



WELCOME TO

# TC Energy's 2022 Investor Day





# Forward-looking information and non-GAAP measures

This presentation includes certain forward looking information, including but not limited to, statements regarding the Corporation's projected 2022- 2026 comparable EBITDA, expected cash flows, future financing options available including divestitures, expected dividend growth, expected access to and cost of capital, expected schedules and costs of planned projects, the future growth of our core businesses, expected energy demand levels, the sustainability commitments and targets contained in our 2022 Report on Sustainability and our GHG Emissions Reduction Plan, the installation, adoption and integration of new technologies into our business, including hydrogen production hubs, renewable natural gas transportation hubs and carbon transportation and sequestration systems, future oriented financial information or financial outlook, which is intended to help current and potential investors understand management's assessment of our future plans and financial outlook, and our future prospects overall, including statements relating to energy transition. 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, expected industry, market and economic conditions, our ability to successfully implement our strategic priorities and whether they will yield the expected benefits, our ability to develop a capital allocation strategy aligned with maximizing shareholder value, access to capital markets, the operating performance of our pipeline, power and storage assets, amount of capacity sold and rates achieved in our pipeline businesses, the amount of capacity payments and revenues from our power generation assets due to plant availability, production levels within supply basins, anticipated construction costs, schedules and completion dates of capital projects, cost and availability of, and inflationary pressure on labour, equipment and materials, the availability and market prices of commodities, 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, global health crises, such as pandemics and epidemics and the unexpected 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 2021 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).

This presentation contains reference to certain financial measures (non-GAAP measures) that do not have any standardized meaning as prescribed by U.S. generally accepted accounting principles (GAAP) and therefore may not be comparable to similar measures presented by other entities. These non-GAAP measures may include Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (Comparable EBITDA) and Funds Generated from Operations. The most directly comparable equivalent GAAP measures are, respectively, segmented earnings and net cash provided by operations. Reconciliations to the most directly comparable GAAP measures are included in this presentation. Refer to the MD&A in our most recent Quarterly Report for more information about the non-GAAP measures we use and reconciliations, 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.





2022 INVESTOR DAY

# Safety and inclusion moment



**Tina Faraca**  
President, U.S. Natural Gas Pipelines

Zero  
is real



## SAFETY AND THE IMPERATIVE OF INCLUSION

*Inclusivity helps **build trust**, so people feel **psychologically safe** to speak up, ask questions and safely perform their work*

A diverse and inclusive culture drives **collaborative solutions** and **enhances performance**.



2022 INVESTOR DAY

# Strategic overview



**François Poirier**  
President and Chief Executive Officer



# Today's agenda

## Presentations

7:55 a.m. – 11:00 a.m.

## Breakout sessions

11:00 a.m. – 12:00 p.m.

Safety and inclusion moment

Tina Faraca

Strategic overview

François Poirier

Finance outlook

Joel Hunter

### *Break*

U.S. & Mexico Natural Gas Pipelines

Stanley G. Chapman, III

Canadian Natural Gas Pipelines

Bevin Wirzba

**Q&A** – Natural Gas Pipelines

### *Break*

Liquids Pipelines

Bevin Wirzba

Power & Energy Solutions

Corey Hessen

**Q&A** – Liquids Pipelines and Power & Energy Solutions

Closing remarks / final Q&A

# Our objectives today



Showcase  
*sustainable growth*  
in cash flows



Demonstrate the  
*resiliency* of our  
portfolio.



Provide a  
*clearly defined*  
funding plan

# Reaffirming our value proposition



## LONG-TERM VIEW

Strategic outlook is grounded in fundamentals



## RESILIENCE

Financial strength and flexibility at all points of the economic cycle



## DISCIPLINED APPROACH

Adherence to well-established, conservative risk preferences



## CAPITAL ALLOCATION

Balances sustainable dividend growth and reinvestment

**Leveraging our competitive strengths to move, generate and store the energy North America relies on in a secure and sustainable way**

## Strong performance in 2022

- + The strength of our **utility-like** business model
- + Our focus on **safety** and **operational excellence**
- + The value of our **long-term relationships and partnerships**
- + North America's **high demand** for our **essential services**



## STRATEGIC ADVANTAGE

# A highly integrated North American footprint

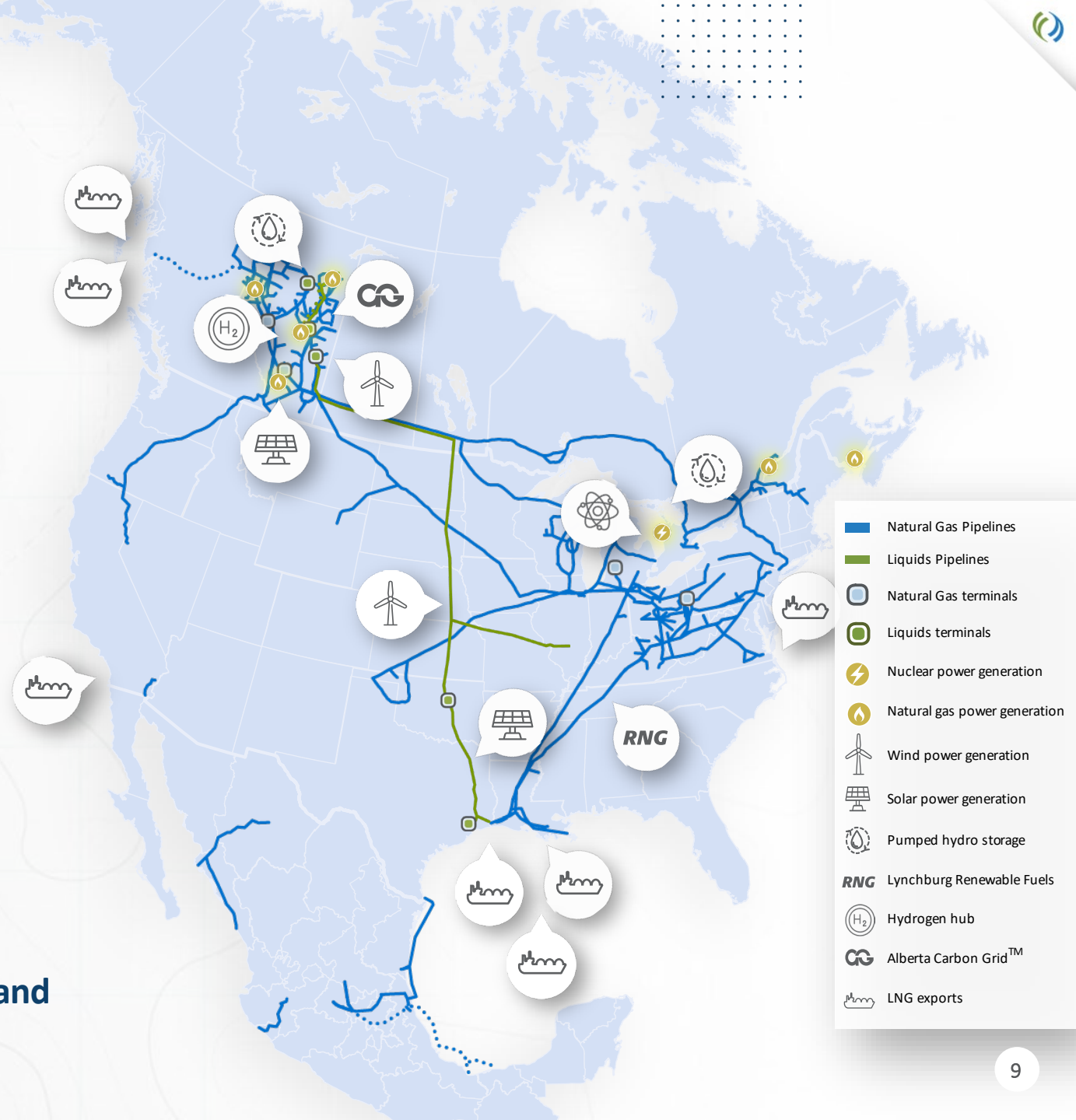
One of the **largest natural gas networks** spanning North America

Connecting **lowest cost basins** to the **largest demand** markets

**30 years of experience** in the **power business**

**Synergies across business** segments to extend low-carbon solutions

**Uniquely positioned to capture natural gas, liquids and energy transition opportunities**



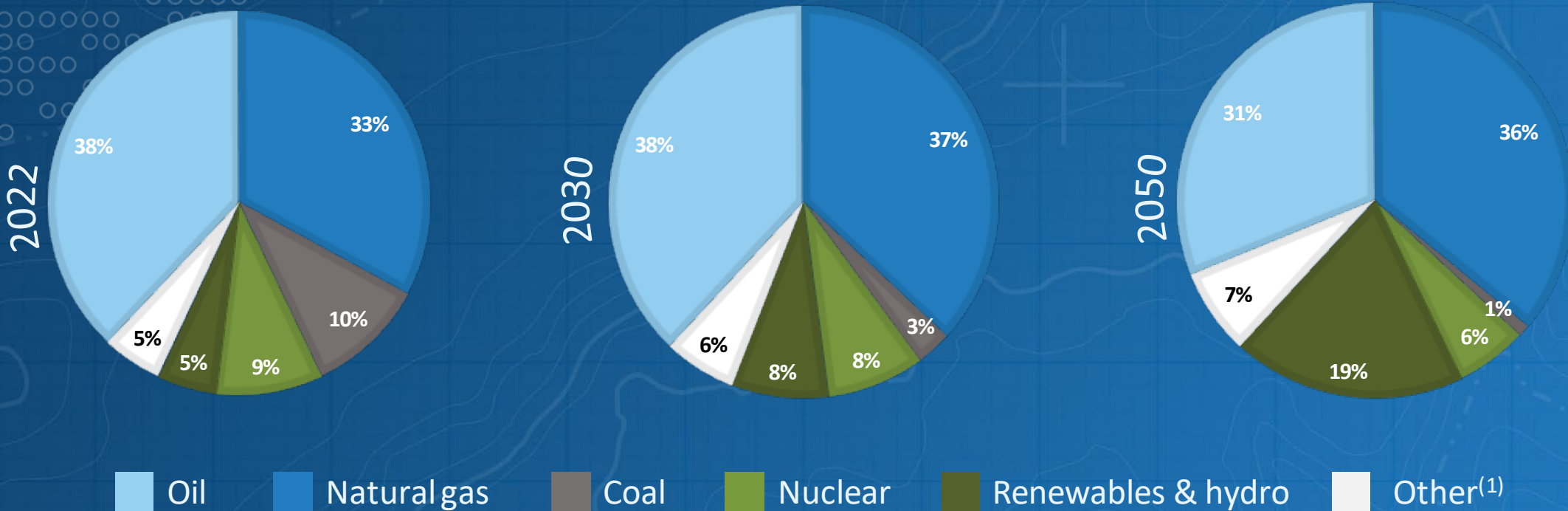
LONG-TERM VIEW

*Strategic outlook is grounded in fundamentals*

Continued **demand** for natural gas and oil along with low-carbon sources of energy to provide unprecedented **growth opportunities.**

# 2022-2050 NORTH AMERICAN ENERGY MIX

## Strategy is grounded in fundamentals



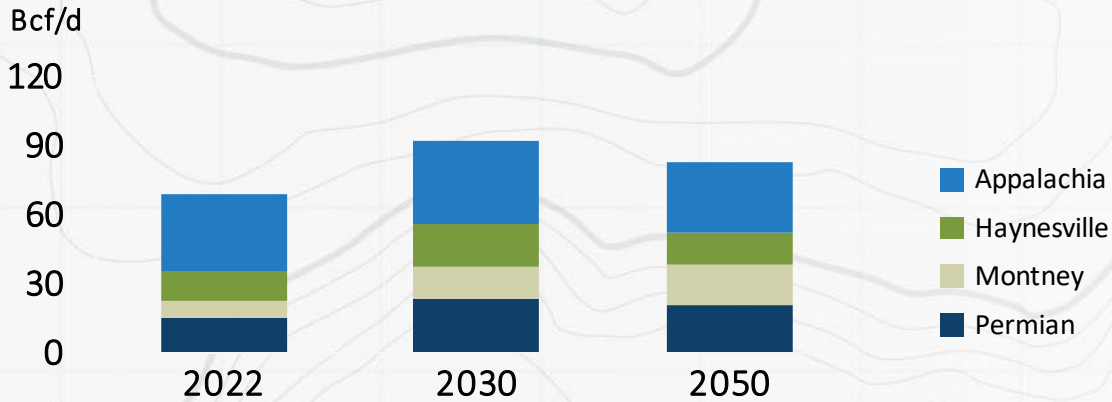
Resilience tested against a wide range of scenarios, including accelerated energy transition

(1) Includes modern biomass, solid waste, traditional biomass (used in the domestic sectors; includes charcoal, wood, bagasse), ambient heat, and net trade of electricity, hydrogen and heat.  
Source: IHS Markit's Energy and Climate Scenarios, 2022 (now a part of S&P Global Commodity Insights), ©2022 by S&P Global Inc. All rights reserved.

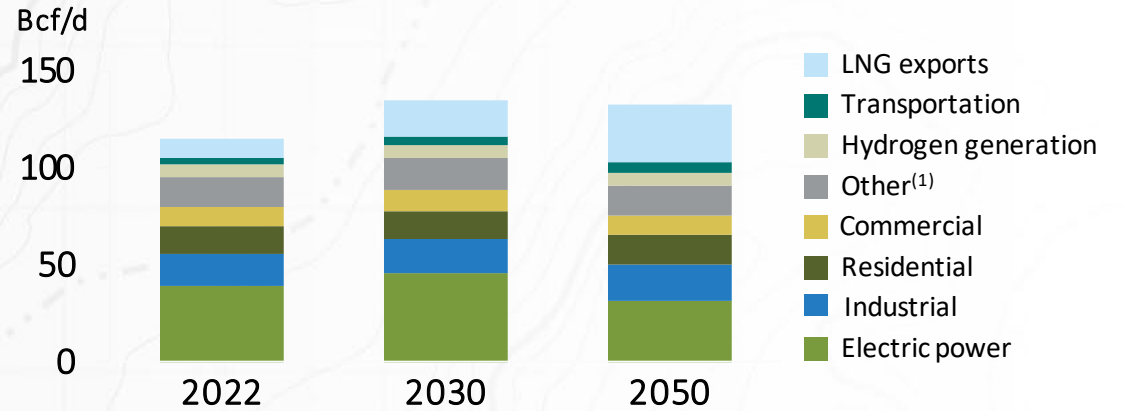
# Natural gas markets showing strength through 2050



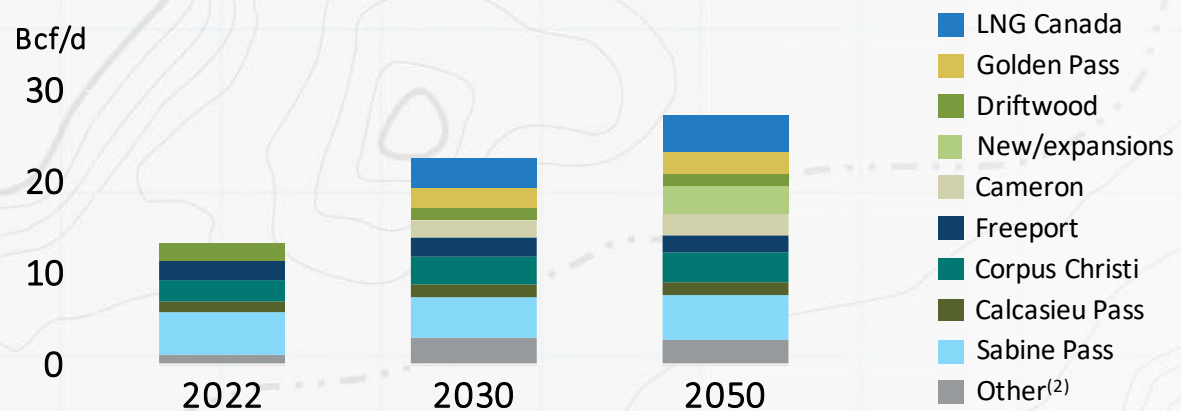
**Natural gas production by basin, North America**



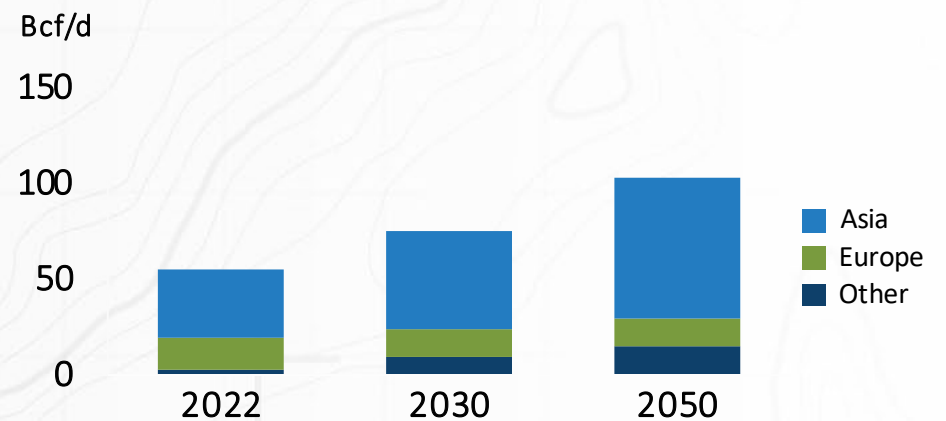
**Natural gas demand by sector, North America**



**LNG exports by terminal, North America**



**Global LNG demand**

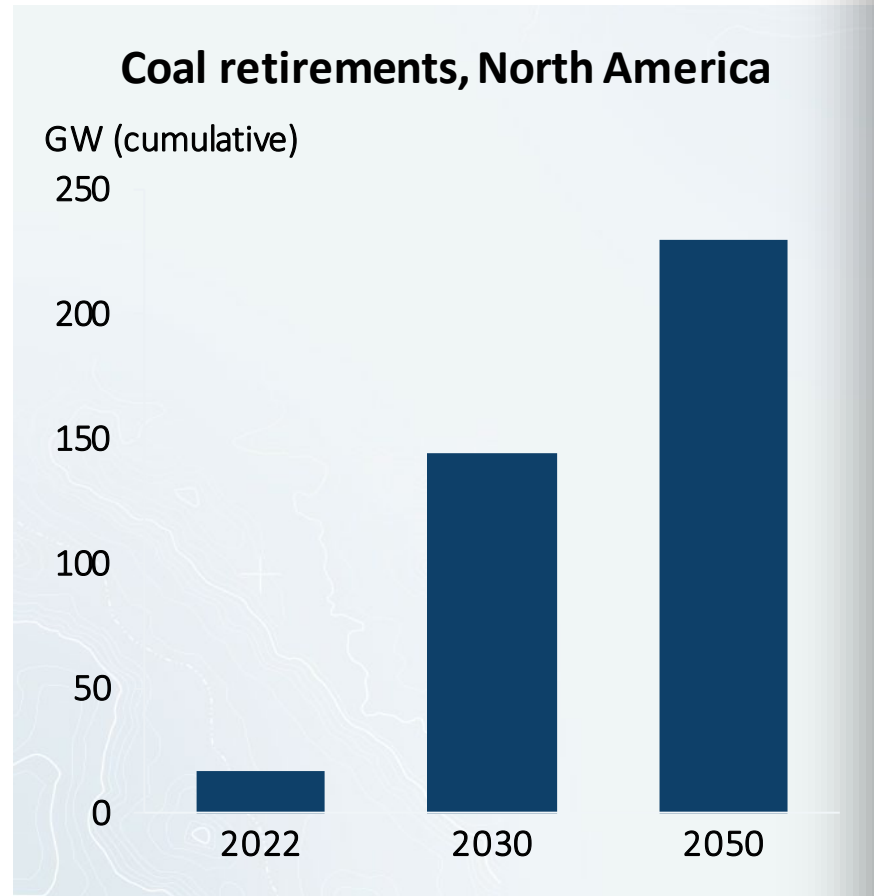
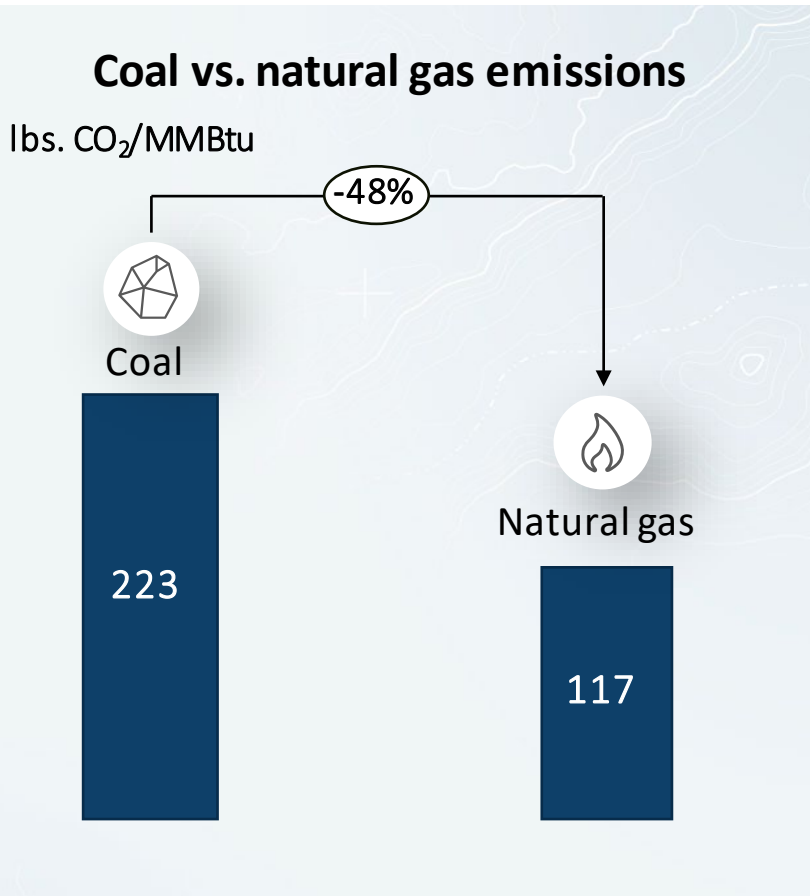


(1) Includes energy sector uses, distribution losses, and statistical differences.

