



TC Energy Power Market update.

Forward prices table (indicative as of September 3, 2020)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	50.00	58.06	31.81	2.63	19.01141
Oct	55.75	67.25	32.75	2.50	22.30000
BOY	51.36	60.21	33.67	2.82	18.21277
2021	51.03	60.99	31.13	2.78	18.35612
2022	52.35	63.53	30.00	2.45	21.36735
2023	50.75	60.38	31.50	2.29	22.16157

All prices are indicative as of September 3, 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 – August 2020

August 2020 settled at \$41.05/MWh, representing a 10% decrease from August 2019's settle of \$45.40/MWh and a 24% decrease from last month's settle of \$54.14/MWh. The average price between the on-peak and off-peak for August differed by \$24.15/MWh, resulting in on-peak and off-peak prices of \$49.10/MWh and \$24.95/MWh, respectively.

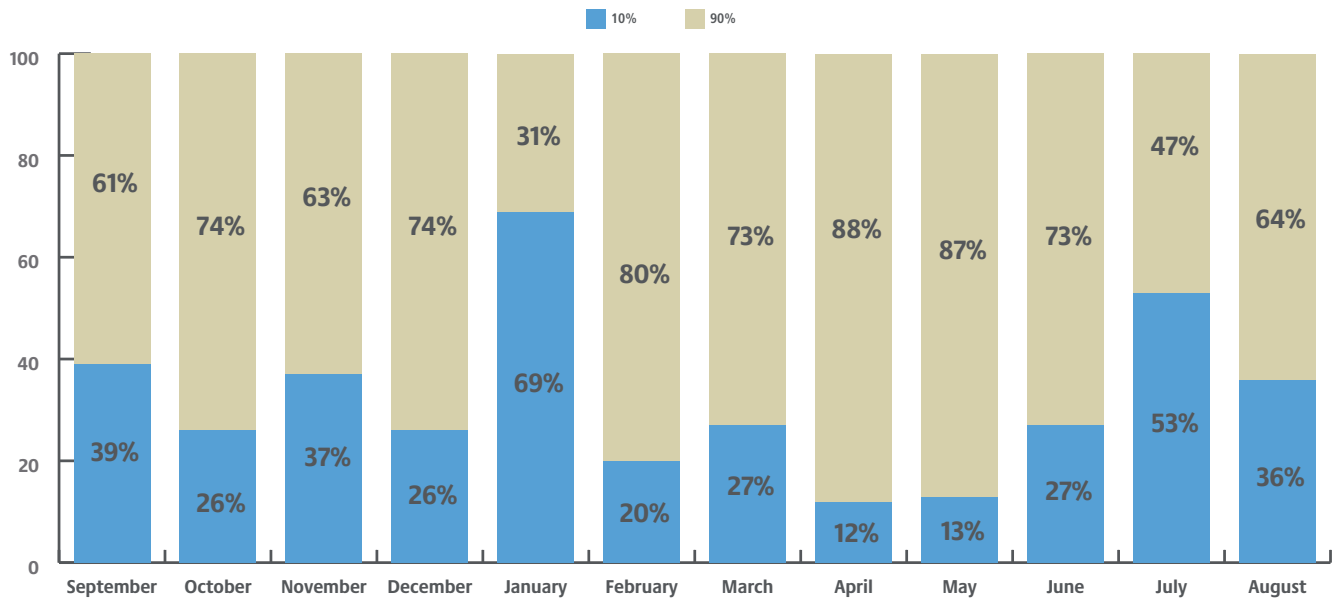
There were three days of influential pricing in August; August 2nd, 17th and 19th settling at \$92.94, \$89.57, and \$115.65 per MWh.

Despite steady wind generation and load coming in roughly 200 MW below forecast, August 2nd saw four hours settle in the triple digits. These high-priced hours were due to the delayed return of Keephills 1 as well as reduced thermal availability and inertia capacity. HE (hour ending) 18 was the highest priced hour of the day, settling at \$644.29/MWh, with SMP reaching \$703.21 for just under half an hour (16:53 until 17:22).

August 17th endured hot temps, strong load and limited imports entering the province due to high triple digit pricing in Mid-C. The pool price of Alberta settled in the triple digits HE 15-17 with HE 16 settling at \$543.53/MWh. While SMP was climbing in these late afternoon hours, Sheerness 1 and 2 witnessed reduced output, further strengthening power prices in the province allowing SMP to reach a daily high of \$747.46.

The highest priced day of the month occurred on August 19th, despite load remaining below 10,000 MW. Continued warm temperatures across the province combined with low wind generation, continued limited imports from Mid-C as well as reduced output from Sheerness 1 and 2 left HE 15-19 settling in the triple digits with HE 18 settling at \$716.19/MWh.

