

TransCanada Power Market Update

January 2019

Forward Prices Table

	Flat 7x24 (\$/MWh)	AB - 6x16 On Peak (\$/MWh)	AB - Off-Peak (\$/MWh)	AECO Gas (\$/GJ)	Heat Rate
BOM	\$45.00	\$54.90	\$34.65	\$1.56	28.85
Feb	\$49.00	\$62.23	\$34.30	\$1.52	32.24
BOY	\$51.75	\$63.14	\$37.26	\$1.22	42.42
2020	\$47.50	\$57.48	\$33.73	\$1.34	35.45
2021	\$45.00	\$52.65	\$31.95	\$1.44	31.25
2022	\$43.00	\$48.59	\$30.53	\$1.59	27.04

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

Alberta Market Recap – December 2018

December 2018 settled at \$43.99/MWh, representing a 100% increase from December 2017 settle of \$21.99/MWh and a 25% decrease from last month's settle of \$59.21/MWh. The average price between the on-peak and off-peak for December differed by only \$6/MWh, with the on-peak and off-peak settling at \$47.75/MWh and \$40.90/MWh respectively.

Marked as the windiest month of the year, December had an average of 709 MW of wind generation being supplied to the grid an hour. Strong wind generation placed downward pressure on prices resulting in December having only five hours in the month settling over \$100/MWh. In comparison, 39 hours in November and 58 hours in October were above the \$100/MWh mark.

Both the highest and lowest daily settles occurred at the end of the month, on December 27th and 29th at \$83.24/MWh and \$30.80/MWh respectively. The high daily settle on December 27th was influenced by two main factors; low wind generation and a large coal outage. On the 27th five coal units went on outage removing 1,579 MW of coal generation from the supply stack. To further tighten the market, wind generation dropped to virtually 0 MW (for the only time in the windy month) from Hour Ending (HE) 1 to HE 18 MT. With an approximate 2000 MW vacant from the supply stack prices spiked into the triple digits for HE 9, HE 10, HE 11 & HE 18 MT.

Average Alberta Internal Load (AIL) for the month was 10,267 MW, with peak load hitting 11,205 MW on December 7th, 2018 HE 18 MT. This represents a 5% increase from December 2017's average AIL of 9,3378 MW and a 4% decrease from its peak load of 11,697 MW.

The weighted average temperature across the province for December 2018 averaged -6.32° C, a small increase from last December where the average weighted temperature was -8.42° C. Although there was an only 2° C difference from last December, the temperatures during the period from December 25th to 31st varied quite dramatically year-over-year. In 2017, the period of December 25-31st averaged a daily temperature of -26° C reaching a low of -29° C, comparably for the same period in 2018, temperatures averaged -11° C reaching a low of only -15° C.

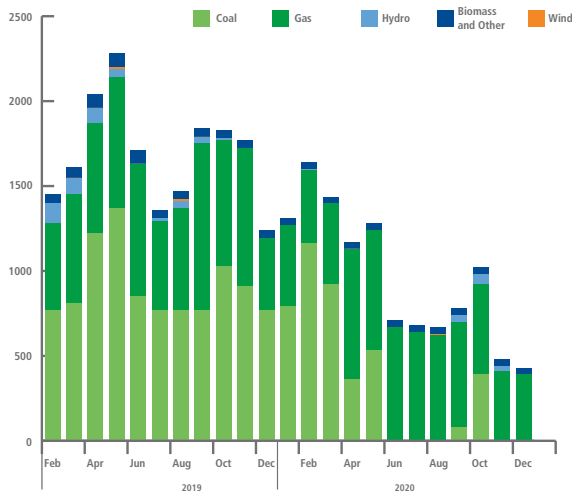
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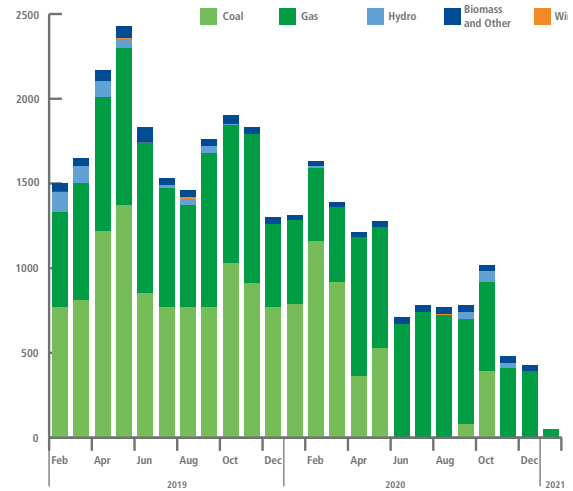
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Monthly Outages

