



## TC Energy Power Market update.

### Forward prices table (indicative as of June 5, 2020)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
<b>BOM</b>	32.50	38.00	22.00	1.86	17.47312
<b>July</b>	49.50	52.00	30.25	1.85	26.75676
<b>BOY</b>	49.40	56.13	33.00	2.04	24.21569
<b>2021</b>	51.25	61.33	30.86	2.19	23.40183
<b>2022</b>	52.50	63.75	30.00	2.15	24.41860
<b>2023</b>	50.75	60.38	31.50	2.11	24.05213

All prices are indicative as of June 5, 2020. For Firm power price quotes please contact TC Energy's Power Marketing team. See contacts on the last page.

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### Alberta Market Recap – May 2020

May 2020 settled at \$26.39/MWh, representing a 65% decrease from May 2019's settle of \$74.78/MWh and a 9% decrease from last month's settle of \$28.92/MWh. The average price between the on-peak and off-peak for May differed by only \$5.49/MWh, resulting in on-peak and off-peak prices of \$28.22/MWh and \$22.73/MWh, respectively.

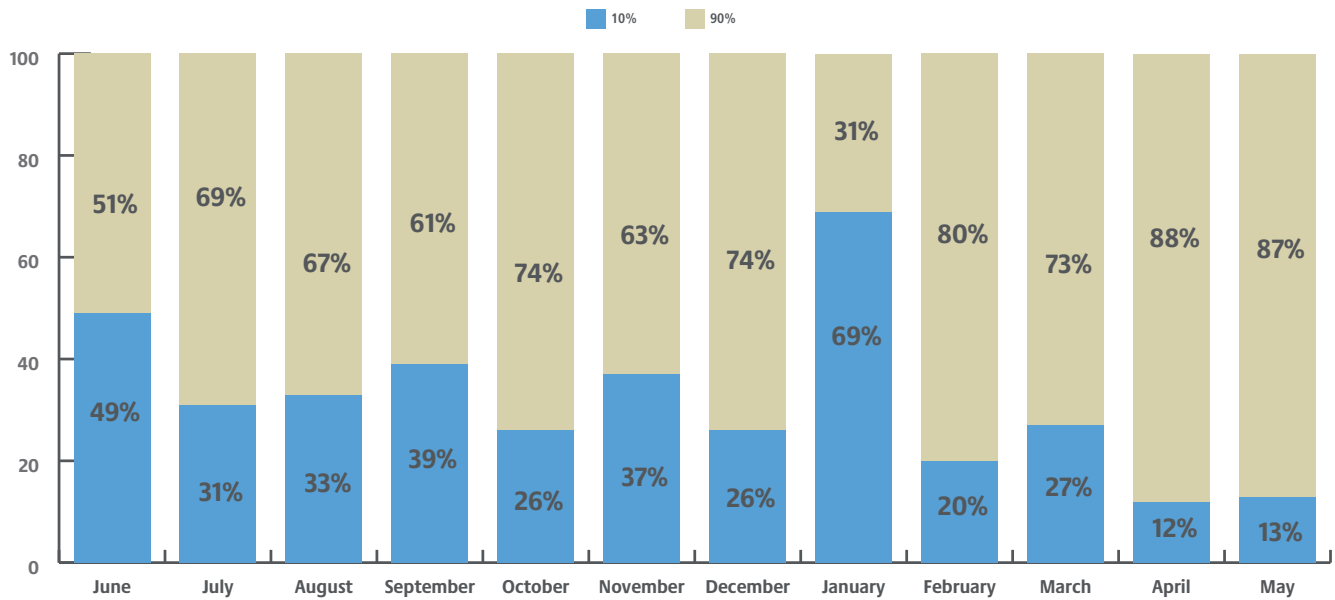
May 2020 saw another month of no influential pricing. This is attributed to a continuation of demand destruction from both COVID-19 and oil production reduction (by 800M-1,000M bbl/day), as well as increased supply from spring runoff month over month due to warmer temperatures and increased rainfall. After temperature adjustments, May 2020 saw a 6.7% decrease in AIL (Average Internal Load) growth compared against the 2% average of the past ten years.

May 15th saw the highest daily average and on-peak price settles of \$32.22/MWh and \$33.50/MWh, respectively. These "highs" can be accredited to decreased wind generation (hourly output levels sub 150MW) and a hampered coal fleet with no generation being provided from Battle River 4 and 5 or Sundance 3 through 6. These "high" prices continued into the off-peak, leaving May 16th with the highest off-peak for the month.

