

# TransCanada Power Market Update

June 2018

## Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
<b>BOM</b>	\$40.00	\$47.20	\$31.20	\$1.03	38.8
<b>July</b>	\$62.50	\$73.13	\$48.75	\$1.36	46.0
<b>BOY</b>	\$60.50	\$77.44	\$42.35	\$1.52	39.8
<b>2019</b>	\$55.00	\$71.50	\$38.50	\$1.54	35.7
<b>2020</b>	\$53.25	\$69.23	\$37.28	\$1.51	35.3

All prices are indicative as of indicative of June 5, 2018. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

## Alberta Market Recap – May 2018

May 2018 ended up settling at \$63.77/MWh and was the highest priced month since June 2015 which settled at \$97.31/MWh and was the highest priced May since 2013 which settled at \$127.66/MWh.

Contributing to this high monthly settle was the 17 hours settling above the \$100.00/MWh mark and the 28 hours settling above the \$500.00/MWh mark. We also had three hours settling at Alberta's price cap of \$999.99/MWh during the afternoons of May 14th and May 15th. Although we had a significant amount of high priced hours, we also saw a few weak off-peak hours during the first couple days of May with four hours settling at \$0.00/MWh and four more hours settling at \$0.01/MWh.

The price floor settles on May 1st were due to a supply surplus event thanks in part to an increased amount of wind generation during the off-peak coupled with soft spring demand which bottomed out at 8,000 MW. One week later, on May 8th, Alberta saw another morning of very soft off-peak pricing with light load and high wind generation which dropped pricing to \$0.01/MWh.

The triple digit pricing throughout the month, particularly during the back half of the month was attributed to stronger load (above 10,000 MW), mild wind generation, thermal unit derates and outages. Of significance, the Alberta Electric System Operator (AESO) declared an Energy Emergency Alert (EEA) 1 event at 16:41 on May 14th, 2018 for just under two hours. As a reference, an EEA 1 event is declared by the AESO after all available resources have been used to meet Alberta Interconnected Electric System's firm load, but still has sufficient operating reserves available and energy imports.

On the demand side, Alberta saw a bit of a swing in AIL for the month as demand dropped as low as 7,819 MW and got as high as 10,294 MW. As a reference, demand for May 2017 ranged from 7,658 MW to 10,084. On average, AIL was 9063 MW.

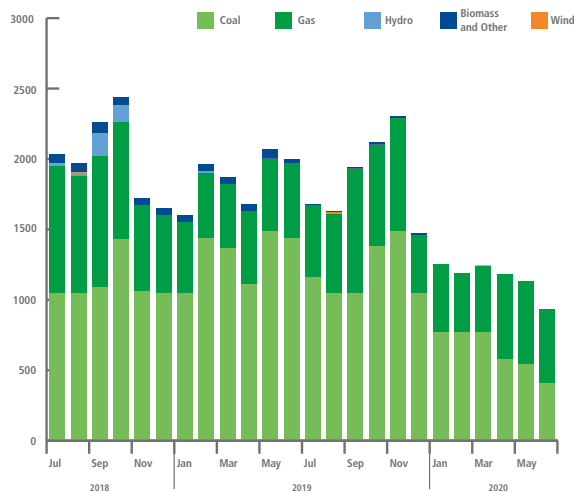
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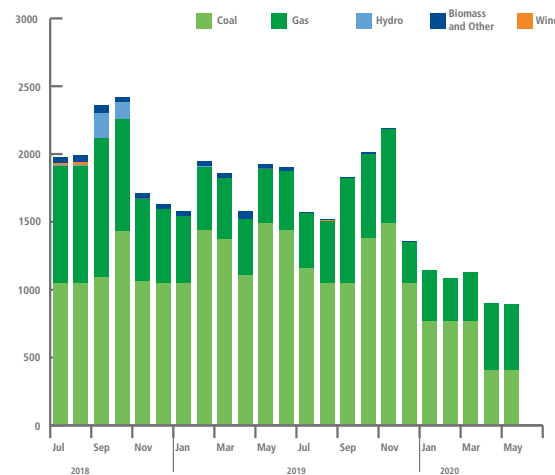
June 2018

