

TC Energy Power Market update.

Forward prices table (indicative as of February 5, 2021)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$92.00	\$112.25	\$46.50	\$3.61	25.48476
BOY	\$63.15	\$77.40	\$34.65	\$2.82	22.39362
Mar	\$62.00	\$73.70	\$38.50	\$3.06	20.26144
2022	\$61.25	\$74.00	\$35.75	\$2.41	25.41494
2023	\$54.00	\$64.38	\$33.25	\$2.13	25.35211
2024	\$52.50	\$62.13	\$33.25	\$2.11	24.88152

All prices are indicative as of February 5, 2021. For Firm power price quotes please contact TC Energy's Power Marketing team. See contacts on the last page.

'FORWARD-LOOKING INFORMATION This publication contains certain information that is forward looking and is intended to provide useful and timely information to Alberta power market participants. All information is from sources deemed reliable and is subject to errors and omissions which we believe to be correct, however, assume no responsibility for. The words "anticipate", "forecast", "expect", "believe", "may", "should", "estimate", "plan" or other similar words are used to identify such forward-looking information. All forward-looking statements reflect TC Energy's beliefs and assumptions based on information available at the time of this publication and are not guarantees of future performance. By their nature, forward-looking statements are subject to various assumptions, risks and uncertainties which could cause actual outcomes to differ materially from the anticipated results or expectations expressed or implied in such statements. Readers are cautioned against placing undue reliance on forward-looking information and not to use future-oriented information or financial outlooks for anything other than their intended purpose. TC Energy undertakes no obligation to update or revise any forward-looking information except as required by law.

Alberta Market Recap – January 2021

January 2021 settled at \$72.89/MWh, representing a 40% decrease from January 2020's settle of \$120.67/MWh and a 90% increase from last month's settle of \$38.44/MWh. The average price between the on-peak and off-peak for January differed by \$49.19/MWh, resulting in on-peak and off-peak prices of \$89.28/MWh and \$40.09/MWh, respectively.

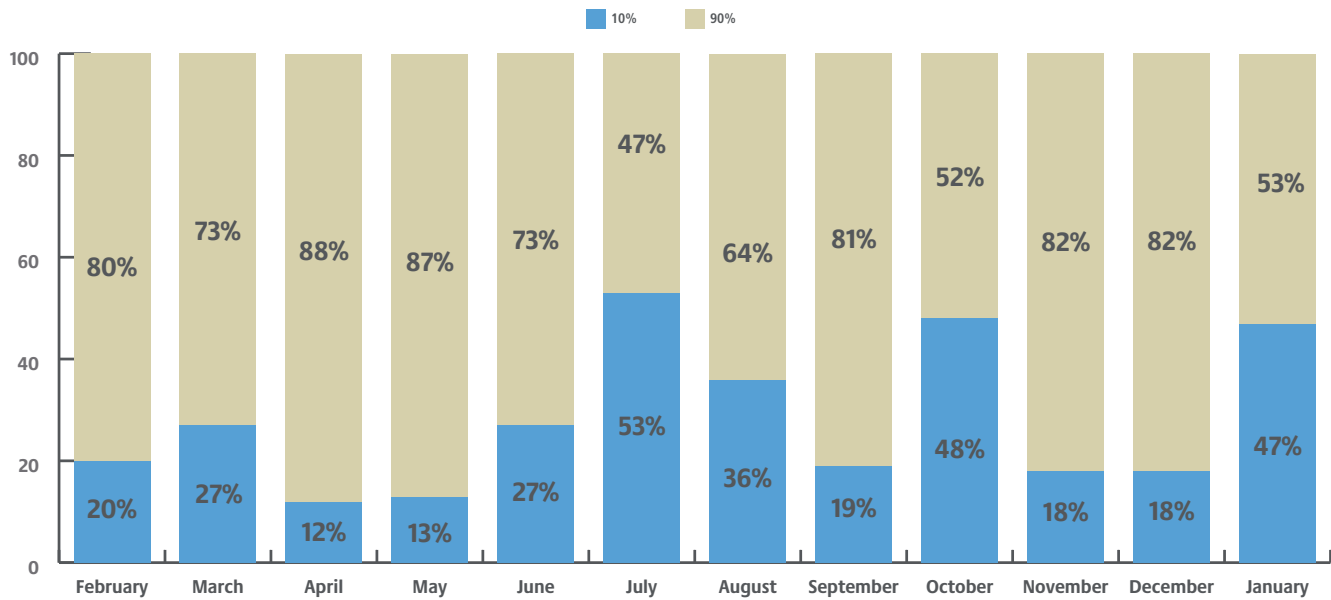
After temperature adjustments, January 2021 saw a 0.8% decrease in AIL (Average Internal Load) compared to January 2020. Despite a decline of 82MWs, this should be viewed as a significant recovery since the Pandemic began, where load destruction saw a high of 6.69% (607 MWs) in May 2020.