In comparison, May 22nd saw the lowest off-peak settle of \$4.56, with hour ending (HE) 2-6 remaining at the floor (\$0.00/MWh). Soft load, strong wind generation, and heavy imports due to weak Mid-C fundamentals (negatively priced offers) left Alberta experiencing a supply surplus.

These extremely low hourly settles returned once again on May 26th, leaving the day to register both the lowest average and on-peak prices of \$13.14/MWh and \$13.02/MWh, respectively. These low settles are attributed to excess wind generation of up to 1235MW, mass import volumes, and the return of Genesee 3. Not only did May 26th see both the lowest average and on-peak settles, but it also registered as the weakest on-peak pricing trend of the year thus far.

### Hours contributing to monthly average price



The top 10% of high-priced hours averaged \$34.29/MWh, contributing 13% to the monthly settle while the bottom 90% of hours averaged \$25.52/MWh.

Average Alberta Internal Load (AIL) for the month was 8,503 MW, with hourly peak load hitting 9,239 MW on May 21st, 2020 HE (hour ending) 13. This represents a 7% decrease from May 2019's average AIL of 9,106 MW and an 8% decrease from its hourly peak load of 10,023 MW.

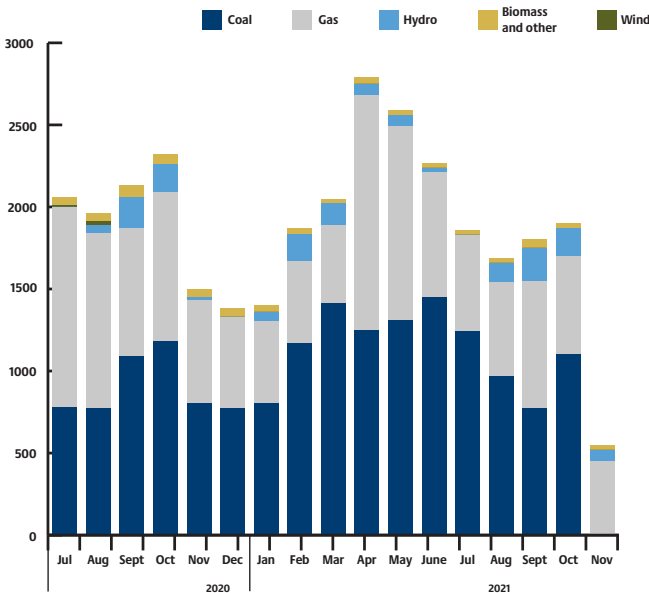
The weighted average temperature across the province for May was 10.3°C representing a 0.2°C increase from last May when the average was 10.1°C. May 2020 temperatures in Alberta ranged from a low of -4°C seen in Red Deer on the morning of May 13th to a high of 29°C in Medicine Hat during the evening of May 30th.

## Monthly outages

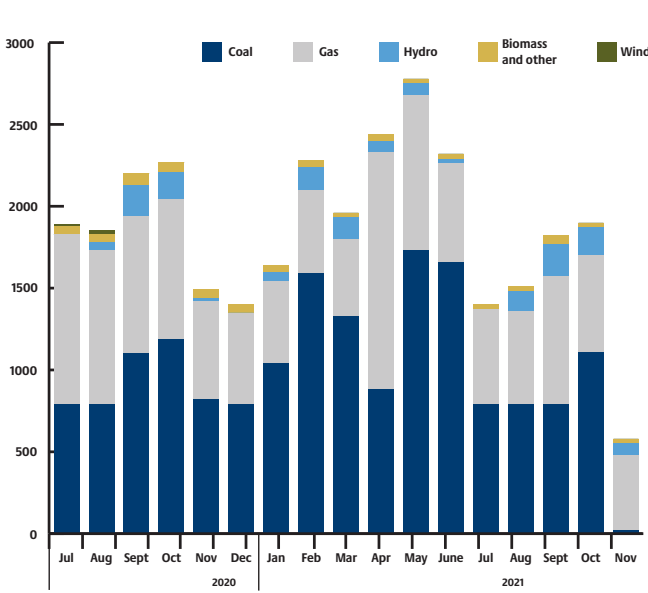
Since last month’s outage report, there have been noteworthy changes in coal and gas outages. These coal outages include a decrease of 240MW-420MW in January and February 2021 followed by an increase of 80MW-370MW in March and April 2021. Once again, this pattern is observed with a decrease of 210MW-420MW in May and June 2021 followed by an increase of 180MW-450MW in July

and August 2021. This observation aligns with TransAlta’s announcement of delaying Keephills 2 and Keephills 3’s coal to gas conversions as the company looks to how the pandemic has affected their supply chain. Significant gas outage increases of 230MW in May 2021 and 160MW in June 2021 are also worth noting.

