



# TC Energy – West Customer Meeting

MAY 25, 2023



# Agenda

- 1. Welcome & Safety Moment – Mitch Meyer**
- 2. TC Energy Update & Regulatory Statement – Eric Miller**
- 3. Operations Update – Michael Gosselin**
- 4. Business Development – Kevin Stonewall**
- 5. Commercial Update – Sean McDonald**
- 6. Questions, Closing & Adjourn – Colin Strom**

# Safety moment

## Heat Exhaustion

### ACT FAST

- Move to a cooler area
- Loosen clothing
- Sip cool water
- Seek medical help if symptoms don't improve

*Dizziness*  
*Thirst*  
*Heavy Sweating*  
*Nausea*  
*Weakness*



## Heat Stroke

### ACT FAST

# CALL 911

- Move person to a cooler area
- Loosen clothing and remove extra layers
- Cool with water or ice

*Confusion*  
*Dizziness*  
*Becomes Unconscious*

*Heat exhaustion can lead to heat stroke.*

*Heat stroke can cause death or permanent disability if emergency treatment is not given.*



Stay Cool, Stay Hydrated, Stay Informed!



# Forward-looking information and non-GAAP measures

This presentation includes certain forward-looking information, including but not limited to, our financial and operational performance, including the performance of our subsidiaries, expectations about strategies and goals for growth and expansion, including acquisitions, expected cash flows and future financing options available along with portfolio management, including our expectations regarding the size, timing and outcome of the asset divestiture program, expected dividend growth, expected duration of discounted DRP, expected access to and cost of capital, expected energy demand levels, expected costs and schedules for planned projects, including projects under construction and in development, expected capital expenditures, contractual obligations, commitments and contingent liabilities, including environmental remediation costs, expected regulatory processes and outcomes, statements related to our GHG emissions reduction goals, the expected impact of future tax and accounting changes, expected outcomes with respect to legal proceedings, including arbitration and insurance claims, the expected impact of future tax and accounting changes, the commitments and targets contained in our 2022 Report on Sustainability and GHG Emissions Reduction Plan and expected industry, market and economic conditions, including their impact on our customers and suppliers. Statements that are forward-looking are based on certain assumptions and on what we know and expect today and generally include words like anticipate, expect, believe, may, will, should, estimate, intend or other similar words.

Forward-looking statements do not guarantee future performance. Actual events and results could be significantly different because of assumptions, risks or uncertainties related to our business or events that happen after the date of this presentation.

Our forward-looking information is based on certain key assumptions and is subject to risks and uncertainties, including but not limited to the realization of expected benefits from divestitures, our ability to successfully implement our strategic priorities and whether they will yield the expected benefits, our ability to implement a capital allocation strategy aligned with maximizing shareholder value, the operating performance of our pipelines, power generation and storage assets, amount of capacity sold and rates achieved in our pipeline businesses, the amount of capacity payments and revenues from power generation assets due to plant availability, production levels within supply basins, construction and completion of capital projects, cost and availability of, and inflationary pressures on, labour, equipment and materials, the availability and market prices of commodities, access to capital markets on competitive terms, interest, tax and foreign exchange rates, performance and credit risk of our counterparties, regulatory decisions and outcomes of legal proceedings, including arbitration and insurance claims, our ability to effectively anticipate and assess changes to government policies and regulations, including those related to the environment, our ability to realize the value of tangible assets and contractual recoveries, competition in the businesses in which we operate, unexpected or unusual weather, acts of civil disobedience, cyber security and technological developments, ESG-related risks, impact of energy transition on our business, economic conditions in North America as well as globally and global health crises, such as pandemics and epidemics, and the impacts related thereto. As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. We do not update our forward-looking statements due to new information or future events, unless we are required to by law. You can read more about these factors and others in the MD&A in our most recent Quarterly Report to Shareholders and in other reports we have filed with Canadian securities regulators and the SEC, including the MD&A in our most recent Annual Report.

For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to our most recent quarterly report and 2022 Annual Report filed under TC Energy's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and with the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov) and the "Forward-looking information" section of our 2022 Report on Sustainability and our GHG Emissions Reduction Plan which are available on our website at [www.TCEnergy.com](http://www.TCEnergy.com).

Comparable EBITDA, comparable earnings, comparable earnings per share, funds generated from operations, and comparable funds generated from operations are non-GAAP measures used throughout this presentation. These measures do not have any standardized meaning under GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. The most directly comparable equivalent GAAP measures are, segmented earnings, net (loss) income attributable to common shares, net (loss) income per common share, and net cash provided by operations. Reconciliations to the most directly comparable GAAP measures are included as an Appendix to this presentation. Refer to the MD&A in our most recent Quarterly Report for more information about the non-GAAP measures, which section of the MD&A is hereby incorporated by reference. Our Quarterly Report to Shareholders is filed with Canadian securities regulators and the SEC and available at [www.TCEnergy.com](http://www.TCEnergy.com) under Investors.



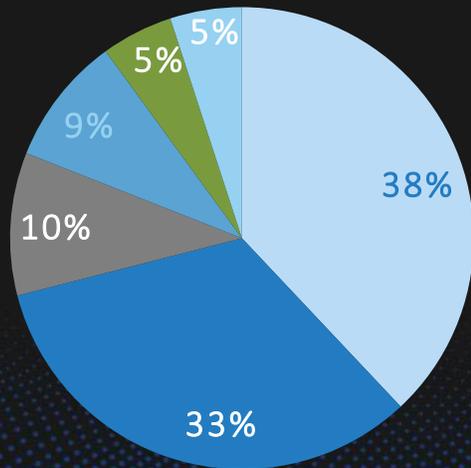
# TC Energy Update & Regulatory Statement

Eric Miller Jr., PE  
Director  
Commercial West – U.S. Pipelines

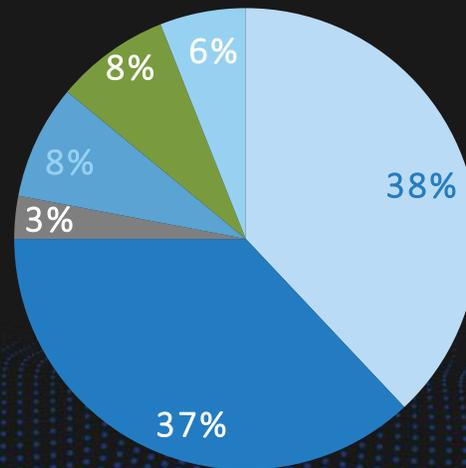


# Strong fundamentals

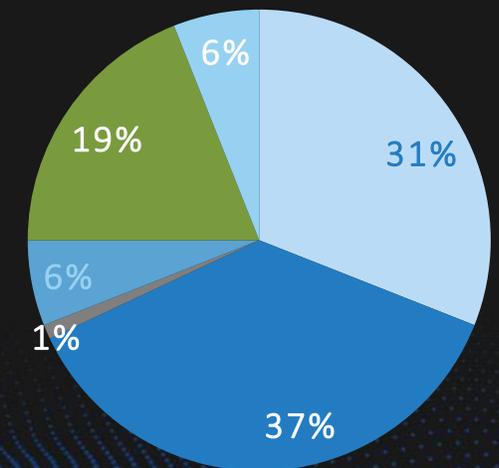
2022 - 2,763 MMtoe



2030 - 2,780 MMtoe



2050 - 2,489 MMtoe



Oil   Natural gas pipelines   Coal   Nuclear   Renewables and hydro   Other (\*)

(\*) Includes biofuels, biogas, biowaste, wood chips, solid waste, biomass, and net trade of electricity, hydrogen and heat.

Sources: IHSM Inflections 2022, IHSM Long Term Outlook 2023, IHS ASW 2022

	2022	2050
LNG export (bcf/day)	12	34
Oil and refined products export (mmbtoe/day)	7.2	8.3
Power demand (Thousand TWh)	5.4	7.5
Hydrogen production, MMtoe	44	82

# Expected goal through 2023

Raise **\$5 billion+** from the sale of discrete non-core assets and/or minority interests



## OBJECTIVES

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- ❖ **Accelerate deleveraging**
- ❖ **Execute** on our vast opportunity set
- ❖ Provide a **self-funding** source for **high-value** growth



## CONSIDERATIONS FOR CAPITAL ROTATION

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- ❖ **Valuation**
- ❖ Pro forma impact on **per share** and **credit metrics**
- ❖ **Pro forma growth** trajectory to 2026 and beyond
- ❖ **Simple** corporate structure
- ❖ Sustainability goals



## PROVEN TRACK RECORD

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- ❖ **Successfully executed** over \$11 billion **divestiture** program between 2017 and 2020

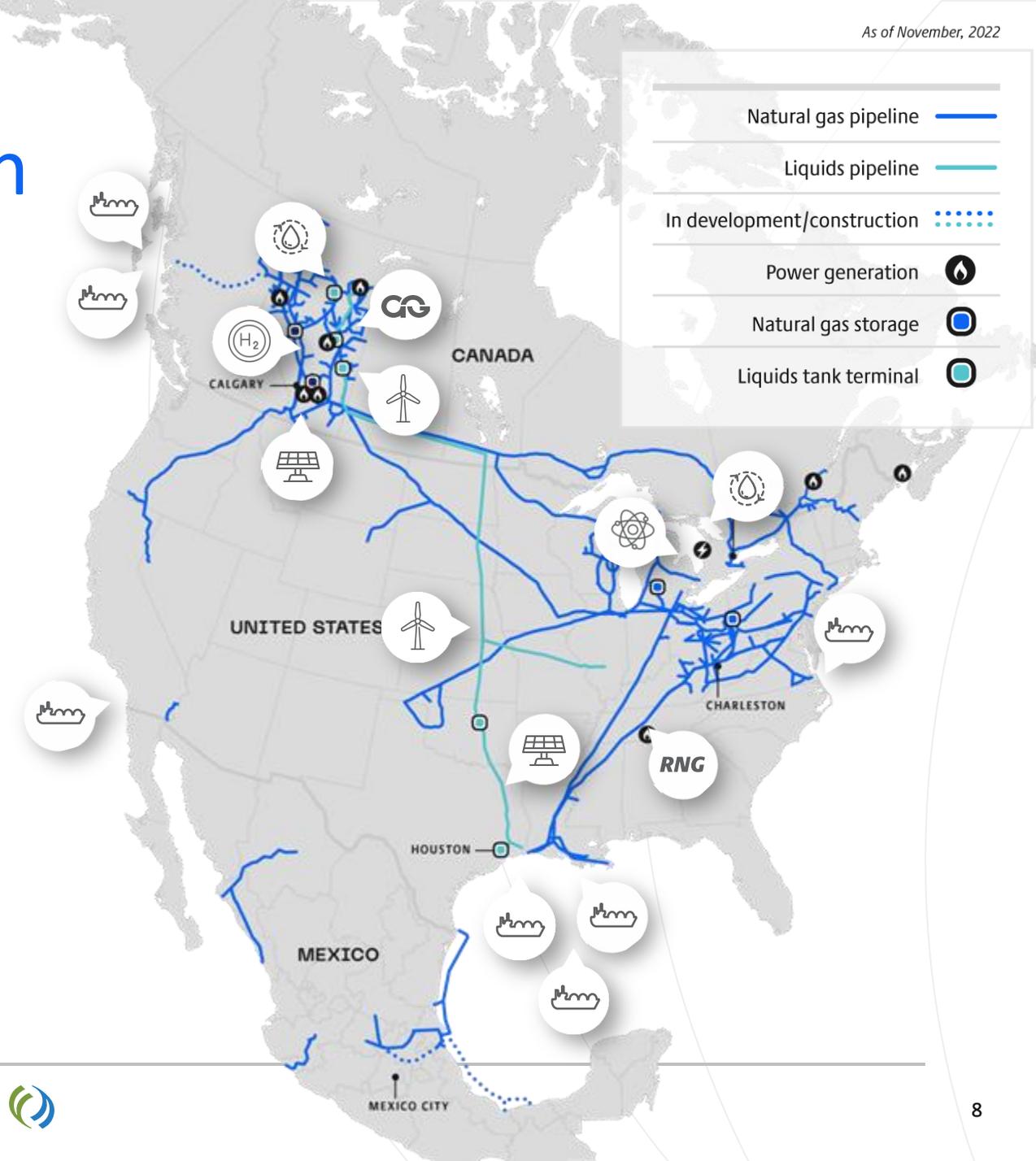


# A highly-integrated North American footprint

- ❖ One of the **largest natural gas networks** spanning North America
- ❖ Connecting **lowest cost basins** to the **largest demand** markets
- ❖ We continue to **invest** in our **natural gas** business
- ❖ **Synergies across business** segments to extend low-carbon solutions

**75-80%**

Of our investments are in **natural gas**





2022

# U.S. natural gas records

**100** Bcf/d

U.S. natural gas production eclipses 100 Bcf/d

**13.7** Bcf/d

Peak U.S. LNG exports in 2022 – forecast to increase to >25 Bcf/d by 2032

**6.4** MM MWh

U.S. gas-fired electricity reaches all time peak in July – equivalent to 50 Bcf

**160** Bcf

Peak 2022 U.S. natural gas demand – depth of Winter Storm Elliott



# U.S. natural gas outlook

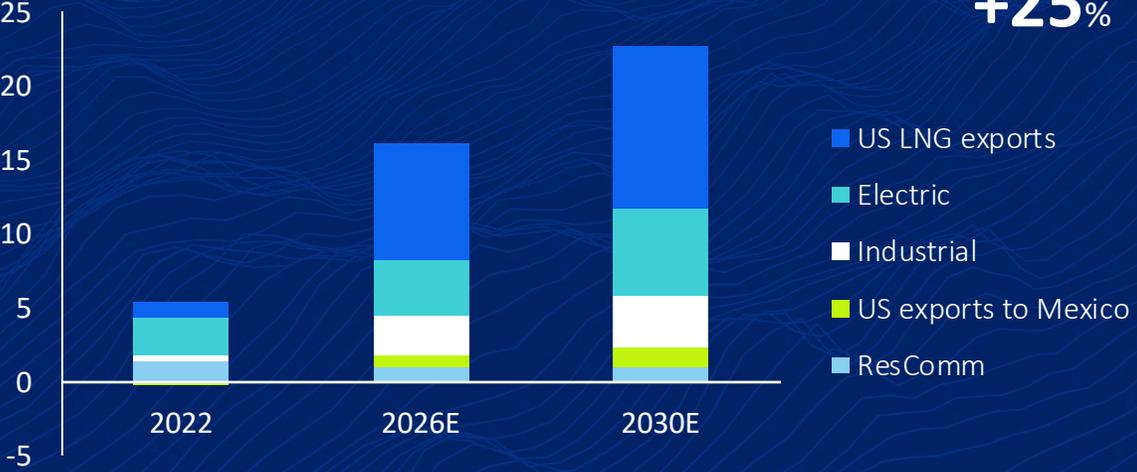
Demand growth expected across most sectors

