

TC Energy Power Market update.

Forward prices table (indicative as of October 7, 2020)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$ 60.00	\$ 74.50	\$ 32.85	1.67	35.92814
Nov	\$ 48.00	\$ 54.28	\$ 34.00	2.59	18.53282
BOY	\$ 49.75	\$ 57.00	\$ 35.25	2.73	18.22344
2021	\$ 52.75	\$ 62.84	\$ 32.00	2.68	19.68284
2022	\$ 52.35	\$ 63.55	\$ 30.00	2.43	21.54321
2023	\$ 50.75	\$ 60.40	\$ 31.50	2.28	22.25877

All prices are indicative as of October 7, 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 – September 2020

September 2020 settled at \$36.05/MWh, representing a 34% decrease from September 2019's settle of \$54.45/MWh and a 12% decrease from last month's settle of \$41.05/MWh. The average price between the on-peak and off-peak for September differed by \$10.22/MWh, resulting in on-peak and off-peak prices of \$39.45/MWh and \$29.23/MWh, respectively.

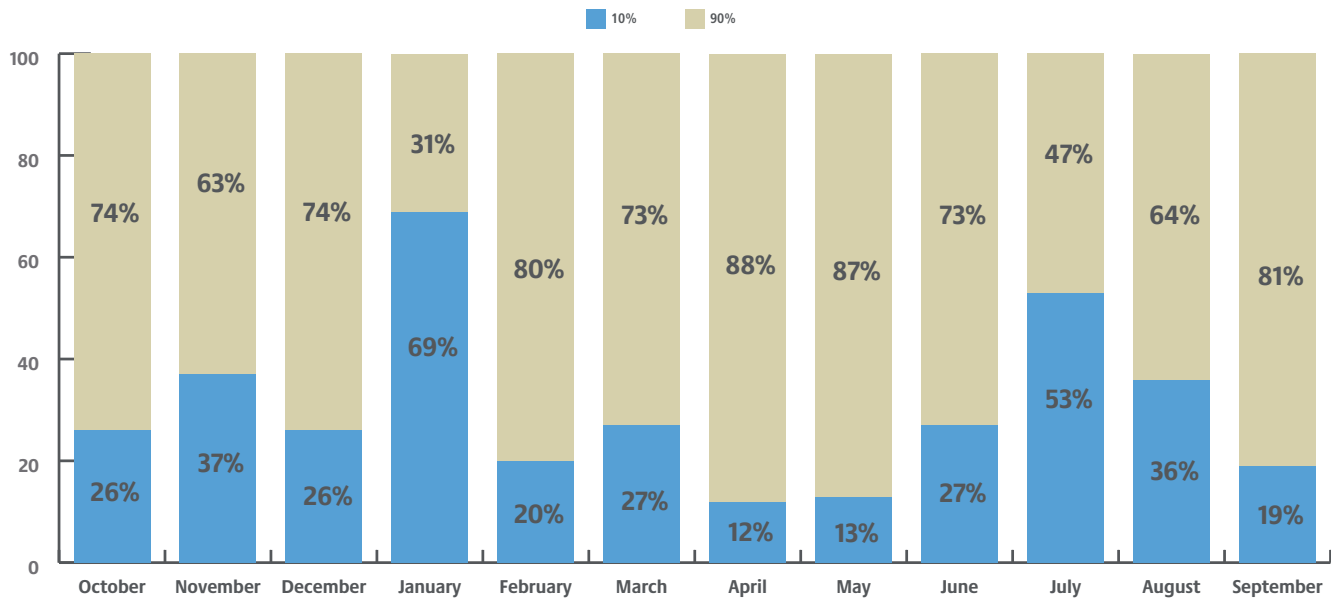
After temperature adjustments, September 2020 saw a 3.5% decrease in AIL (Average Internal Load) compared with September 2019. With the past four months AIL destruction coming in between 5.8% and 6.7%, it seems to suggest there has been some load recovery since the beginning of the COVID-19 pandemic. Behind the fence demand also improved while AIES (Alberta Interconnected Electric System) load growth came in at -4.7% YOY (year-over-year).

September 2020 did not have any triple digit daily settles, with only twelve hours settling above \$100/MWh. SMP peaked on September 9th hour ending (HE)17 when it hit \$483.34 and remained there for thirty minutes.

September 9th saw the highest daily average and on-peak price settles of \$62.43/MWh and \$78.51/MWh, respectively. These “highs” can be accredited to low wind generation, thermal de-rates, warm autumn temperatures, and the 1201L outage which minimized import availability to only the AB-SK tie. Collectively, these effects left HE 16 through 18 settle above \$100/MWh, with SMP reaching its peak of \$483.34 at 16:30.