January 2021 had six triple digit daily settles, occurring January 24th through January 29th, landing at \$162.59/MWh, \$274.28/MWh, \$132.18/MWh, \$141.19/MWh, \$181.23/MWh and \$183.00/MWh, respectively. January saw 75 hours of the month settle above \$100/MWh, with SMP peaking on January 24th HE (hour ending) 18 when it hit \$892.00 and remained there for fifty minutes.

January 25th saw the highest daily average and on-peak price settles of \$274.28/MWh and \$387.74/MWh, respectively. Despite import interties being at full capacity, these highs can be credited to extremely cold temperatures reaching as low as -26°C, keeping wind generation low and causing demand to reach above 11,400MW. With Genesee 1 offline and Keephills 1, Keephills 2 and Sundance 6 remaining well below their maximum capacities, the decrease in coal-fired generation further impacted pricing. The highest daily off-peak price settle occurred four days later, January 29th, landing at \$76.33/MWh. This was primarily driven by a strong early morning ramp, leaving HE 7 to settle at \$313.89/MWh, pulling up the average for the daily off-peak substantially.

In comparison, January 2nd saw the lowest average, on-peak and off-peak settles of \$30.73/MWh, \$32.47/MWh and \$27.24/MWh, respectively. These low hourly settles were a result of Saturday/holiday load and high wind output, reaching above 1675MW HE 6.

Hours contributing to monthly average price



The top 10% of high-priced hours for January averaged \$343.97/MWh, contributing 47% to the monthly settle while the bottom 90% of hours averaged \$42.94/MWh.

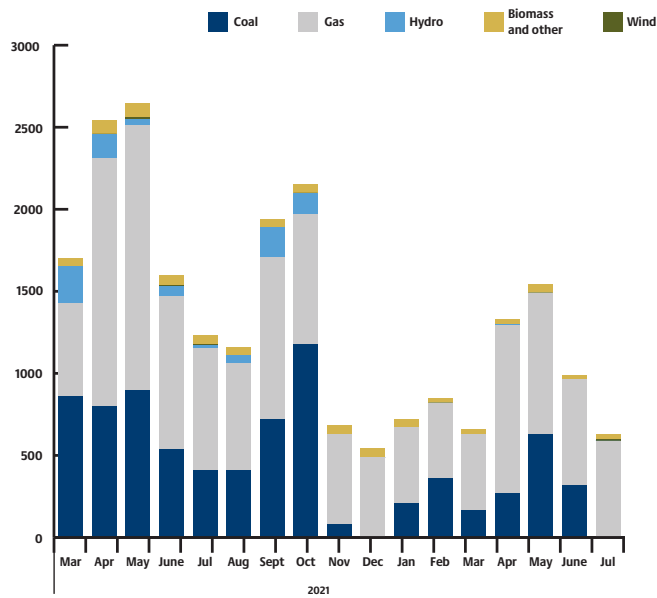
Average Alberta Internal Load (AIL) for the month was 10,266MW, with hourly peak load hitting 11,401MW on January 25th, 2021 HE18. This represents a 2.4% decrease from January 2020's average AIL of 10,517MW and a 2.5% decrease from its hourly peak load of 11,698MW.