Supply growth supported by multiple basins

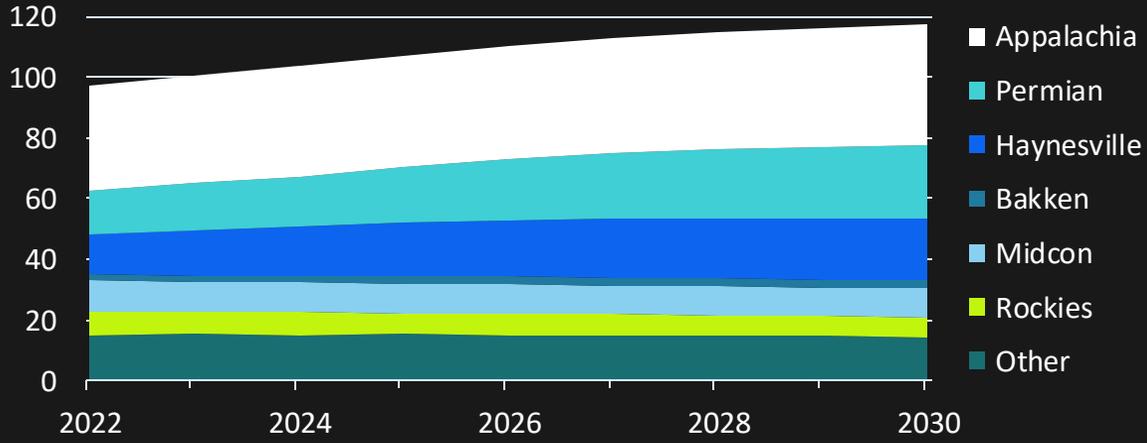
**U.S. natural gas demand growth**  
Bcf/d (incremental from 2022 at 92 Bcf/d)

**Total demand growth**  
2022 - 2030

**+25%**



**U.S. production forecast**  
Bcf/d

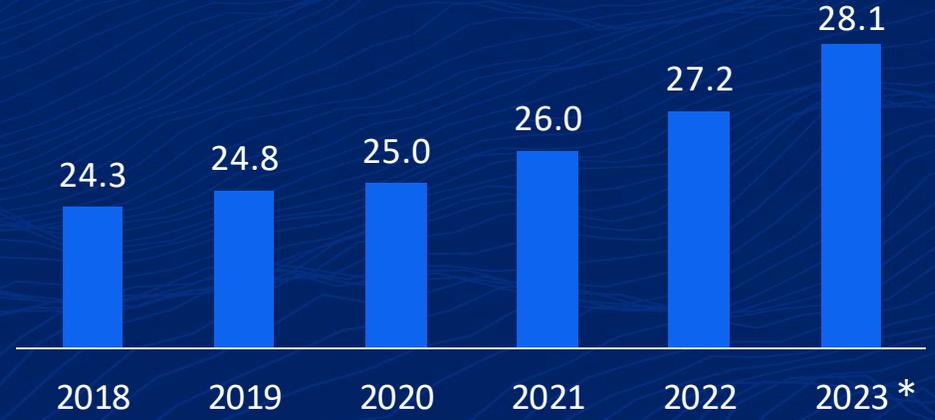


# Doing more with less



## USNG System average flows

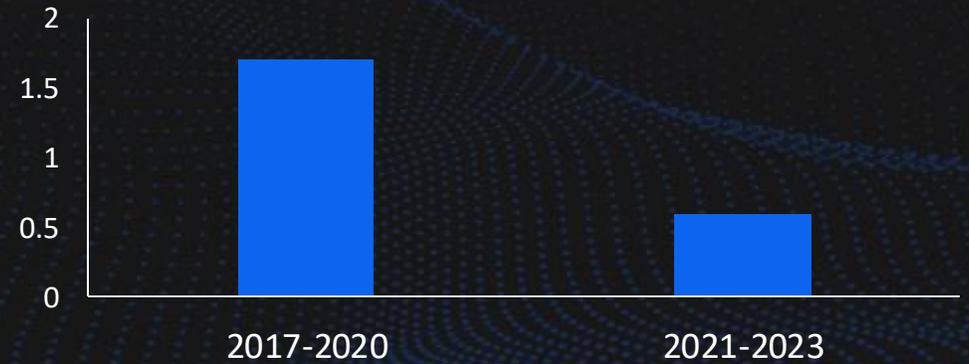
Bcf/d



\*YTD

## FERC pipeline projects approved per month

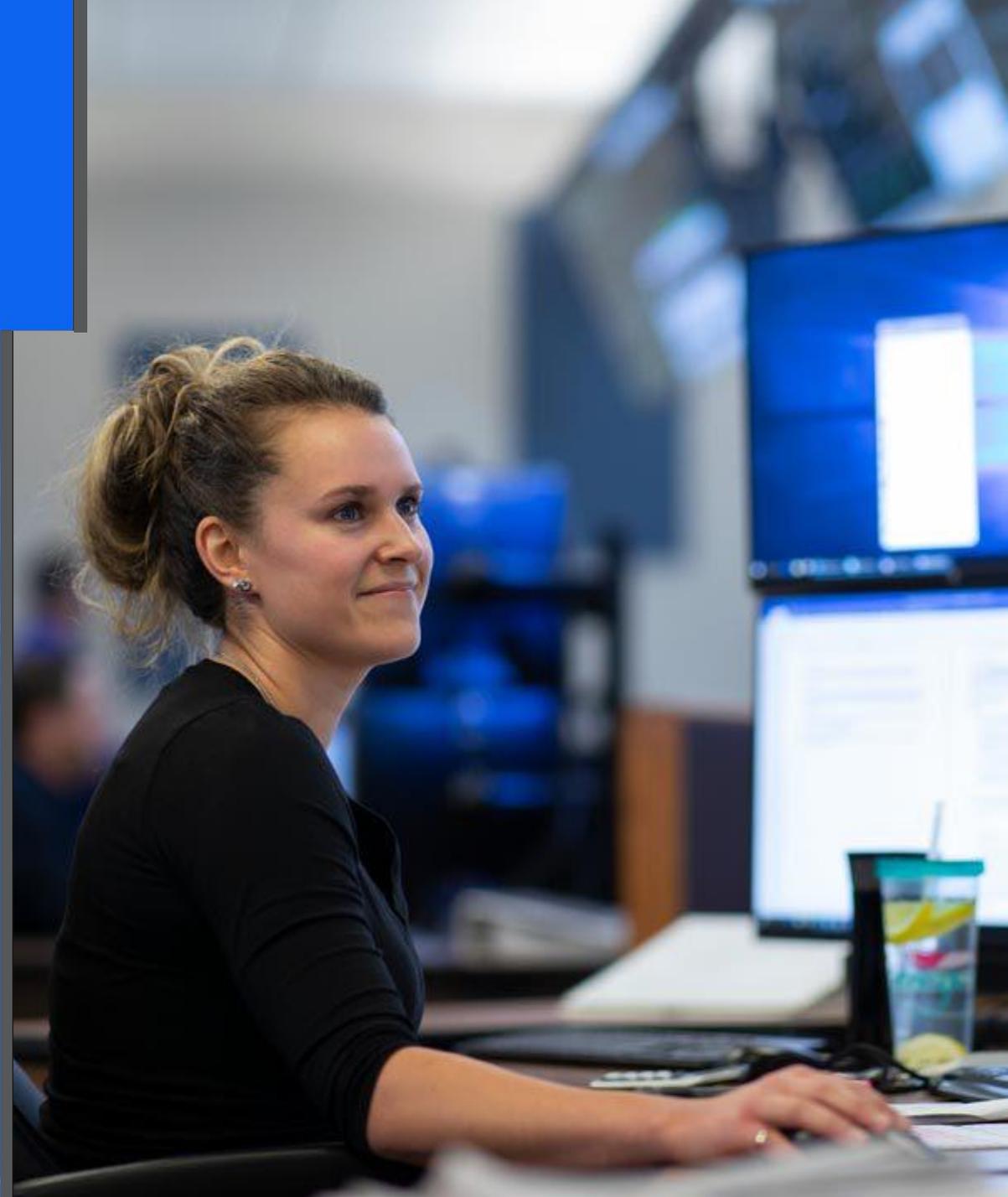
Three times as many projects approved monthly in 2017-2020 vs. 2021-present



# Operations Update

**Michael Gosselin**

Manager, Operations Planning West



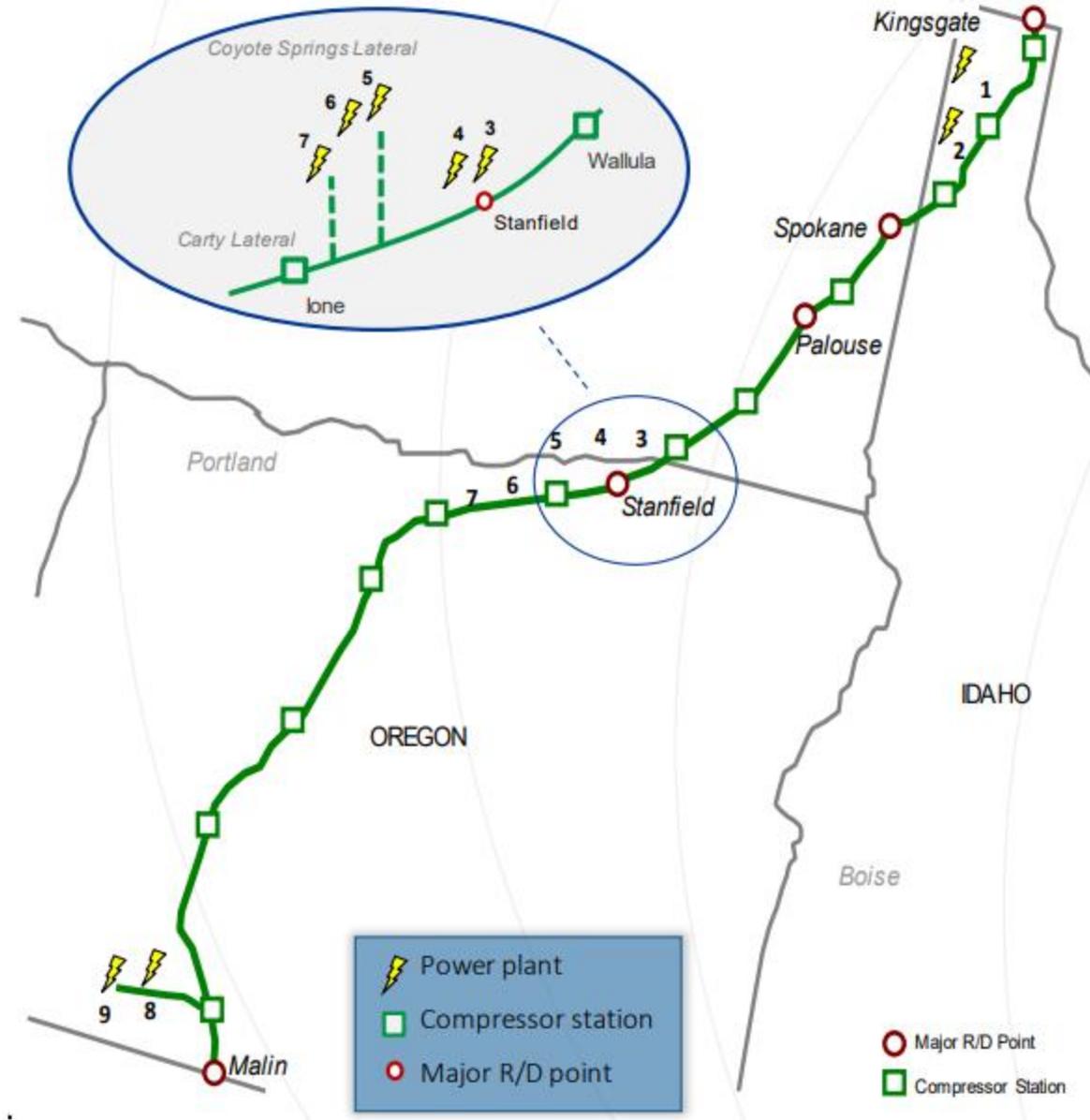
# GTN Transmission System

## 2023 operational update:

- Peak day: March 23, 2023
- Physical deliveries: 2,841 MDth

## 2023 highlights:

- Coyote Springs Booster will be placed in service in July
- 85% of impactful Spring and Summer Maintenance has been completed