Hours contributing to monthly average price



The top 10% of high-priced hours for August averaged \$146.82/MWh, contributing 36% to the monthly settle while the bottom 90% of hours averaged \$29.37/MWh.

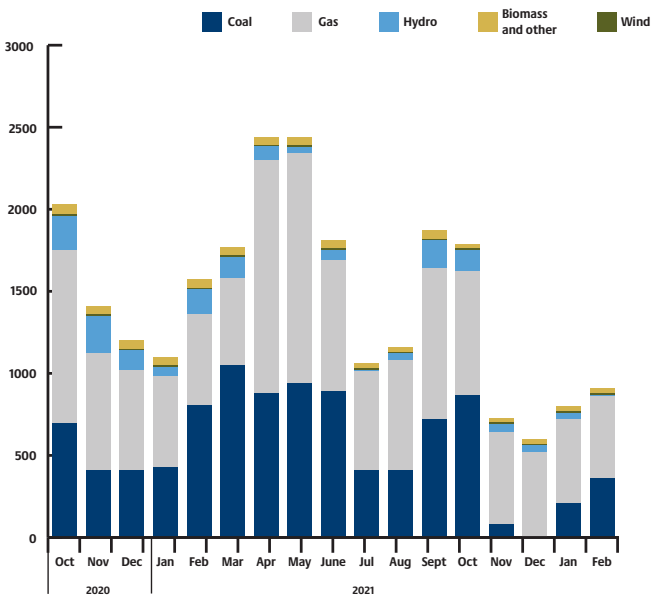
Average Alberta Internal Load (AIL) for the month was 8,971 MW, with hourly peak load hitting 10,430 MW on August 18th, 2020 HE 16. This represents a 5% decrease from August 2019's average AIL of 9,443 MW and a 4% decrease from its hourly peak load of 10,822 MW.

The weighted average temperature across the province for August was 17.03°C representing a 1.87°C increase from last August when the average was 15.16°C. August 2020 temperatures in Alberta ranged from a low of 2°C seen in Edmonton on August 31st HE 7-8 to a high of 36°C in Medicine Hat August 17th HE 17.

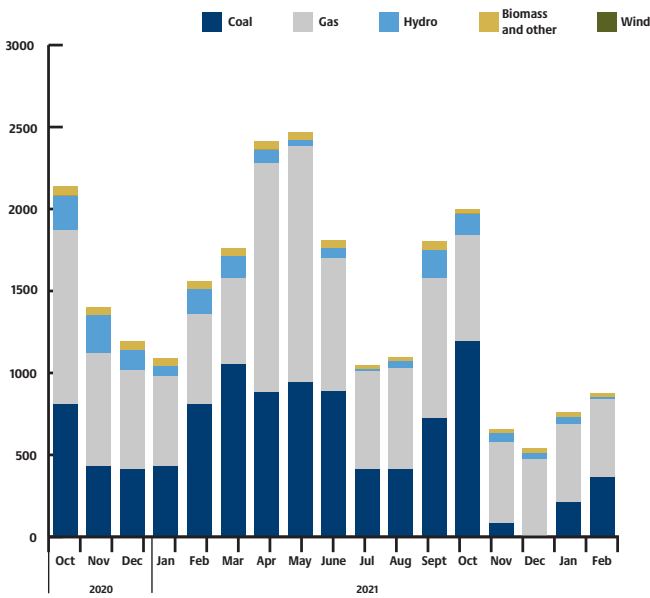
Monthly outages

Since last month’s outage report, there have been noteworthy changes in coal and gas outages. Coal outages decreased by 110 MW and 320 MW October 2020 and October 2021, respectively, with the noticeable gas outage being an increase of 100MW in October of 2021.

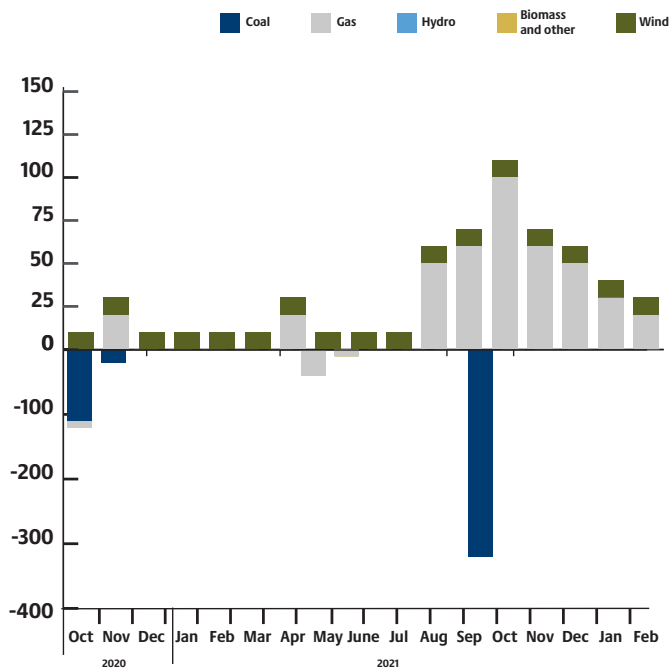
AESO monthly outages (as of September 2020)

