

# TransCanada Power Market Update

May 2018

## Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
<b>BOM</b>	\$32.00	\$37.76	\$24.96	\$0.57	56.1
<b>June</b>	\$35.00	\$40.95	\$27.30	\$0.67	52.2
<b>BOY</b>	\$54.50	\$69.76	\$38.15	\$1.23	44.3
<b>2019</b>	\$52.00	\$67.60	\$36.40	\$1.46	35.6
<b>2020</b>	\$49.25	\$64.03	\$34.48	\$1.52	32.4

All prices are indicative as of indicative of May 8, 2018. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

## Alberta Market Recap – April 2018

As expected, Alberta saw higher prices for the first part of the month as a market response to a few of TransAlta's plants being mothballed and a few temporary outages with Genesee and Shepard. During this first half of the month, prices settled in triple digits over multiple hours, and for the first time since the Government of Alberta placed the 6.8 cents price ceiling on the regulated rate option (RRO), we saw the RRO hit and surpass the cap, leaving RRO customers protected at the 6.8 cents per KWh. It wasn't until the second half of the month when we saw lower and more stable hourly prices. In fact, during the morning of Sunday April 29th, price settled at \$0.00/MWh for six hours.

Overall, April ended up settling at \$40.55/MWh which was a result of 59 hours settling over \$50.00/MWh, with 18 of those hours settling over \$100.00/MWh and 3 of those hours settling over the \$500.00/MWh mark. The maximum hourly settle ended up at \$536.36 on April 5th, 2018. These higher priced hours near the beginning of the month contributed to the second highest spot price this year.

Alberta Internal Load (AIL), averaged 9,925 MW ranging from 8,032 MW and 11,567 MW which is a positive 5% increase from load in April 2017 and a decrease of 7% from last month.

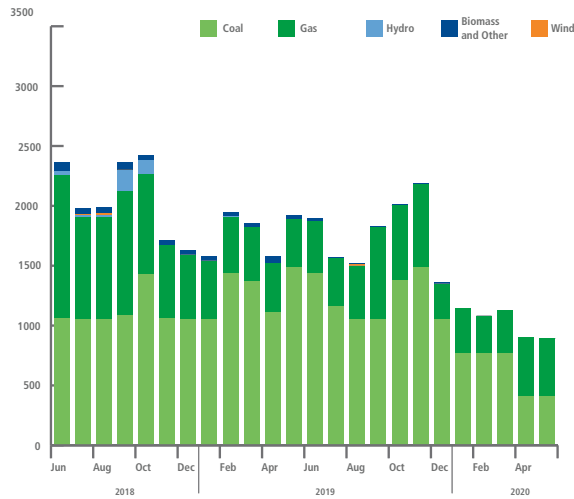
<sup>1</sup>FORWARD-LOOKING INFORMATION This publication contains certain information that is forward looking and is intended to provide useful and timely information to Alberta power market participants. All information is from sources deemed reliable and is subject to errors and omissions which we 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 TransCanada'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. TransCanada undertakes no obligation to update or revise any forward-looking information except as required by law.

# TransCanada Power Market Update

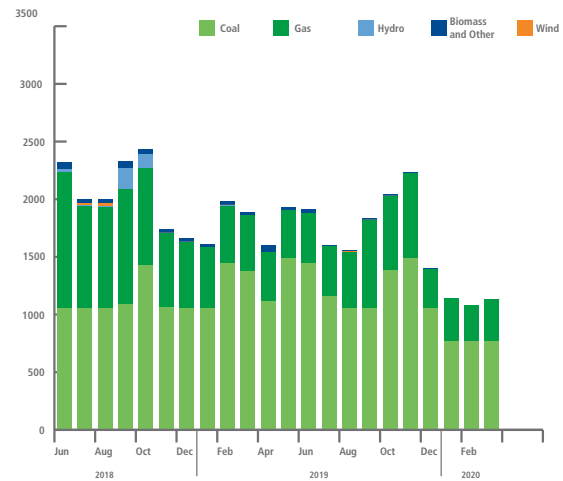
May 2018

## Monthly Outages

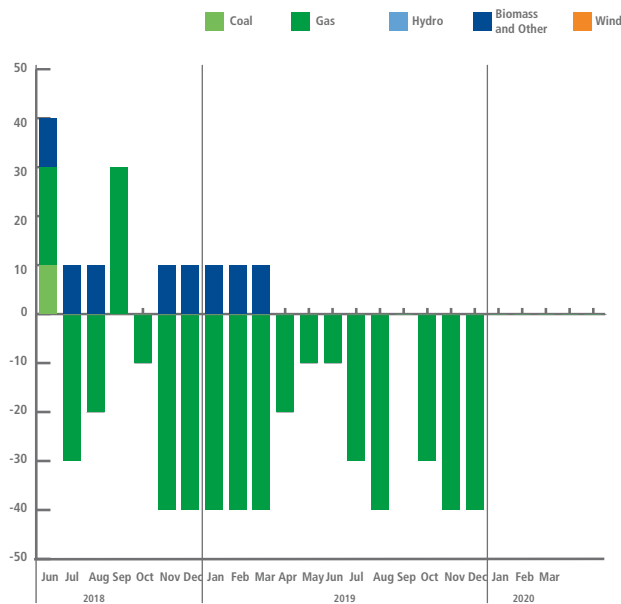
AESO Monthly Outages (as of May 1, 2018)