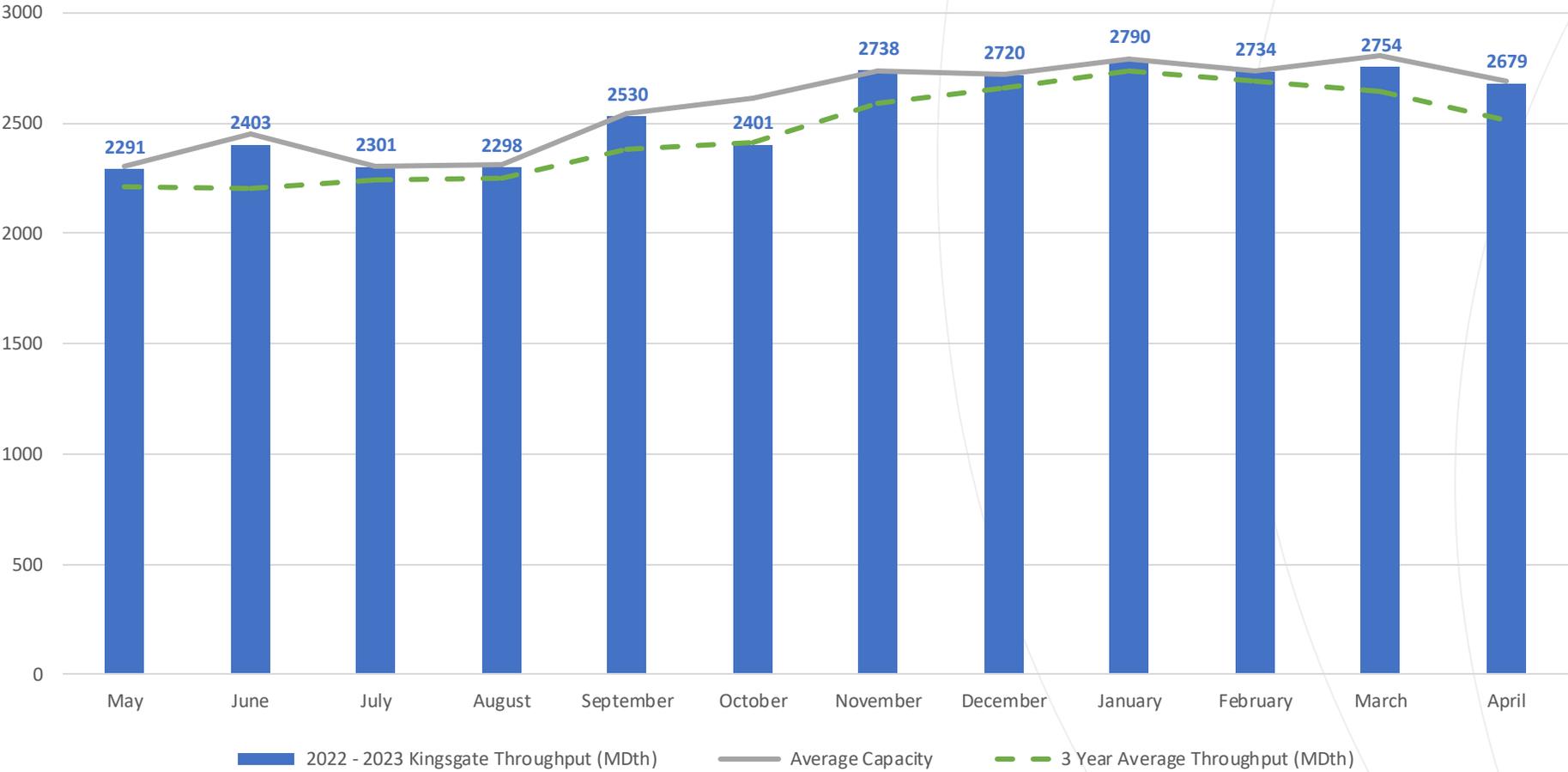


# GTN 2023 Summer maintenance

Dates	Area/Segment/Location	Capacity (MMcf/d)		May	June	July	August	September	October
		Impact	Available						
<b>Gas Transmission Northwest</b>									
<b>Flow Past Kingsgate</b>									
5/24	Wallula Station 8 ESD Test; Rosalia Station 6 Unit C Inspection	216	2,450						
6/15 - 6/16	Athol Station 5 Unit C Overhaul; Eastport Station 3 Unit B Spring Maintenance	266	2,400						
9/28	Eastport Station 3 Unit A Fall Maintenance	66	2,600						
10/4	Starbuck Station 7 Unit C Overhaul	266	2,400						
10/5	Starbuck Station 7 Unit C Overhaul & Unit D Fall Maintenance	316	2,350						
10/6	Starbuck Station 7 Unit C Overhaul	266	2,400						
10/10 - 10/11	Eastport Station 3 Unit B Fall Maintenance	666	2,000						
<b>Flow Past Station 14</b>									
TBD	Malin A-line Replacement	21	1995						

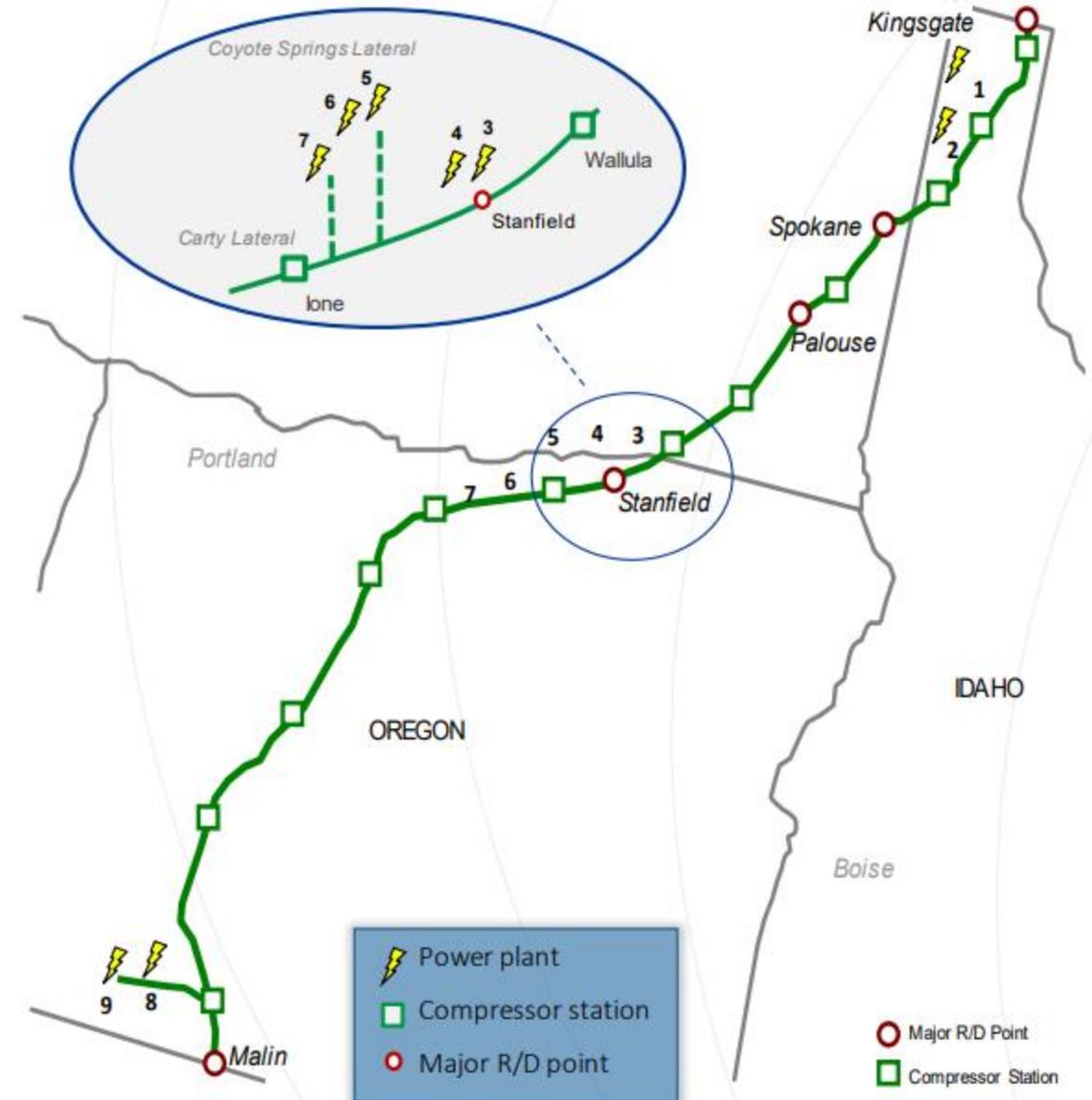


# GTN average daily system throughput

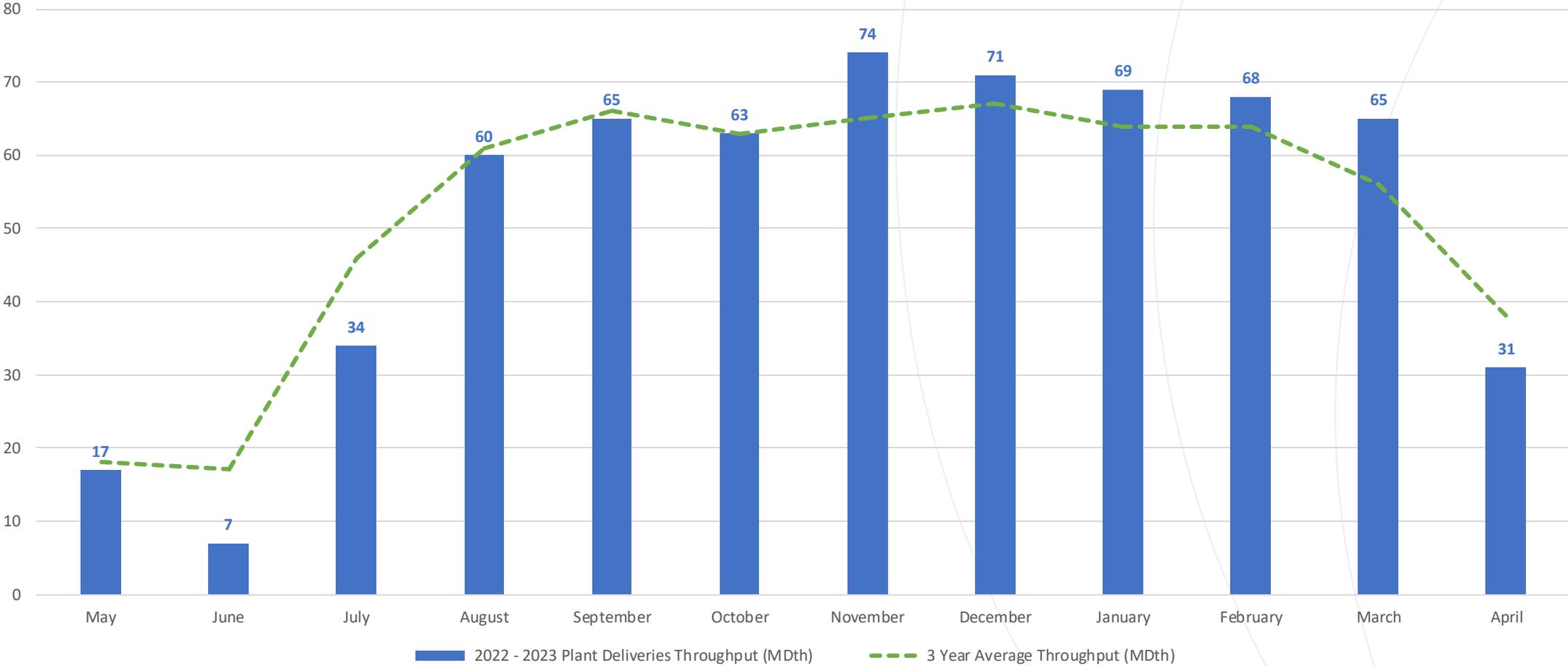


# GTN System power plants

1. Lancaster LLC
2. Rathdrum CT
3. Hermiston Power
4. Hermiston Generating
5. Coyote Springs I
6. Coyote Springs II
7. Carty Generating
8. Klamath Cogen
9. Klamath Expansion