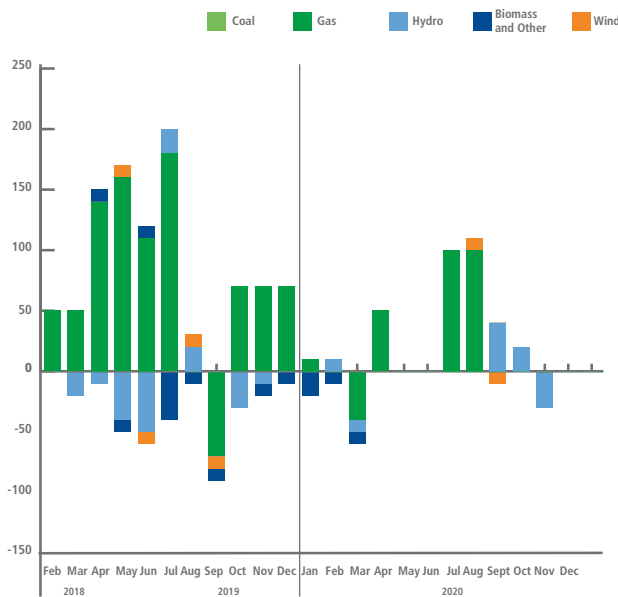
AESO Monthly Outages (as of December 2018)



AESO Monthly Outages (as of January 2019)



Month-over-Month Change in Outages
(December 2018 over January 2018)



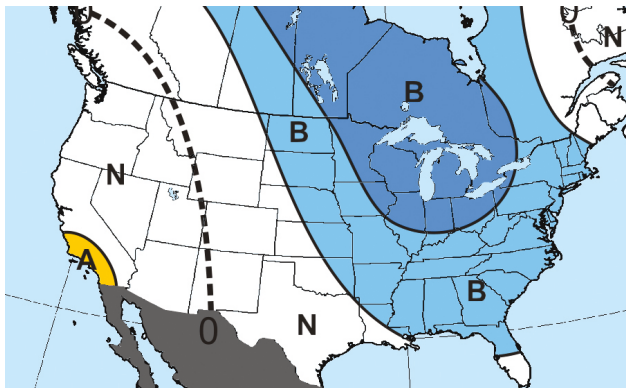
There are minimal changes in the AESO monthly outage schedule from last month. For January 2019, the updated monthly outage schedule shows an increase in gas outages notably in the next 6 months ranging from 50 MW in February and March 2019 to 180 MW in July 2019.

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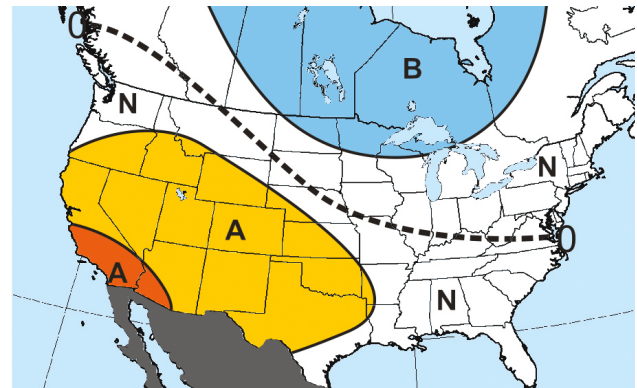
January 2019

Radiant Solutions 30-60 Day Outlook

February 2019



March 2019



According to Radiant Solutions, December featured widespread above average temperatures across the continent, particularly in the Northwest and northern Rockies to the Midwest. In Alberta the warmest day fell on December 14th with a weighted average temperature of 0° C, while the coldest day fell on the 31st with a weighted average temperature of -15° C.

Radiant Solutions Outlook for January 2019 forecasts above normal temperatures across the continent for the beginning to mid-January followed by a cold front in the back end moving into February. Above average temperatures for January would be a nice change from last year, as January 2018 had seven days across the province averaging below -15° C including a day average of -27° C on January 11, 2018.

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