(2) Includes Costa Azul, Cove Point, Elba Pass, Plaquemines, and Woodfibre.

Sources: IHS Markit's North American Natural Gas Long-Term Outlook, Energy and Climate Scenarios, and LNG Supply-Demand Gap, 2022 (now a part of S&P Global Commodity Insights), ©2022 by S&P Global Inc. All rights reserved.; Internal forecasts

# Highlighting the emissions reduction benefits of coal-to-gas switching



## + A LOWER-CARBON FUTURE

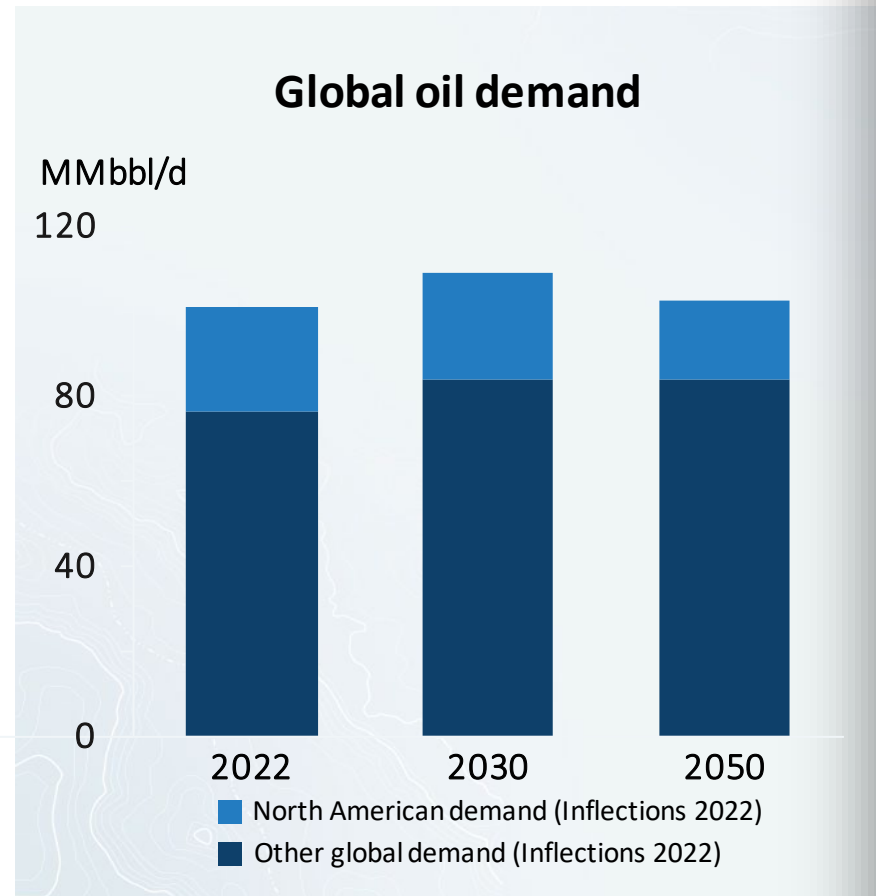
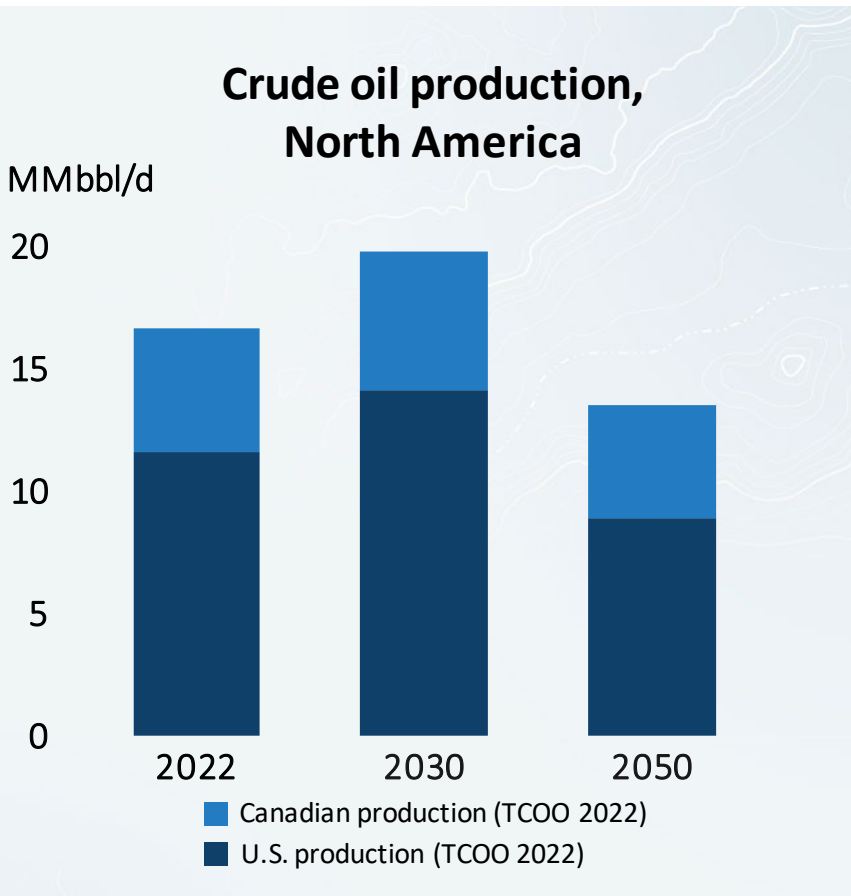
- Natural gas emissions are approximately **half that of coal** in power generation
- Switching has reduced emissions in Alberta's power supply by **30%/kWh** from 2015-2020
- **17GW** of coal power within 15 miles of our ANR and Columbia systems set to retire by 2030

## + A KEY BRIDGE FUEL

- A vital **lower-carbon source** to supplement intermittent renewable power

**Safely delivering natural gas is a key component of the energy transition**

# North American oil production expected to remain robust



## + RESILIENT SUPPLY

- **Canadian** production expected to remain **resilient** in the long run versus U.S.

## + ROBUST REFINING ACCESS

- Providing direct access to the **largest refineries** in the world, PADD 2 and PADD 3

## + DIRECT TIDEWATER LINK

- Export market egress to supply **strong global demand** outlook

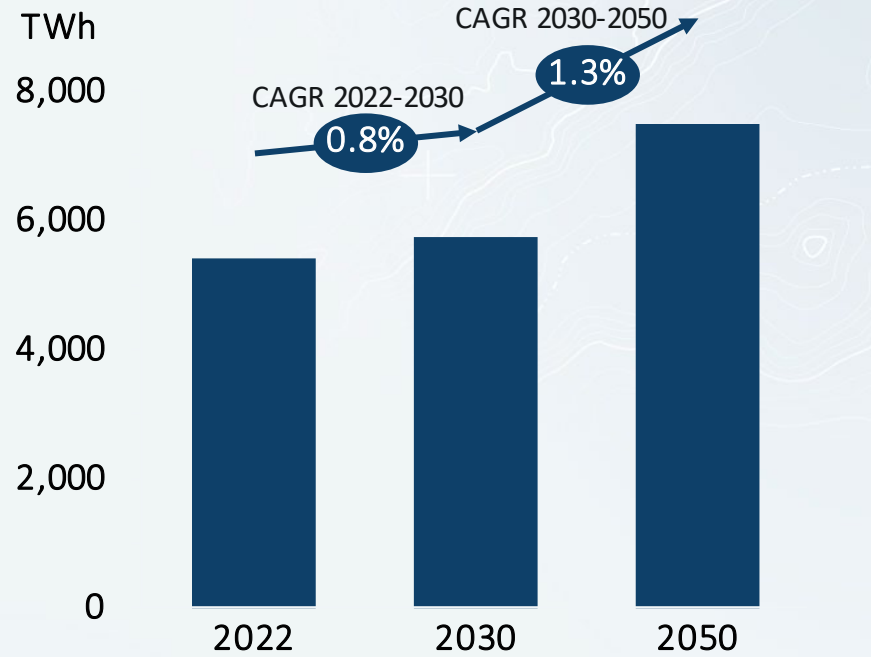
Note: MMbbl/d = Million barrels per day

Sources: TC Energy Oil Fundamentals; TC Energy Oil Outlook (TCOO 2022).

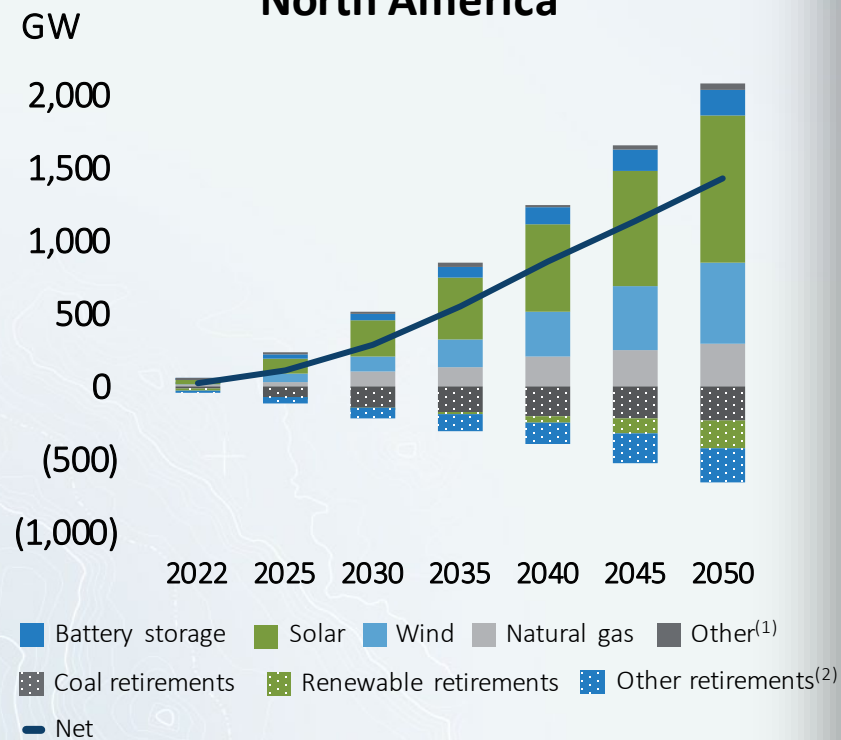
IHS Markit's Annual Strategic Workbook, 2022 (now a part of S&P Global Commodity Insights), ©2022 by S&P Global Inc. All rights reserved.

# North American power demand continues to grow

Power demand, North America



Capacity additions & retirements, North America



## + MULTIPLE RESOURCES NEEDED

- Rising power demand will require an 'all-of-the-above' solution

## + GROWTH THROUGH 2050

- Decarbonization drives bulk of growth from **wind, solar, battery storage** and **pumped hydro**

## + RELIABILITY AND SECURITY

- **Natural gas** generation continues to play important role

(1) Includes coal, geothermal, oil, nuclear, and pumped hydro.

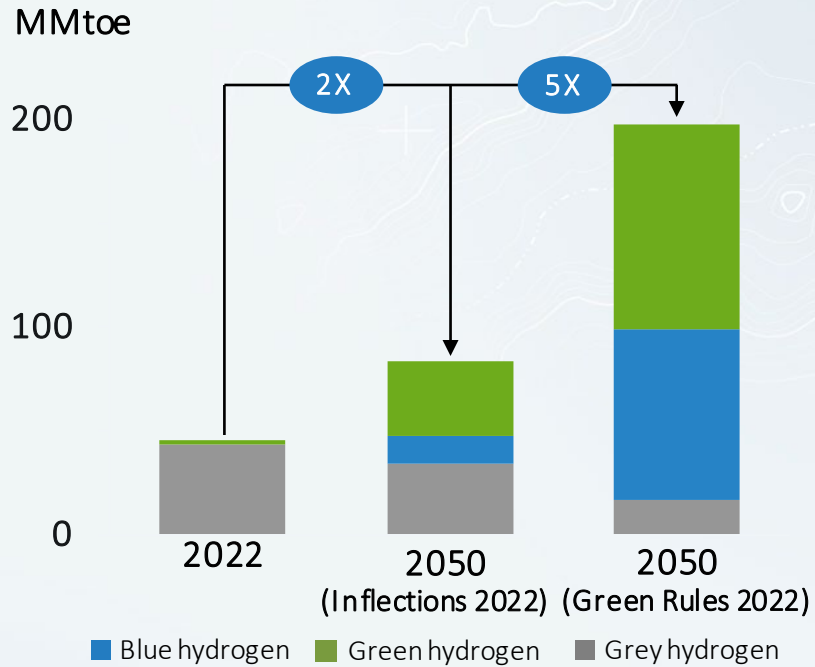
(2) Includes natural gas, nuclear, and oil.

Source: IHS Markit's Energy and Climate Scenarios, 2022 (now a part of S&P Global Commodity Insights), ©2022 by S&P Global Inc. All rights reserved.

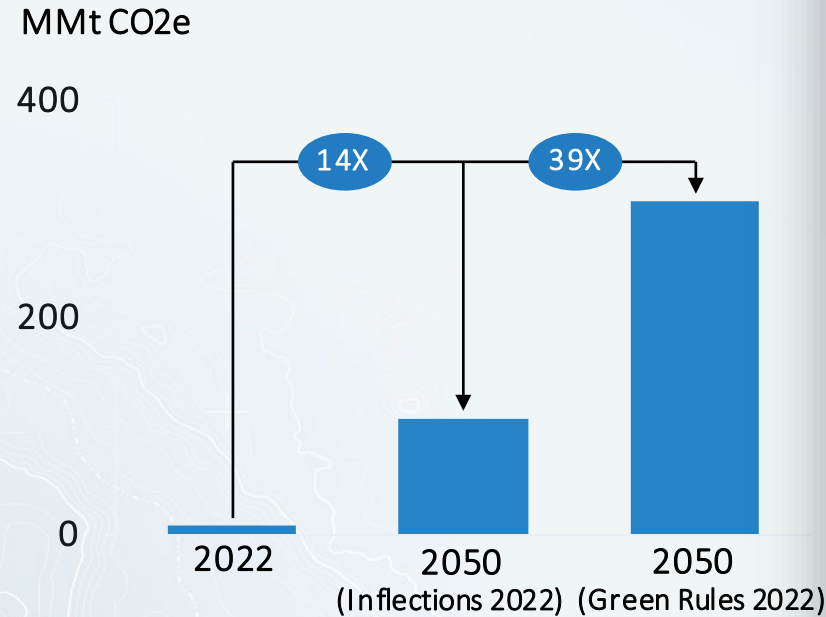
# Hydrogen and CCUS to grow in North America

Regardless of the pace of adoption for low-carbon energy solutions, TC Energy is investing to align with evolving customer demand

### Hydrogen production, North America



### CO<sub>2</sub> captured, North America



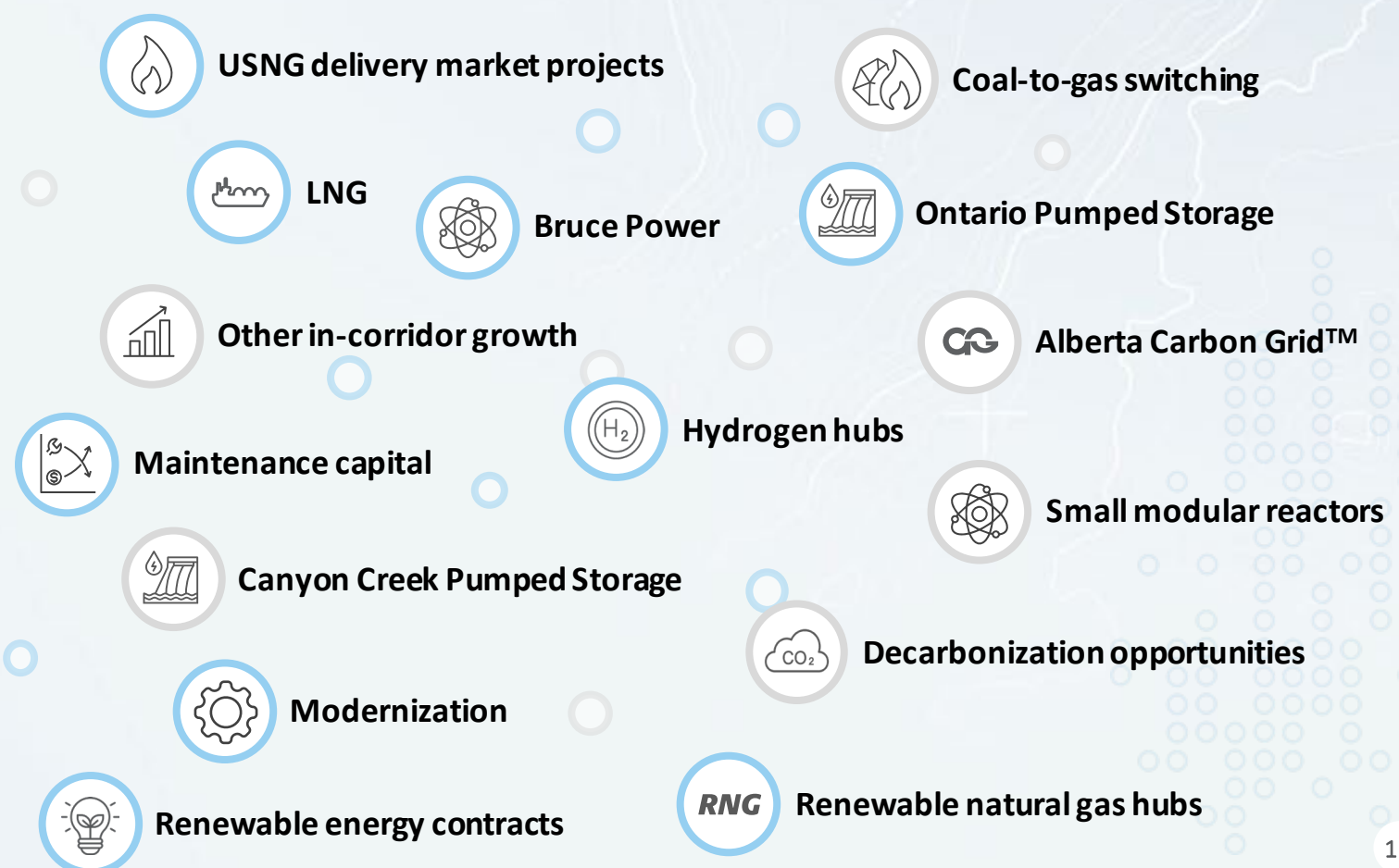
- + LEVERAGING OUR FOOTPRINT
  - **North America-wide** footprint is a springboard for low-carbon energy solutions
- + CUSTOMER DRIVEN
  - Partnering with **end-users** to develop **customer-driven solutions**
- + STRATEGIC BETS
  - **Capital-light investments** building internal capacity in low-carbon solutions and new technologies
- + PORTFOLIO MIGRATION
  - **Investments align** with our long-term portfolio migration strategy



# Expect to sanction \$5+ billion of growth projects in each of the next several years

Today  Substantial suite of future opportunities

**\$34 billion\* secured capital program**



\*Figures do not include impact of potential asset sales or further revisions to Coastal GasLink project costs.

# Capital allocation consistent with risk/return preferences

Expected 7-9% IRR

Expected 3-5% dividend growth

Long-term contracted  
or rate-regulated

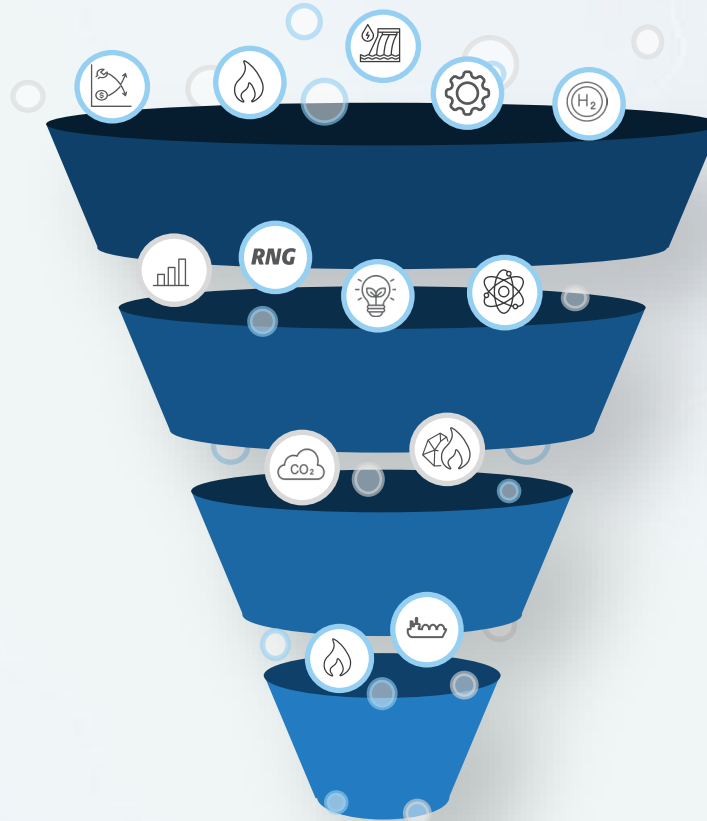
GHG profile

Policy support

Market fundamentals

Risk preferences met

Organizational capabilities



**Southeast Gateway Pipeline**



**Gillis Access**



**24x7**

## CAPITAL ALLOCATION

*Balances sustainable dividend growth and reinvestment*

Our job is to prosecute our **unmatched opportunity** set, while aligning with our **financial** and **human capacity**.

