



TC Energy Power Market update.

Forward prices table (indicative as of June 3rd, 2022)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB - 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$115.00	\$134.00	\$80.10	\$7.40	15.54054
BOY	\$132.75	\$155.10	\$88.00	\$7.02	18.91026
July	\$135.00	\$156.25	\$89.50	\$7.00	19.28571
2023	\$92.50	\$107.40	\$63.50	\$5.45	16.97248
2024	\$69.00	\$86.50	\$34.00	\$4.40	15.68182
2025	\$63.75	\$78.75	\$33.75	\$4.10	15.54878

All prices are indicative as of June 3rd, 2022. 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 2022

May 2022 settled at \$121.24/MWh, representing a 42% increase from May 2021's settle of \$85.39/MWh, and a 4% increase from last month's settle of \$117.14/MWh. The maximum pool price was \$737.63/MWh, compared to \$718.47/MWh in April. The average price between the on-peak and off-peak for May differed by \$45.61/MWh, resulting in on-peak and off-peak prices of \$136.44/MWh and \$90.84/MWh, respectively. May forwards traded between \$86.25 and \$102.50, 30 days preceding the month.

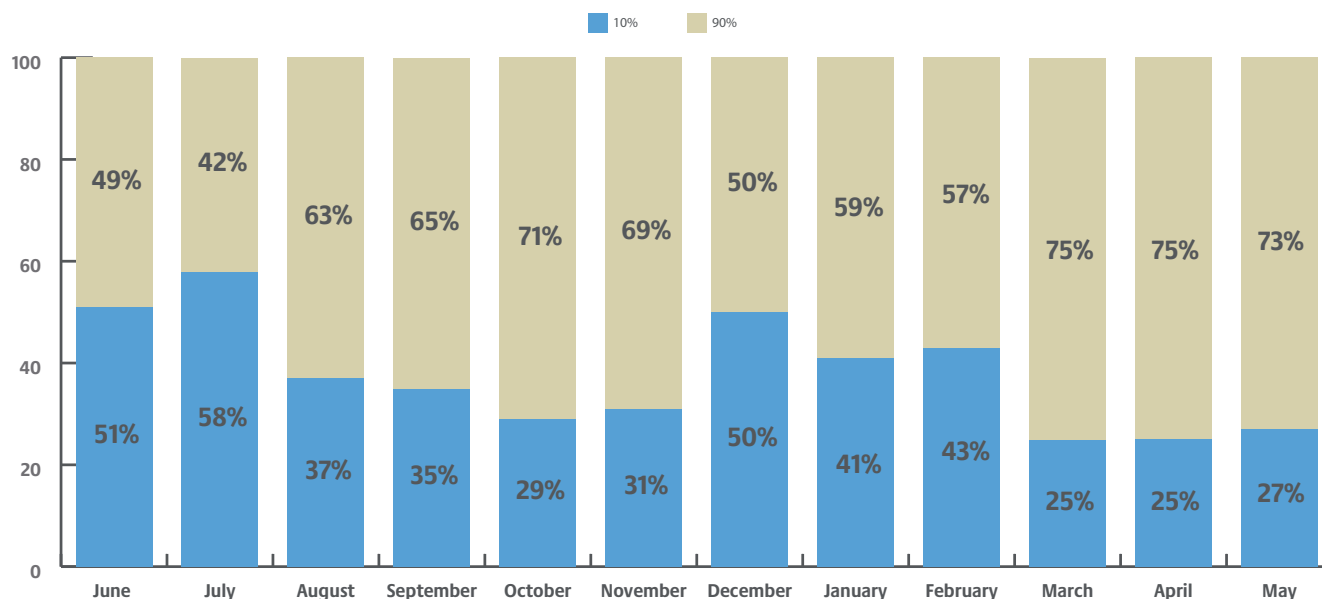
May 2022 had twenty triple digit daily settles, occurring on May 2nd-5th, 7th-8th, 11th-13th, 15th, 17th-18th, 21st-22nd, 24th-27th, and 31st, ranging from a 'low' of \$101.36/MWh on May 25th to a 'high' of \$239.65/MWh on May 31st. The month saw 322 hours settle above \$100/MWh, with the SMP peaking on May 15th HE 18 at \$873.67/MWh.

May 31st saw the highest daily average, on-peak and off-peak price settles of \$239.65/MWh, \$286.90/MWh, and \$145.14/MWh, respectively. On this day, power prices settled in the triple digit range from HE 6 through HE 24.

Market fundamentals driving this strong price trend included wind generation experiencing a significant decrease of over 1,000 MW, several thermal units outages resulting in an average gas availability factor of 70%, and the extended MATL intertie outage. Average and peak load were 8,874 MW and 9,295 MW, respectively.