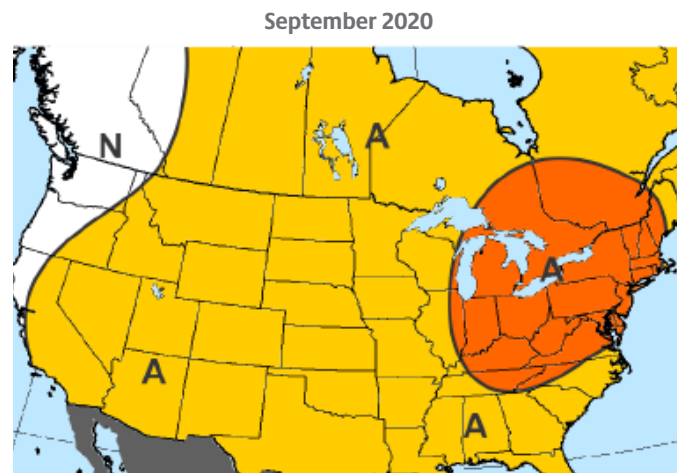
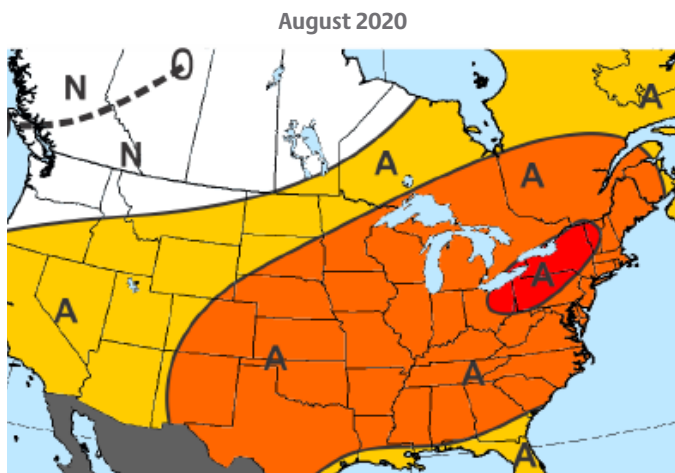


AESO monthly outages (as of August 2020)



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





Maxar's 30-60 day outlook

August's forecasted pattern fit fairly well with the Final 30-Day Outlook, but lacked additional anomalous details. A mix of changes were noted in the last week of August as the South-Central U.S. was cooler, as was most of the West and Northeast, whereas the Upper Mid-West pressed warmer. The South-Central U.S. changes were a result of unsettled weather from tropical systems over the second last and into the last week of August. These weather system impacts pushed stronger ridging into the Northern Tier and allowed for more above normal opportunities. As a result of these changes, the month ranked the 7th warmest since 1950.

Maxar's final update for September underwent warmer changes in the West while the Eastern Half featured less intense above normal coverage. The +3s (reference bright red area on map above) have been reduced to a small focused area in the Interior East while the Southwest, California, and parts of the Northwest gain more +1 (reference yellow areas on map above) anomalies. Risk to the forecast comes from the climate models, which are reluctant to warm the East much. Maxar currently indicates that Alberta will see a -0.9°F to 0.9°F departure from average 1981-2010 normal temperatures

Industry News

On August 20th the 1201L outage affecting the AB/BC and AB/MATL transmission lines was adjusted from its original outage date of September 14th – October 2nd, 2020 to September 8th – September 11th, 2020 + October 13th - October 30th, 2020. The 1201L outage brings both BC and MATL import available transmission capacity to 0 MW and export available transmission capacity to 15 MW and 0 MW, respectively, for the duration of the outage. The shift from a September to mainly October outage had a significant impact on power prices, with September dropping roughly \$13.00/MWh while October increased approximately \$16.00/MWh.

On August 28th, Kinetikor Resources Corp. announced they successfully closed on the financing of the 900 MW, \$1.5 billion, combined cycle natural-gas fired power project; Cascade, located near Edson, Alberta. Cascade, initially conceived by a group of individuals looking to make a difference as Alberta begins to transition away from coal-fired power generation in the province, will begin construction immediately with commercial operations commencing in 2023. Kinetikor Resources Corp. is joined by multiple development and project sponsors on the project.

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