

# TransCanada Power Market Update

April 2019

## Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 7x16 On Peak (\$/MWh)	AB – 7x8 Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
<b>BOM</b>	\$48.50	\$58.00	\$33.00	\$0.80	60.63
<b>May</b>	\$57.50	\$75.00	\$37.00	\$1.16	49.57
<b>BOY</b>	\$58.25	\$75.75	\$38.00	\$1.29	45.16
<b>2020</b>	\$51.00	\$65.00	\$34.00	\$1.50	34.00
<b>2021</b>	\$49.25	\$61.00	\$33.00	\$1.58	31.17
<b>2022</b>	\$46.25	\$54.50	\$35.00	\$1.71	27.053

All prices are indicative as of April 3, 2019. For Firm power price quotes please contact TransCanada's Power Marketing team. See contacts on the last page.

## Alberta Market Recap – March 2019

March 2019 settled at \$65.04/MWh, representing a 102% increase from March 2018's settle of \$32.27/MWh and a 41% decrease from last month's settle of \$109.36/MWh. The average price between the on-peak and off-peak for March differed by \$29/MWh, resulting in on-peak and off-peak prices of \$74.60/MWh and \$45.85/MWh respectively.

Influencing pricing this March were six days of the month settling over \$100/MWh, with the highest daily price being \$246.58/MWh on March 1st. The first four days of March came in above \$100/MWh with the main drivers being cold temps and absent wind. March 20th and 21st were the other two days above \$100/MWh. Both days had temps of roughly 15°C, however they saw minimal wind, a depleted coal fleet and US counterparties struggling to secure transmission to the BC/US border causing limited import capability into Alberta.

The top 10% of high priced hours averaged \$271.56.04/MWh, contributing 42% to the monthly settle while the bottom 90% averaged \$42.20/MWh. These top 10% of hours demonstrate how minimal wind presence, cold temperatures and increased exports matched with limited import opportunities make for volatile hours in the AB power market, in turn having a significant influence on the overall monthly price.

Apart from February 28th, the Mar-19 flat product traded on screen throughout the month of February between \$45.25/MWh and \$56.75/MWh. Noteworthy, is the significant jump on February 28th where the flat product traded at \$68.00/MWh, most likely due to prices in Mid-C reaching \$1000/MWh.

Average Alberta Internal Load (AIL) for the month was 9,919 MW, with peak load hitting 11,094 MW on March 6th, 2019. This represents a 1% decrease from March 2018's average AIL of 10,003 MW and a 2% increase from its peak load of 10,932 MW.

The weighted average temperature across the province for March was -3.6°C representing a 2.5°C increase from last March when the average was -6.1°C. The month saw a drastic change in temperatures ranging in a weighted average of -31.7°C on March 2nd to 14.2°C on March 20th. These findings align with the weather forecasts which indicated an abrupt end to winter jumping straight into spring.

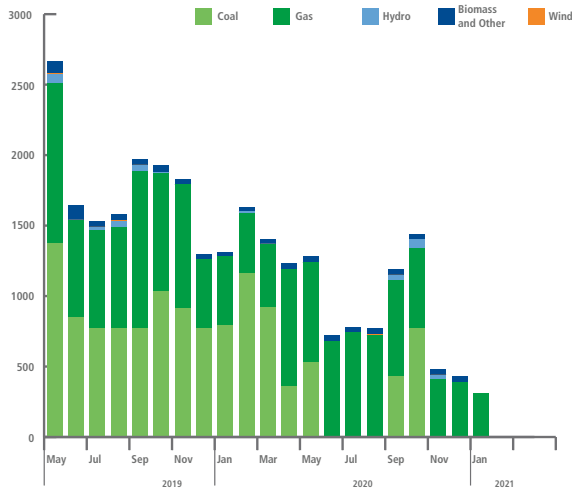
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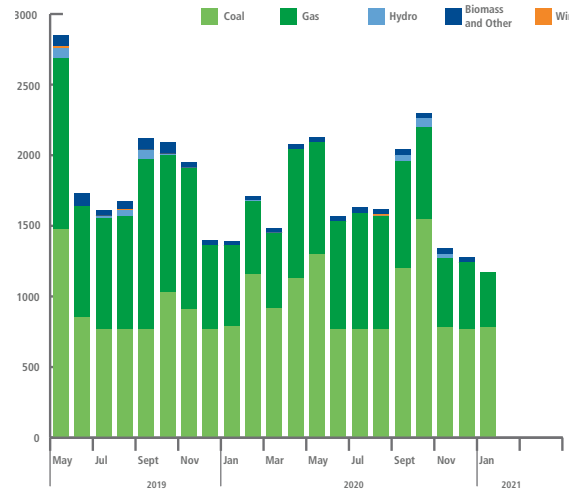
April 2019