CAPITAL ROTATION IS A CORE COMPETENCY

## Expected goal through 2023:

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



### Objectives

- **Accelerate deleveraging\*** target of 4.75x from 2026
- Fund high-value **incremental growth** projects
- Achieve longer-term **portfolio migration**



### Considerations for capital rotation

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

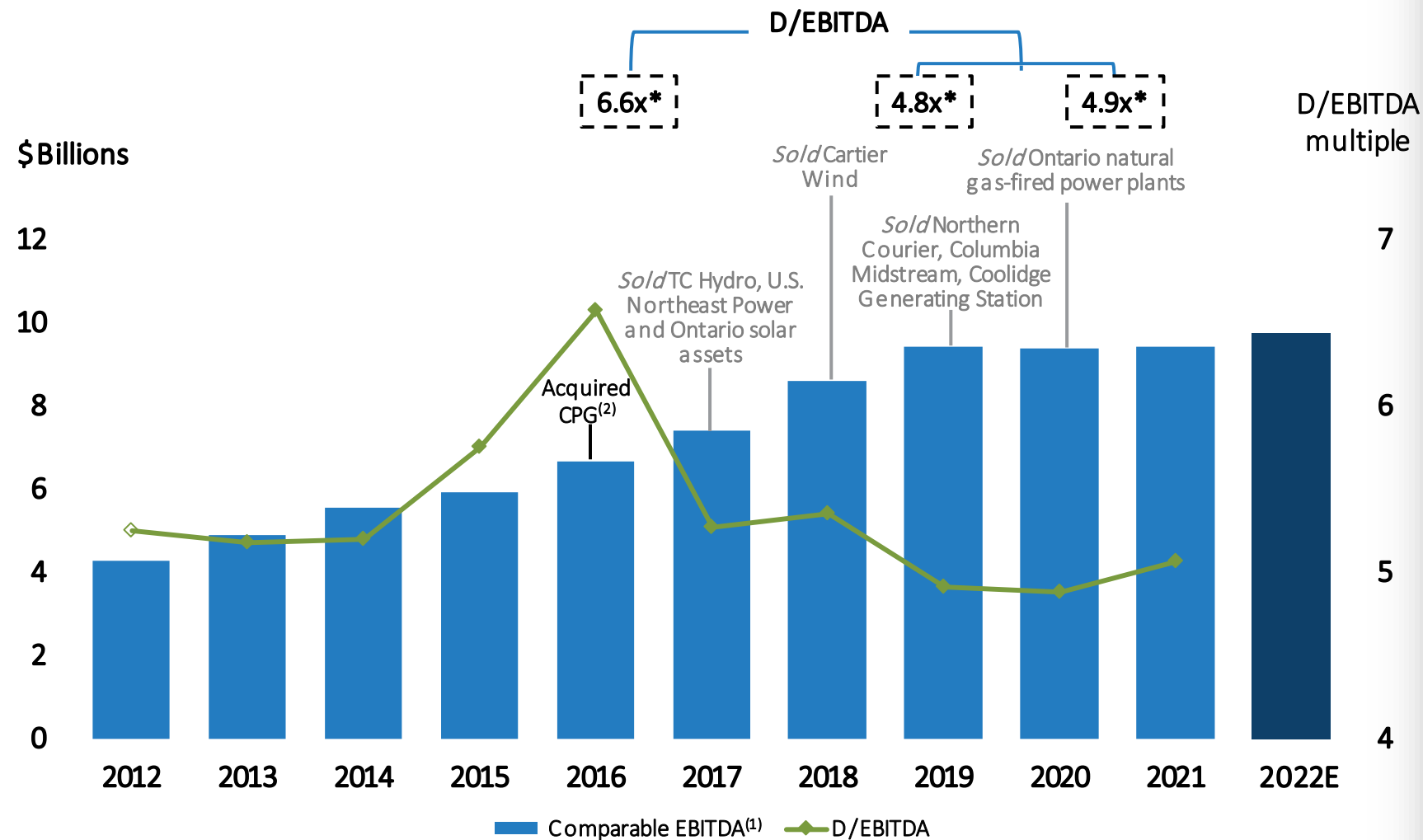


### Proven track record

- **Successfully executed** over \$11 billion **divestiture** program between 2017 and 2020
- **Reduced leverage\*** from >6x in 2016 to <5x in 2019
- Delivered an **8% EBITDA CAGR** between 2017-2020

# LOOKING BACK AT TC ENERGY'S HISTORY

## A decade of deliverability



### + SUCCESSFUL HISTORY OF CAPITAL ROTATION

- Generated >\$11 billion in **asset sale proceeds** between 2017-2020
- Proven ability to delever while **growing comparable EBITDA<sup>(1)</sup>**

### + COLUMBIA PIPELINE GROUP: A STRATEGIC ACQUISITION

- Created one of North America's **largest regulated natural gas businesses** linking to the most prolific natural gas supply basins
- Supported future **dividend growth**
- Complemented existing regulated assets**

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information. Segmented earnings is the most directly comparable GAAP measure. Please refer to Appendix A for reconciliations.

(2) CPG: Columbia Pipeline Group

\*Based on S&P credit rating methodology.

# Focused on supporting global climate goals

## Abatement assessment 2022-2050



70-80%

### Decarbonizing our consumption and lowering emissions intensity

(TC Energy Scope 1+2 reductions)

- VNBR
- Gillis Access
- Renewable energy contracts
- Elwood Power
- Wisconsin Access, VR and WR Projects
- EVCs\* convert methane to water
- Shifting company vehicle fleet to electric
- Leverage carbon offsets where necessary



20-30%

### Modernizing our systems and assets and driving digital solutions

(TC Energy Scope 1+2 reductions)

- Multi-sensor methane surveillance using drones, aerial and satellites
- Reducing venting with portable compression
- Digitizing GHG emissions data collection
- R&D focused on asset integrity, cost competitiveness and energy transition
- Dry gas seal capture and reinjection
- Autonomous pipeline controls optimization

## TC Energy targets

- + 30% GHG emissions intensity reduction by 2030
- + Position to achieve net-zero GHG emissions from operations by 2050



### Supporting global climate goals

#### Investing in low-carbon technologies to support global and customer GHG-reduction targets

(Global Scope 1+2 reductions)

- Bruce Power Life Extension/Project 2030
- Ontario Pumped Storage
- Hydrogen hubs with Hyzon and Nikola
- Strategic investment in Carbon Clean
- Coastal GasLink Pipeline
- Southeast Gateway pipeline
- GreenGasUSA RNG hubs
- Canyon Creek Pumped Storage
- Alberta Carbon Grid™
- Saddlebrook Solar + Storage
- Lynchburg Renewable Fuels

# Our 2022 – 2026E strategic priorities



Enhance balance sheet **strength** and **flexibility**

*Accelerate our target of 4.75x debt-to-EBITDA*



Focus on **project execution** and **operational excellence**

*Execute our \$34 billion secured capital program*



**Increase returns** on our assets through **revenue enhancements** and **cost reductions**

*Deliver comparable EBITDA<sup>(1)</sup> growth target of 6% CAGR by 2026*



**Decarbonize** our business and **capitalize** on low-carbon opportunities

*Power & Energy Solutions building to 10-15% of comparable EBITDA<sup>(1)</sup>*

# Our team of energy problem solvers



**FRANÇOIS POIRIER**

President and  
Chief Executive Officer



**JOEL HUNTER**

Executive VP and  
Chief Financial Officer



**STANLEY G. CHAPMAN, III**

Executive VP and Group Executive, U.S.  
and Mexico Natural Gas Pipelines



**BEVIN WIRZBA**

Executive VP, Strategy and  
Corporate Development & Group  
Executive, Canadian Natural Gas  
Pipelines and Liquids Pipelines



**COREY HESSEN**

Executive VP and President,  
Power & Energy Solutions



**PATRICK KEYS**

Executive VP,  
Chief Sustainability Officer  
and General Counsel



**DAWN DE LIMA**

Executive VP,  
Corporate Services



**JAWAD MASUD**

Senior VP,  
Technical Centre



**PATRICK MUTTART**

Senior VP,  
Stakeholder Relations





2022 INVESTOR DAY

# Finance outlook



**Joel Hunter**

Executive Vice-President and Chief Financial Officer





RESILIENCE

*Financial strength and flexibility at all points of the economic cycle*

# A UTILITY-LIKE BUSINESS MODEL

## Resilient value creation through multiple economic cycles

### Maintaining dividend growth

22 consecutive years of common share dividend increases with 3-5% expected future growth per annum



### Comparable EBITDA<sup>(1)</sup>

Performance – 2000-2022E



\*Annualized based on fourth quarter 2022 dividend declared of \$0.90 per share. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information. Segmented earnings is the most directly comparable GAAP measure. Please refer to Appendix A for reconciliations.

STABLE AND RESILIENT CASH FLOWS

# 2022E Comparable EBITDA<sup>(1)</sup> mix

REGULATED – 67%		LONG-TERM CONTRACTED – 28%		Other – 5%
<p>U.S. Natural Gas Pipelines – 39%</p> <ul style="list-style-type: none"> <li>• FERC regulated</li> </ul>	<p>Canadian Natural Gas Pipelines – 28%</p> <ul style="list-style-type: none"> <li>• Full cost-of-service with CER regulation</li> </ul>	<p>Liquids Pipelines – 13%</p> <ul style="list-style-type: none"> <li>• Long-term contracts with blue-chip counterparties</li> </ul>	<p>Mexico Natural Gas Pipelines – 8%</p> <ul style="list-style-type: none"> <li>• Take-or-pay, long-term contracts in U.S. dollars</li> </ul> <p>Bruce Power and contracted Power and Energy Solutions – 7%</p> <ul style="list-style-type: none"> <li>• Bruce contracted to 2064 with Ontario IESO</li> </ul>	

~95% of comparable EBITDA<sup>(1)</sup> from regulated and long-term contracts

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

## DISCIPLINED APPROACH

*Adherence to well-established, conservative risk preferences*

**2022-2026E outlook provides 6% comparable EBITDA<sup>(1)</sup> CAGR, deleveraging priorities and the ability to capitalize on future opportunities.**

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# REAFFIRMING STRATEGIC PRIORITIES

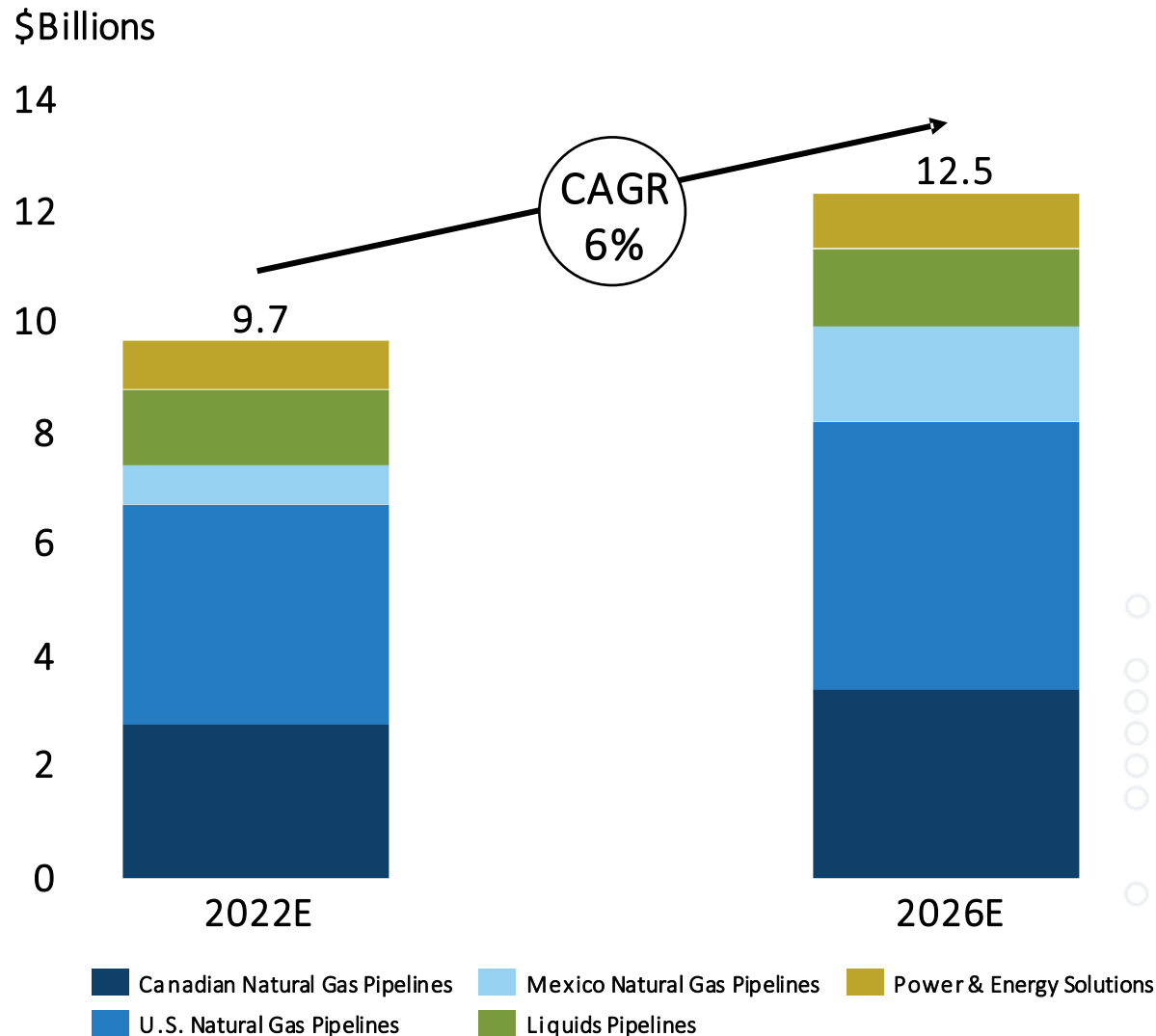
## A steadfast and consistent approach to our long-term strategy



## Our core principles

- + **LONG-TERM VIEW**  
Strategic outlook is **grounded in fundamentals**
- + **DISCIPLINED APPROACH**  
Adherence to well-established, conservative **risk preferences**
- + **CAPITAL ALLOCATION**  
Balances sustainable **dividend growth** and reinvestment
- + **RESILIENCE**  
**Financial strength and flexibility** at all points of the economic cycle

# Fully sanctioned 6% comparable EBITDA<sup>(1)</sup> CAGR



- + Reflects current portfolio of **high-quality**, secured projects expected to enter service by 2026
- + ~95% from **regulated** and **long-term** contracted assets
- + **Additional growth** expected from:
  - Ongoing **in-corridor expansions, extensions** and **modernization** programs
  - **Energy transition** opportunities
  - **Optimization** of latent capacity

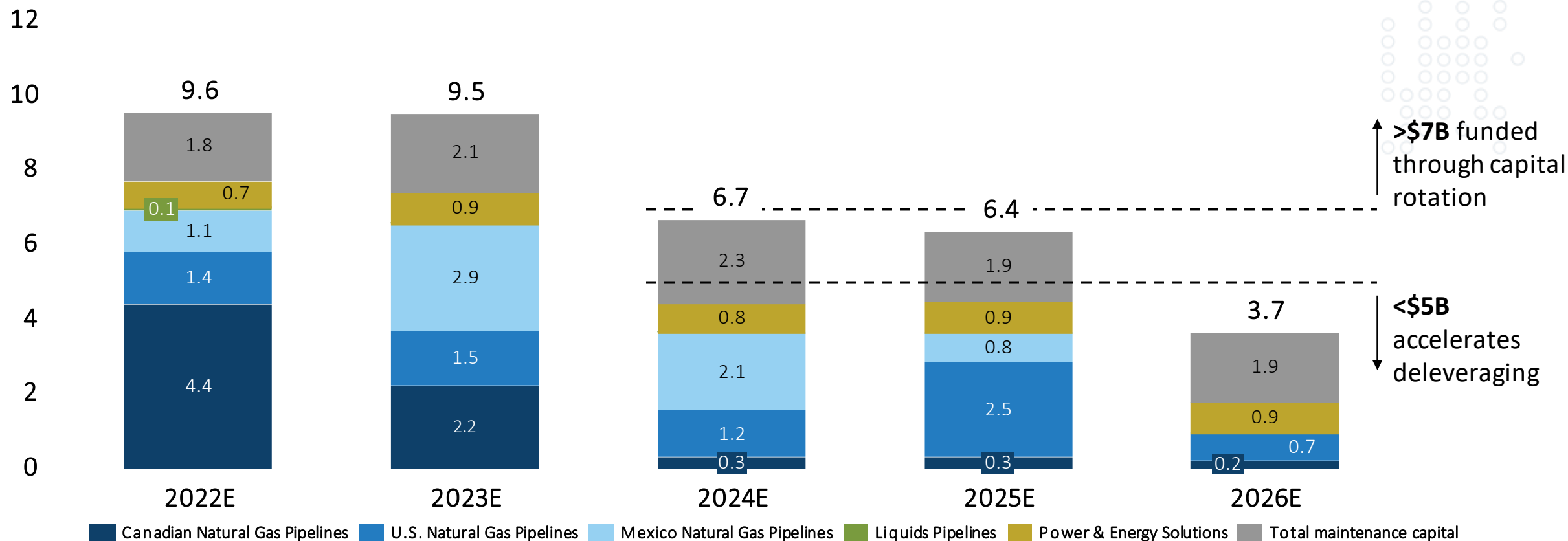
(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

Average foreign exchange assumption USD/CAD: 1.31

Note: Figures do not include impact of potential asset sales.

# Capital expenditure program delivering long-term value

\$Billions



Average foreign exchange assumption USD/CAD: 1.31  
 Note: Figures do not include impact of potential asset sales or further revisions to Coastal GasLink project costs.

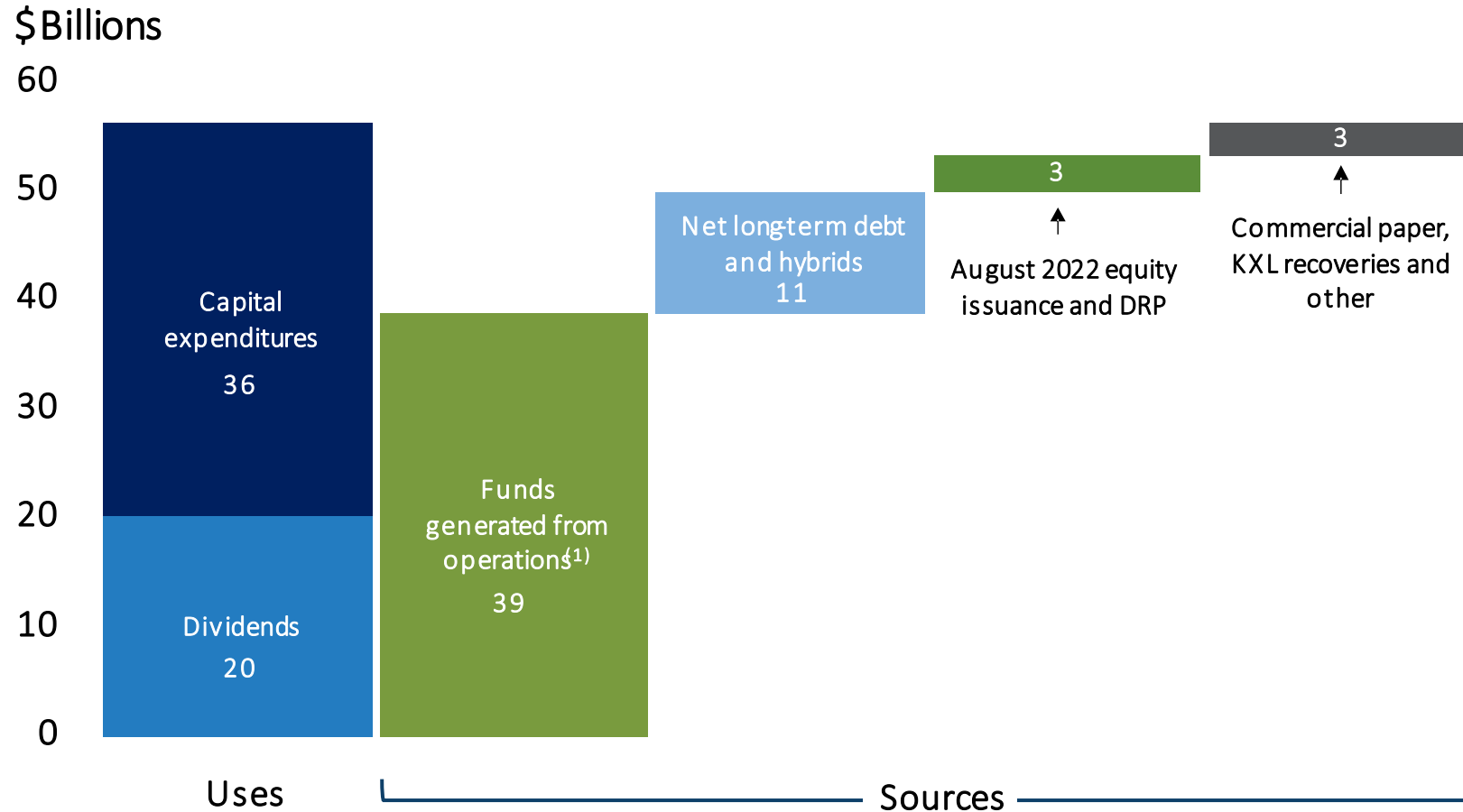
Industry leading **\$34 billion, fully sanctioned** secured capital program

Annual **maintenance capital** 2022-2026E  
 ~**90%** has opportunity to earn a **return on and of capital** through current and future tolls

Portfolio expected to deliver a weighted average unlevered after-tax IRR of **7-9%**



# Optimally funding our capital program



(1) Funds generated from operations is a non-GAAP measure. The most directly comparable measure presented in our financial statements is net cash provided by operations. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

Note: Figures do not include impact of potential asset sales or further revisions to Coastal GasLink project costs.