# GTN daily power loads



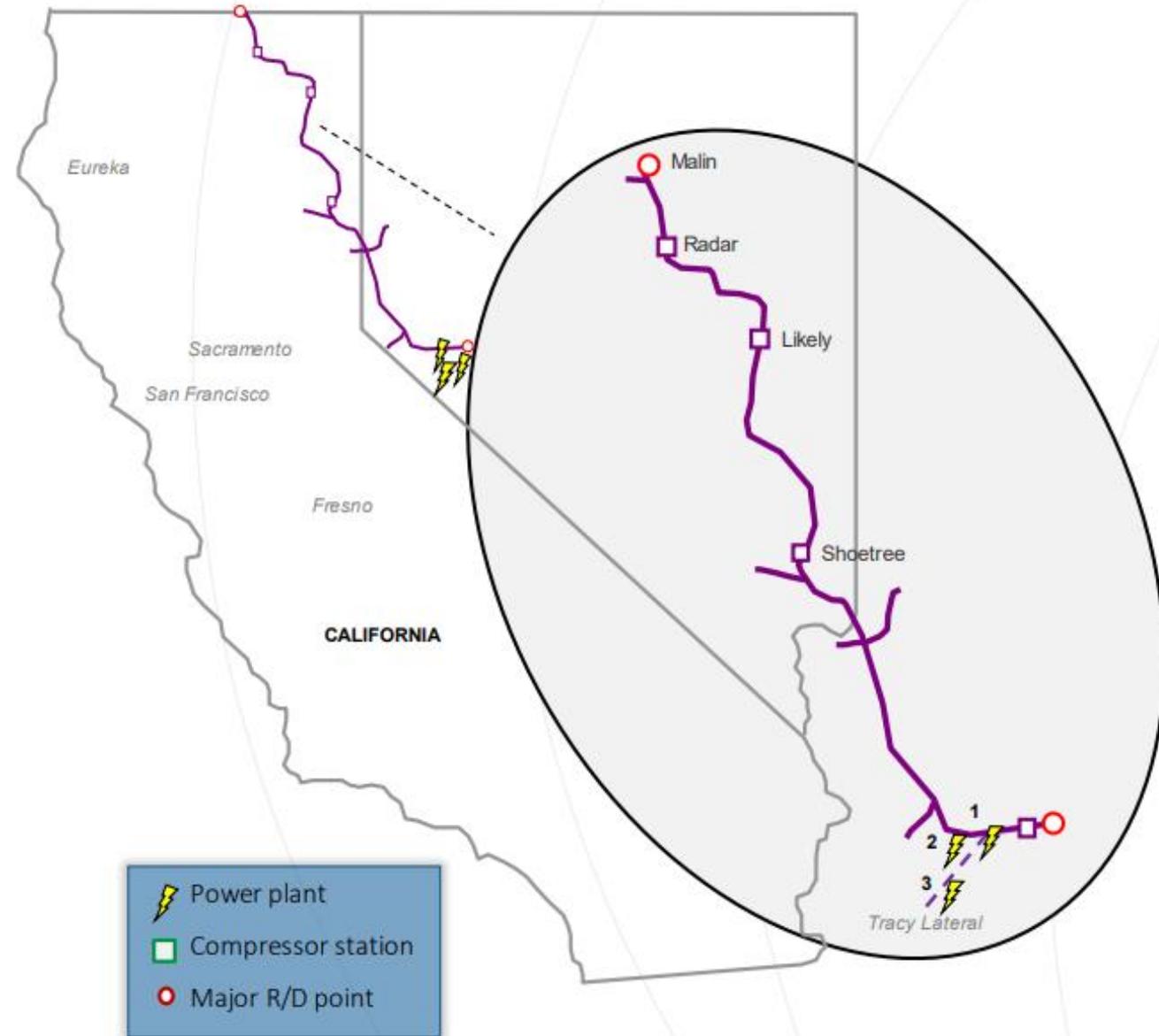
# Tuscarora Transmission System

## 2023 operational update:

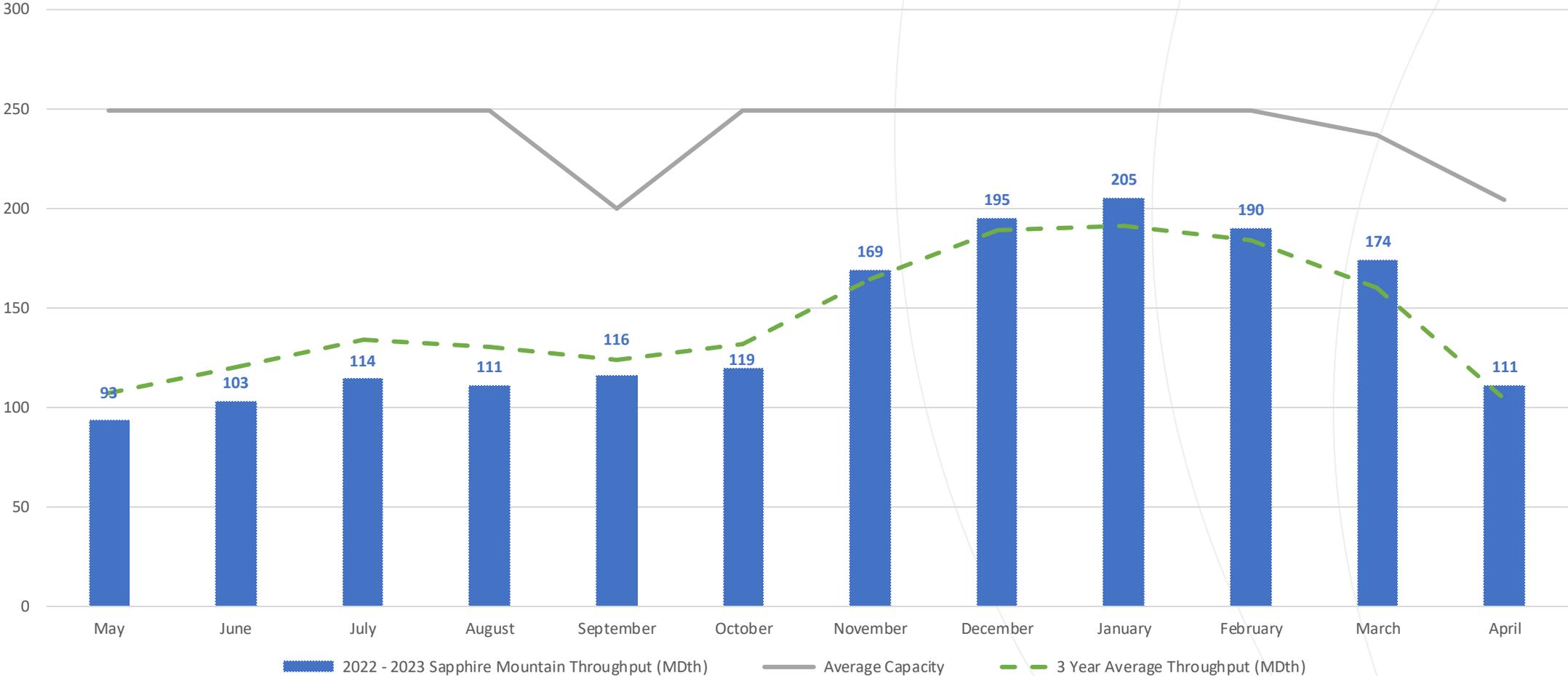
- Peak day: January 20, 2023
- Physical deliveries: 236 MDth

## 2023 highlights:

- Only on Mainline commercial impact through 2023
- No remaining impactful maintenance

