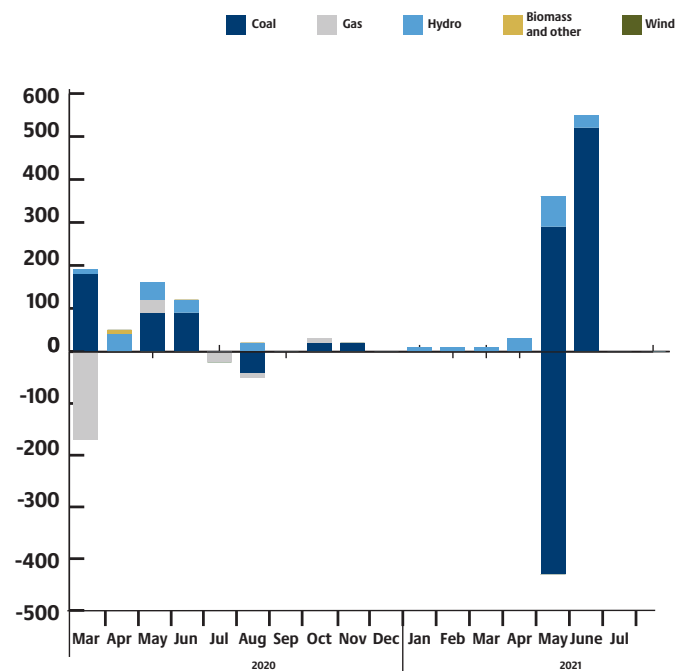
AEIO monthly outages (as of February 2020)



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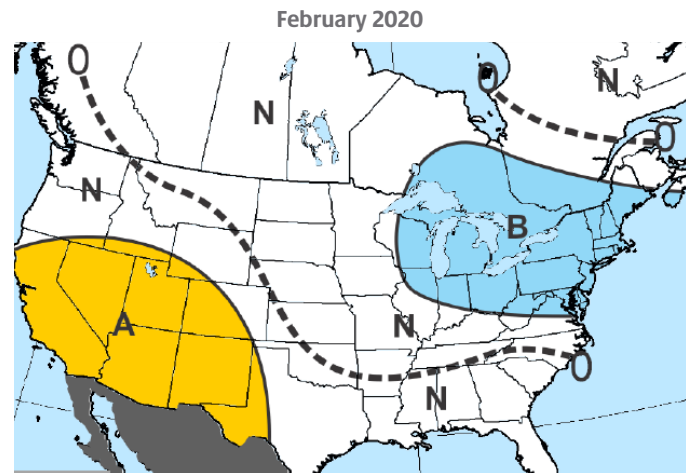
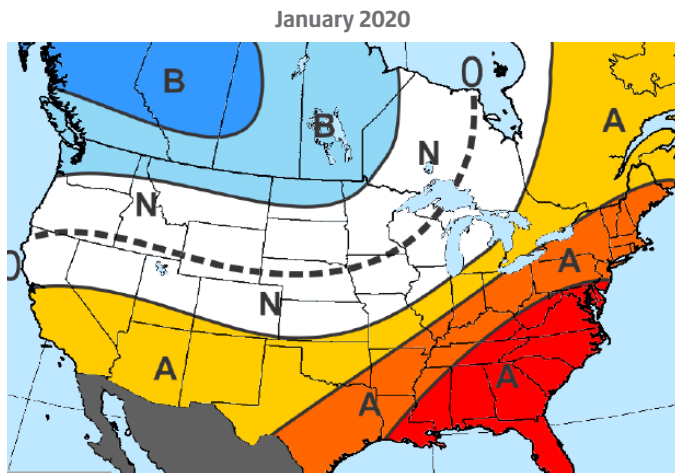
Month-over-month change in outages (Jan 2020 over Feb 2020)



## Maxar's 30-60 day outlook

January 2020 remained very warm overall with widespread above normal temperatures across almost all of the US, most strongly in the eastern third and part of the Interior Northwest. Some colder changes were seen in the last week for the final part of January, however it remained considerably warmer than Maxar's 30-60 Day projections for the month.

Maxar's final 30 Day forecast for February 2020 underwent further warm trends versus previous, with increased coverage and intensity of above normal temperatures across the eastern half while bellows are restricted to the Northwest and far northern Plains. They currently indicate that Alberta will see a  $-1.0^{\circ}\text{F}$  to  $-2.9^{\circ}\text{F}$  departure from average 1981-2010 normal temperatures.



## Contact us

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