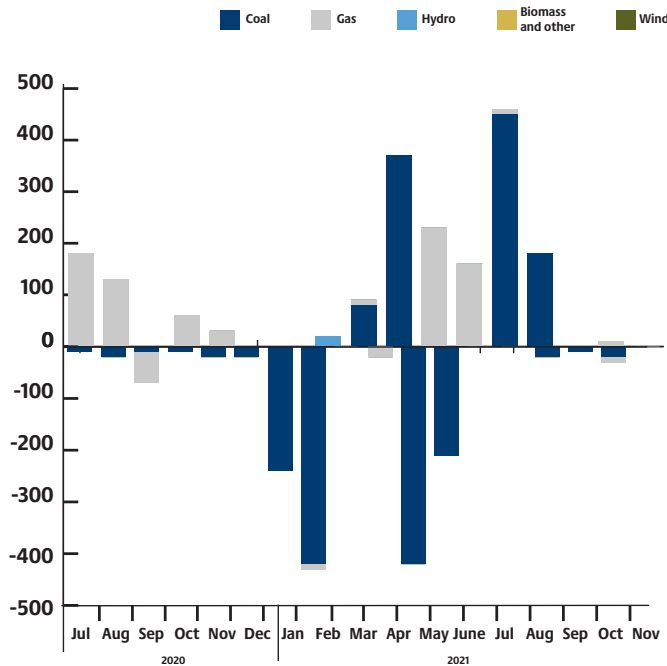
AESO monthly outages (as of June 2020)



AESO monthly outages (as of May 2020)



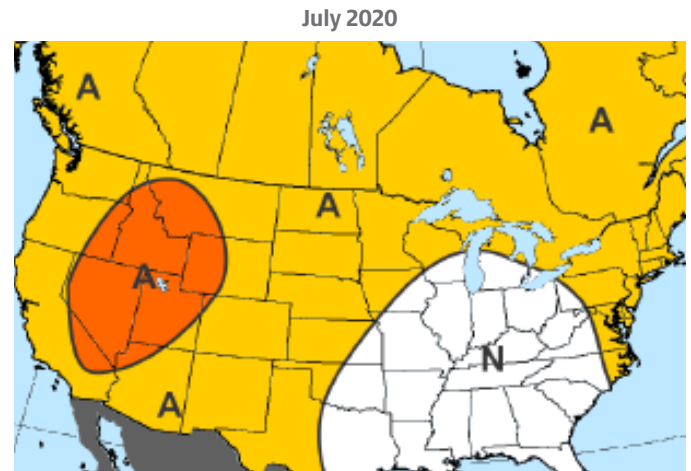
Month-over-month change in outages  
(May 2020 over June 2020)



## Maxar's 30-60 day outlook

May underwent a mix of changes in the last week, trending hotter in the West and warmer in the Northeast. Cooler trends were in the Midwest and Mid-Atlantic. Maxar's final 30-Day outlook captured some of these themes, although the predicted cool anomalies across the eastern half were not far enough south. Meanwhile, their final 60-Day outlook was much too warm in the eastern half and not nearly hot enough in the West.

Maxar's final update for June underwent hotter changes across areas of the Southwest and Central US. The month is forecasted to feature a broad coverage of aboves across most of the US except for the Northeast and coastal Southeast, with the hottest anomalies favoring the Four Corners and Plains. They currently indicate that Alberta will see a  $-0.9^{\circ}\text{F}$  to  $1.9^{\circ}\text{F}$  departure from average 1981-2010 normal temperatures.



■  $\geq +5.0$  ■  $+3.0$  to  $+4.9$  ■  $+2.0$  to  $+2.9$  ■  $+1.0$  to  $+1.9$  ■  $-0.9$  to  $0.9$  ■ 0 ■  $-1.0$  to  $-1.9$  ■  $-2.0$  to  $-2.9$  ■  $-3.0$  to  $-4.9$  ■  $\leq -5.0$

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