Incremental debt capacity through **predictable** comparable EBITDA<sup>(1)</sup> growth

Access to **debt capital markets** on compelling terms

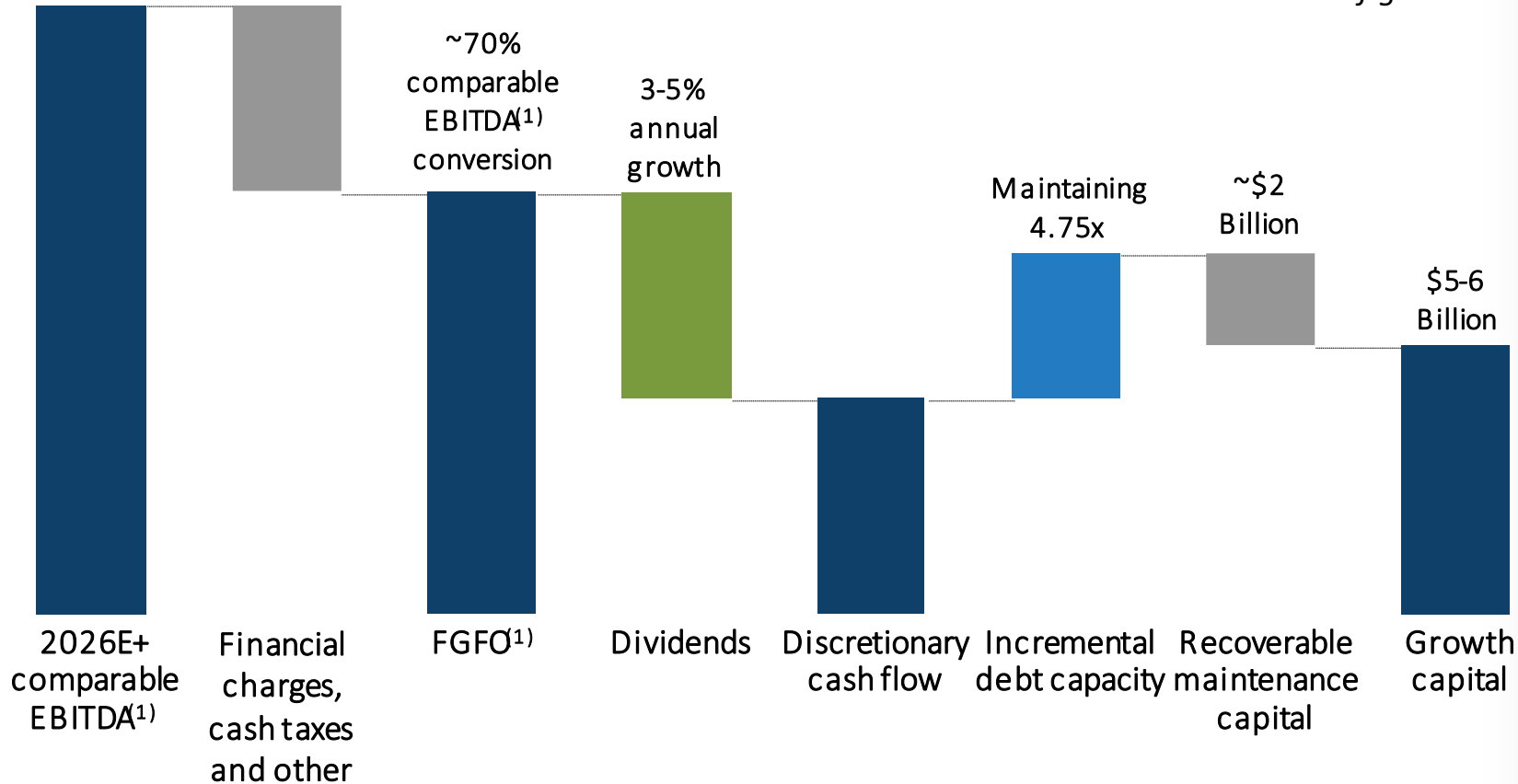
**Well-supported** commercial paper programs in Canada and the U.S.

~\$11 billion of **committed** revolving credit facilities

## 2026E AND BEYOND

# Building a self-funding growth trajectory

Illustrative example of annualized figures\*



## Highlighting the strength of our portfolio and financial position

- + Ability to sustainably **support** a **self-funded model** and a 3-5% dividend growth rate
- + Investing in **high-quality** growth projects that **support** a comparable EBITDA<sup>(1)</sup> growth rate consistent with our historical level
- + New projects **compete** with share buybacks
- + Balance sheet **strength** and **flexibility** supports maintenance of **4.75x** debt-to-EBITDA ratio

(1) Comparable EBITDA and funds generated from operations (FGFO) are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

\*Note: Illustrative scenario does not include impact of potential future asset sales.

The background features a blue topographic map with white contour lines. A semi-transparent globe is centered in the background, showing the Americas. A dashed white line curves across the map. The text is overlaid on this background.

OPTIMIZING AND MANAGING OUR DEBT PORTFOLIO

*Prioritizing our balance sheet and deleveraging*

# Capital rotation to accelerate deleveraging target from 2026

## Top-tier credit ratings

TransCanada PipeLines Limited credit ratings and outlook reaffirmed post-August 4, 2022 equity issuance



- + Outlook results in debt-to-EBITDA below 4.75x target by 2026
  - Asset sales to accelerate target
- + Provides **significant optionality** to:
  - Reduce leverage
  - Fund future growth
  - Increase dividends

# BALANCED AND MANAGEABLE

## 2022 – 2026 Long-term debt maturity profile

\$Billions

3.0

2.0

1.0

0.0

2022

2023

2024

2025

2026

■ USD ■ FX ■ CAD

- + **Strong and balanced debt profile**
- + **Low sensitivity** to interest rate changes
- + **~85%** of long-term debt is fixed rate
- + **Average term of ~20 years** to final maturity

# FURTHER EMBEDDING ESG ACROSS THE BUSINESS

## Supported by a strong governance foundation with Board and Committee oversight

### COMPENSATION

Corporate scorecard includes **50%** weighting towards progressing ESG priorities and enabling energy transition

### FINANCING

**\$3 billion** 5-year Sustainability-Linked Loan

Tied to **GHG** emissions reduction and gender **diversity**<sup>(1)</sup>

### CAPITAL ALLOCATION

**Climate** and **stakeholders** considered alongside fundamentals, risk and return preferences

### DISCLOSURE

Aligned with **leading global** frameworks and standards

**TCFD** | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



(1) Metrics for the SLL include: GHG emissions intensity and women in leadership in corporate offices

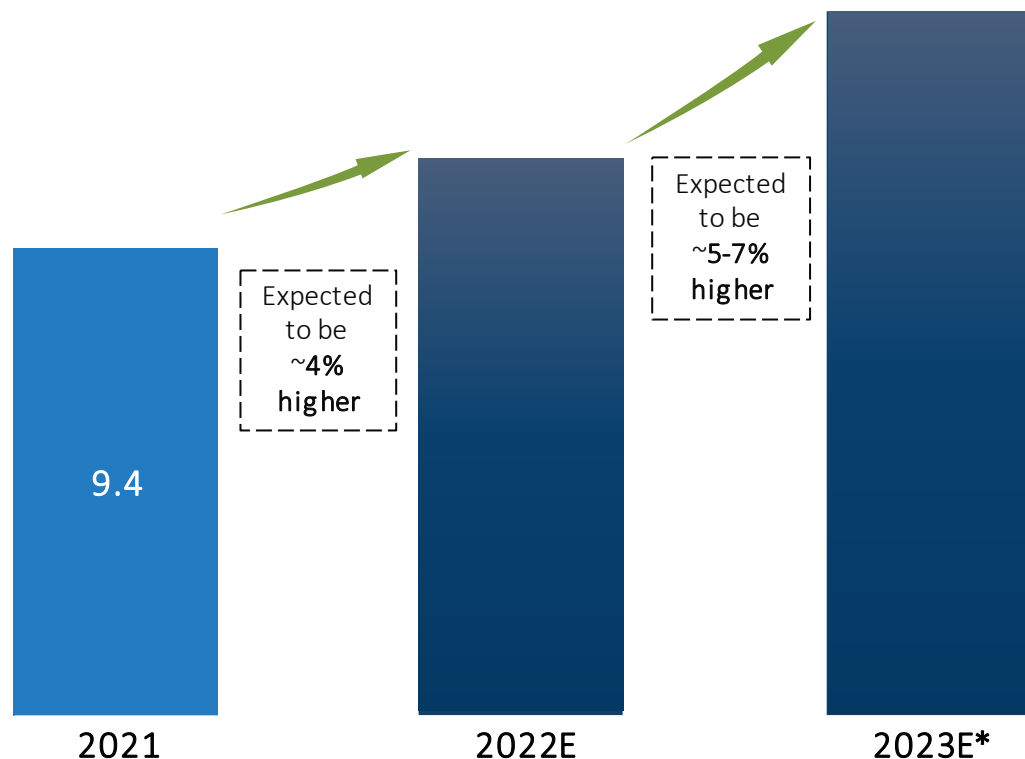


2023 OUTLOOK

*Well positioned to deliver long-term shareholder returns*

# GROWTH UNDERPINNED BY SUPERIOR OPERATIONAL PERFORMANCE

## 2023E Comparable EBITDA<sup>(1)</sup> outlook and sensitivities



- + **Interest rate:  $\Delta$  +/- 25 bps**
  - Financial charges: \$15MM
  - EPS: ~\$0.01/share
- + **Foreign exchange:  $\Delta$  +/- \$0.01 USD/CAD**
  - EBITDA: \$45MM
  - EPS: ~\$0.02/share (on unhedged USD net income)
- + **Inflation:  $\Delta$  +/- 1% (+/- assumed rate)**
  - EBITDA: \$10MM
  - EPS: ~\$0.01/share

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information. Segmented earnings is the most directly comparable GAAP measure. Please refer to Appendix A for reconciliations.

\*Foreign exchange assumption USD/CAD: 1.30

Note: Figures do not include impact of potential asset sales.



# Financial risks and levers

## Interest rates

- Debt portfolio ~85% fixed rate; average term of 20 years to final maturity
- Regulatory and commercial arrangements mitigate impact of rate movements

## Income tax

- Expected normalized income tax rate in mid-to-high teens – excludes Canadian Natural Gas Pipelines regulated income as well as equity AFUDC in the U.S.
- Split between current and deferred oscillates in 40% to 60% band

## Depreciation

- On average represents ~2.5% of gross property, plant and equipment per annum
- Lever to manage return of capital based on expected economic life of assets

## Foreign exchange

- Structurally long ~US\$2.0 billion per annum after-tax income; actively hedge residual exposure over rolling 36-month horizon
- 2022 year-to-date comparable EBITDA<sup>(1)</sup> translated at an average rate of 1.29 versus 1.25 in 2021
- 2022 year-to-date comparable EPS<sup>(1)</sup> hedged at an average rate of 1.29

(1) Comparable EBITDA and comparable EPS are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# TC Energy's proven value proposition



## Dividend growth outlook

22 consecutive years of common share dividend increases

~5.5% dividend yield<sup>(1)</sup>



## Impressive track record

12% average annual total shareholder return since 2000



## Significant growth opportunities supported by a robust funding plan

\$34 billion secured capital program

Accelerating deleveraging target from 2026



## Sustainability a key strategic priority

Sustainability-Linked Loan launched November 1, 2022

Hosted inaugural ESG Forum in June 2022

Obtained independent 3<sup>rd</sup> party limited assurance on select ESG indicators<sup>(2)</sup>

<sup>(1)</sup> Based on closing price of \$64.85 on November 22, 2022

<sup>(2)</sup> Indicators include Scope 1 and 2 GHG emissions, corporate GHG emissions intensity, women in leadership positions in corporate locations



# BREAK

WE WILL RESUME SHORTLY



TODAY IS GIVING TUESDAY

Visit the TC Energy Community Portal, make a donation to your preferred cause, and get a **3:1** match.

Visit [tcenergy.benevity.org/community](https://tcenergy.benevity.org/community)



2022 INVESTOR DAY

# U.S. Natural Gas Pipelines



**Stanley G. Chapman, III**  
Executive Vice-President & Group Executive  
U.S. and Mexico Natural Gas Pipelines



# U.S. NATURAL GAS PIPELINES

## Irreplaceable North American network

- **Strong fundamentals** driving opportunity-rich environment
- Tracking to 6<sup>th</sup> consecutive year of **record comparable EBITDA<sup>(1)</sup>** and **US\$1.8 billion** of capital in-service in 2022
- Expert team safely and reliably delivers **~27%** of U.S. average daily demand
- **~30%** of U.S. LNG feedgas transported by USNG
- **Greater than 90%** revenues under generally long-term, take-or-pay contracts predominantly with investment-grade counterparties



(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

## OUR EXPANSIVE FOOTPRINT

# A continental energy company

Synergies across geographies and businesses solidify our role in North America's energy landscape

35%

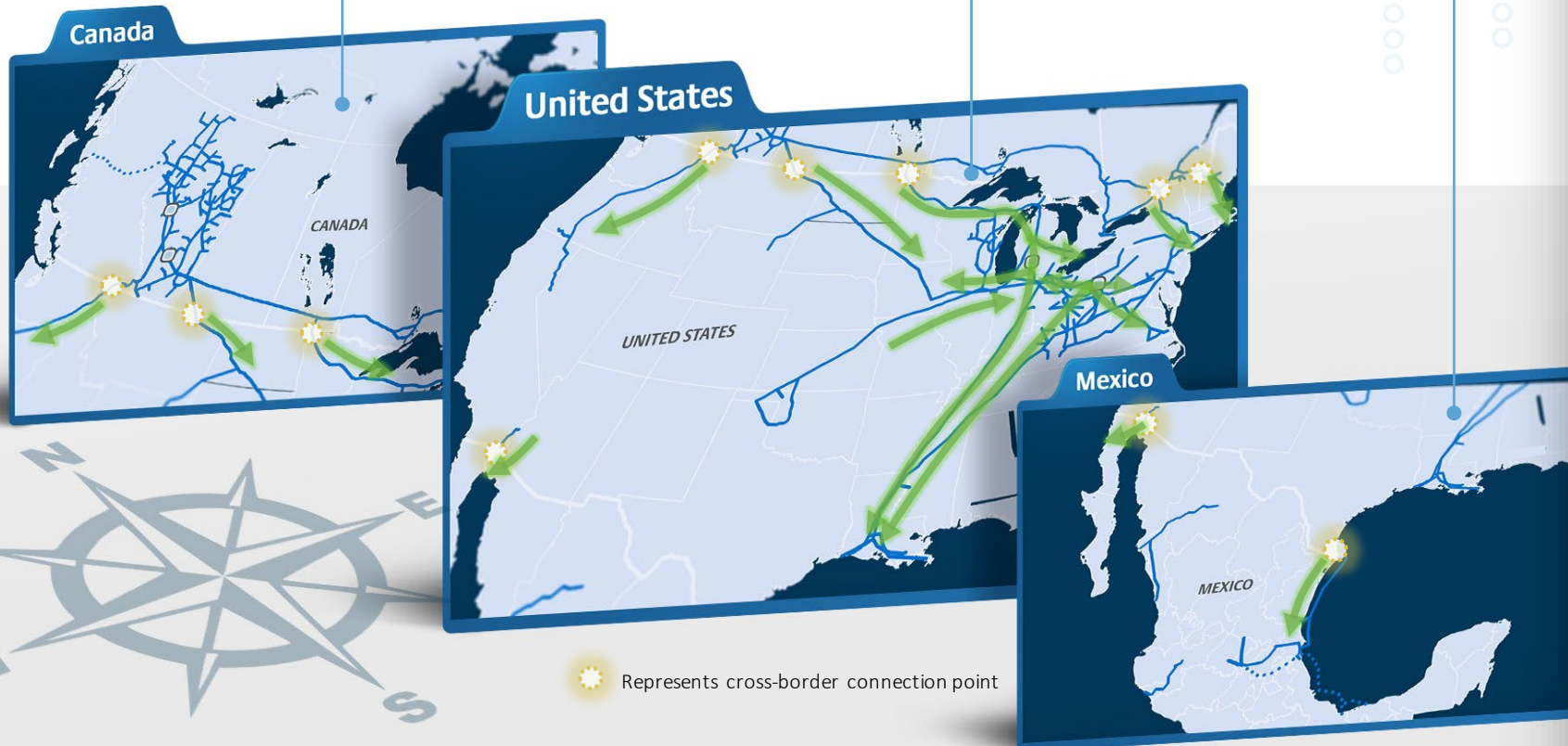
WCSB production exported to U.S. via USNG

100Bcf/d

Largest natural gas market in the world

60%+

Mexico demand growth 2022-2040E



### + TICKET SOUTH

- Canadian Natural Gas Pipelines and USNG together provide **critical access** to markets across North America

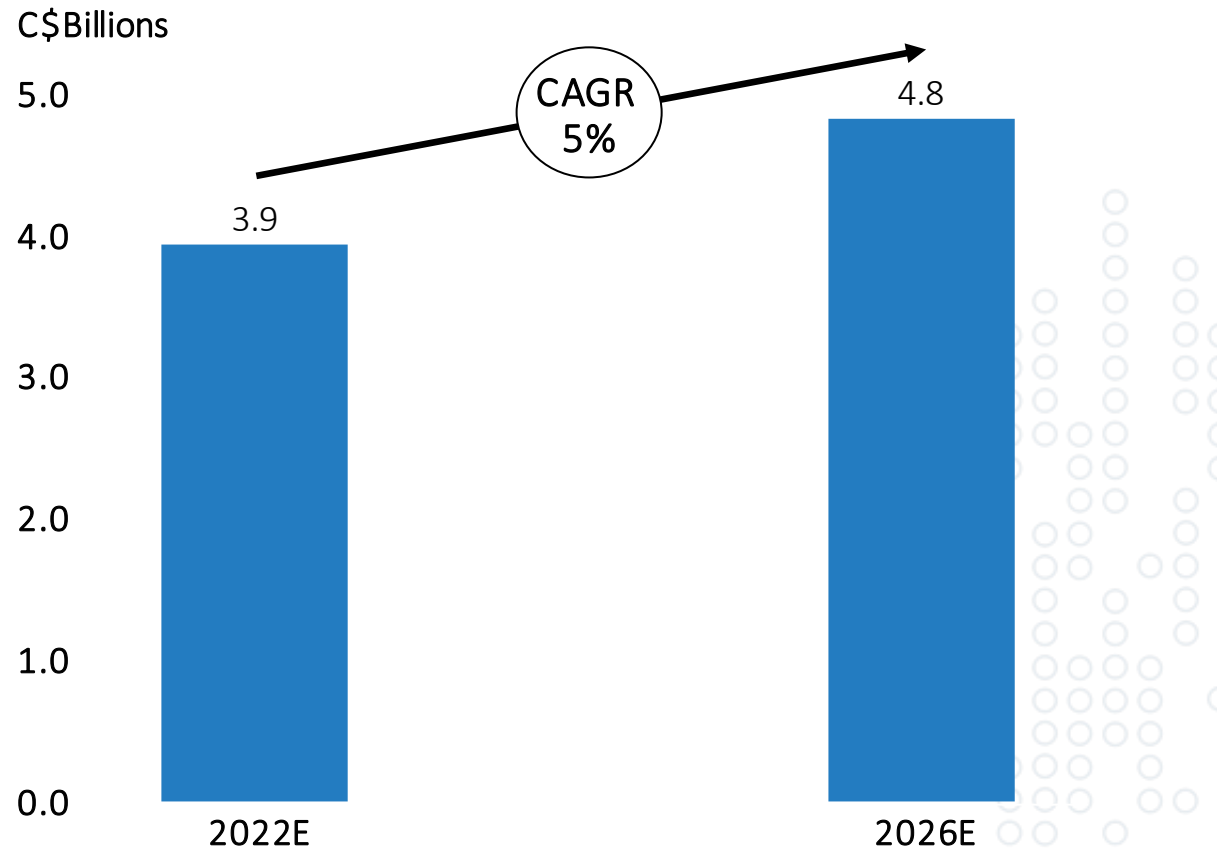
### + SIZE AND SCALE

- **Unparalleled connectivity** from northern Canada to the U.S. Gulf Coast
- Leveraging our USNG footprint to originate new **customer solutions** across the value chain

### + GAS IS THE ENABLER

- Mexico **economic growth** powered by natural gas
- Mexico's connections to U.S. supply **essential** for development

# Best-in-class network with traditional and transitional opportunities to grow



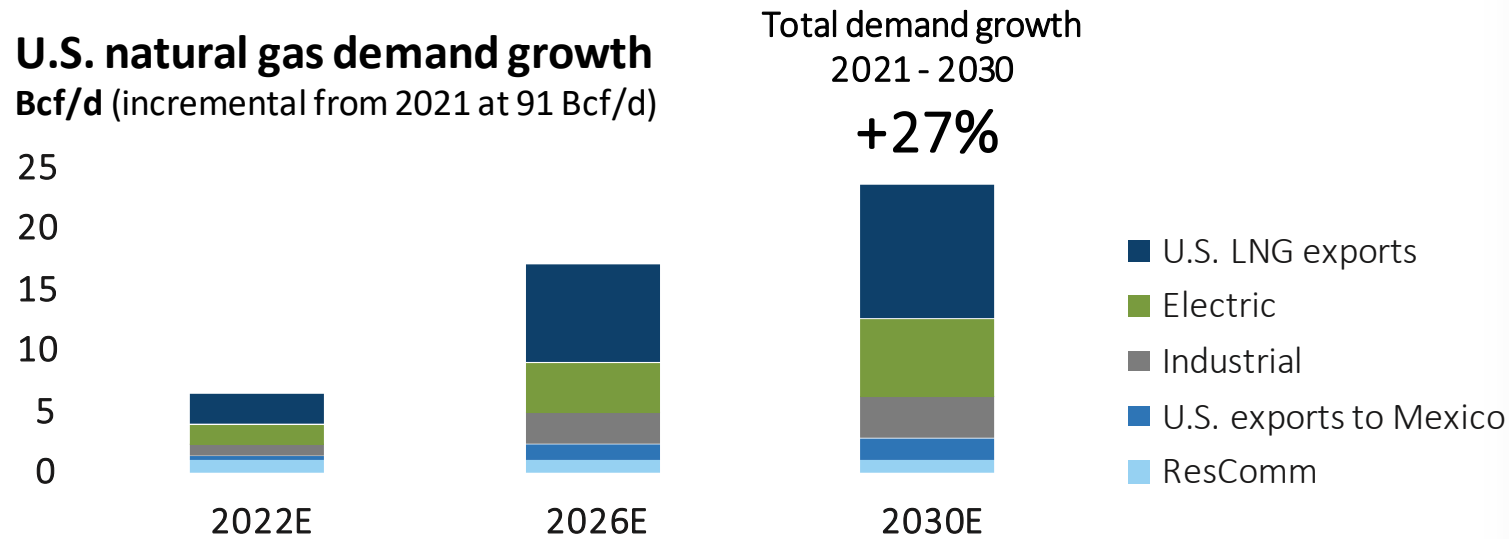
- + **Comparable EBITDA<sup>(1)</sup> growth** derived from secured capital program and asset optimization
- + Strong fundamentals, solid **strategic vision** and consistent execution
- + Multiple platforms for growth:
  - **Optimization/modernization** of assets
  - Traditional **in-corridor growth**, including next-wave LNG, LDC, power generation and supply access
  - Extend our low-carbon solutions and **synergistic opportunities**

