

# Forward prices table (indicative as of February 3<sup>rd</sup>, 2021)

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB – 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$86.25	\$101.20	\$56.25	\$5.18	16.65058
BOY	\$81.54	\$99.21	\$45.21	\$4.18	19.50718
Mar	\$78.25	\$91.70	\$51.25	\$4.55	17.19780
2023	\$70.50	\$84.77	\$41.99	\$3.26	21.62577
2024	\$59.25	\$71.88	\$34.00	\$2.90	20.43103
2025	\$58.00	\$70.00	\$34.00	\$2.88	20.13889

All prices are indicative as of February 3rd, 2021. 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 – January 2022

January 2022 settled at \$90.81/MWh, representing a 25% increase from January 2021's settle of \$72.88/MWh and a 28% decrease from last month's settle of \$126.27/MWh. The average price between the on-peak and off-peak for January differed by \$52.05/MWh, resulting in on-peak and off-peak prices of \$108.16/MWh and \$56.11/MWh, respectively.

January 2022 had nine triple digit daily settles, occurring on January 3rd-7th, 12th, 18th, 24th, and 26th with daily price settles ranging from \$100.75 to \$352.52 per MWh. The month saw 96 hours settle above \$100/MWh, with the SMP peaking on January 5th HE (hour ending) 18, when it hit \$755.33 and remained there for fifty minutes.

January 5th saw the highest daily average, on-peak and off-peak price settles of \$352.52/MWh, \$479.08/MWh and \$99.40/MWh, respectively. On this day, hourly triple digits price settles were sustained from HE 9 through HE 22, primarily driven by extreme cold temperatures in the province reaching as low as -34°C, creating a strong demand profile and causing load to peak at 11,787 MW. Furthermore, wind generation was virtually non-existent, ranging from 1 MW to 151 MW during the day, for a daily average of 56 MW. The import interties were at full capacity from HE 7 until HE 24 and there were no notable thermal outages observed, although gas availability averaged at 84.6%, equating to 1,653 MW of derates/ outages. This cold snap and similar market fundamentals can be attributed to the consistently strong prices settles during January 3rd through the 7th.

January 10th saw the lowest average, on-peak and offpeak price settles of \$43.83/MWh, \$49.92/MWh, and \$31.63/MWh, respectively. These low hourly settles were a result of warmer weather, averaging at -5°C across the province, driving a soft load profile that averaged at 10,641 MW and high wind output which averaged at 1,627 MW for the day.



#### Hours contributing to monthly average price



The top 10% of high-priced hours for January averaged \$376.48/MWh, contributing 41% to the monthly settle, while the bottom 90% of hours averaged \$59.73/MWh.

Average Alberta Internal Load (AIL) for the month was 10,512 MW, with hourly peak load hitting 11,939 MW on January 3rd HE 18. This represents a 2.4% increase from January 2021's average AIL of 10,266 MW and a 4.7% increase from its hourly peak load of 11,401 MW.

The weighted average temperature across the province for January was -9.58°C representing a 3.03°C decrease from last January when the average was -6.55°C. January 2022 temperatures in Alberta ranged from a high of 14°C in Lethbridge on January 17th HE 15 to a low of -39°C seen in Fort MacMurray on January 6th HE 10.

## Monthly outages

Since last month's outage report, there have been mostly an increase of gas outages, notably 90-100 MW during March-May 2022/September 2022, and 230-260 MW during January-April 2023.



AESO monthly outages (as of February 2022)

Month-over-month change in outages (February 2022 over January 2022)





#### AESO monthly outages (as of January 2022)

#### Maxar's 30-60 day outlook

Maxar's final 30-Day outlook for February remains unchanged with aboves across the South and East and belows from the Northwest to North Central. This is a pattern indicative of a -PNA (Pacific/ North American teleconnection pattern), typical of La Niña and the -PDO (Pacific Decadal Oscillation). Warmer leanings are also supported by a lack of blocking (+AO – Artic Oscillation) Pacific Oscillation), but that is not expected to continue in February. That said, there is colder risk based on the weeklies models—taking Maxar's current 20-day forecast valid through Valentine's Day and adding weeklies model GWHDDs (Gas Weighted Heating Degree Days) for the balance of the month gives a range of 759 (ECMWF) to 783 (CFS) GWHDDs. Confidence is low given recent medium range pattern uncertainty.

March remains unchanged, with aboves being across the South–Central US while belows remain in the Northwest. This outlook is based on influences from La Niña, the -PDO, and warm West tropical Pacific waters. A composite of the 20 most recent CFS (Climate Forecast System) model runs is additionally warmer with widespread aboves across most of the US except for belows in the Northwest to Northern Plains. Analogs for Pacific tropical sea surface temperatures do suggest potential warm risk in the Midwest. Drought has been developing in Texas, and it is worth noting that the CFS model remains dry across the state in March which may have warm implications moving forward.



### **Contact us**

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