



TC Energy Power Market update.

Forward prices table (indicative as of November 5, 2020)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$51.00	\$61.00	\$35.76	2.75	18.54545
Dec	\$54.00	\$76.50	\$41.25	2.79	19.35484
BOY	\$54.00	\$76.50	\$41.25	2.79	19.35484
2021	\$58.00	\$69.43	\$34.15	2.66	21.80451
2022	\$56.00	\$68.25	\$31.50	2.50	22.40000
2023	\$53.25	\$64.13	\$31.50	2.22	23.98649

All prices are indicative as of November 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 – October 2020

October 2020 settled at \$61.26/MWh, representing a 46% increase from October 2019's settle of \$41.86/MWh and a 70% increase from last month's settle of \$36.05/MWh. The average price between the on-peak and off-peak for October differed by \$42.29/MWh, resulting in on-peak and off-peak prices of \$75.35/MWh and \$33.06/MWh, respectively.

There were six days of influential pricing in October; October 13th, 14th, 18th, 22nd, 23rd, and 24th settling at \$121.29, \$104.51, \$122.82, \$293.24, \$148.87, and \$126.43 per MWh. A breakdown of the influential factors that contributed to these high-priced days are as follows.

October 13th witnessed wind generation below 300MW, 700 MW of decreased coal availability between Keephills 1, Sheerness 2 and Sundance 4, as well as the BC/MATL outage commencing HE (hour ending) 9 reducing both imports and exports on the tie to 0MW (AIES islanding). The day witnessed five hourly settles above \$100/MWh with the second highest hourly settle of the month of \$704.75/MWh occurring HE 12.

Except for wind generation, events from October 13th continued into October 14th for another triple digit daily settle. Load neared 9800MW in the early afternoon, combined with decreased wind output from 700MW down to 100MW, holding hourly settles above \$100/MWh until HE 18.

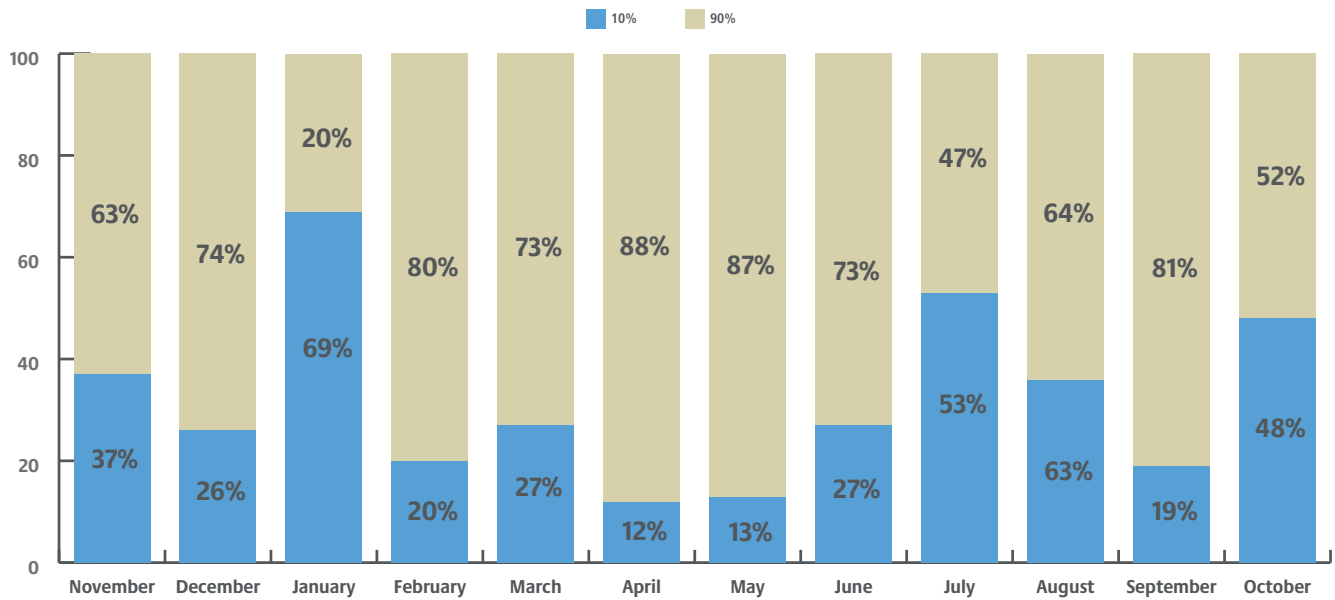
Despite October 18th being a Sunday, load was strong due to on-going cold temperatures. With demand peaking just above 10,000MW, non-existent wind generation, reduced output from Sheerness 1 & 2, and the on-going BC-MATL intertie outage left October 18th with nine triple digit hourly settles with SMP reaching a high of \$637.59 at 19:45.