2022 average foreign exchange assumption USD/CAD: 1.28; 2026 average foreign exchange assumption USD/CAD: 1.33

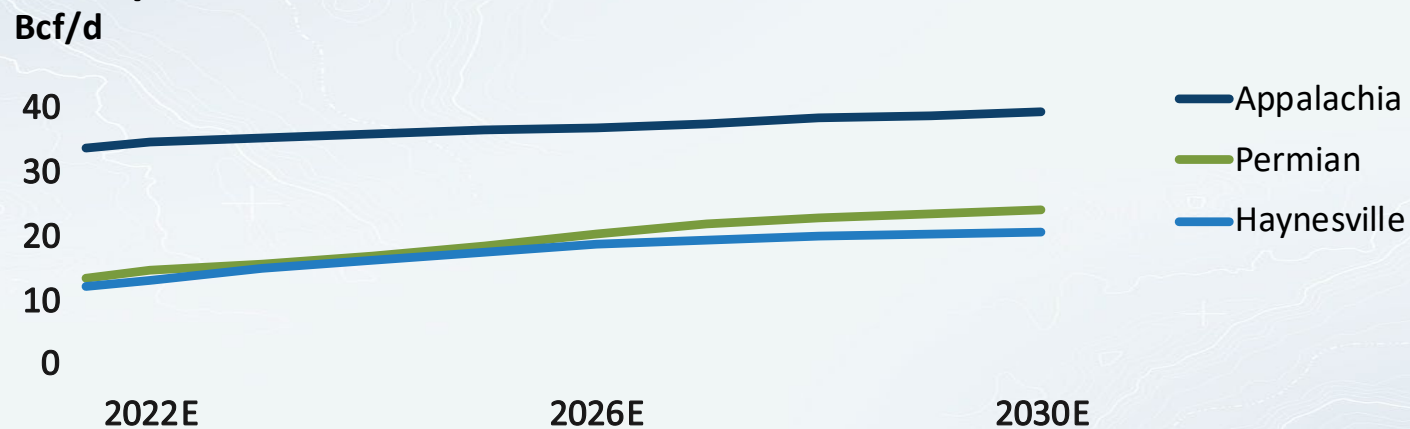
(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# Strong demand supports near and long-term growth

**U.S. natural gas demand growth**  
Bcf/d (incremental from 2021 at 91 Bcf/d)



**Basin production forecast**



## 2022 ENERGY THEMES

### + SECURITY

- Reinforces the **importance and value** of stable infrastructure for meeting near and long-term energy needs

### + RELIABILITY

- Natural gas proves exceptionally reliable as the **“always on”** fuel, and a critical foundation for the ongoing buildout of renewables

### + AFFORDABILITY

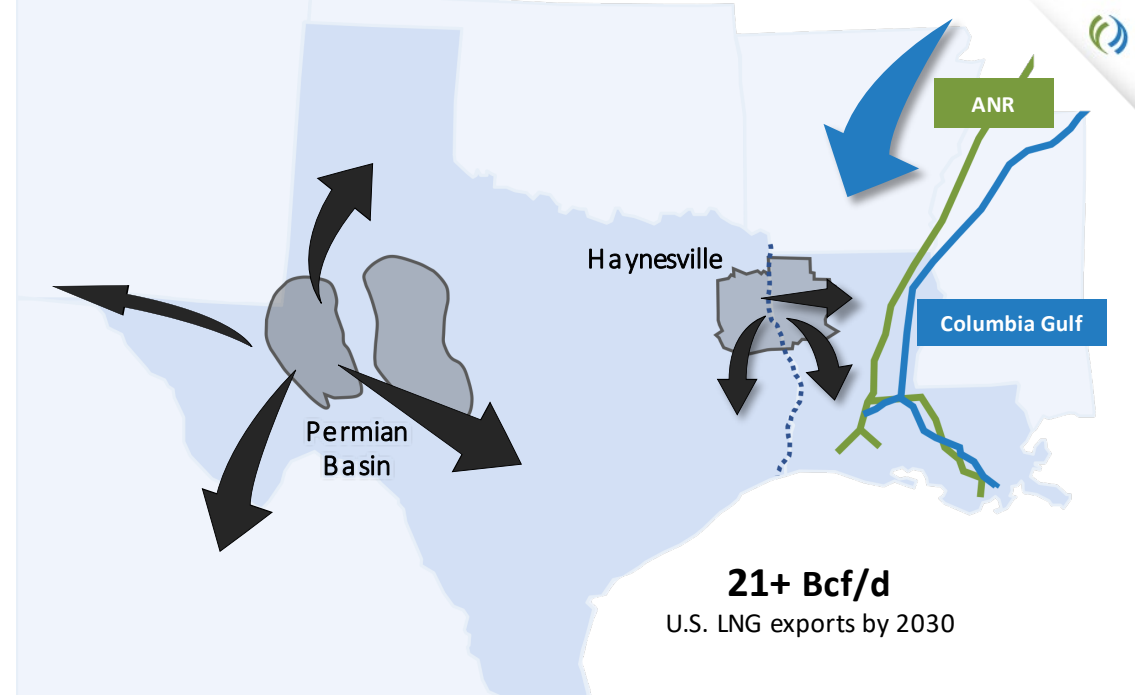
- North American natural gas is abundant – **pipeline connectivity** makes gas accessible, affordable and reduces pricing volatility for customers



## LNG OPPORTUNITIES

# Strategic alignment with next wave of LNG

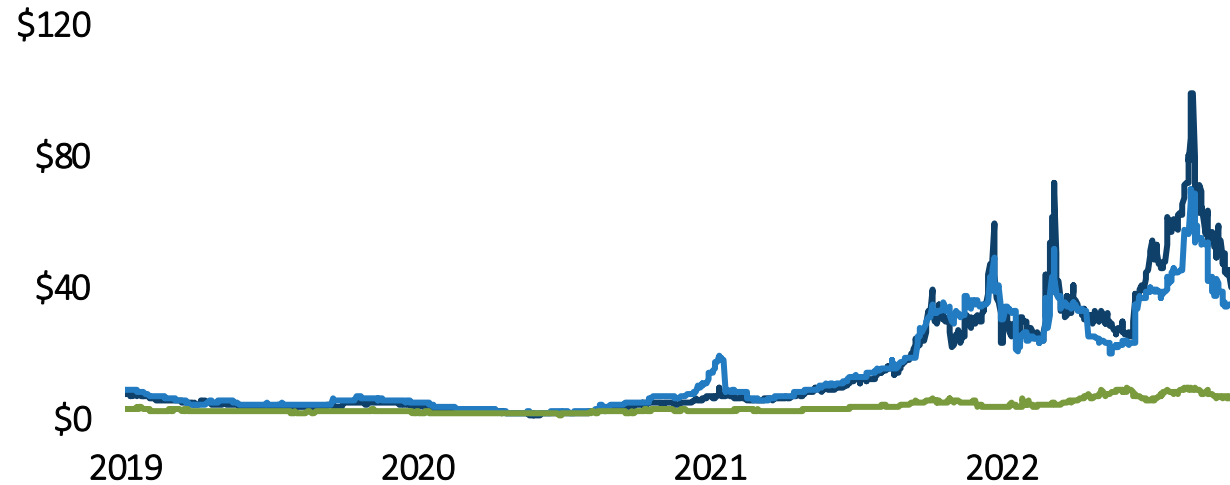
- Increasing LNG feedgas market share - **as high as 35%** by 2025
- Haynesville and Appalachia production are **core** to meeting Louisiana demand
- Gillis Access will feed Louisiana markets and next-wave LNG
- Permian key to meeting Texas and Mexico **demand**



## Global LNG Pricing

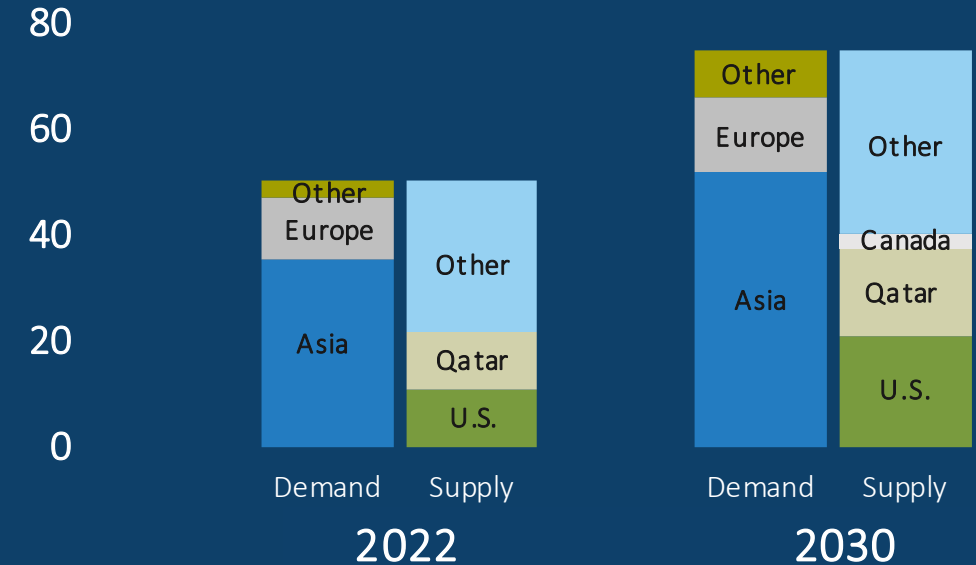
US\$/MMBtu

— TTF — JKM — Henry Hub



## Global LNG demand and supply forecast

Bcf/d



# Strong alignment between fundamentals and asset footprint

Target-rich environment across multiple platforms



**US\$5B**  
Growth projects  
in origination

**12+**<sub>Bcf/d</sub>  
Opportunity set

**~6-8x**  
Track record of  
attractive build  
multiples

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

# Corporate strategy alignment and key takeaways



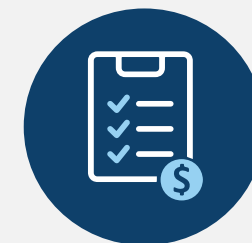
## Showcase **sustainable growth** in cash flows

- Tracking to **record comparable EBITDA<sup>(1)</sup>** for 6<sup>th</sup> consecutive year
- **US\$3.6 billion** of capital in service in 2022/2023
- **Security, reliability and affordability** underpin longevity of natural gas in energy mix



## Demonstrate the **resiliency** of our portfolio

- Highly **contracted** firm capacity
- Throughput **+11%** since 2018
- Prudent **cost recovery** across portfolio
- **Modernization** grows our rate base, enhances reliability, improves efficiency and reduces our GHG intensity



## Provide a **clearly defined** funding plan

- Project **execution** focused
- History of attractive **6-8x** build multiples
- Potential to **accelerate** rate case timing

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.



2022 INVESTOR DAY

# TC Energía Mexico Natural Gas Pipelines

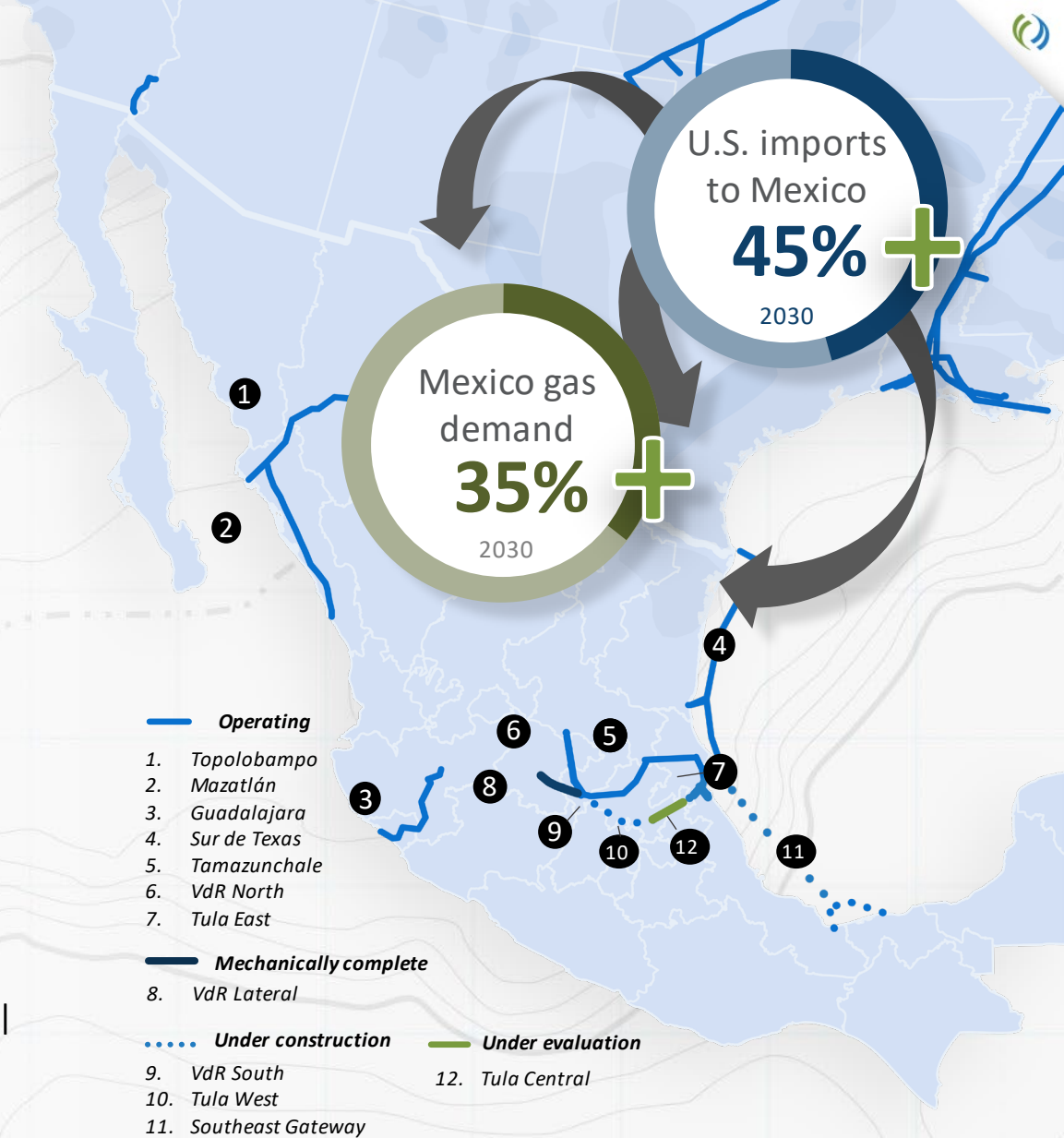


**Stanley G. Chapman, III**  
Executive Vice-President & Group Executive  
U.S. and Mexico Natural Gas Pipelines



# Industry-leading position in a growing natural gas market

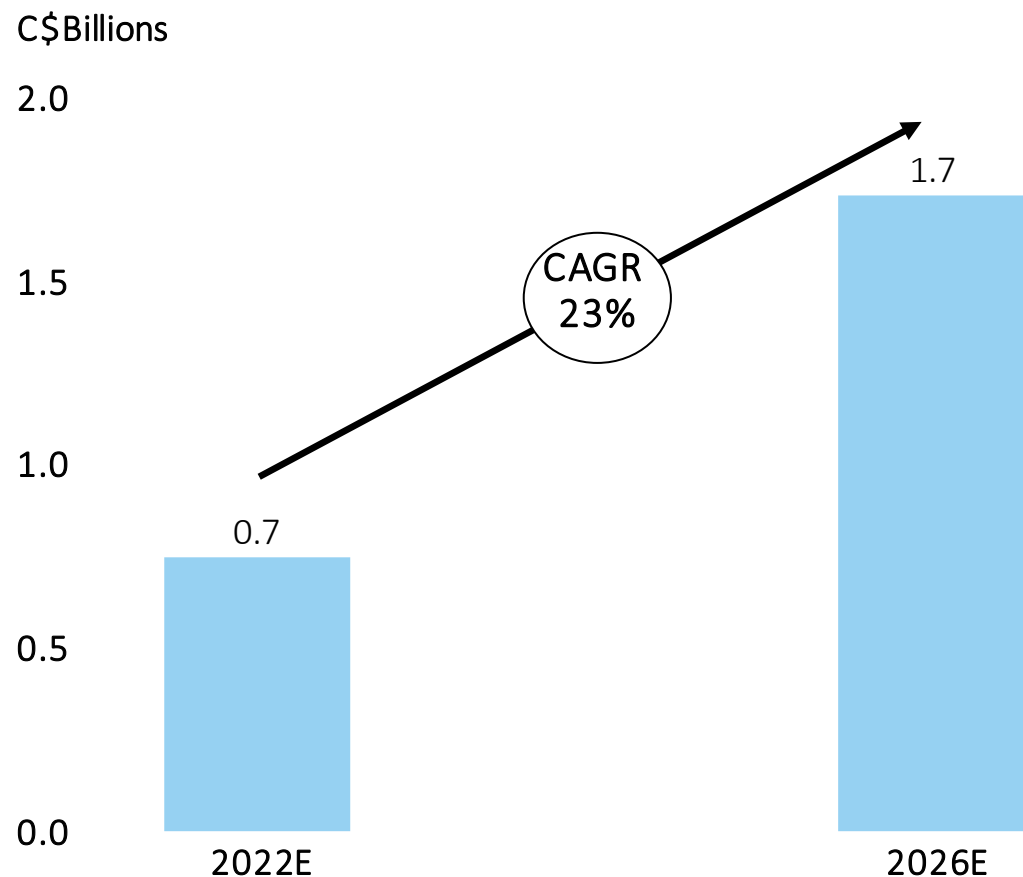
- 30-year history with **US\$11 billion** invested<sup>(1)</sup>
- Critical infrastructure with exclusive **strategic location**
- Utility-like business model with **stable, growing cash flows**
- Resilient macro fundamentals and robust natural gas sector dynamics
- **Alignment** between fundamental demand and policy
- Southeast Gateway pipeline (SGP) expected to deliver a 7x build multiple
- Placed VdR North and Tula East into service; completed VdR lateral



(1) Inclusive of sanctioned capital, including Southeast Gateway Pipeline (SGP)  
 Source: TC Energy estimate derived from the Mexican government's public sources

# MEXICO 2022-2026 COMPARABLE EBITDA<sup>(1)</sup> OUTLOOK

## Expecting comparable EBITDA<sup>(1)</sup> to more than double



- + Secured capital program 2022-2026 with a **build multiple** of **7x – 8x**
- + **US\$160 million** incremental annual EBITDA from TGNH, exclusive of SGP and Tula central, between 2022-2024
- + Substantial **comparable EBITDA<sup>(1)</sup> uplift** from Southeast Gateway pipeline expected to be in service in **mid-2025**

# Strong alignment between fundamentals and policy



## **1 ECONOMIC GROWTH AND GROWING NATURAL GAS DEMAND**

- Stable economic outlook post-pandemic
- Growing demand from manufacturing export industries
- CFE growth and modernization drives gas demand from power sector
- Growing potential for LNG exports from Mexico

## **2 GOVERNMENT PRIORITIZES NATURAL GAS**

- Vehicle for economic and social development
- Reduce emissions from fuel oil and diesel; key transition fuel
- Natural gas supply certainty and reliability
- U.S. imports complement domestic gas production

## **3 UTILITY-LIKE BUSINESS MODEL**

- Long-term, take-or-pay contracts with creditworthy counterparties
- TGNH settlement provides recovery on and of all invested capital
- Risk allocation model reduces potential downside of projects
- New capital spend expected to generate returns with 7-8x build multiples

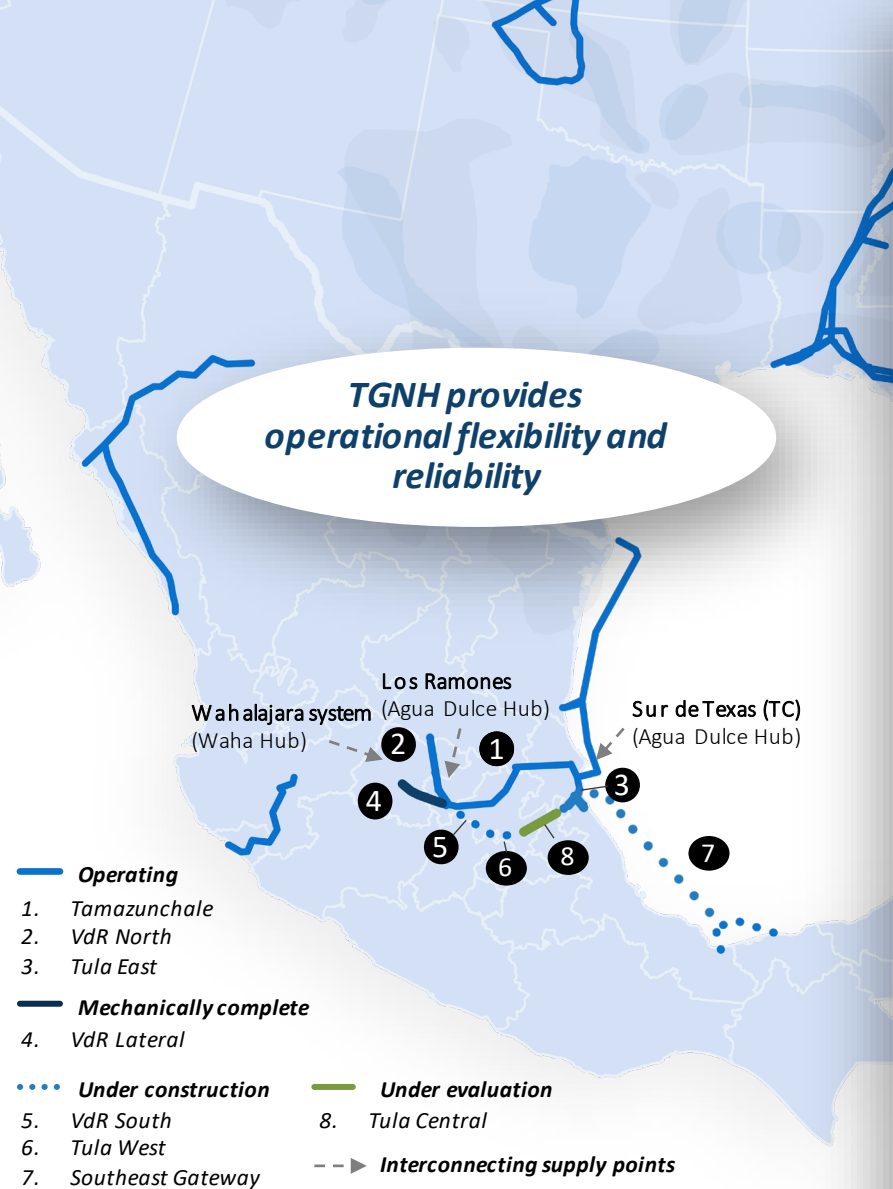
**Growth underpinned by strong commercial construct**

# SOUTHEAST GATEWAY

## Applying learnings to enhance project execution

...attributable to:

- Sur de Texas experience and learnings
- Robust project planning, estimating and contracting
- Strong multi-jurisdictional government support
- CFE responsible for land and accelerating permits
- Strong commercial agreements with cost recovery and off-ramps
- Upfront equity, CFE equity contribution enhanced by in-country financing



## SGP MILESTONES

Q3 2022

**TC and CFE Board FID**

- ✓ Secured prime contractors

Q4 2022

- ✓ Commenced steel and concrete weight coating production
- ✓ Submitted major permit filings

Q1 2023

**Receive major permits**

Q4 2023

**Offshore pipe laying**

May 2025

**Expected in-service**

**Delivering strong returns and cash flow while mitigating risk**



# Corporate strategy alignment and key takeaways



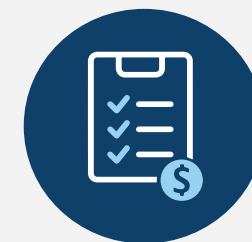
## Showcase **sustainable growth** in cash flows

- **US\$160 million** incremental annual comparable EBITDA<sup>(1)</sup> from TGNH, exclusive of SGP and Tula central, between 2022-2024
- Developing SGP and advancing Tula Central
- **Economic and industrial growth** drives future expansions



## Demonstrate the **resiliency** of our portfolio

- Prudent history of deploying capital and growing comparable EBITDA<sup>(1)</sup>
- **Fully contracted** assets serving key regions
- Alignment with government and the CFE via **first-of-its kind** public-private partnership
- Natural gas plays a **key role** in Mexico's energy transition and economic development



## Provide a **clearly defined** funding plan

- Expected **US\$340 million** CFE equity contribution to TGNH
- **In-country financing** bolsters financial position
- Mexico exposure limited to 10% of overall portfolio



(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.