## Monthly Outages

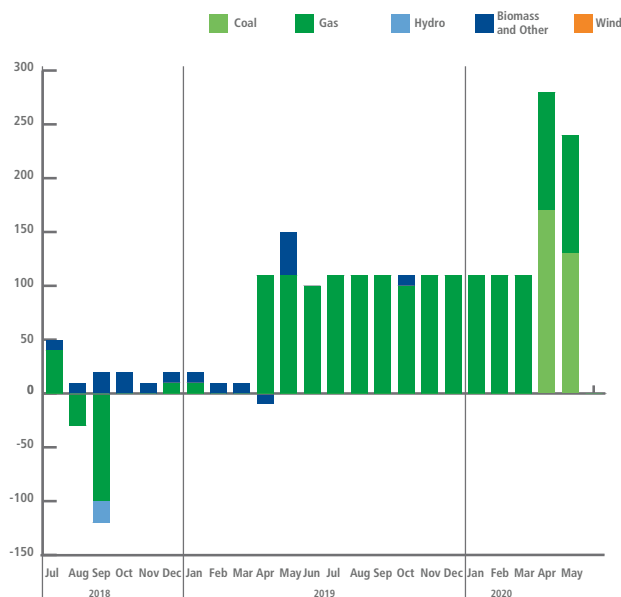
AESO Monthly Outages (as of June 1, 2018)



AESO Monthly Outages (as of May 1, 2018)



Month-over-Month Change in Outages  
(June 2018 over May 2018)

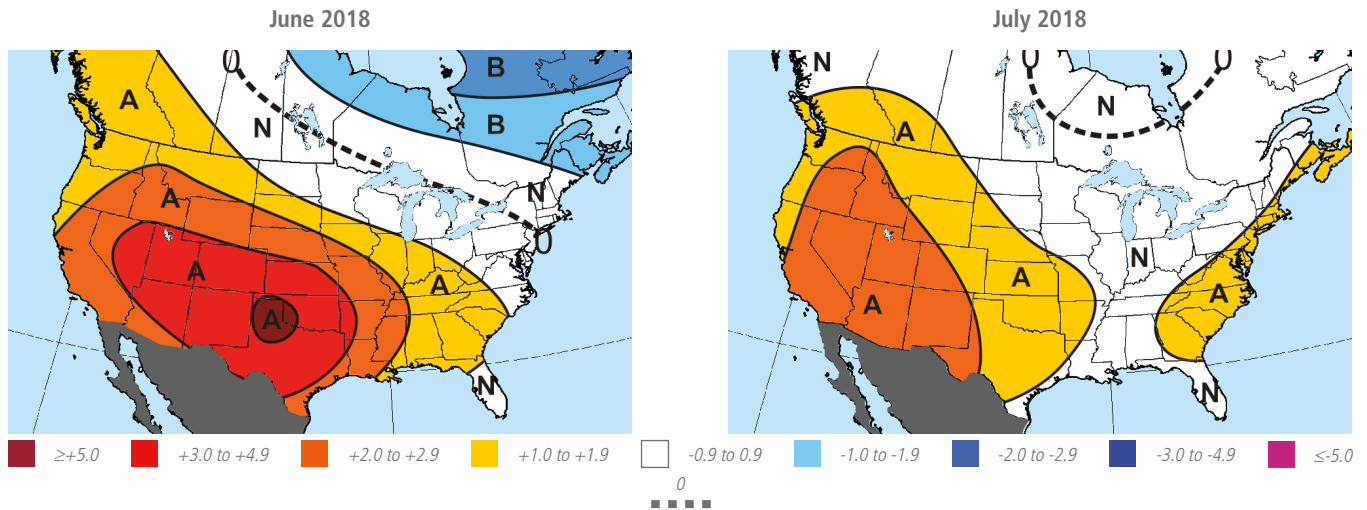


We will see approximately 100 MW of additional gas generation online starting April 1, 2019. However, up until this point, there are no other significant changes to the month-over-month outages.

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## Radiant Solutions 30-60 Day Outlook



May experienced an early summer heat wave which contributed to an increase in provincial electricity demand. If fact, May experienced record average hourly temperatures.

Radiant Solutions 30-60 Day Outlook has been updated to be a bit warmer than last month. The Southernmost part of Alberta and majority of British Columbia will see above normal temperatures with the remaining parts of Canada in the normal range for both June and July.

Parts of the U.S. will likely see extremely warm temperatures with +3-degree anomalies in the Southern parts of the States and +5 anomalies in parts of Texas.

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