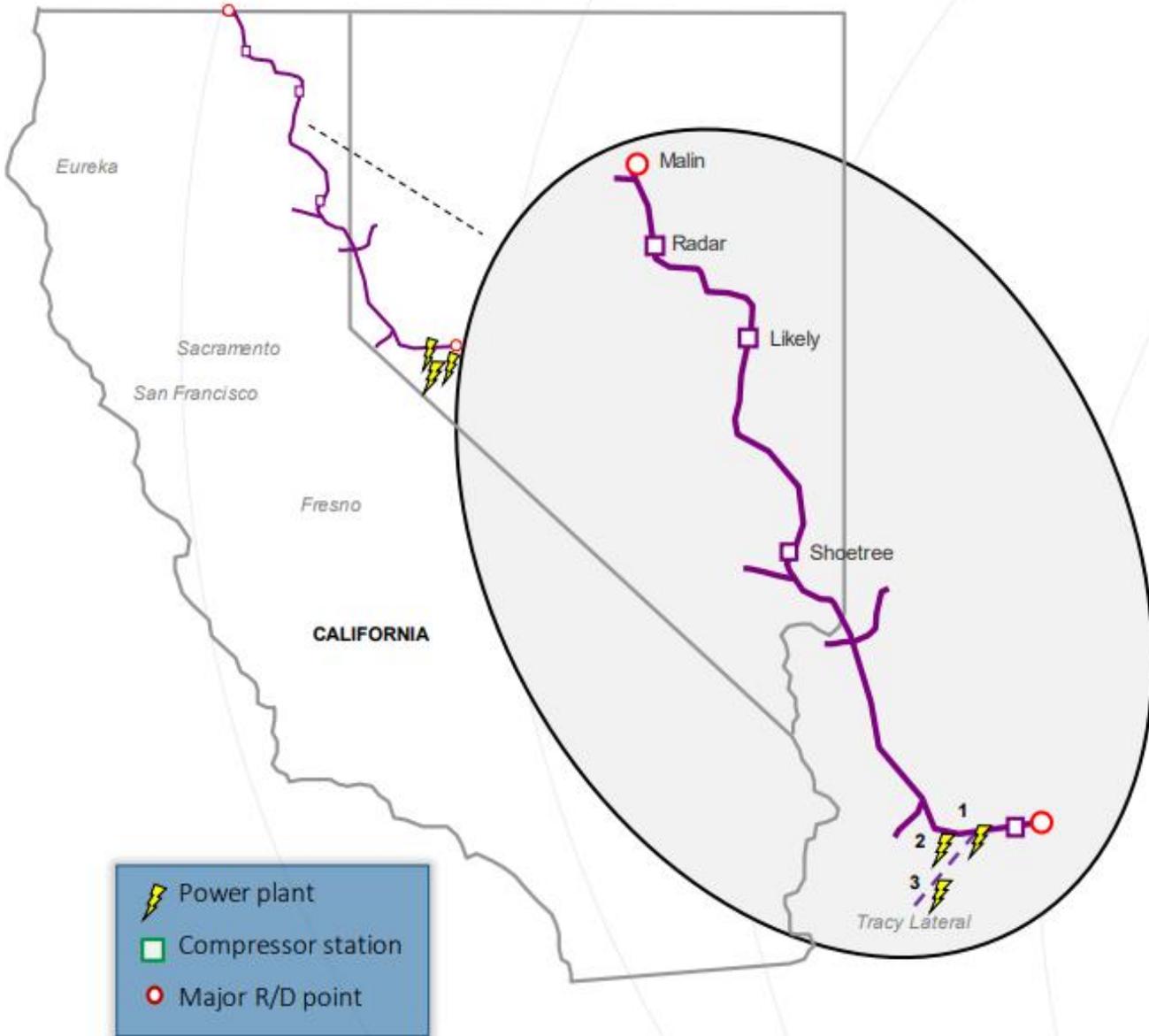


# Tuscarora average daily system throughput

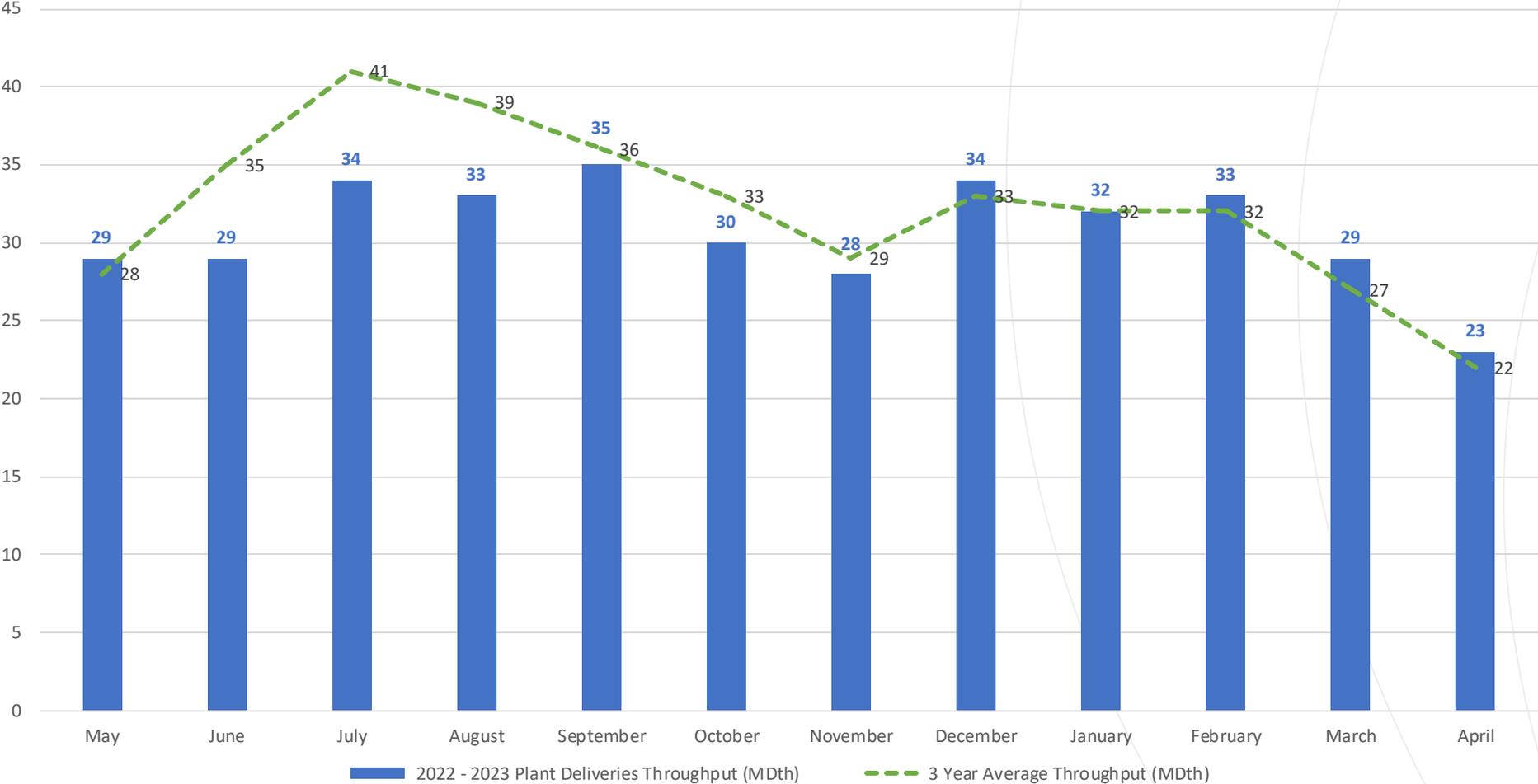


# Tuscarora System Power Plants

- 1. Tracy Station I
- 2. Tracy Station II
- 3. Western 102 Generation Facility



# Tuscarora daily power loads



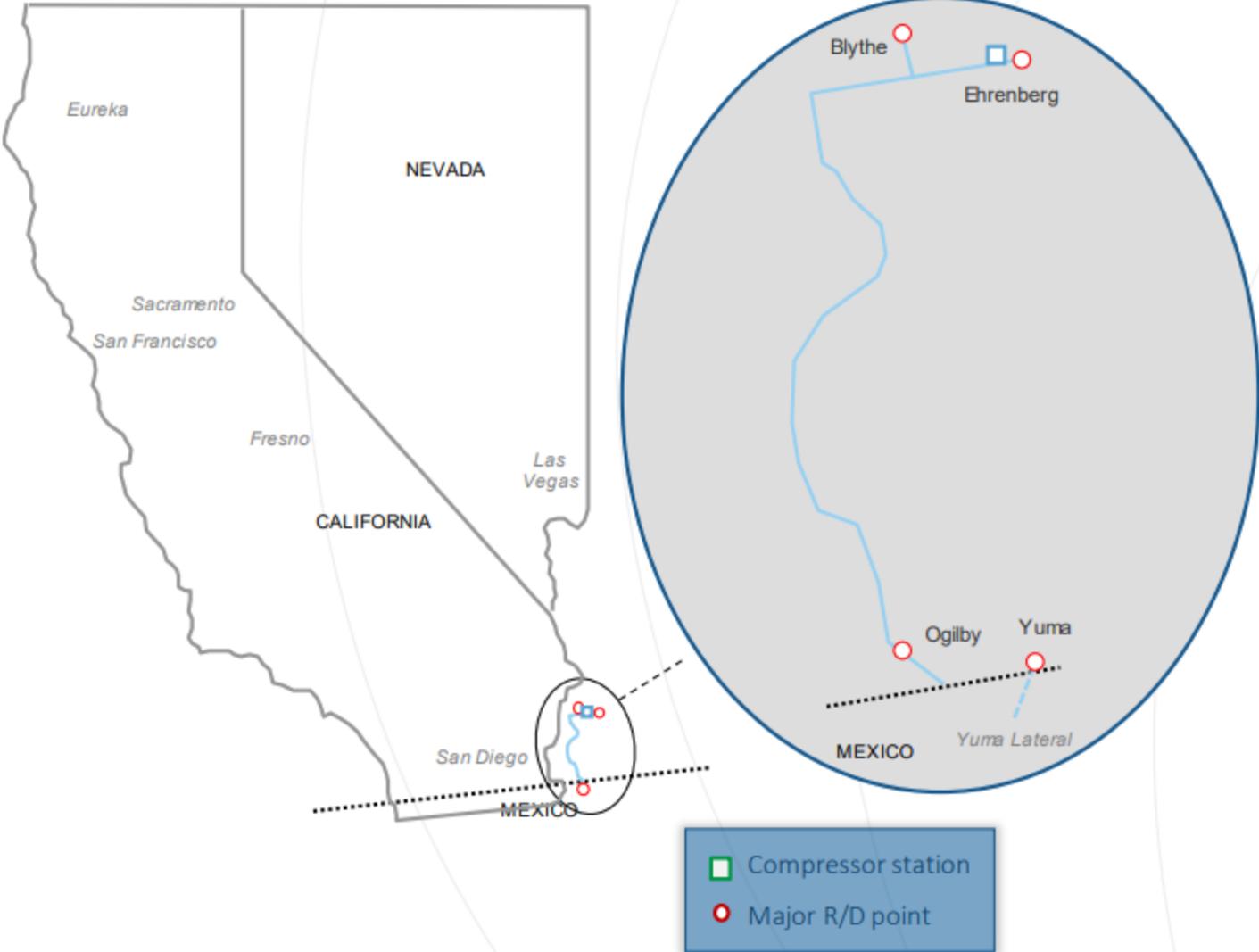
# North Baja Pipeline System

## 2023 operational update:

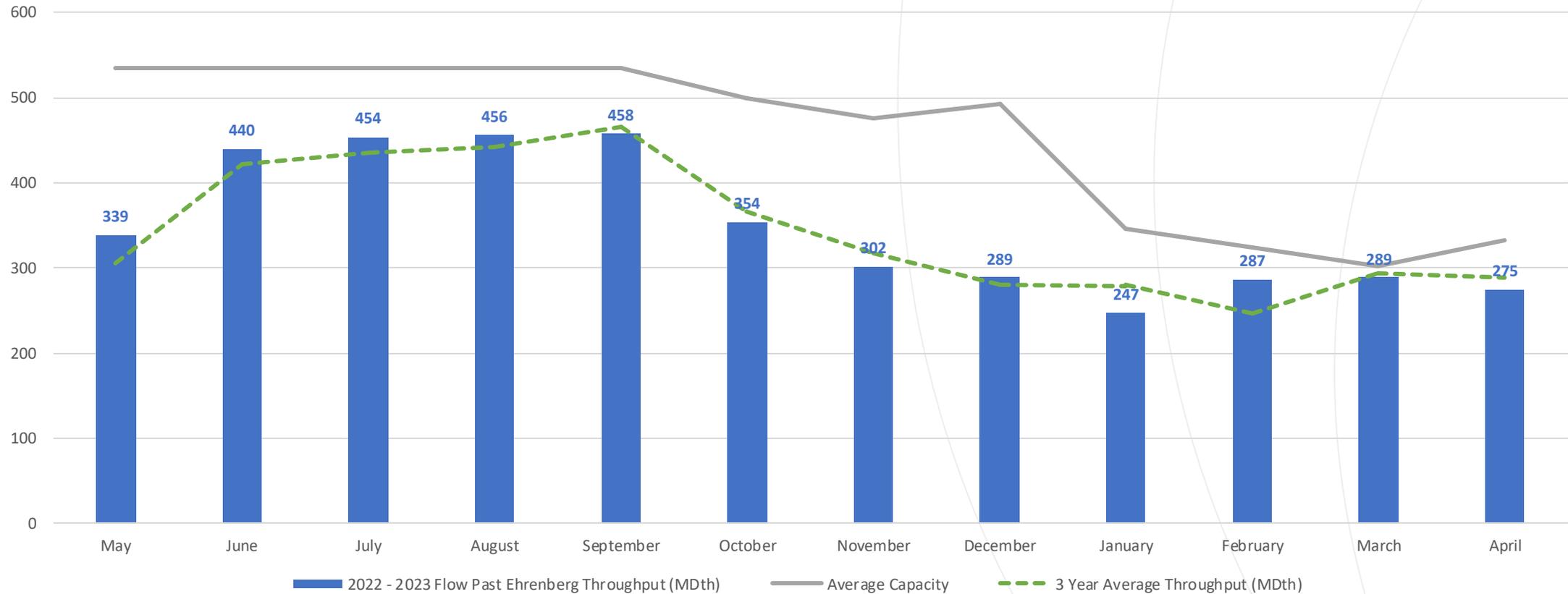
- Peak day: February 12, 2023
- Physical deliveries: 342 MDth

## 2023 Highlights:

- North Baja Xpress work is expected to be completed later this month.



# North Baja average daily system throughput



# North Baja highlights and 2023

- North Baja Xpress work is expected to finish in June

Dates	Area/Segment/Location	Capacity (MMcf/d)		May	June	July	August	September	October
		Impact	Available						
<b>Flow Past Ehrenberg</b>									
5/11 - 5/31	Ehrenberg Unit D Re-wheel work	0	512						
5/23	Ehrenberg C&M & SCADA work	194	318						



# Gas Control and Operations Planning contacts

- **Kyla Mayweather** – Manager, U.S. Gas Control West  
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- **Frank Hildenbrand** – Manager, Borders West Gas Control  
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- **David Dotson** – Power Desk, Operations Planning West  
(346) 833-5808  
USPW\_Power\_Desk@tceenergy.com, ddotson(ICE)
- **Michael Gosselin** – Manager, Operations Planning West  
(832) 320-5167  
michael\_jr\_gosselin@tcenergy.com
- **Thomas Mazurek** – Operational Planner (GTN, Tuscarora),  
Operations Planning West  
(832) 320-5056  
thomas\_mazurek@tcenergy.com
- **Chris Burns** – Operational Planner (North Baja), Operations  
Planning West  
(832) 320-5056  
chris\_burns@tcenergy.com



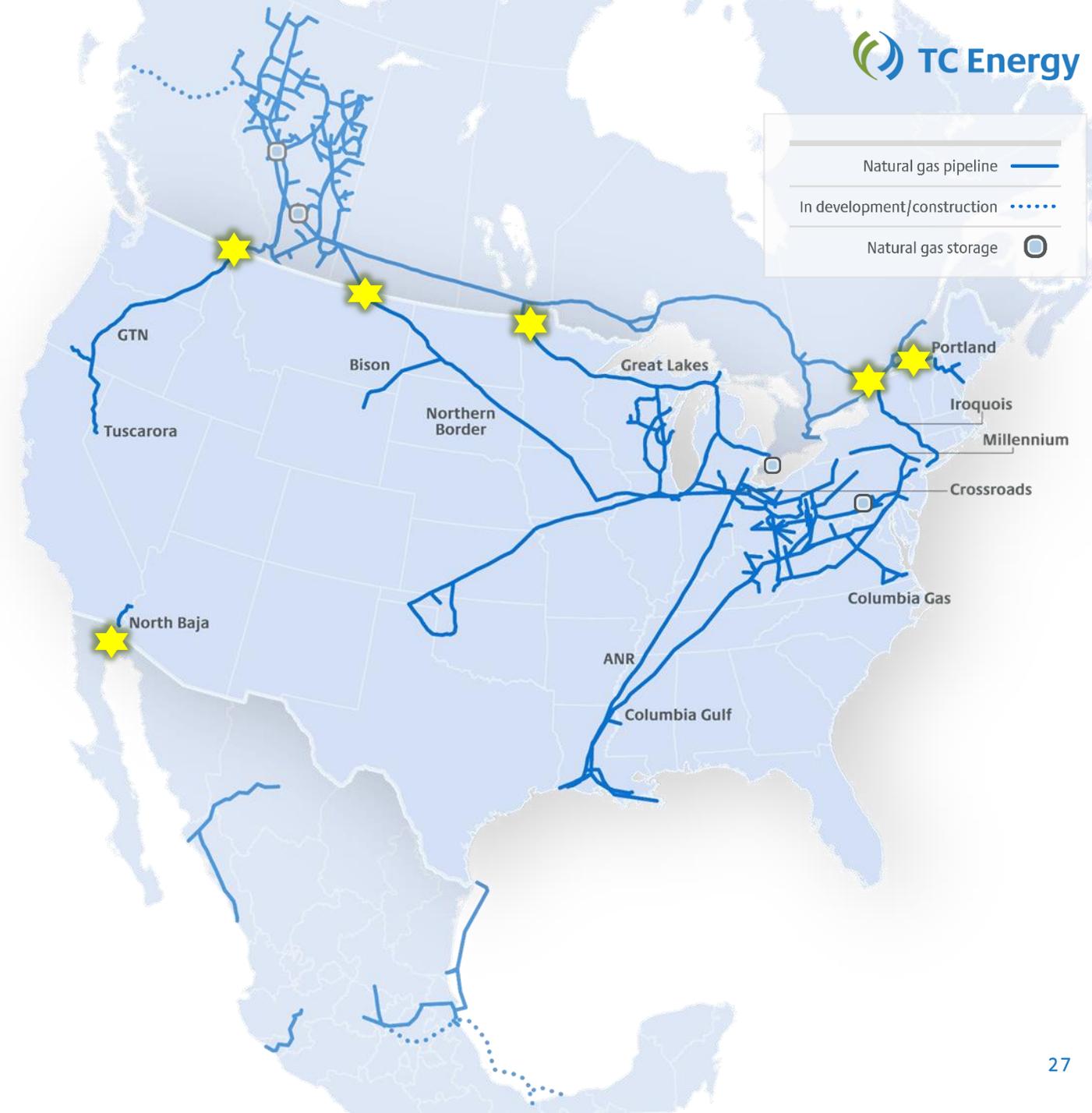
# Business Development

**Kevin Stonewall**  
Business Development  
U.S. Natural Gas



# An irreplaceable North American network

- **Energy demand** will continue to **increase** over time
- **Value of pipe in the ground** is increasing, supported by strong fundamentals, driving an opportunity-rich environment
- **Incumbent advantage** – access to abundant, cost-competitive supply
- **Connectivity to key demand markets** - reliably delivering **~25%** of U.S. average daily demand and **~27%** of U.S. LNG feedgas transported by USNG
- **Energy transformation** will take time and is one of natural gas **AND** renewables



 Represents cross-border connection point

# Target rich environment across multiple platforms

Strong alignment between fundamentals and asset footprint



-  LDC energy security
-  Next-wave LNG
-  Supply access
-  Power generation & coal retirements
-  Low-carbon & decarbonization solutions

*Pipe in the ground will become more valuable over time*

# North Baja XPress Project update

**Overview:** 495 MDth/d expansion of N. Baja system

**Market need:** Supply feed gas to U.S./Mexico border destined for LNG export

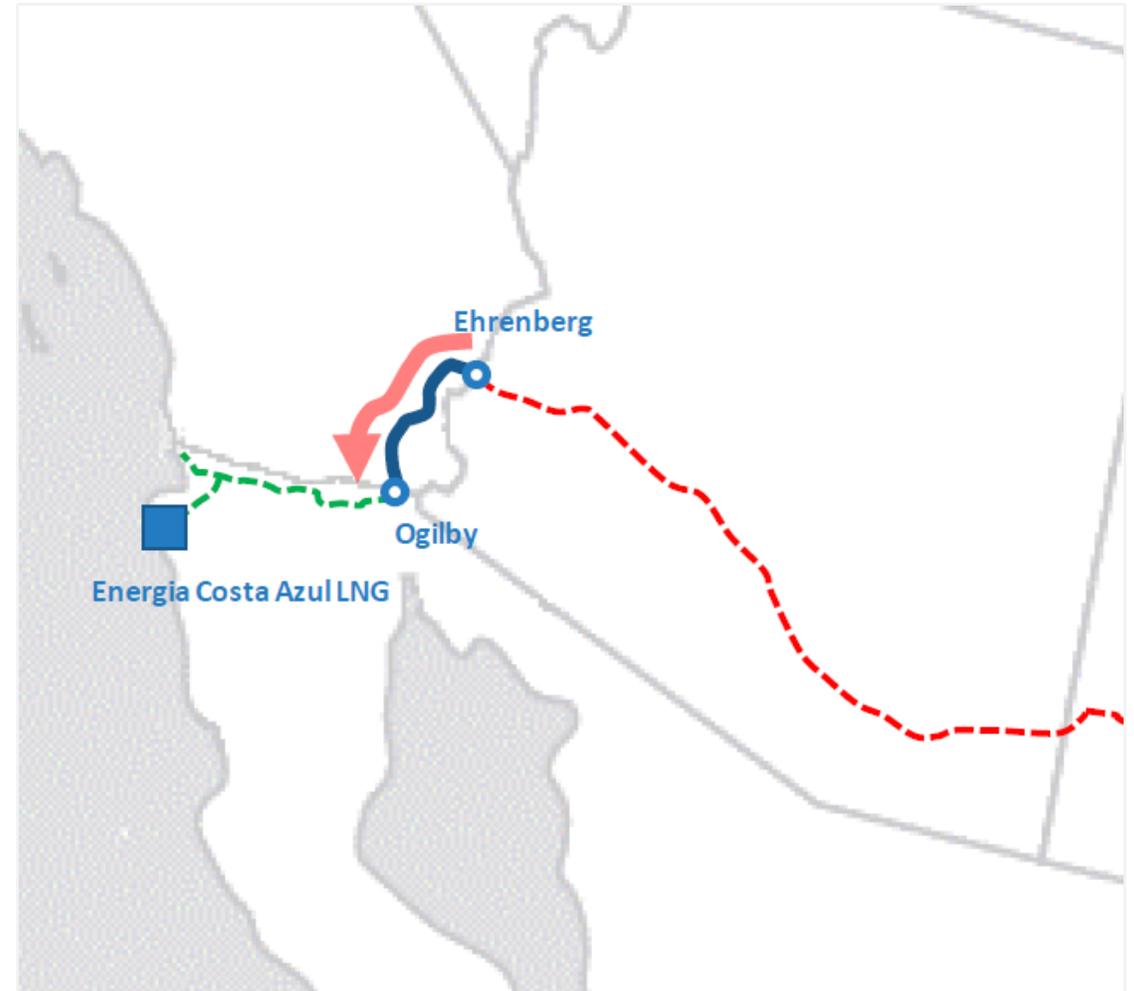
**Facilities:**

- Install incremental C/S HP (Ehrenberg)
- Meter Station modifications (Ehrenberg and Ogilby)