2022 INVESTOR DAY

# Canadian Natural Gas Pipelines



## **Bevin Wirzba**

Executive Vice-President, Strategy and Corporate Development and Group Executive, Canadian Natural Gas Pipelines and Liquids Pipelines



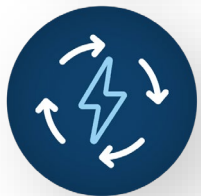
## Key investment characteristics



Utility-like business offers sustainable, long-term, **predictable cash flow** and **earnings at all points** of the economic cycle



Disciplined growth underpinned by **world-class** supply/demand fundamentals

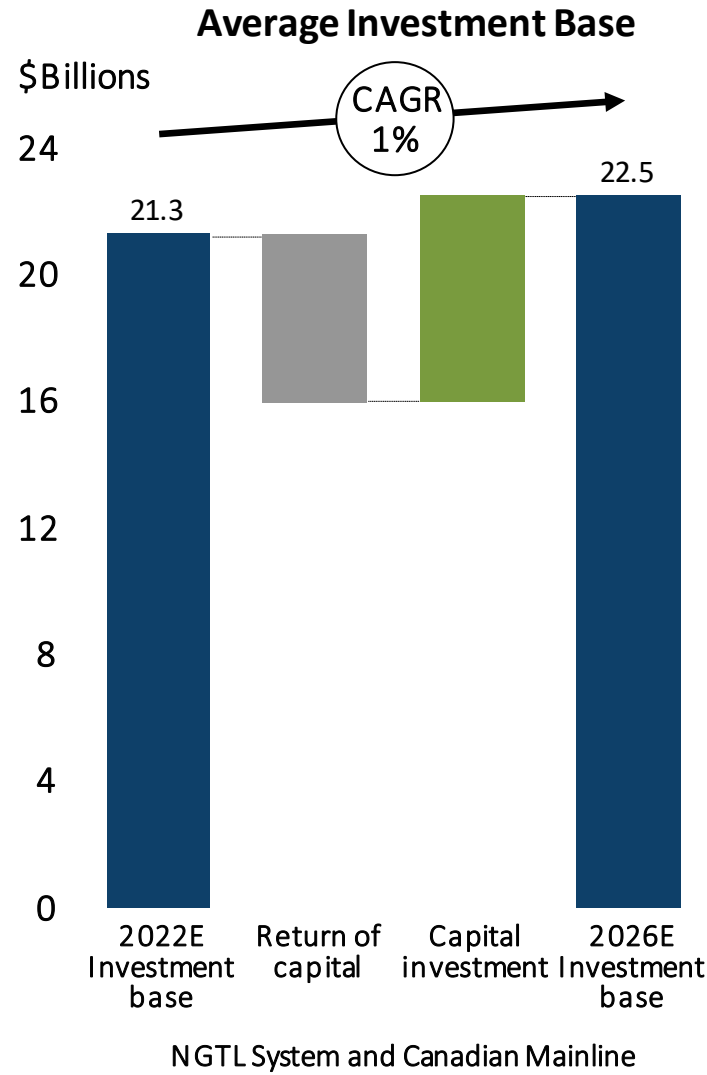
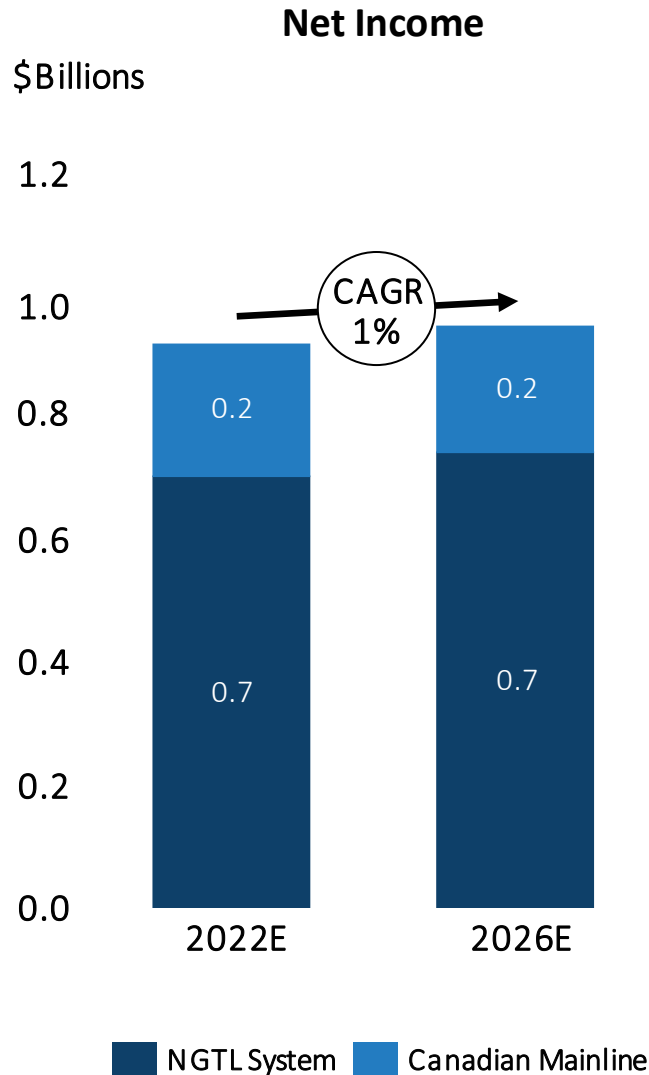


Critical component of a synergistic North American footprint **positioned to prosper** across energy transition scenarios



Connecting sustainable Canadian natural gas to **key demand markets** on and off-continent

# Highly resilient and stable business

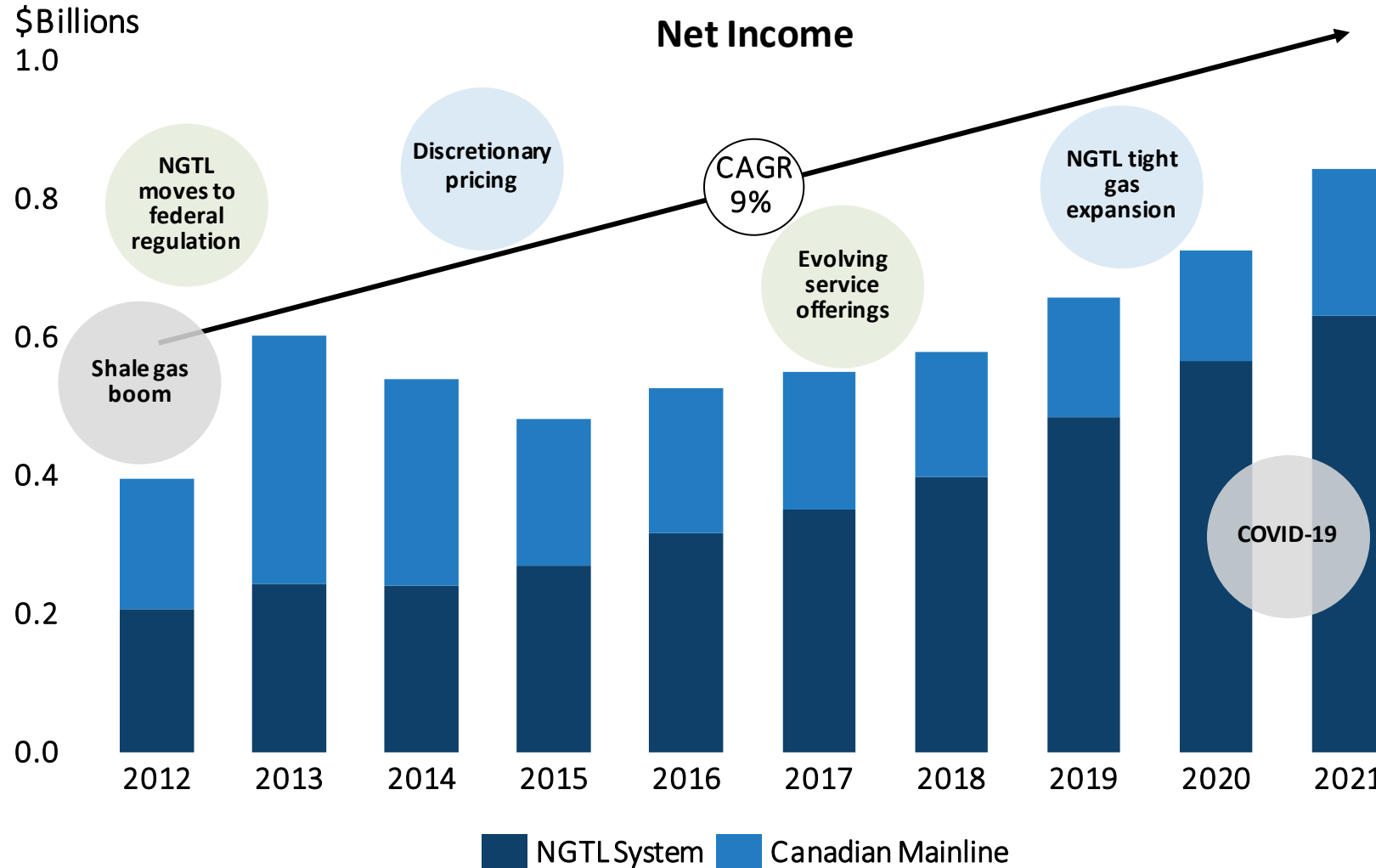


Every dollar invested earns a return on and of capital

- + Capital efficient expansions support **WCSB competitiveness**
- + Cost-of-service model generates **low volatility earnings** with stable return on equity
- + Asset base is **well-positioned** to continue to deliver strong results
- + Incremental **net income upside** from additional growth capital
- + Base return of **10.1% ROE** on 40% equity thickness

# LONG HISTORY OF LOW-RISK PREDICTABLE GROWTH

## Adaptable business model delivers through all points of the economic cycle

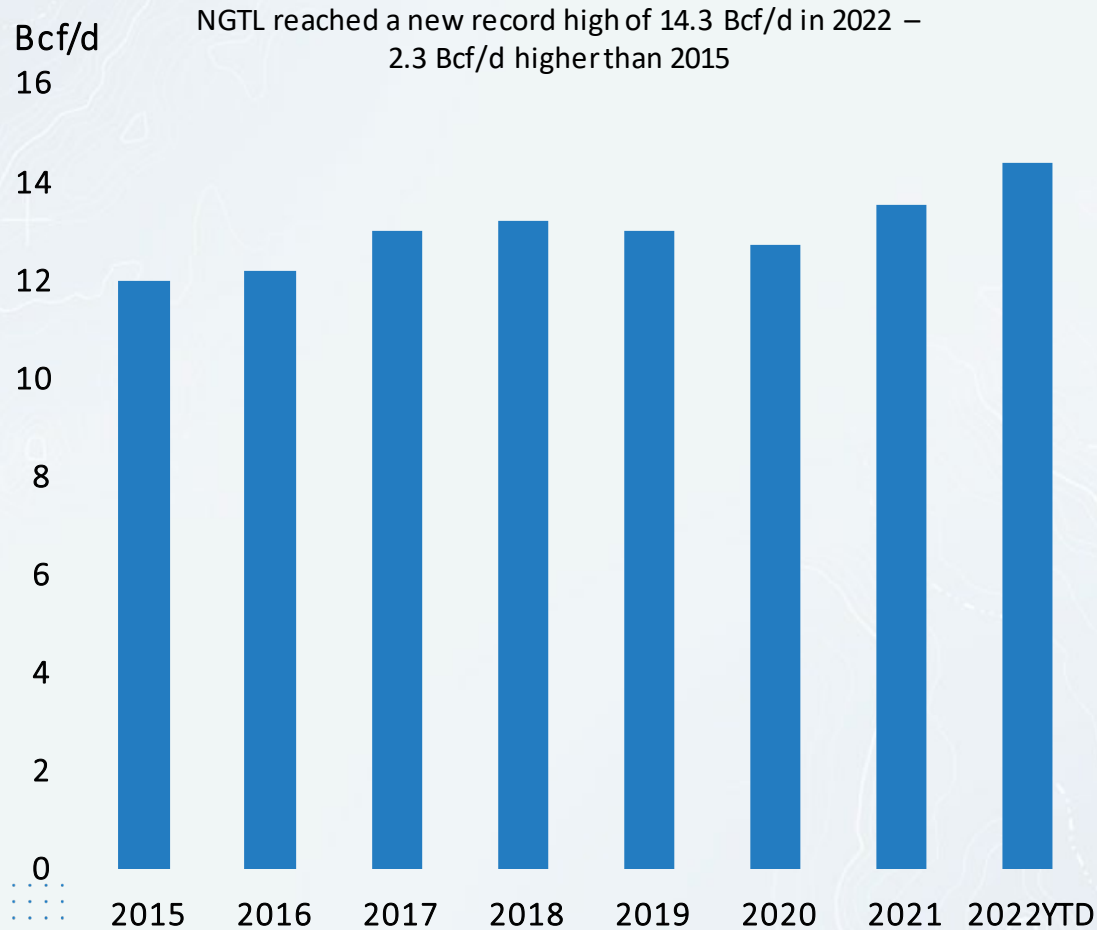


- + Significant **resilience** following energy disruptions
- + Ongoing **evolution in service offerings**
- + Secured shale gas supply and discretionary pricing
- + **9% CAGR** since 2012



# Significant investment to expand the reach of the WCSB

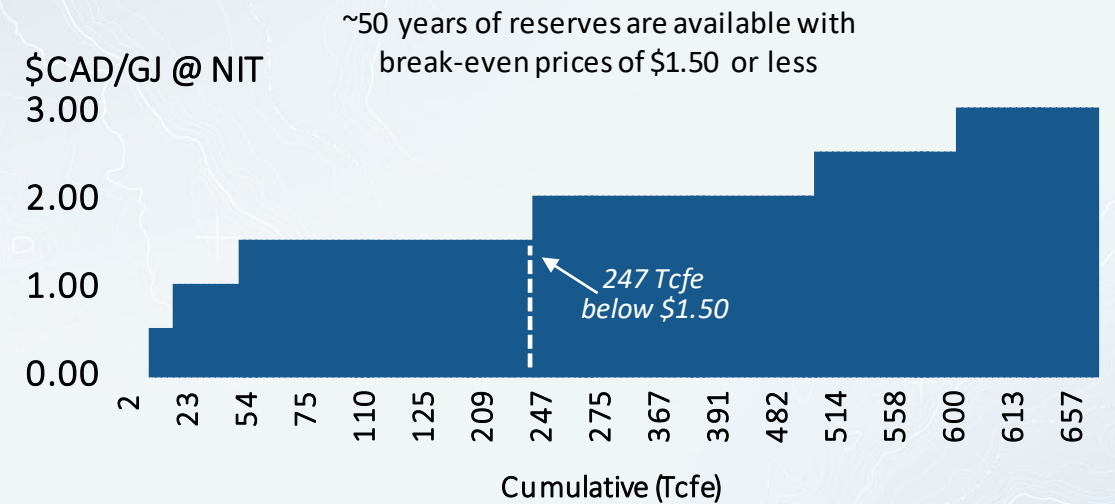
## Peak day NGTL System receipts



## NGTL and Mainline Investment Base

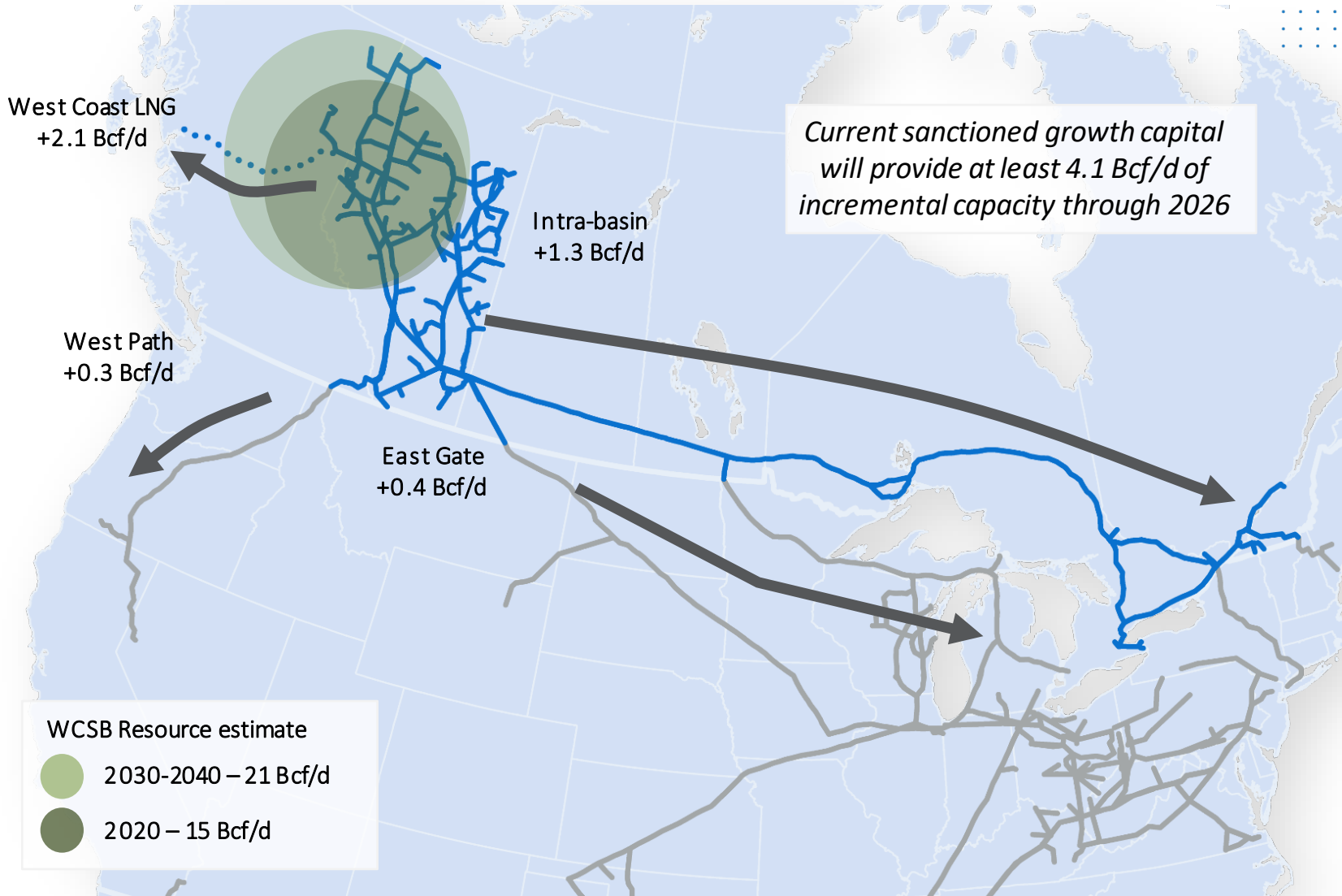


## WCSB production break-even



# OUTLOOK GROUNDED IN FUNDAMENTALS

## Strategic asset footprint



- + Resilient regulated business model helps **insulate** against inflation and counterparty risk
- + Long runway of **prudent capital investments** support basin's ongoing access to competitive markets
- + Continued coal-to-gas conversions driving **significant demand growth**
- + Strong **interconnection with U.S. Natural Gas Pipelines**
- + Actively seeking **export opportunities** to support customer access to lucrative global prices

# CAPITAL EXPENDITURE APPROACH

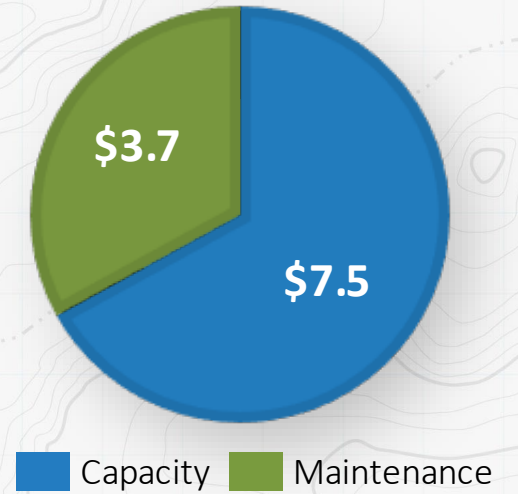
## Disciplined growth and spending

- **Over \$11 billion** in forecast growth, capacity, modernization and maintenance capital programs 2022-2026
- Beyond the **sanctioned \$1 to \$2 billion per year**, up to an additional **~\$1 billion per year** could be optioned for disciplined expansion and decarbonization/unregulated growth projects

### Forecast capital program\*

2022-2026E

(\$Billions, sanctioned)



### RECOVERABLE MAINTENANCE CAPITAL PROGRAMS

~\$0.7-0.8B/year

Expenditure to run our existing business safely and reliably

### STRONG CADENCE OF GROWTH CAPITAL

~\$0.5B/year

Projected average annual growth capital for supply migration and disciplined expansions

### SUSTAINABILITY AND DECARBONIZATION

~\$0.8B/year

Modernizing our systems is critical to safety and reliability, and contributes to improvements in our emissions profile

\*Note: Figures do not include further revisions to Coastal GasLink project costs.