In comparison, September 1st saw the lowest average and off-peak settles of \$25.33/MWh and \$13.14/MWh, respectively, with HE1-4 remaining at the floor (\$0.00/MWh). These low hourly settles were a result of off-peak load dipping as low as 7841MW, excessive wind generation as high as 1531MW and no export incentives due to low Mid-C prices.

Hours contributing to monthly average price



The top 10% of high-priced hours for September averaged \$67.04/MWh, contributing 19% to the monthly settle while the bottom 90% of hours averaged \$32.60/MWh.

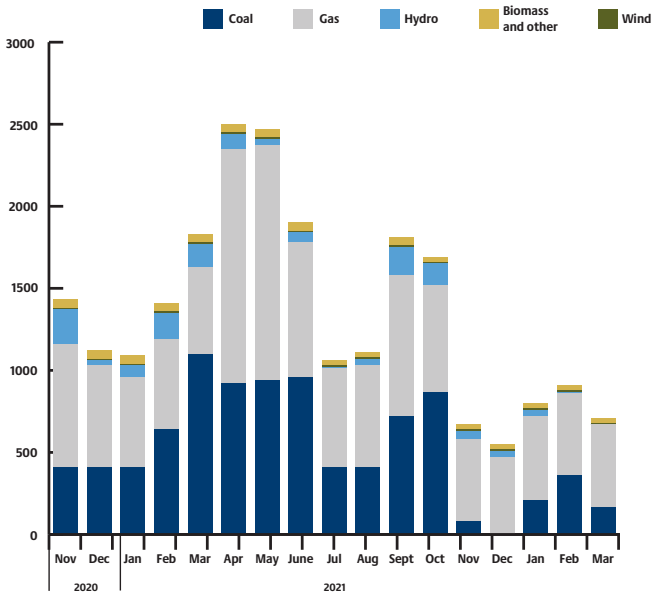
Average Alberta Internal Load (AIL) for the month was 8,845MW, with hourly peak load hitting 9,645MW on September 10th, 2020 HE18. This represents a 3.4% decrease from September 2019's average AIL of 9,159MW and a 5.7% decrease from its hourly peak load of 10,225MW.

The weighted average temperature across the province for September was 12.07°C representing a 1.15°C increase from last September when the average was 10.92°C. September 2020 temperatures in Alberta ranged from a low of -4°C seen in Fort McMurray on September 16th HE2-3 and HE7, to a high of 34°C in Lethbridge on September 5th HE 16-17.

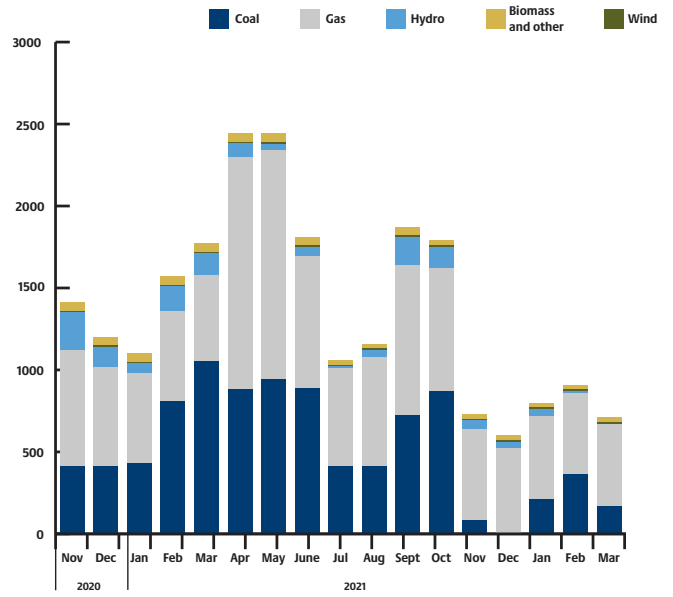
Monthly outages

Since last month's outage report, there have been noteworthy changes in coal, gas, and hydro outages. Coal outages decreased by 170MW February 2021 while increasing by 70MW June 2021. Decreases of 50MW to 100MW of gas outages were seen August 2021 through December 2021, while one large hydro outage decrease of 90MW occurred December 2020.