AESO Monthly Outages (as of April 1, 2018)



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

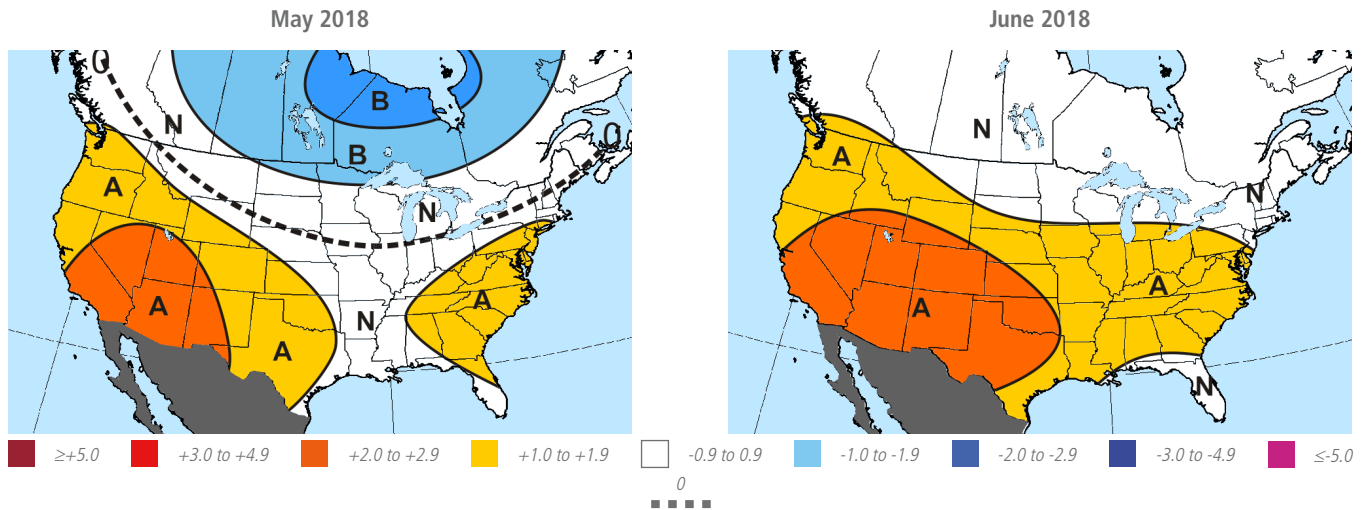


Most significantly since last month, Alberta will be seeing 40 MW taken out of the monthly outage mix for various months in 2019. Outside of this, we have only seen a few small Biomass and other outages added into the outage mix over the summer months of this year and throughout the first half of 2019.

# TransCanada Power Market Update

May 2018

## MDA Weather Services 30-60 Day Outlook



Since last month's report, the 30-60 Day Outlook from Radiant Solutions has changed slightly and is predicting cooler temperatures when compared to last month's forecast for May. In general, Canada will see a range of temperatures throughout with near normal temperatures occurring in British Columbia and the Southern Parts of Alberta, Ontario and Quebec. Cooler anomalies ranging from -1.0 to -2.9 will exist in the remaining parts of the country.

# TransCanada Power Market Update

May 2018

## In Other News

### Bill 13 – An Act to Secure Alberta’s Electricity Future

On April 19th, the Alberta Government issued draft Bill 13, which will amend the Alberta Utilities Commission Act (AUCA) and the Electric Utilities Act (EUA). This bill introduces the broad legislative framework for Alberta’s upcoming Capacity Market and various other provisions for securing Alberta’s electricity future.

### Renewable Electricity Program (REP) Update

The second and third rounds of the Renewable Electricity Program (REP) are officially open. These two rounds are expected to provide 700 MW of renewable electricity to Alberta’s grid. The details of these two procurements are as follows:

REP 2: 300 MW with private-sector partnerships with Indigenous communities. Must include minimum 25% Indigenous equity ownership component in each bid.

REP 3: 400 MW following the same format as REP 1 with a contract-for-differences on costs to ensure developers meet their financial hurdles.

Expected dates for the competition stages apply to both rounds:

- Request for Expressions of Interest (REOI) – opens March 29, 2018
- Request for Quotation (RFQ) – opens April 27, 2018
- Request for Proposal (RFP) – opens September 17, 2018
- Award – December 2018

#### Ryan Laverty

Manager, Power Marketing  
403.920.5616

[ryan\\_laverty@transcanada.com](mailto:ryan_laverty@transcanada.com)

#### Kelsey Johansson

Power Marketing Representative  
403.920.5956

[kelsey\\_johansson@transcanada.com](mailto:kelsey_johansson@transcanada.com)