The weighted average temperature across the province for January was -6.55°C representing a 5.44°C increase from last January when the average was -11.99°C. January 2021 temperatures in Alberta ranged from a low of -33°C seen in Fort McMurray on January 23rd HE 8 and HE 9, to a high of 11°C in Lethbridge on January 6th HE 14, January 31st HE 16 and in Medicine Hat January 13th HE 11.

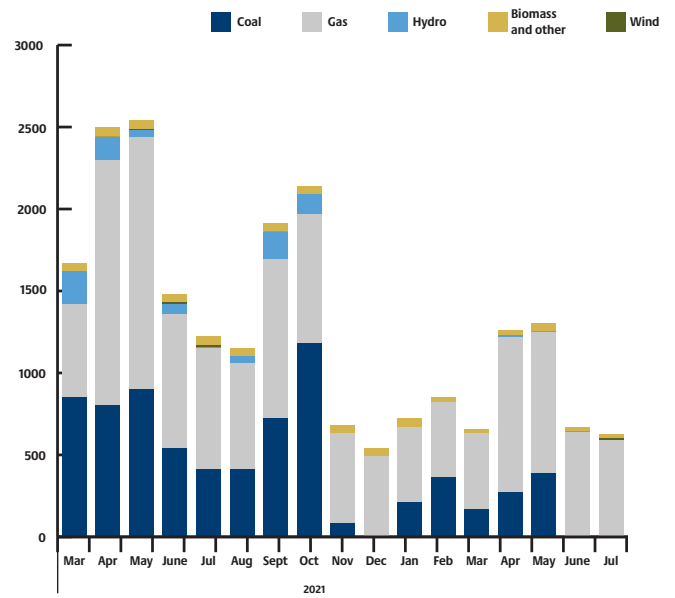
Monthly outages

Since last month's outage report, there have been noteworthy increases in both coal and gas outages. Coal outages increased by 240MW and 320MW during May 2022 and June 2022, respectively, while gas outages increased by 70MW in May 2021 and April 2022 and by 110MW in June 2021.

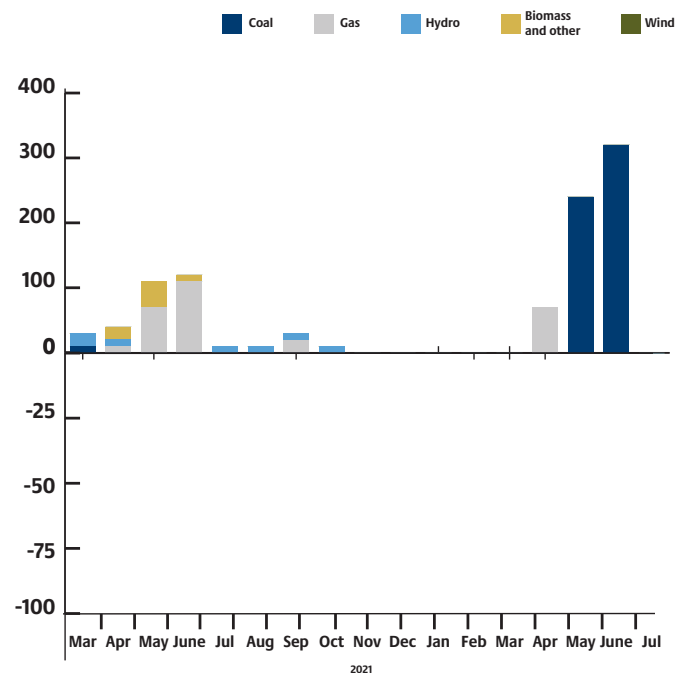
AESO monthly outages (as of February 2021)