October 22nd observed both the highest daily and hourly settles of the month, \$293.24/MWh and \$835.98/MWh, respectively. Key factors behind this high-priced day were freezing temperatures province wide with peak load reaching 10,300 MW, wind generation below 50MW and the continuation of the BC/MATL outage. Additionally, with Sheerness 2 tripping offline shortly before 22:00 the day prior and remaining offline, it's 390MW of generation remained unavailable into and during Oct 22nd.

Ongoing cold temperatures, a reduced thermal fleet, and minimal wind generation continued through to October 23rd, leaving it to settle as the second highest priced day of the month. Sheerness 1 experienced reduced output, compounded with Sheerness 2's extended outage leaving HE 8-14, and HE 16-18 to settle above \$100/MWh.

Once more, despite October 24th being a Sunday, it had seven hours of triple digit settles from HE 15-21. Sustained freezing temperatures pushed demand past 10,250MW, while reduced coal availability and the continuation of the BC/MATL outage further amplified Alberta's power price.

Hours contributing to monthly average price



The top 10% of high-priced hours for October averaged \$294.80/MWh, contributing 48% to the monthly settle while the bottom 90% of hours averaged \$35.46/MWh.

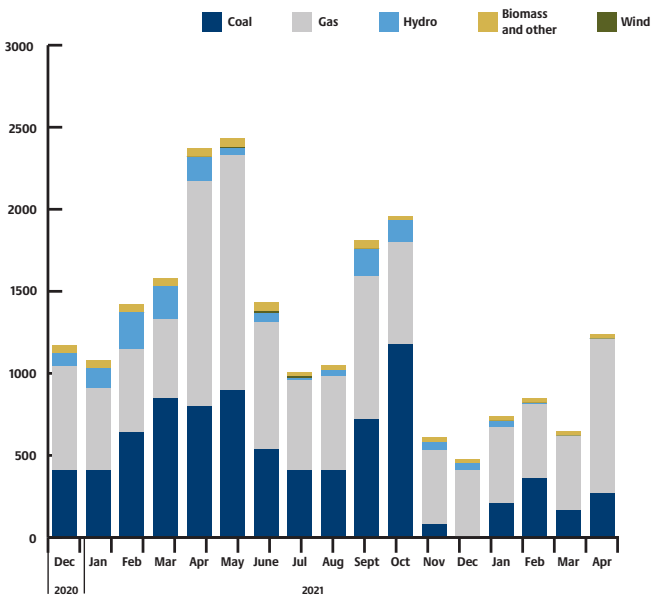
Average Alberta Internal Load (AIL) for the month was 9,393MW, with hourly peak load hitting 10,532MW on October 26th, 2020 HE12. This represents a 0.5% decrease from October 2019's average AIL of 9,438MW and a 0.3% decrease from its hourly peak load of 10,562MW.

The weighted average temperature across the province for October was 1.93°C representing a 0.31°C decrease from last October when the average was 2.24°C. October 2020 temperatures in Alberta ranged from a low of -23°C seen in Lethbridge on October 24th HE 24, to a high of 26°C in Grande Prairie, Lethbridge and Medicine Hat on various days and afternoon hours during the first week of the month.

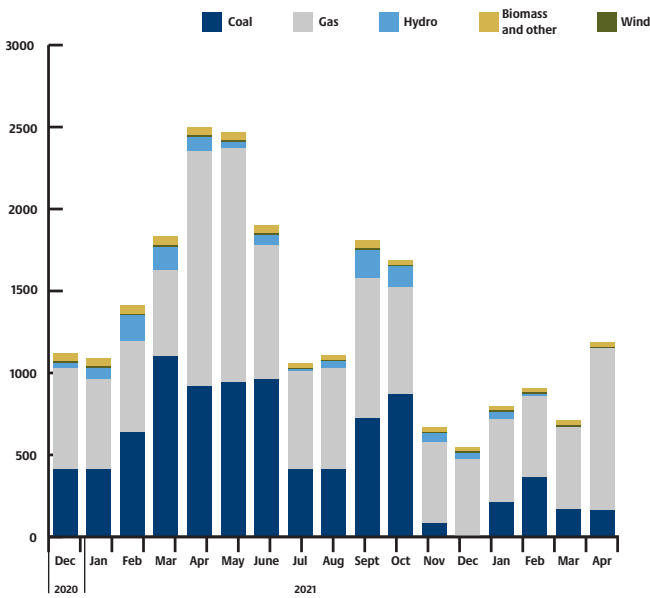
Monthly outages

Since last month’s outage report, there have been noteworthy changes in coal outages. The decreases include 250MW, 120MW, and 420MW during March 2021, April 2021, and June 2021, respectively, while the increases are comprised of 310MW and 110MW in October 2021 and April 2022, respectively.