# COASTAL GASLINK

## Connecting Western Canada's natural gas to the world



- + WCSB is a **world-class** source of sustainable, secure natural gas
- + Revised agreements **strengthen partnership** with LNG Canada, provide project certainty
- + Project is overall 80% complete
- + 10% equity option agreement signed with Indigenous partners
- + Mechanical completion by end of 2023
- + Potential Phase 2 volumes up to 5 Bcf/d that, if sanctioned, are expected to provide **enhanced TC Energy project returns**
- + Expect to provide updated capital cost estimate in **early 2023**

Coastal GasLink is a nation-building project

# Corporate strategy alignment and key takeaways



## Showcase *sustainable growth* in cash flows

- Utility-like model offers **stable earnings and cash flow**
- Annual cadence of up to **\$2 billion in growth**, decarbonization and recoverable maintenance opportunities
- Expandable **link to global LNG markets**



## Demonstrate the *resiliency* of our portfolio

- Long-life assets well-positioned to participate in a **broad range of energy transition scenarios**
- WCSB offers ~250 Tcfe of low-cost, recoverable resource at **\$1.50/GJ or less**
- Ongoing **coal-to-gas conversion** is a **growth driver** and other industrial gas demand **remains strong**



## Provide a *clearly defined* funding plan

- Exceptional **cash flow stability** and **enhanced credit metric** support for broader organization
- Rate-regulated construct **insulates business from inflation, interest rates and economic volatility**
- Taking significant steps for **on-time and on-budget project execution**

# Q & A

NATURAL GAS PIPELINES





# BREAK

WE WILL RESUME SHORTLY



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2022 INVESTOR DAY  
**Liquids Pipelines**





**Bevin Wirzba**


Executive Vice-President, Strategy and Corporate  
Development and Group Executive, Canadian  
Natural Gas Pipelines and Liquids Pipelines




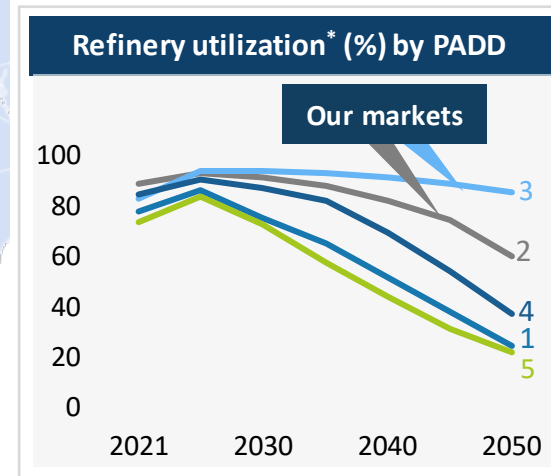
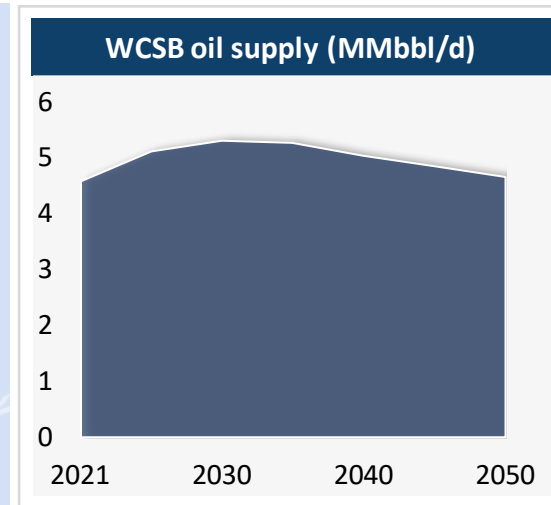
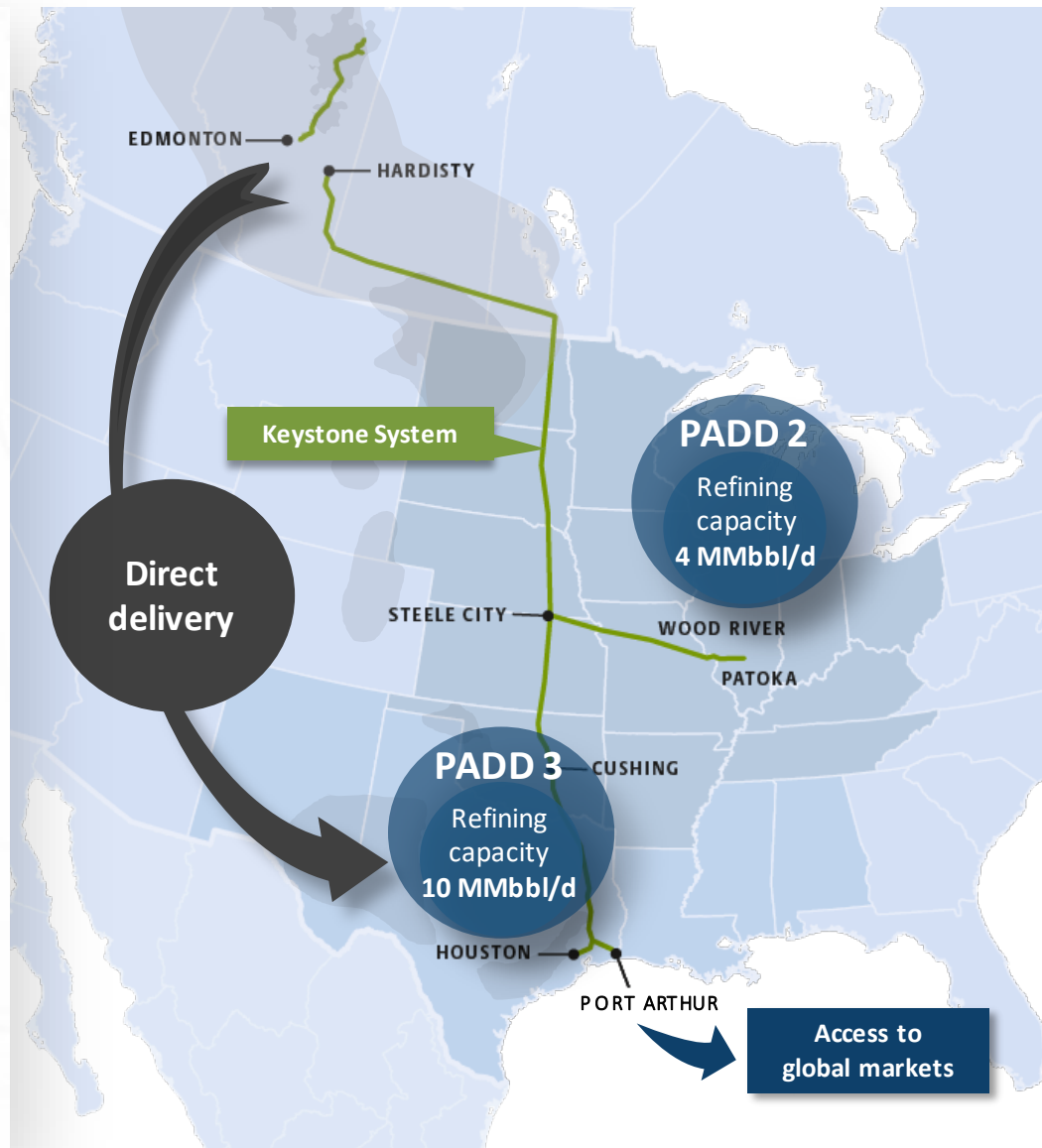
# Leveraging our footprint to connect resilient oil supply to robust markets

 **Highly strategic assets** providing access to the largest refining markets in the world, totaling ~14 MMbbl/d capacity

 **Stable supply source** from long-life, low-operating-cost assets in the WCSB

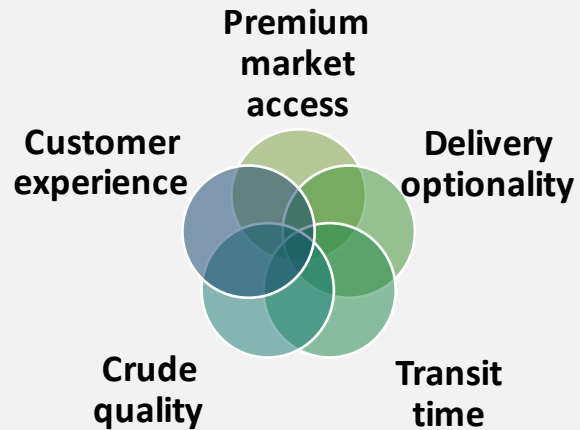
 **Long-term commercial structures** underpinned by **investment-grade** counterparties

 **A disciplined focus** on safety, operational excellence and innovative stakeholder solutions



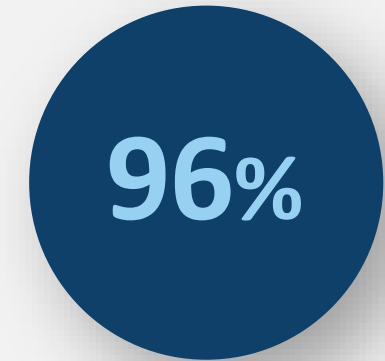
\*Utilization shown excluding future capacity reductions.  
 Source: IHS Markit's Annual Strategic Workbook, 2022  
 (now a part of S&P Global Commodity Insights), ©2022 by S&P Global Inc. All rights reserved.

# Tailor-made customer solutions



## Liquids Pipelines value proposition

- ✓ Safe and reliable delivery of energy
- ✓ Shortest transit time
- ✓ Industry-leading quality preservation path to the Gulf Coast
- ✓ Access to premium markets
- ✓ Enhanced customer experience
- ✓ Innovative, sustainable solutions



Investment-grade customers<sup>(1)</sup>

Customer-driven solutions

MARKETLINK  
PORT NECHES LINK

- Provides **capital-light** optionality for customers to reach new markets
- Extends **last-mile** connectivity to North America's largest refinery
- Offers customers a **full path** from origin to end market

(1) Investment grade or equivalent

# A year of maximizing capacity and progress

## Optimizing Keystone System to date



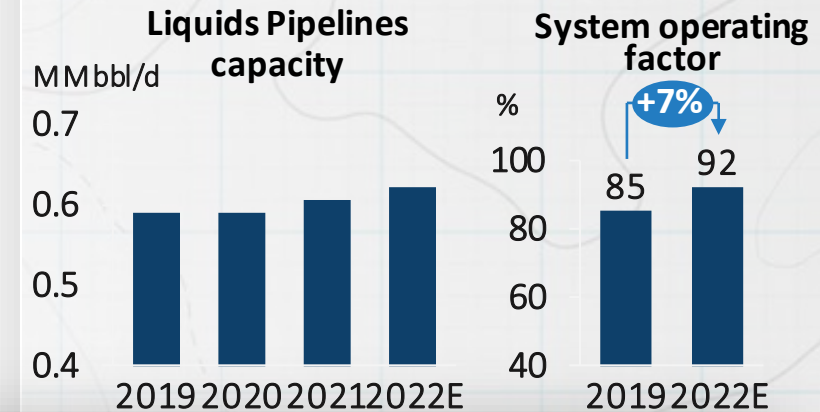
### Safe and sustainable operations

- Resulting in increased reliability and unlocking additional capacity



### Operational excellence

- Increased Keystone System capacity to 622,000 Bbl/d and commercialized 30,000 Bbl/d of long-term contracts
- Generated strong, **stable cash flows** with minimal capex requirement



## Maximizing Marketlink latent capacity and other capital-light opportunities

### Short-term

- Nearing completion of **Port Neches Link**, adding direct connectivity to Motiva's 630,000 Bbl/d refinery
- Utilization of shorter-term contracts on Marketlink

### Medium-term

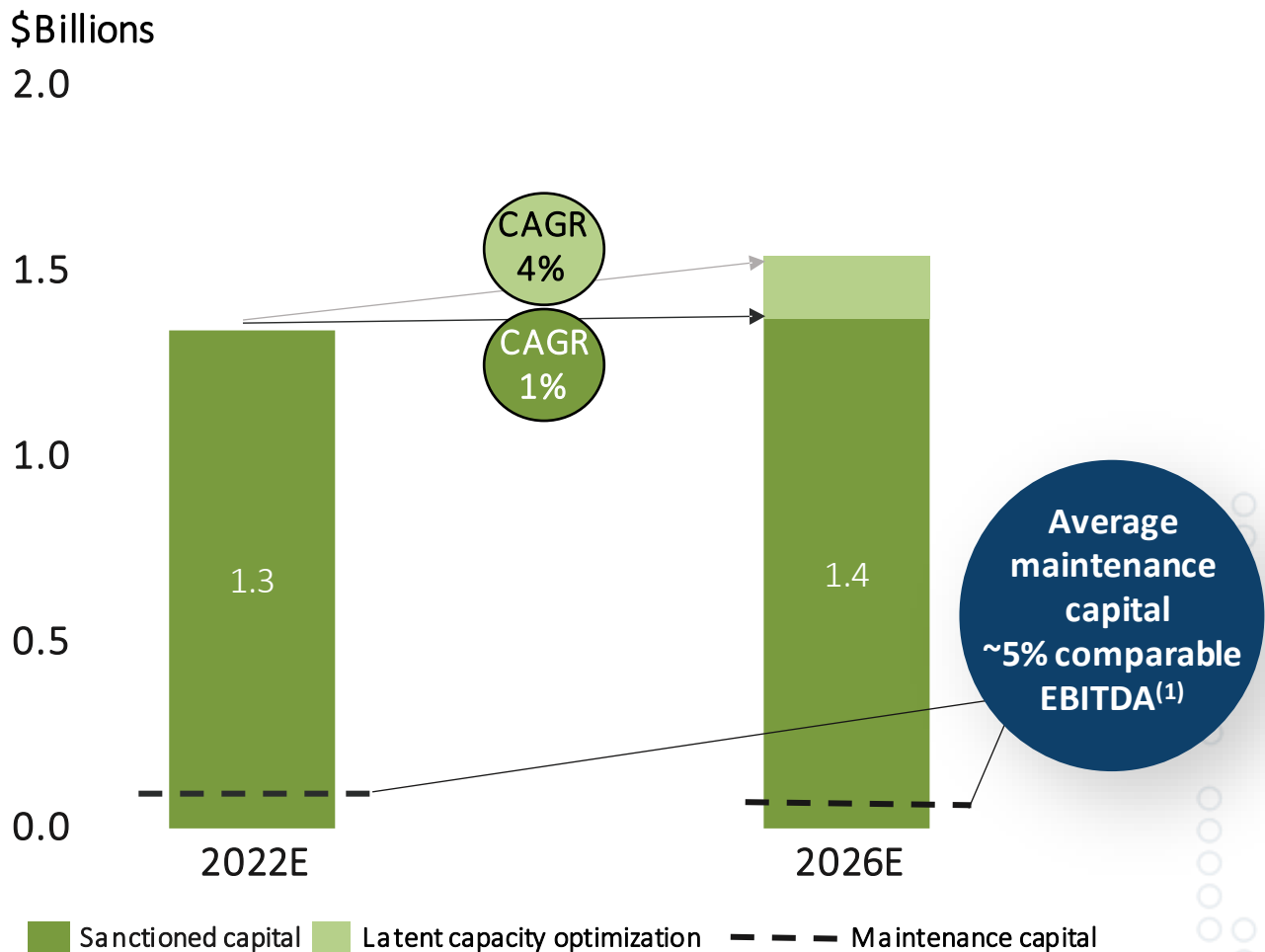
- **SPR refills** expected to provide tailwinds
- Additional capital-light, **last-mile** connects

### Long-term

- Extending **long-haul, full-path service** across Keystone System & Marketlink



# Significant free cash flow and option value



Driven by strong market fundamentals, **strategically positioning** for the future

- + Focus on **operational excellence**
- + **94%** of Keystone System is under **long-term contract**
- + Ensure sustainable **long-term free cash flow**
- + **Optimizing latent capacity** of our existing assets
- + Invest in **capital-light** projects to maximize value of infrastructure and increase system connectivity

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# Corporate strategy alignment and key takeaways



## Showcase **sustainable growth** in cash flows

- **Recontracting** and **commercial opportunities** to unlock additional capacity and increase long-haul volumes
- Pursue disciplined **capital-light, in-corridor growth** opportunities to enable increased optionality and market access for customers
- Continued focus on **operational excellence** and **safety**



## Demonstrate the **resiliency** of our portfolio

- Industry-leading **contracted** portfolio
- Utilizing renewable power to advance our **decarbonization strategy**
- Directly linking one of the **world's largest resources** to the **largest refining markets**



## Provide a **clearly defined** funding plan

- Stable earnings and **strong free cash flow**
- Long-term average **maintenance capital ~5% of comparable EBITDA<sup>(1)</sup>**
- Optionality for **increasing cash flow** with low growth capital requirement

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.



2022 INVESTOR DAY

# Power and Energy Solutions



**Corey Hessen**

Executive Vice-President and President,  
Power & Energy Solutions



## POWER AND ENERGY SOLUTIONS

# Strong base business growing via customer-led opportunities

Total existing capacity of ~4,300 MW

- Portfolio of **low-cost** baseload generation
- Underpinned by >92% **long-term contracts**
- ~75% **emission-less** generation

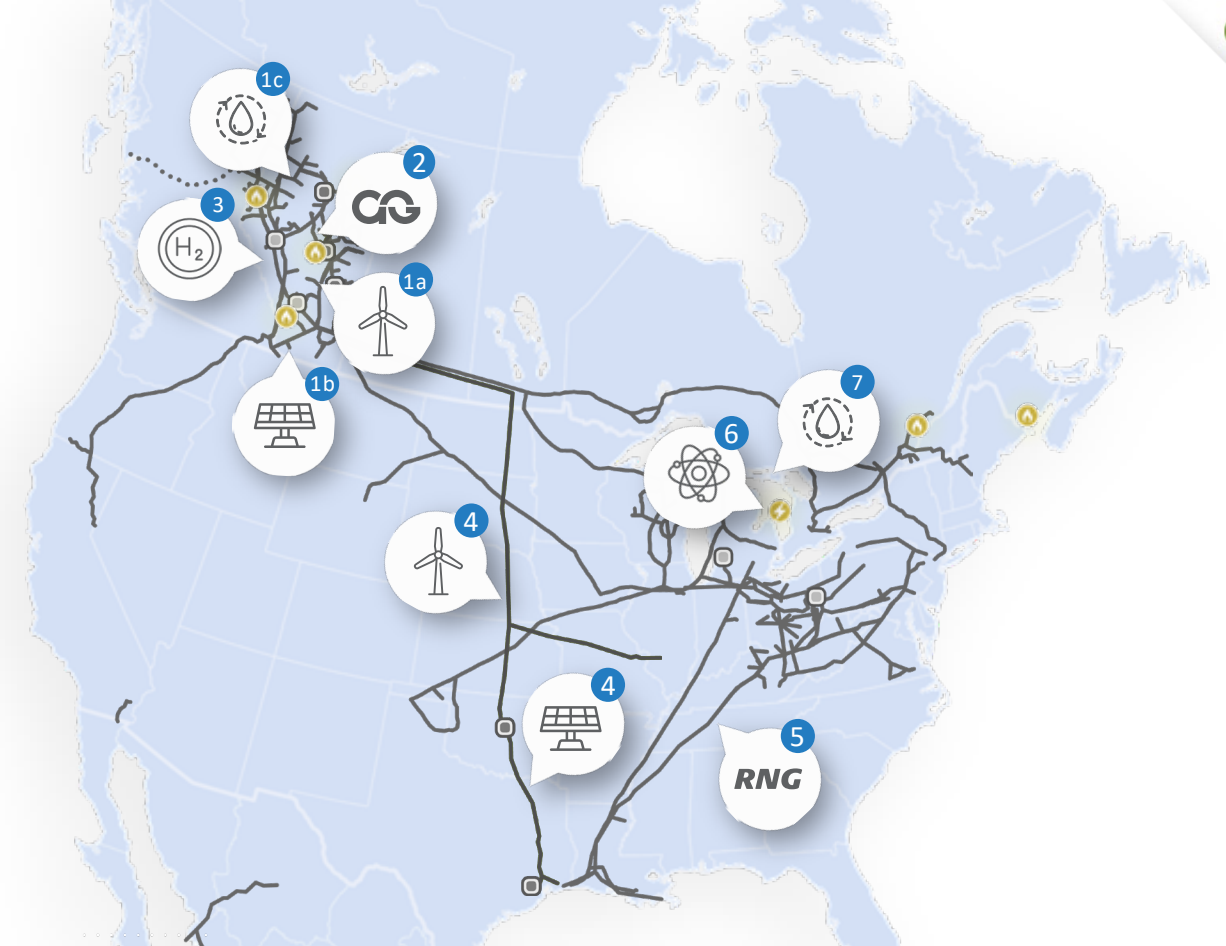
Acquired ~1,200 MW of renewable power capacity since December 31, 2021

- **Decarbonizing** internal and external customers

Non-regulated natural gas storage

- 118 Bcf of capacity in Alberta
- Approximately one-third of provincial total

**Over 30 years in the power business**



### Projects under development

1. 24 x 7 Carbon-Free Power Solution
  - a. Sharp Hills Wind Farm
  - b. Saddlebrook Solar + Storage
  - c. Canyon Creek Pumped Storage
2. Alberta Carbon Grid™
3. Crossfield Hydrogen Hub
4. Renewable energy contracts
5. Lynchburg Renewable Fuels
6. Bruce Power Life Extension Program / Project 2030
7. Ontario Pumped Storage