In comparison, the previous day, May 30th saw the lowest average and on-peak price settles of \$72.85/MWh and \$78.32/MWh, respectively. The low hourly settles were the result of strong and consistent wind generation, averaging 1,320 MW for the day and peaking at 1,680 MW, and robust importing activity on the BC and SK intertie. May 6th saw the lowest off-peak settle of \$47.68/MWh, with the SMP reaching \$0/MWh during HE 3 and 4. Wind generation peaking close to 2,000 MW while load simultaneously reaching its minimum of 8,415 MW put sufficient downward pressure on prices to reach the market price bottom for those two previously mentioned hours.

Hours contributing to monthly average price



The top 10% of high-priced hours for May averaged \$325.63/MWh, contributing 27% to the monthly settle, while the bottom 90% of hours averaged \$98.66/MWh.

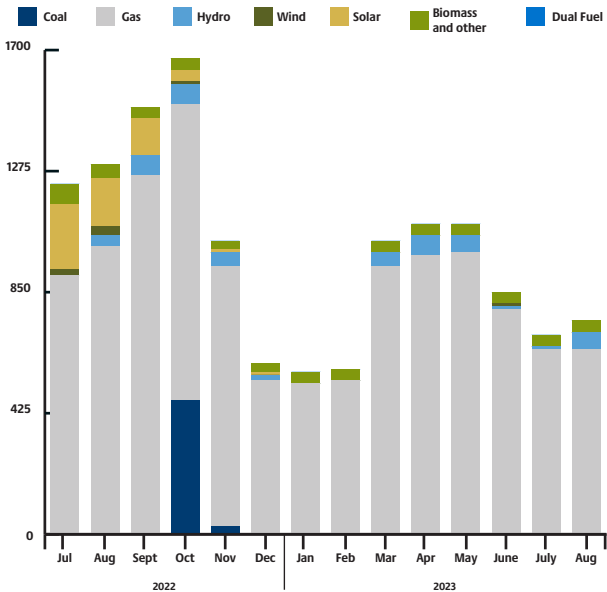
Average Alberta Internal Load (AIL) for the month was 9,161 MW, with hourly peak load hitting 10,028 MW on May 19th HE 11. This represents a 2.2% increase from May 2021's average AIL of 8,961 MW and a 1.4% increase from its hourly peak load of 9,894 MW.

The weighted average temperature across the province for May was 9.79°C representing a 0.24°C decrease from last May when the average was 10.03°C. May 2022 temperatures in Alberta ranged from a high of 27°C in Medicine Hat on May 5th HE 17 to a low of -6°C seen in Lethbridge on May 9th HE 7.

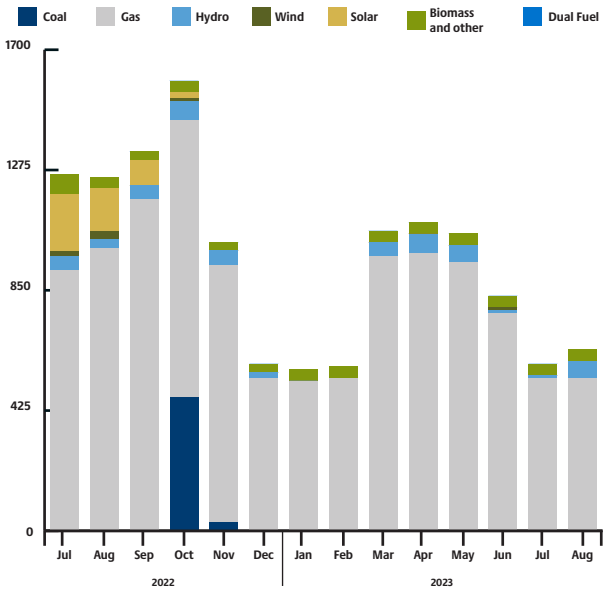
Monthly outages

Since last month's outage report, there has been noteworthy changes in gas and hydro outages. Gas outage increased by 90 MW in September 2022 and by 110 MW in both July and August 2023. Hydro outages decreased by 50 MW for July 2022.