**Project timeline:**

FERC Docket	Filing Date	Final EIS	Certificate Order	Notice to Proceed	Original In-Service Date
CP20-27	Dec. 2019	Oct. 2021	Apr. 2022	Jul. 2022	Feb. 2023

*Note: FERC granted N. Baja to commence service on the new Ehrenberg C/S as early as May 5<sup>th</sup>, providing up to 340 MDth/d of Project capacity*



# GTN XPress Project update

**Overview:** 150 MDth/d expansion of GTN system

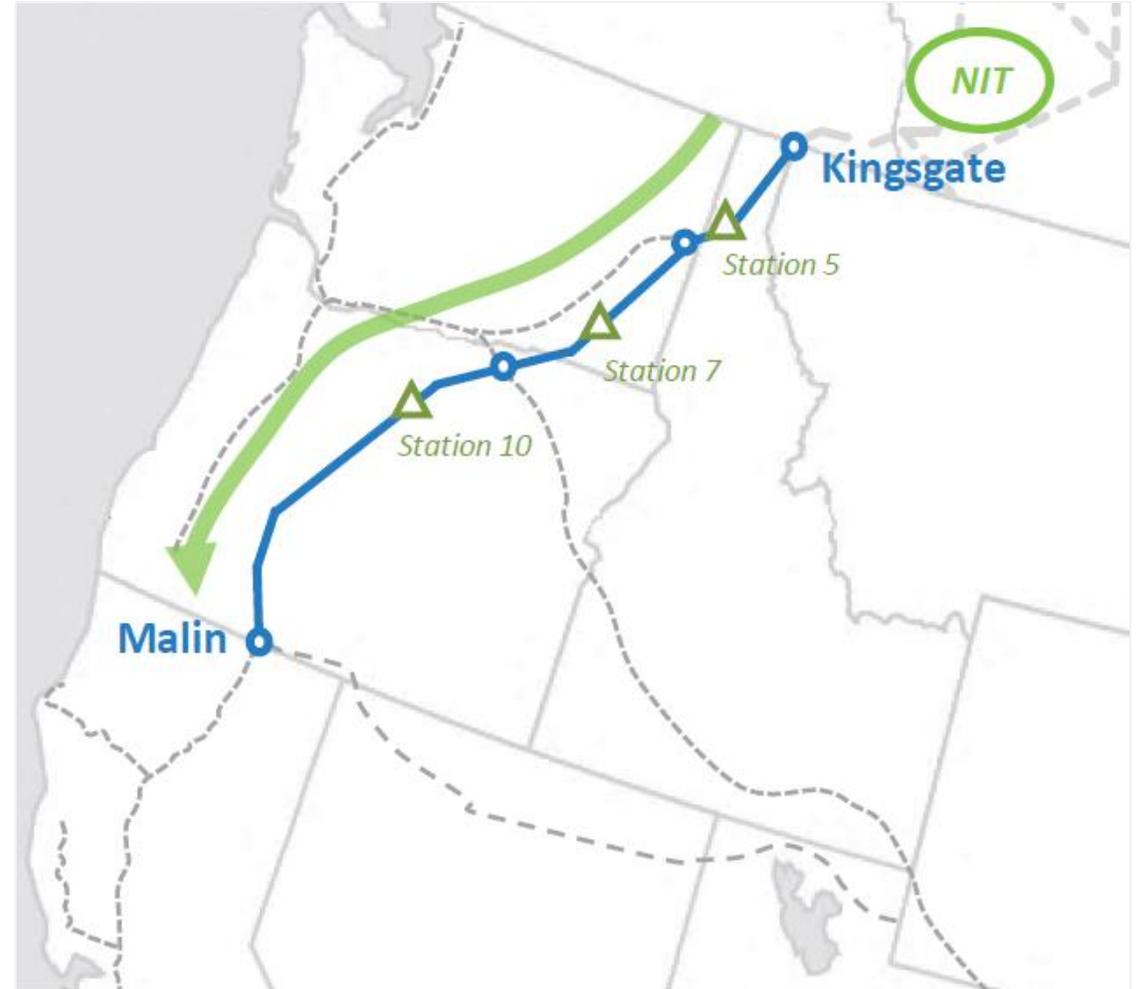
**Market need:** Rising demand driven by residential, commercial, and industrial customer market growth in Pacific Northwest

**Facilities:**

- Install incremental C/S HP (Station 7)
- Uprate existing C/S HP (Stations 5, 7 and 10)
- Install gas cooling bays (Stations 7 and 10)

**Project timeline:**

FERC Docket	Filing Date	Final EIS	Certificate Order	Notice to Proceed	Original In-Service Date
CP22-2	Oct. 2021	Nov. 2022	Pending	TBD	Nov. 2023



# Business Development takeaways



- **Energy demand** will continue to increase
- **Security, reliability** and **affordability** underpin the longevity of natural gas in the energy mix
- **Energy Transformation** will take time



- **Natural gas** is the “**always on**” fuel, and **critical** to the buildout of renewables
- **Value of pipe in the ground** is increasing
- **Infrastructure Permitting Reform** is needed



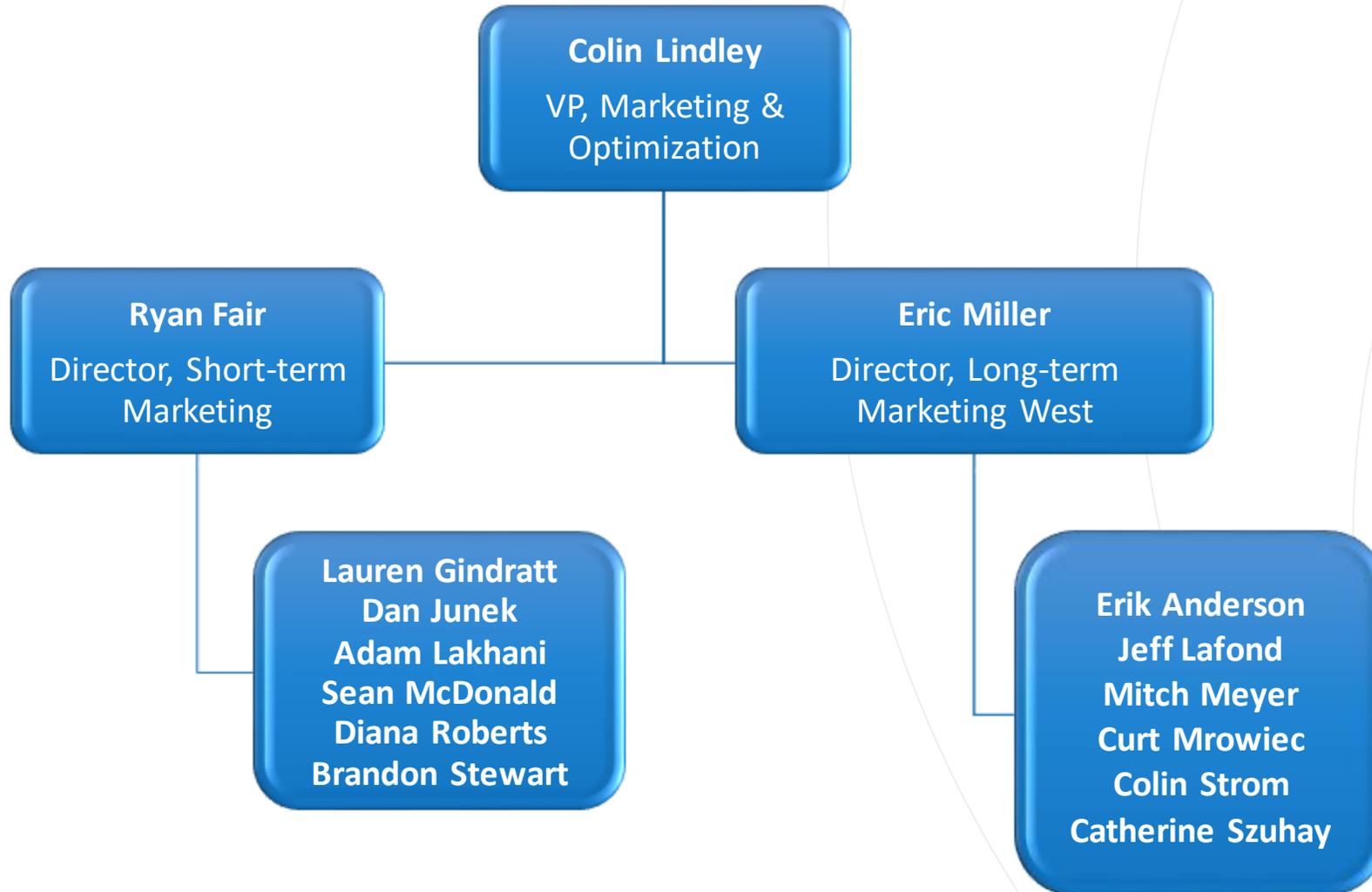
- **TCE assets** will continue to **safely and reliably deliver the energy people need every day**
- **We are a team of Energy Problem Solvers**
- **We’re here to help – Please reach out to the team with questions or opportunities!**