AESO monthly outages (as of January 2021)



Month-over-month change in outages
(February 2021 over January 2021)

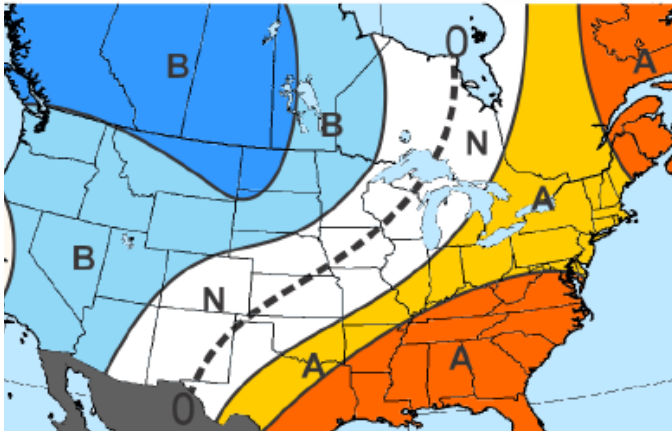


Maxar's 30-60 day outlook

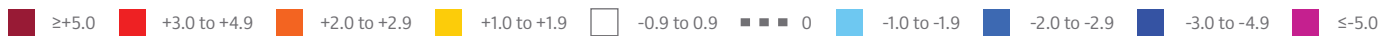
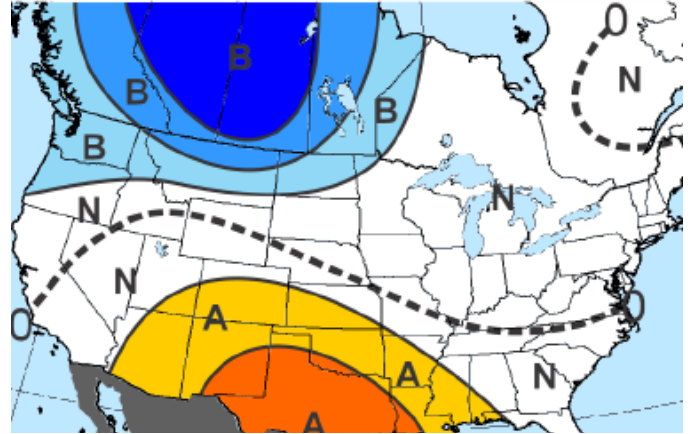
January saw some cold changes in the details across parts of the northern tier, resulting in an increase to 865 GWHDDs (Gas Weighted Heating Degree Days). January 2021, however, remained much warmer than the 10-year (918) and 30-year (952) normal and ranked 11th warmest since 1950. While the final 60 and especially 30 Day outlooks captured some of these warmer themes, the early January update was too cold, having anticipated a blocking-driven cold latter half of January that did not come to fruition.

Maxar's final February outlook shows belows more widespread in the West, while aboves remain favoured in the South and East, but weaker than previous. The first half of the month features steady cold in the West while variable in the eastern half. That looks to be followed by a second half featuring belows in the northern Plains and aboves in the Southeast/Mid-Atlantic. The forecast looks fairly typical of La Niña, with the weeklies models suggesting colder risk. Maxar currently indicates that Alberta will see a -2.0°F to -2.9°F departure from average 1981-2010 normal temperatures in the month of February.

February 2021



March 2021



Industry News

On January 31st, 2021 TransAlta Corporation announced it had completed its first of three coal-to-gas conversions at its Sundance 6 unit. The boiler conversion required a \$35 million investment, with another \$50 million invested for upgrades and unit maintenance. The conversion will reduce emission units of CO2 from the unit by approximately half going forward.

Contact us

Ryan Laverty
 Manager, Marketing & Origination
 403-920-5616
ryan_laverty@tcenergy.com

Emma Howard
 Marketing & Origination Specialist
 403-920-2912
emma_howard@tcenergy.com

TCEnergy.com