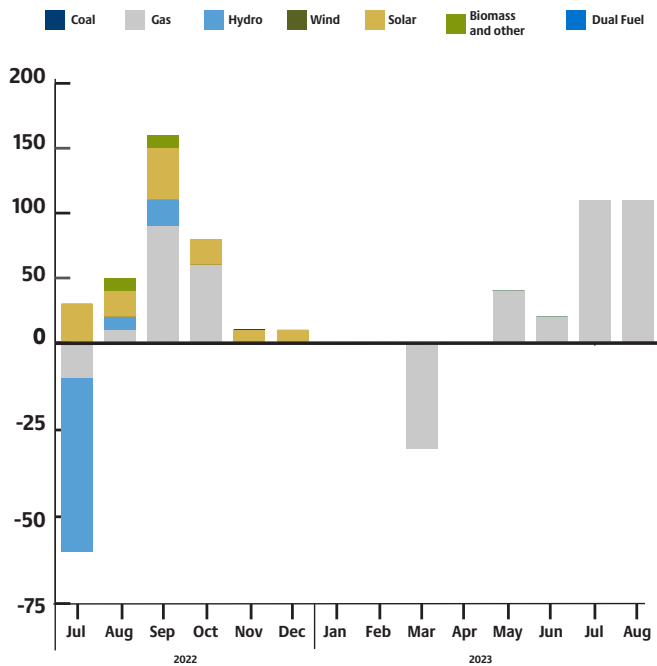
AESO monthly outages (as of June 2022)



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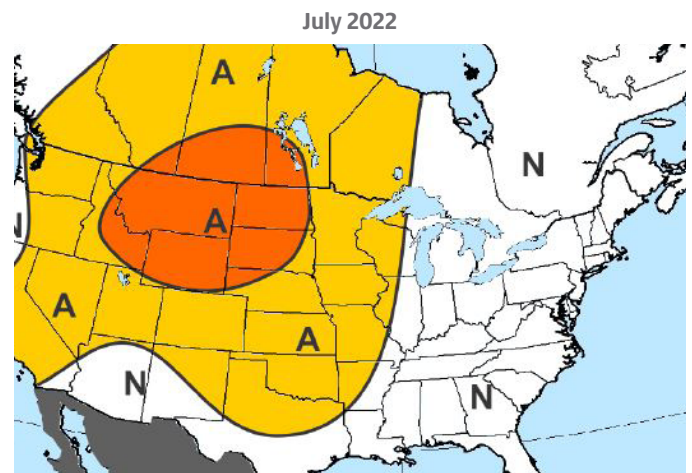
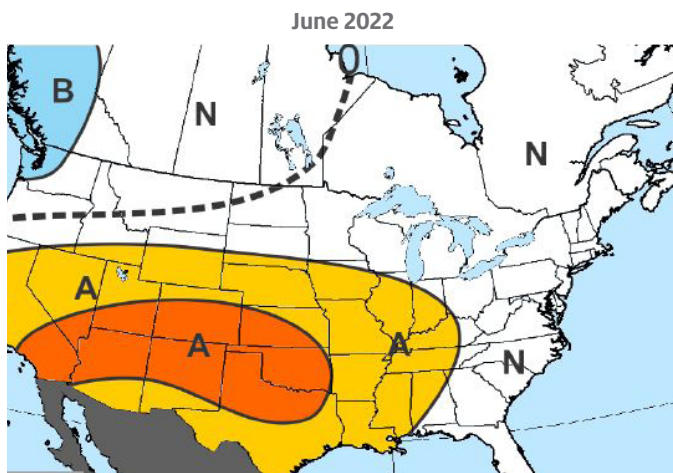
Month-over-month change in outages
(June 2022 over May 2022)



Maxar's 30-60 day outlook

Maxar's final pre-month look at June undergoes a mix of changes, trending cooler in the West to North-Central while more aboves are noted in Texas and the Mid-South. The first half of the month features variability, with the month starting off with heat in the Midwest and East but giving way to more normal temperatures in the current 11-15 Day period. Heading into the latter part of the month, the MJO (Madden-Julian Oscillation) is expected to be in Phases 1-2-3, which are historically associated with a warm Interior West, South, and East during La Niña events. Consideration is also given to the ongoing drought in the West and Plains. The Euro weeklies model suggests cooler risks along the northern tier.

July remains mostly unchanged, continuing to feature aboves across much of the Western and Central US. The forecast is based on oceanic forcings including the lingering La Niña, warm west-tropical Pacific and Atlantic (+AMO) waters, and -PDO (Pacific Decadal Oscillation). West/Plains drought is also a consideration in driving hot conditions in those regions. A composite of the 20 most recent CFS (Climate Forecast Model) monthly model runs is in decent agreement with our forecast, although with more aboves into the Upper Midwest and Northeast. It is perhaps worth noting that the CFS and ECMWF (European Centre for Medium-Range Weather Forecasts) monthly models are wetter than normal in the Southeast and Mid-Atlantic which could lend some cooler risk if it verifies.



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