# Commercial Update

**Sean McDonald**  
Short Term Trading and Marketing  
U.S. Natural Gas

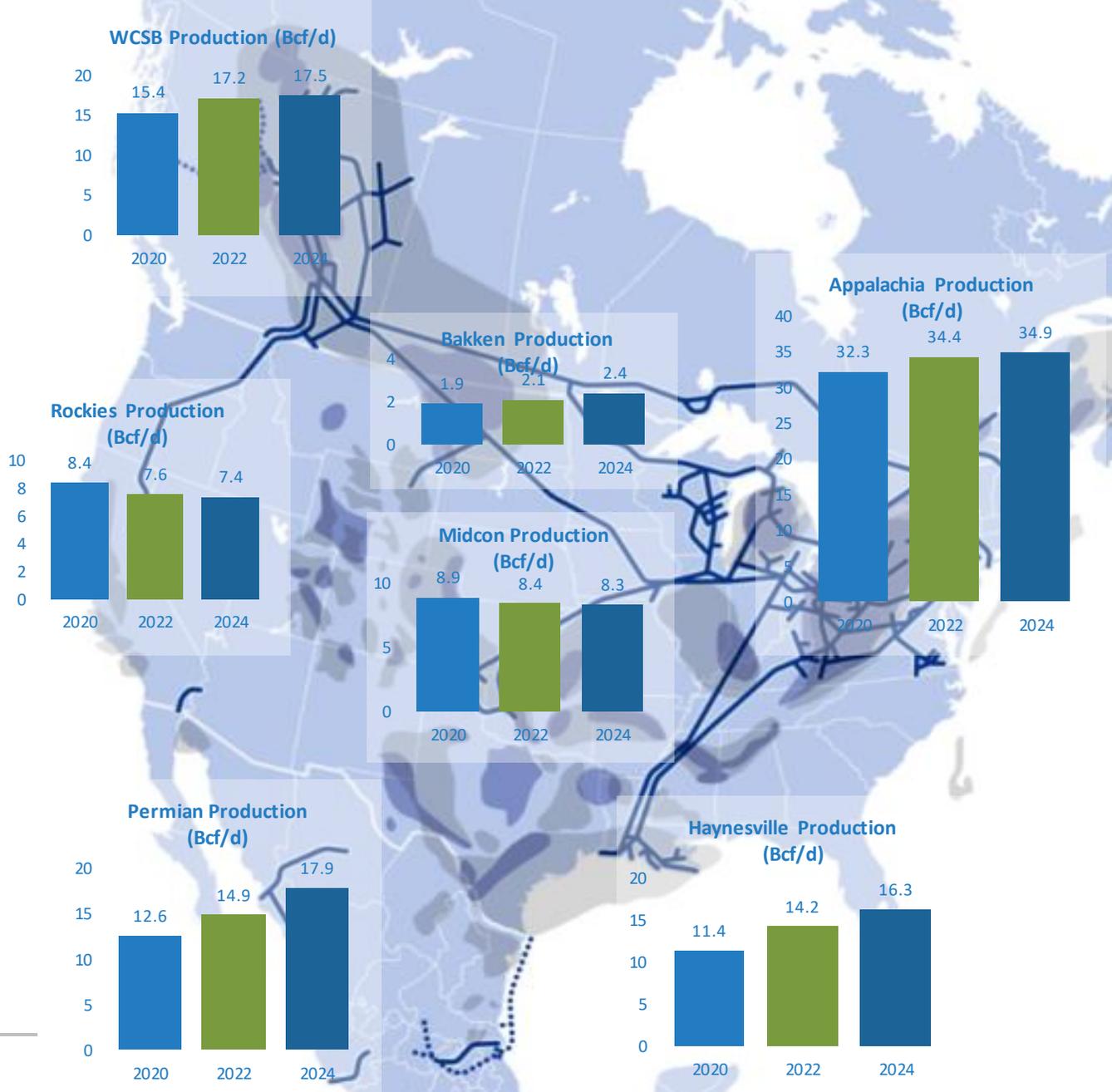


# USNG Marketing team



# Natural Gas production by major basins

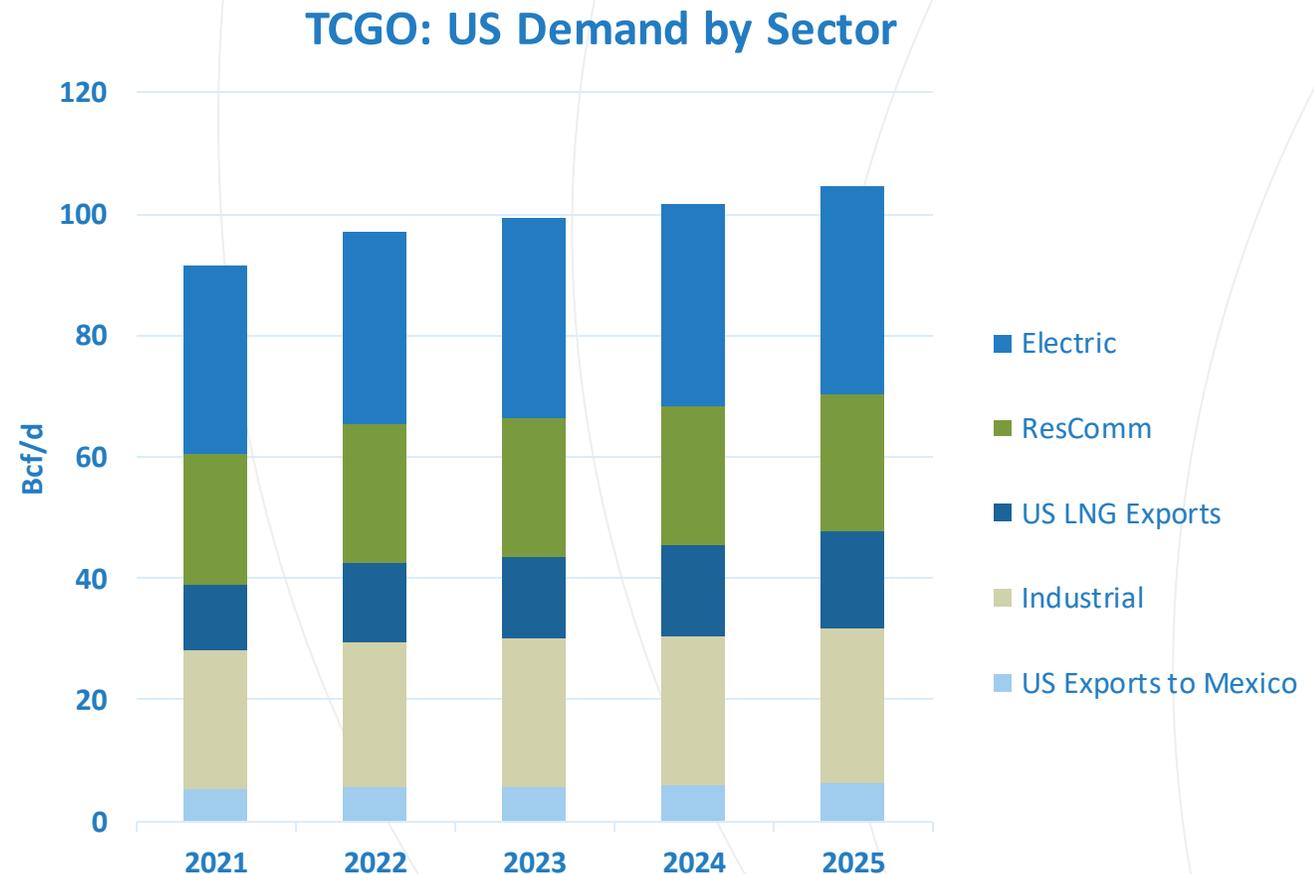
- Production growth expected to resume in AECO/Bakken
  - Supportive of full utilization on GTN, NBPL, GLGT
- Slowing growth in Appalachia
  - However rapid growth in Haynesville
- Slow declines in the Mid-Continent and Rockies continue



Source: Consensus View and TCGO Internal Forecast

# U.S. consumption by sector (Bcf/d)

- Steady demand growth next several years
- Total demand increase largely driven by strong LNG export buildout and rising demand in both Europe and Asia
- Electric demand growth in the TC Gas Outlook is supported, in part, by coal retirements over the coming years



Source: EIA, TCGO Internal Forecast



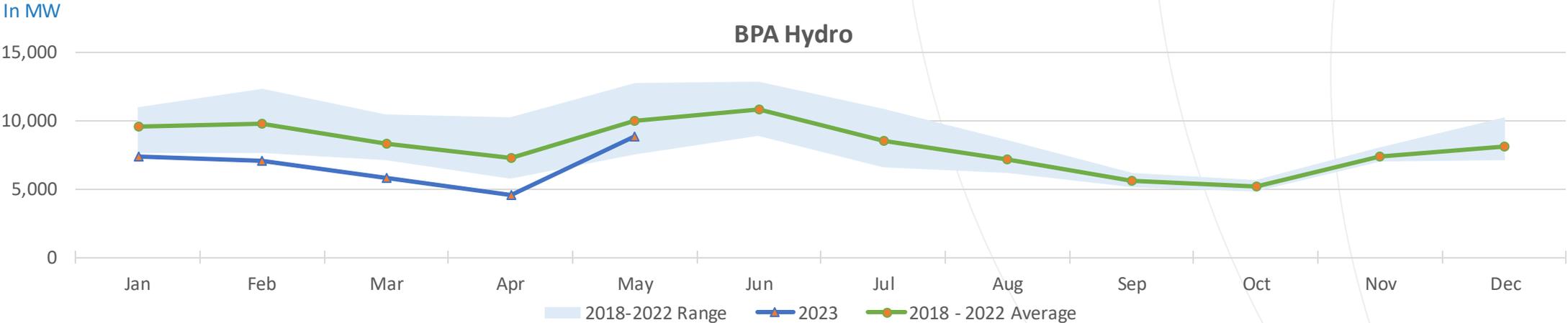
# Pacific NW and California: Hydro forecast

- Hydro has been weak in 2023

(in MW)

	2023	2022	2018 - 2022 Average	5Yr Max	5Yr Min	2018-2022 Range
Jan	7,326	10,958	9,574	10,958	7,676	3,282
Feb	7,096	9,780	9,777	12,278	7,618	4,660
Mar	5,847	9,129	8,310	10,461	7,120	3,341
Apr	4,531	5,833	7,277	10,256	5,782	4,474
May	8,878	8,061	9,938	12,702	7,524	5,178
Jun		12,869	10,804	12,869	8,873	3,996
Jul		10,881	8,561	10,881	6,579	4,302
Aug		8,600	7,211	8,600	6,208	2,392
Sep		5,877	5,613	6,165	5,159	1,006
Oct		4,766	5,133	5,679	4,766	913
Nov		7,521	7,418	8,052	7,033	1,019
Dec		7,641	8,099	10,242	7,057	3,185