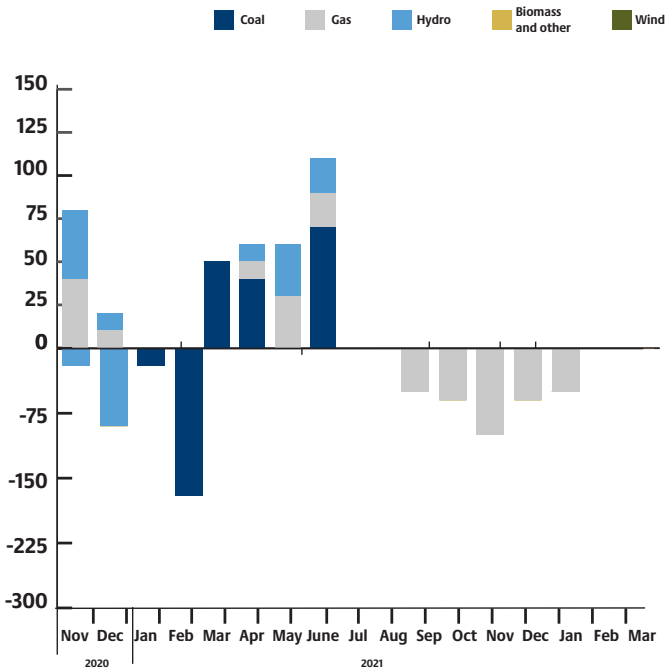
AESO monthly outages (as of October 2020)



AESO monthly outages (as of September 2020)



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

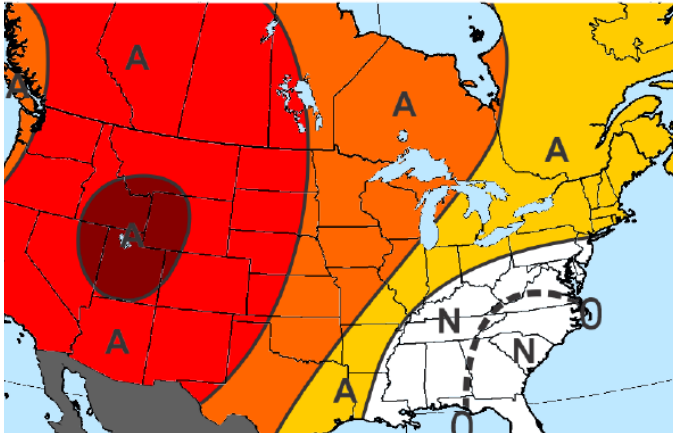


Maxar's 30-60 day outlook

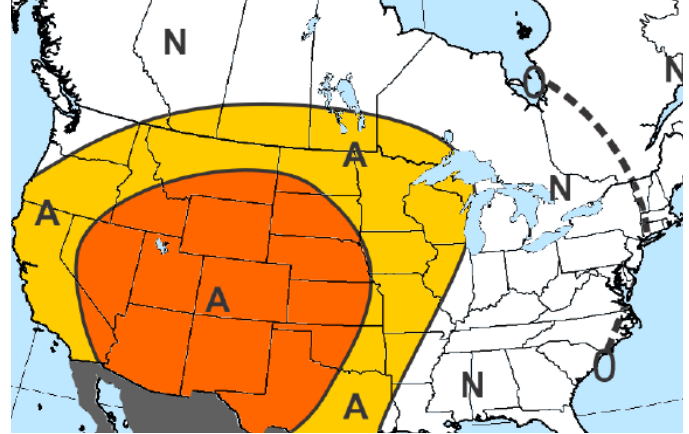
Monthly outlooks suggested the continuation of the warm Septembers trend over the last several years. This did not come to pass, as heat was mostly focused across the West with temperatures verifying cooler than normal in Texas and generally near normal in the Midwest, South, and East. This may have been driven in part by influences from West Pacific and Atlantic tropical cyclones as well as a weaker MJO (Madden-Julian Oscillation); a major fluctuation in tropical weather on weekly to monthly timescales. With some cooler trends in the last week of September, it came in as the coolest since 2012.

Maxar's final update for October underwent notable warm changes from the West to Central US where temperatures are expected to be firmly above normal. Meanwhile, above's remain forecasted for the Northeast with the Mid-Atlantic/Southeast being near normal. These changes come as the pattern looks to transition to a warmer one during the second week of October. These warmer themes are expected to continue through the latter part of the month with even further warm risk, while any cooler risk is focused mainly in the East where more backdoor cooling could occur.

September 2020



October 2020



Industry News

On October 13th HE9 the Path 1 outage will begin, reducing BC/MATL import and export flow gates to 0MW, continuing until October 23rd HE18. Immediately after, the 1201L outage will resume keeping the BC/MATL import and export flow gates at 0MW and 15MW, respectively, for the duration of the outage scheduled to be completed October 30th, HE19.

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