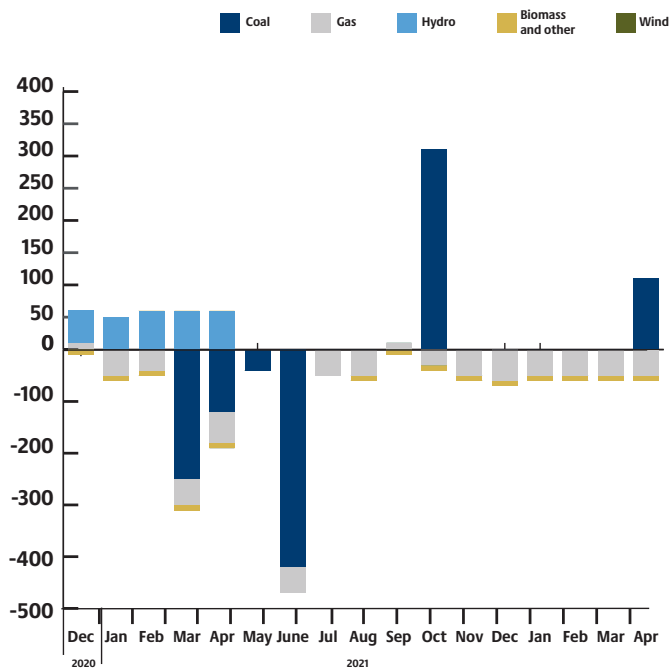
AESO monthly outages (as of November 2020)



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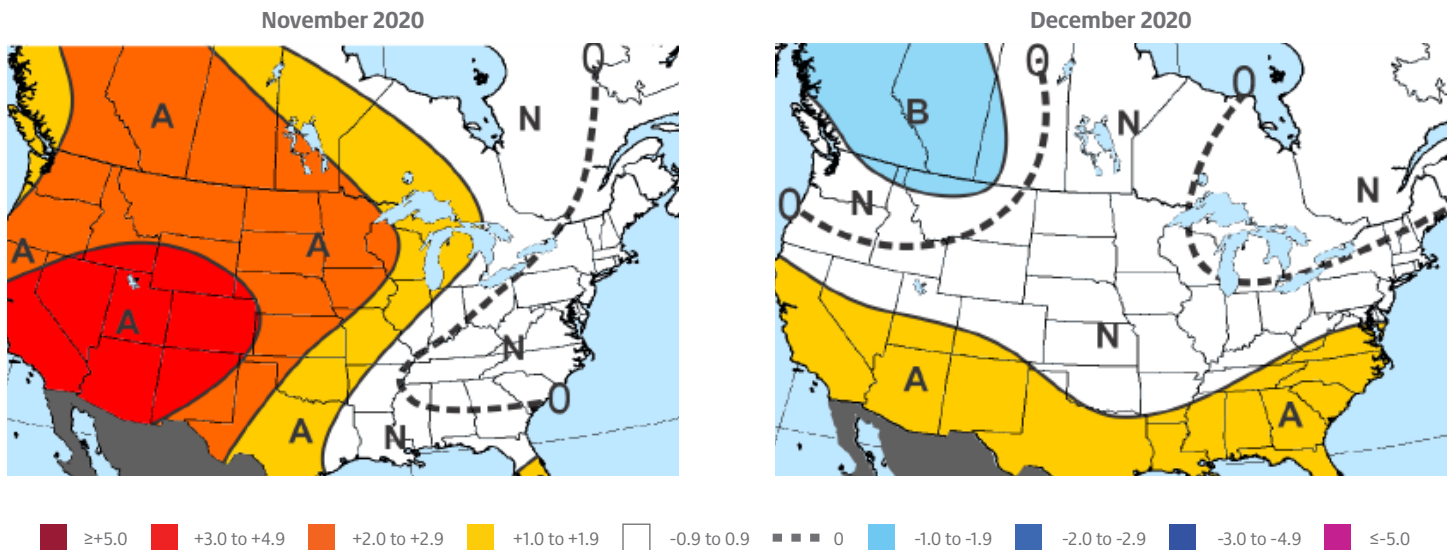
Month-over-month change in outages (October 2020 over November 2020)



Maxar's 30-60 day outlook

Colder changes were seen across the eastern two thirds of the US in the last week of October, including an extreme cold outbreak seen in the last few days across the Rockies, Plains, and Texas. These colder changes drove the October GWHDD (Gas-Weighted Heating Degree Day) projection up, slightly higher than last year and slightly lower than the 30-year normal. The final 30/60 Day outlooks performed poorly, with the final outlook coming in far too warm across the Central US and too cool in the South.

Maxar's final update for November features a mix of changes, trending notably warmer across the West while slightly cooler in the East. These changes are in part due to nearer-term pattern themes during the first week of the month, along with expected trends mid-month. Confidence is low given poor model performance and coming off a poor October verification. Colder risks stem from expected -GLAAM (Global Atmospheric Angular Momentum Index), which has a colder correlation in the West opposite of the forecast. Maxar currently indicates that Alberta will see a +2.0°F to 2.9°F departure from average 1981-2010 normal temperatures.



Industry News

On October 13th HE9 the MATL/Path 1 outage began, reducing BC/MATL import and export flow gates to 0MW. The outage was scheduled to be completed October 30th, HE19, however the BC tie returned early on October 25th, HE 19 with the MATL line returning to service on October 29th, HE19.

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