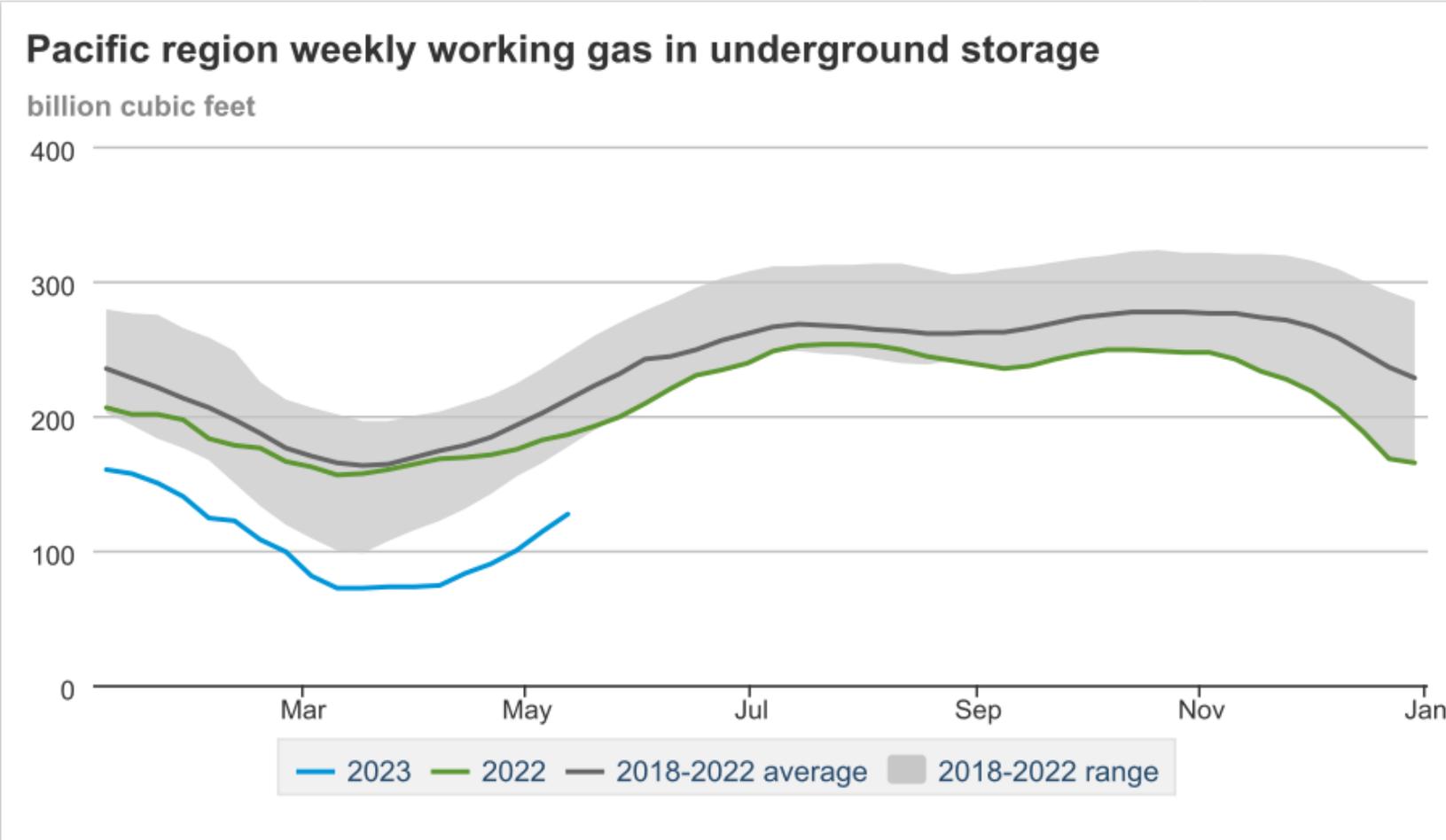
MTD May 8, 2023



Source: BPA

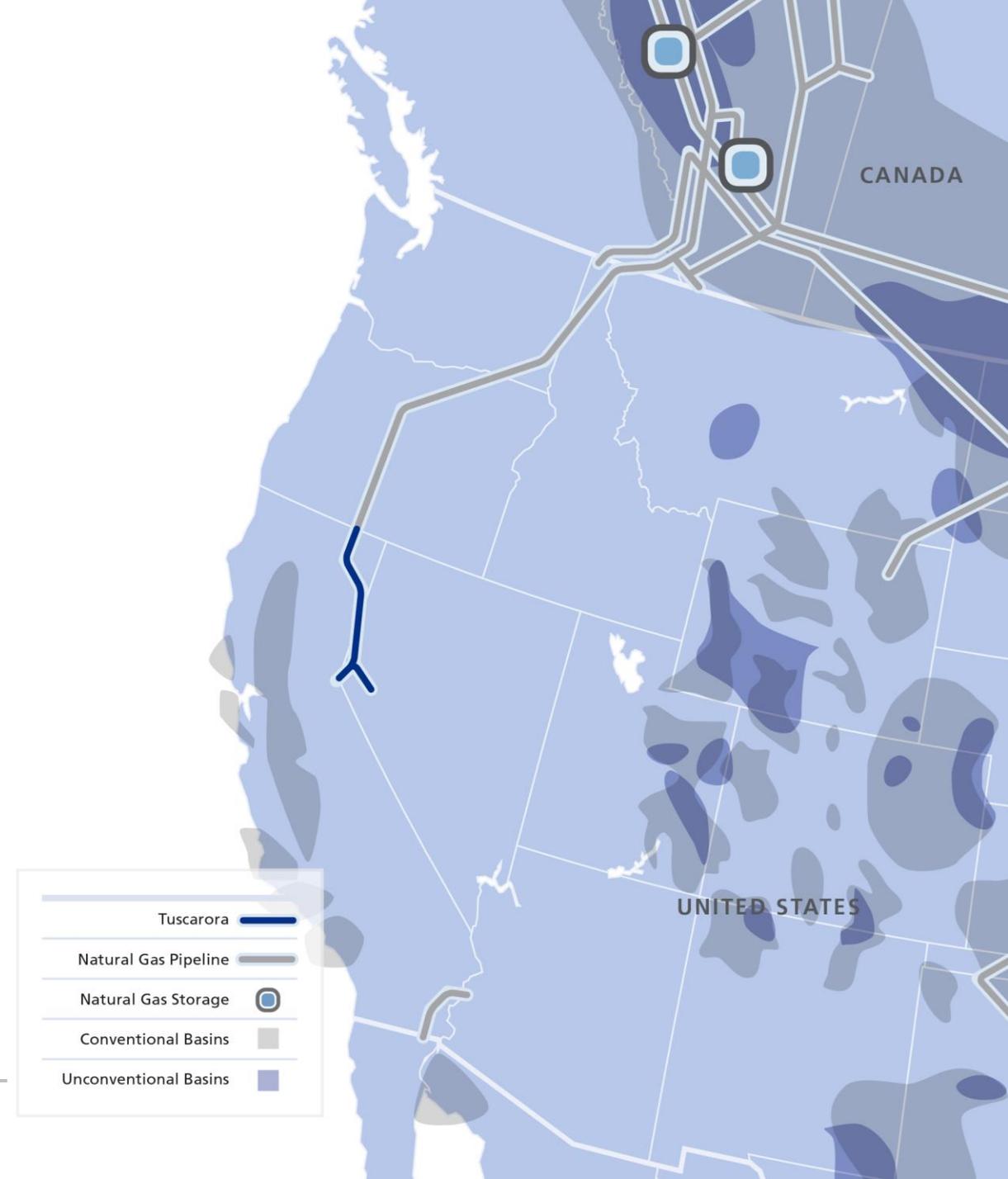


# Pacific Storage as of 5/19/23



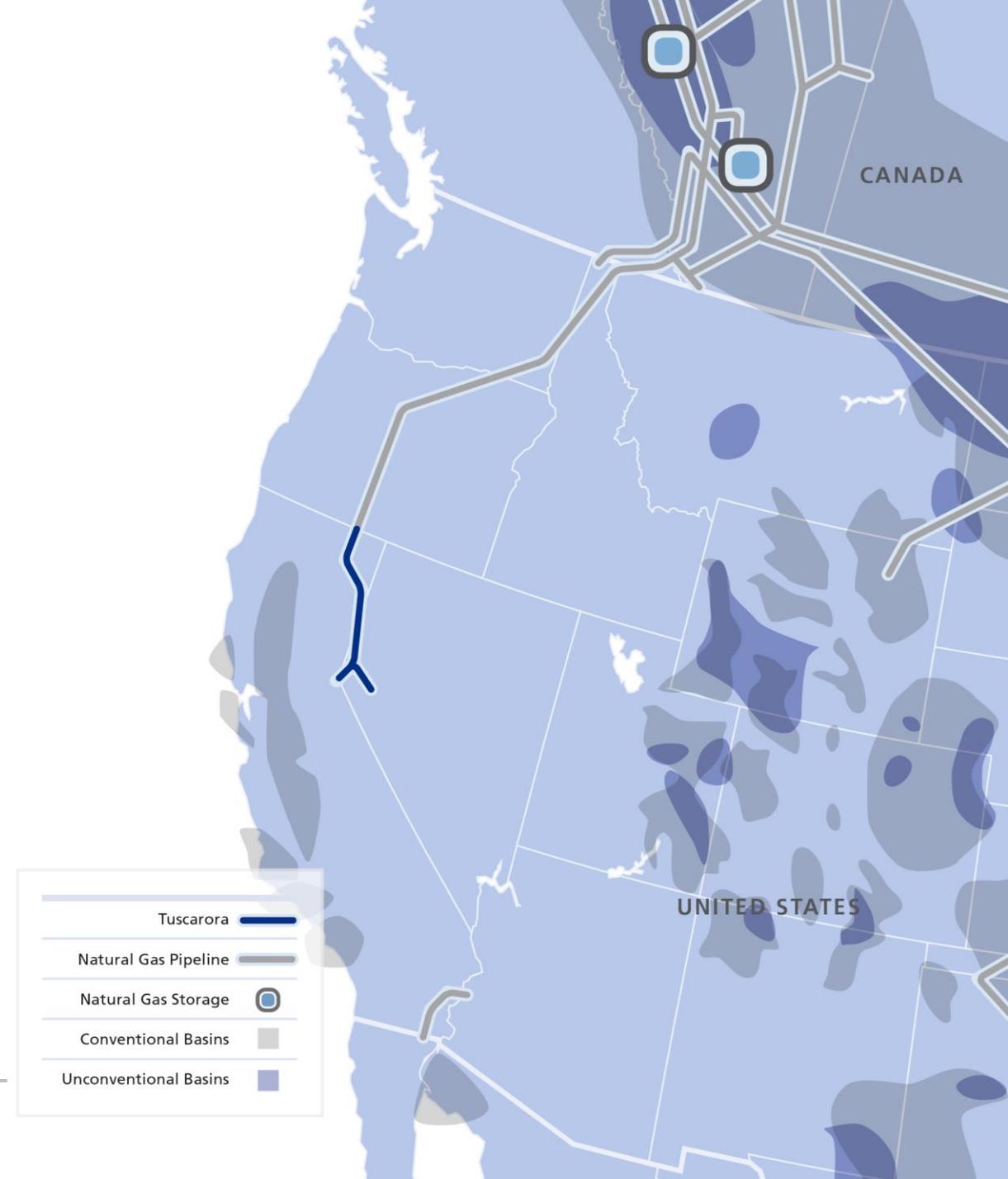
# GTN

- GTN is interconnected with Western Canadian Sedimentary Supply, as well as natural gas from the Rockies and other U.S. basins
- Volumes at Kingsgate are approaching 3.0Bcf/day
- Highly valued conduit to Washington, Oregon and the primary supply source for PG&E's Redwood path
- GTN is one of the lowest cost transportation options out of AECCO

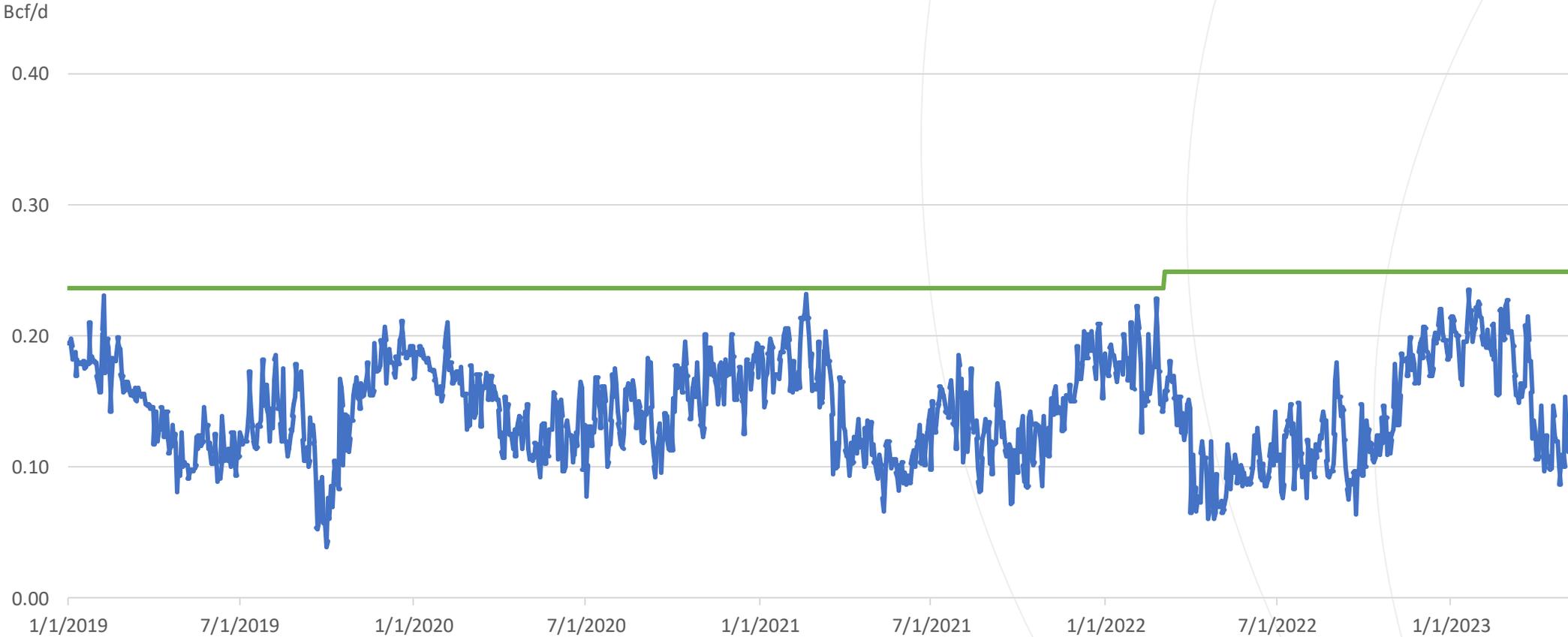


# Tuscarora

- Interstate pipeline that receives natural gas from its interconnection with the Gas Transmission Northwest
- Approximately 305 miles (491 km) in length
- Has an average design capacity of 249 million cubic feet per day (MMcf/d)



# Tuscarora flows

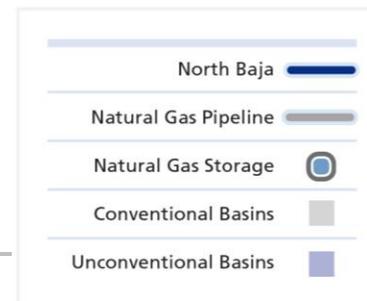
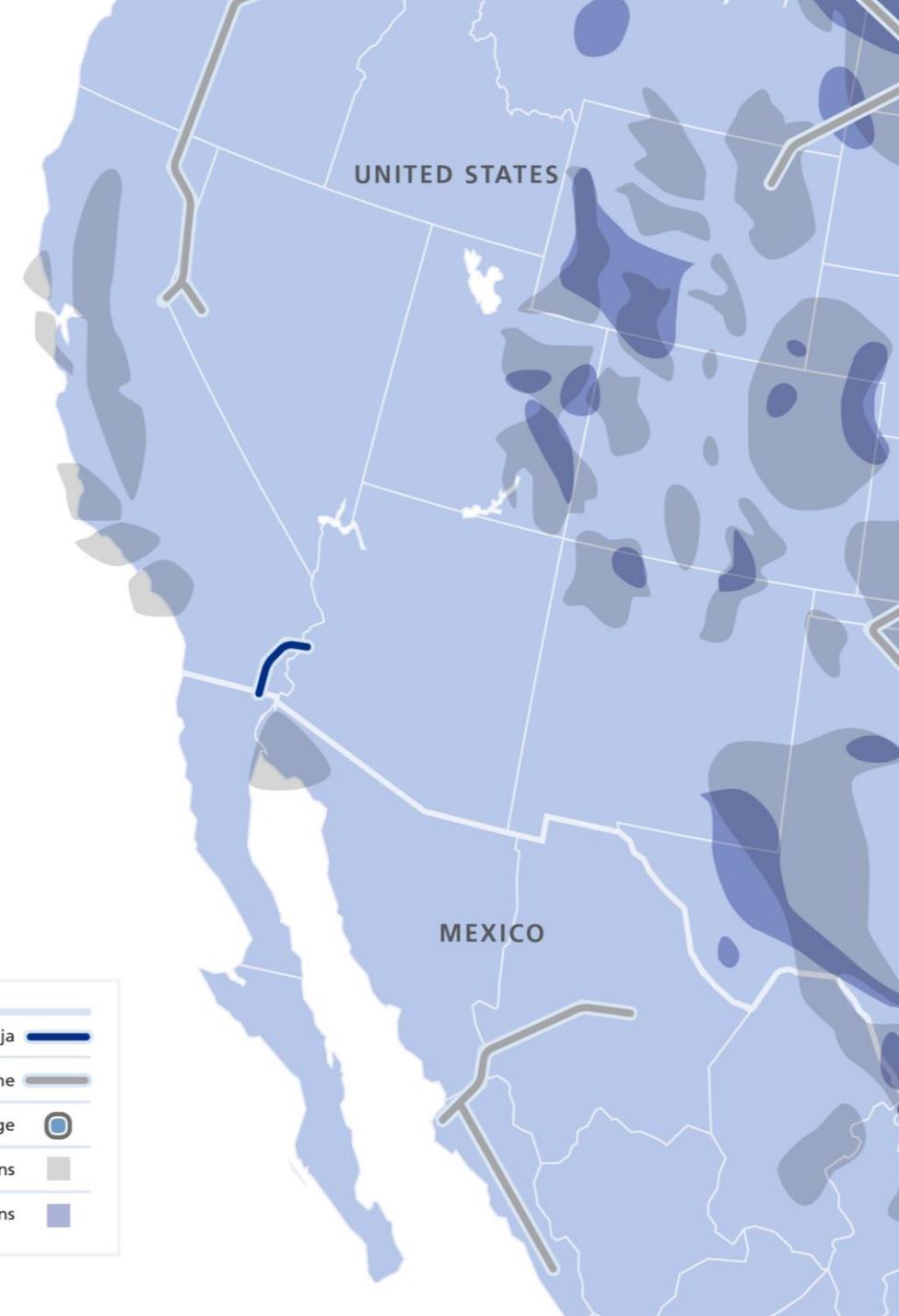


Source: TC Internal Data

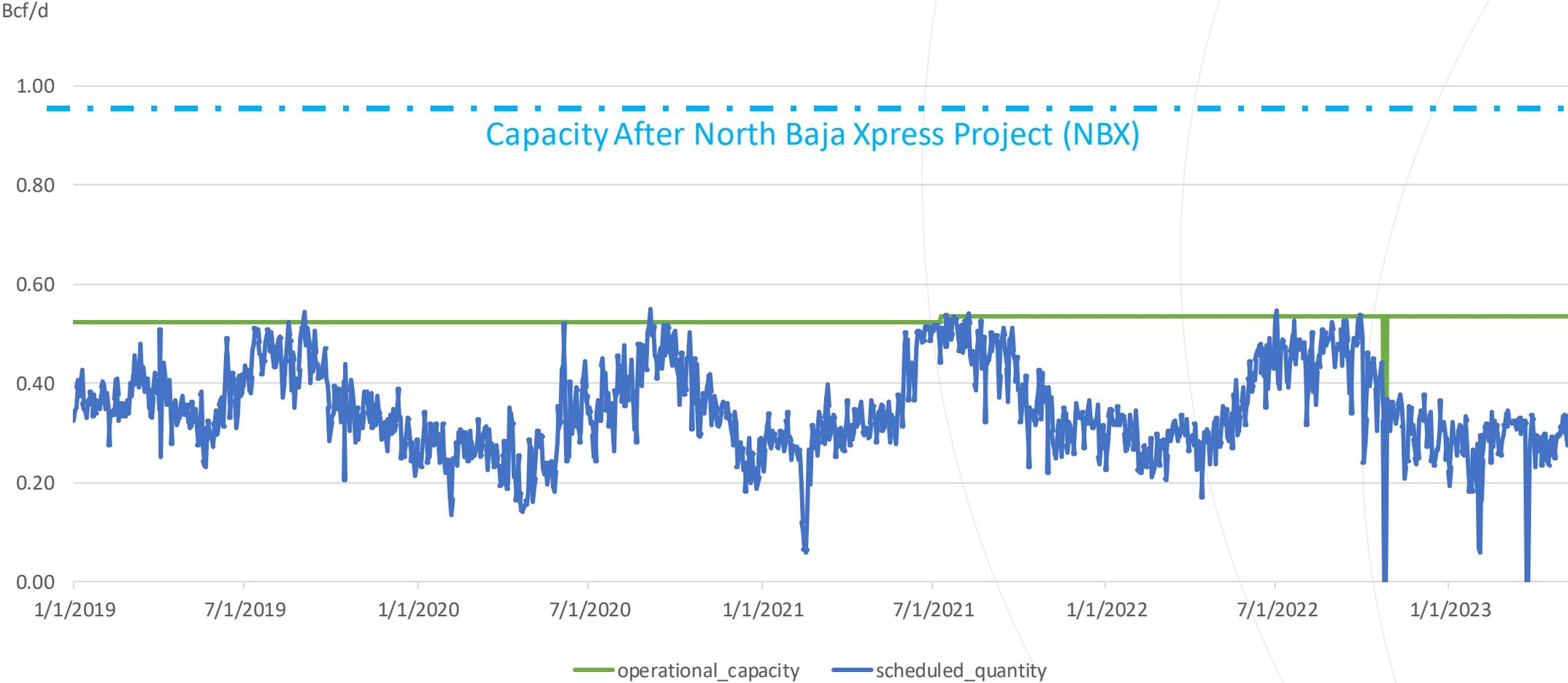


# North Baja

- Bi-directional natural gas pipeline
- Receives natural gas from an interconnection with the El Paso Natural Gas Company (EPNG) pipeline at Ehrenberg, Arizona, that sources natural gas primarily from the West Texas and Southern Rocky Mountain supply regions
- Approximately 86 miles (138 km) in length



# North Baja flows



Source: TC Internal Data



Thank you for attending!