## Monthly Outages

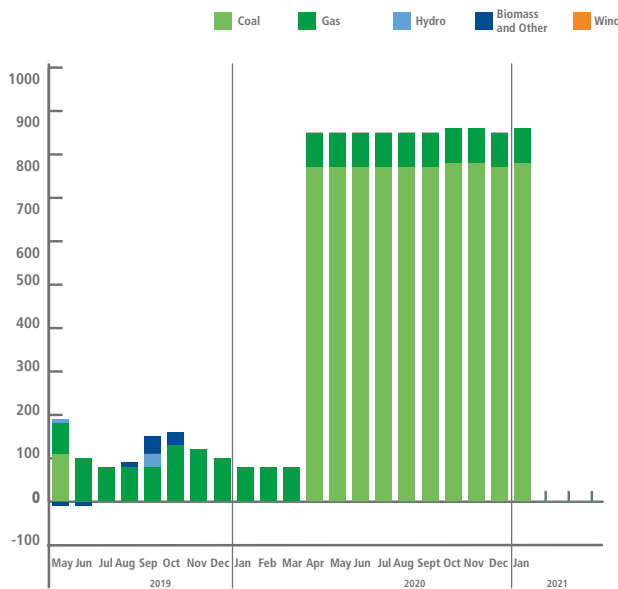
AESO Monthly Outages (as of March 2019)



AESO Monthly Outages (as of April 2019)



Month-over-Month Change in Outages  
(March 2019 over April 2019)



On March 8th, 2019 TransAlta announced regulatory approval to extend the mothballing of Sundance units three and five. Originally these units were mothballed out to April 1, 2020, now having been extended until November 1, 2021 when the capacity market is set to come into play. This decision was based on TransAlta's assessment of market prices and conditions. In addition to this coal outage extension, there has been an increase in gas outages of roughly 80 MW from May 2019 through Jan 2021.

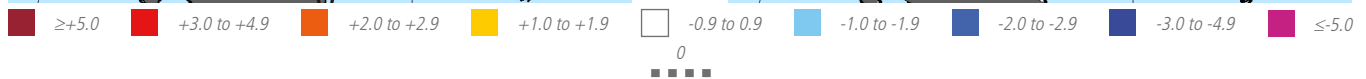
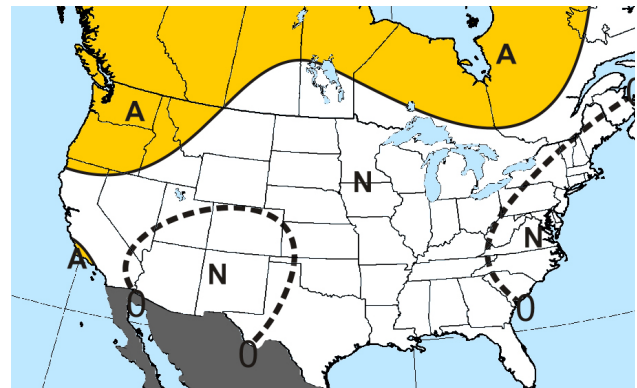
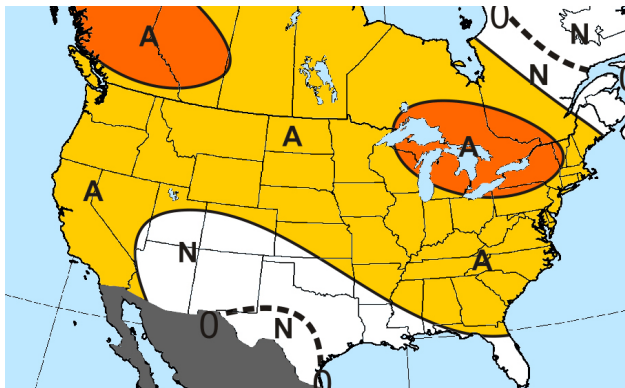
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## Radiant Solutions 30-60 Day Outlook

April 2019

May 2019



March 2019 unfolded with cold temperatures in the front end of the month followed by generally warmer detail changes over the last week of the month. From March 1st - 10th daily temperatures in Alberta averaged  $-15^{\circ}\text{C}$ , with the first, second and third of March averaging  $-23^{\circ}\text{C}$ . The back end of the month saw an abrupt shift to spring weather, with some cities such as Medicine Hat seeing hourly temps as high as  $19^{\circ}\text{C}$ .

Radiant Solutions Outlook for April 2019 forecasts significantly warmer widespread trends across the eastern half of the US and above normal temperatures favored in the West Coast, resulting in a  $+2.0$  to  $+2.9^{\circ}\text{F}$  departure from 1981-2010 normal as indicated by the orange area over BC and AB in the left map above.

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