### Existing projects

- 🔥 Natural Gas Power Cogeneration
- ⚡ Nuclear Power Generation

# Solving customers' energy transition challenges

## Runway of customer-driven opportunities

### Strategic alignment

- Leverage vast energy infrastructure network
- Manage risk through a diverse portfolio across markets and geographic reach
- Investments in high-barrier-to-entry markets to align returns to corporate target of 7-9%

### Customer-driven and solution-oriented

- Offering a range of decarbonization solutions to existing and new customers

### Reinforced by fundamentals

- Electricity remains the great driver of future energy outlooks
- Firming resources play a key role with growth in renewables

## Nuclear power generation

- Bruce Power



## Other mature power generation

- Wind
- Solar
- Cogeneration



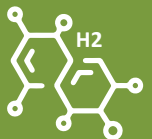
## Storage and firming resources

- Ontario Pumped Storage Project
- 24x7 Carbon-Free Power Solution
- Gas storage

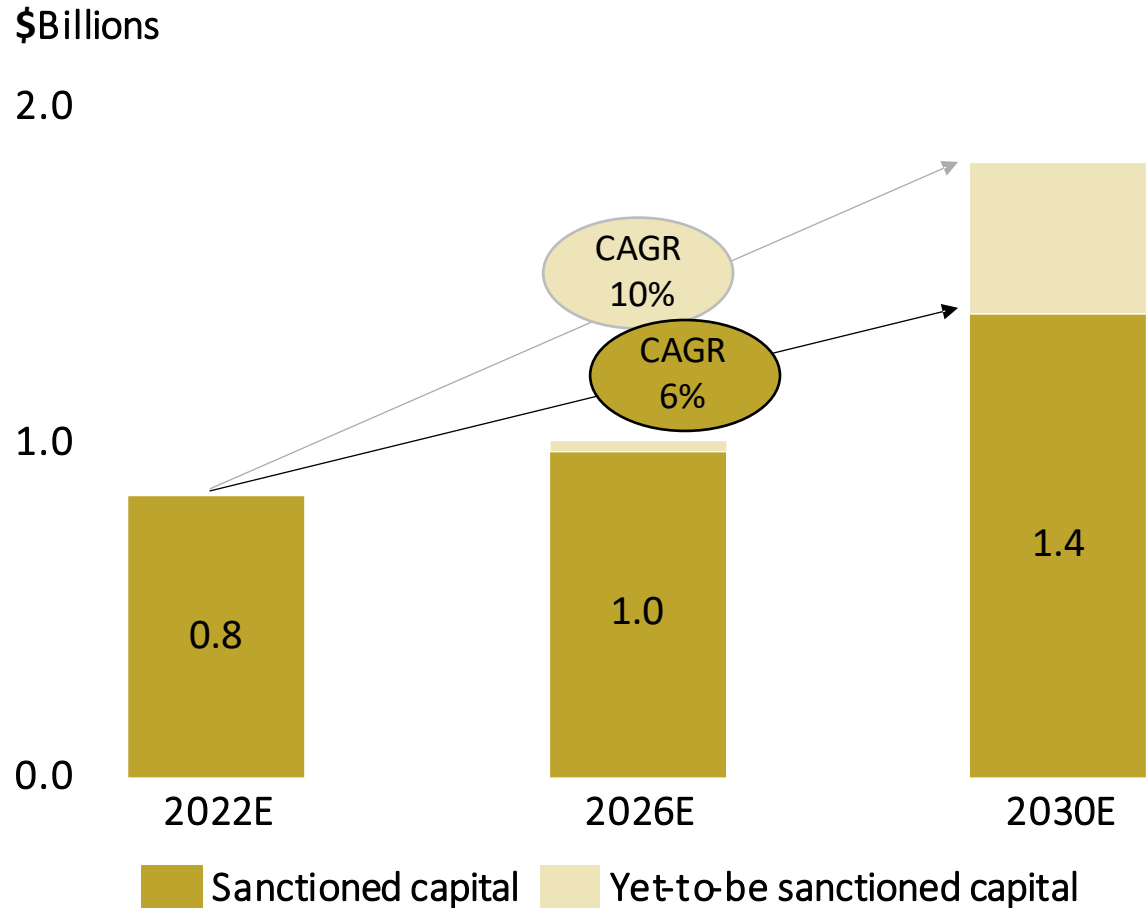


## Decarbonization solutions

- Renewable natural gas
- Hydrogen
- Carbon capture, transportation and storage



## Capitalizing on low-carbon opportunities



- + Backlog of unsanctioned capital provides incremental **growth** to our outlook
- + Continuous growth opportunities, **leveraging competitive footprint**
- + Bruce Power returns expected in low **double digits**
- + Investments in Bruce Power MCR<sup>(2)</sup> program and Project 2030 expected to **double** Bruce Power's equity income by 2030
- + Enabling our internal and external partners' energy transition strategies enhances the **resilience** of existing assets

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

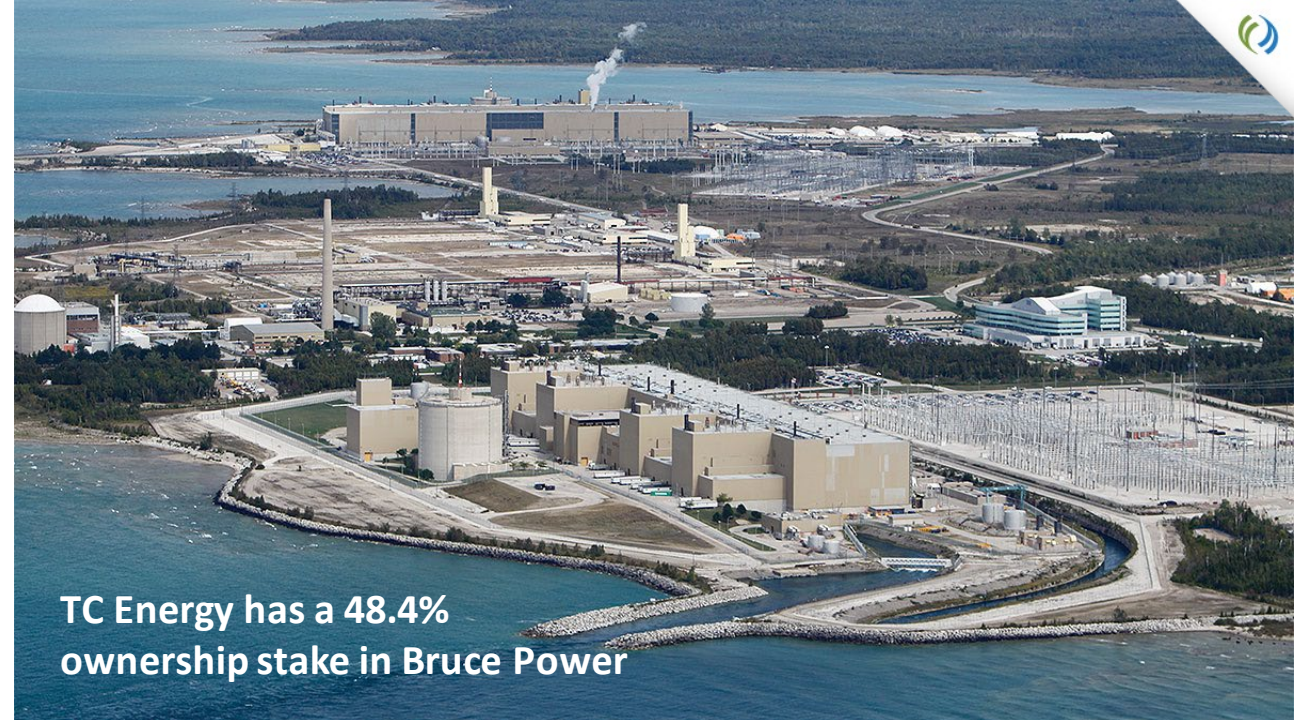
(2) MCR: Major Component Replacement

# BRUCE POWER

## A key asset in a low-carbon future

**“There’s no transition that works without nuclear, full stop.”**

- Mark Carney, *United Nations Special Envoy for Climate Action and Finance*



**TC Energy has a 48.4% ownership stake in Bruce Power**



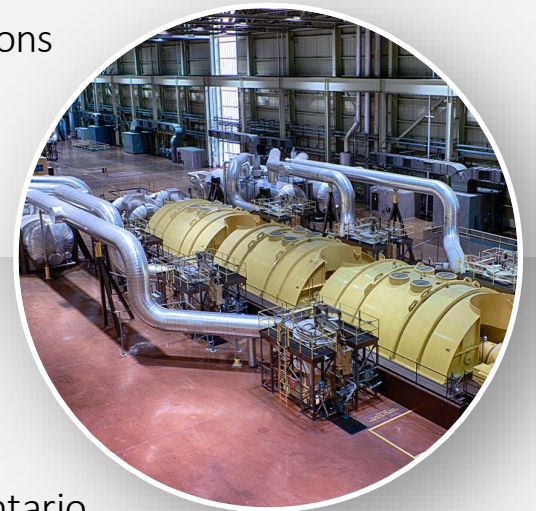
**Bruce Power is the world’s largest nuclear electric facility by generation, providing emission-free, low-cost, reliable electricity and is a critical supplier of life-saving medical isotopes to hospitals around the world**

### Safe

Track record of safe, reliable operations for over **45** years; Bruce A and B **industry top performers worldwide**, as per INPO/WANO<sup>(1)</sup>

### Reliable

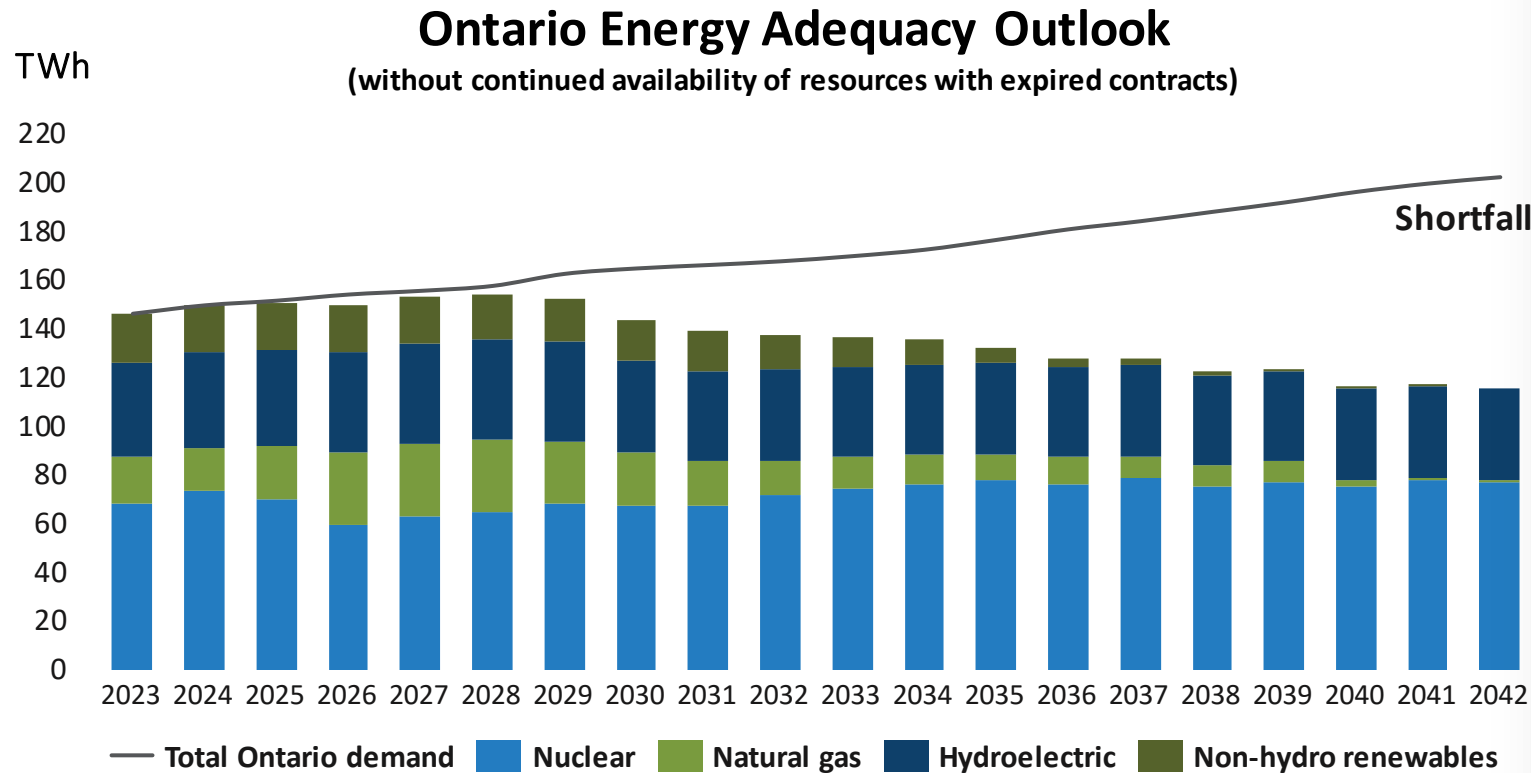
~ **6,580** MW electrical capacity  
~ **87%** capability factor<sup>(2)</sup>  
~ **30%** of the generation needs in Ontario



(1) INPO: Institute of Nuclear Power Operations, WANO: World Association of Nuclear Operators

(2) Capability factor refers to total possible production less planned and unplanned outages

# Critical to meeting Ontario's growing electricity demand and decarbonization goals

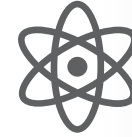


## + ONTARIO'S ENERGY LANDSCAPE

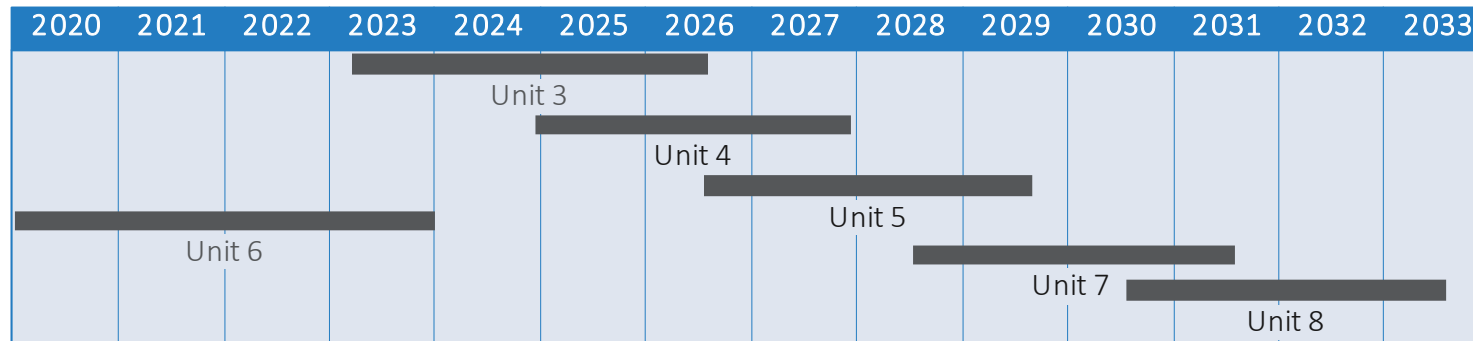
- Energy requirements increase sharply starting in 2029 due to **increasing demand**
- **Emission-less** electricity generation supports Ontario's decarbonization plan
- **Bruce Power's** life extension program plays a **key role** in supporting the growing demand



# Extending life and increasing capacity without new infrastructure

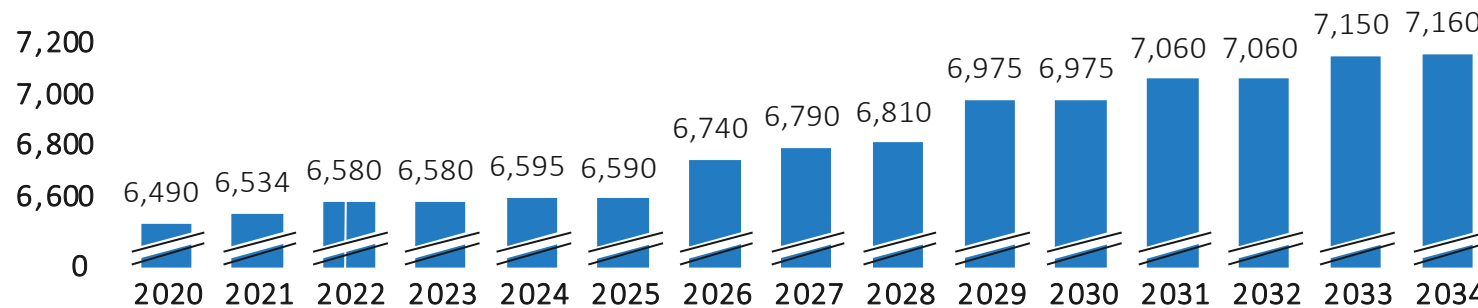


Major Component Replacement (MCR) program and Asset Management progressing, on-time and on-budget



Project 2030 is the equivalent to adding a ninth generating unit

MW (NET PEAK)



Source: Bruce Power. Project 2030 represents 100% of Bruce Power facility.

## + PAST AND FUTURE INVESTMENT

- TC Energy has invested **\$2.3 billion** into Bruce Power since 2015
- **\$2.3 billion** planned to finish MCR6 and MCR3 and fund the current Asset Management work through 2024
- **\$4.8 billion** is planned for refurbishment of Units 4, 5, 7 and 8, and the Asset Management work beyond 2024

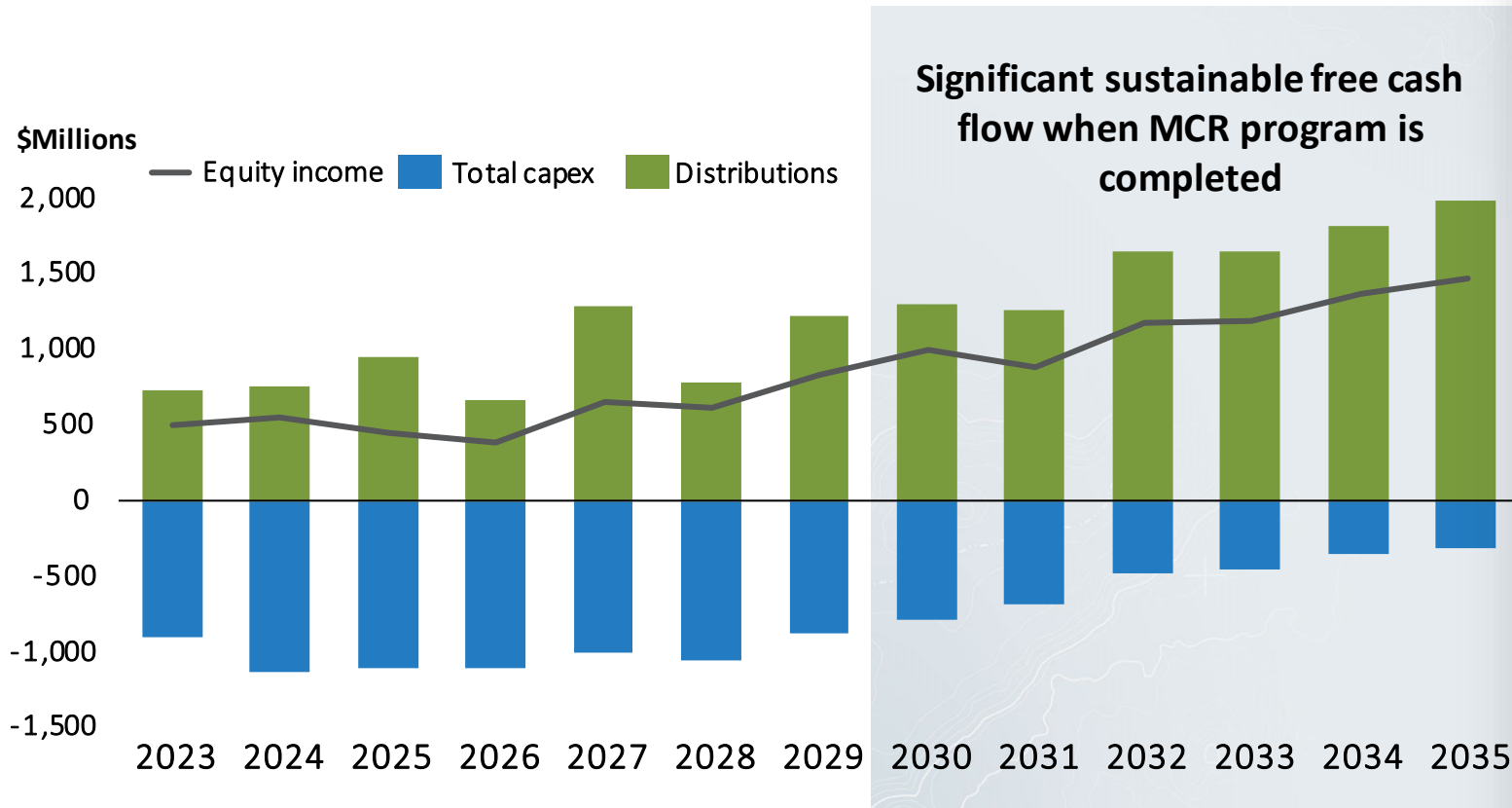
## + GOAL OF ACHIEVING PEAK SITE OUTPUT OF 7,000 MW BY 2033

- Continued asset **optimization, innovations** and leveraging **new technology**
- By 2033, an **additional ~600 MW** is enough to power over **half a million homes**

# Continues to create enduring value



Low double-digit returns, backed by an investment-grade counterparty and a long-term contract through 2064



## + STRONG RETURN ON INVESTMENT

- Capital requirements largely **funded through distributions**
- **Increasing free cash flow** potential following completion of MCR program

## + KEY PROVISIONS FOR POWER PRICE INCREASE:

- **Uniform price** for all generation
- Adjusted for **inflation** and other factors on April 1 of each year
- Adjusted for return on/of MCR capital on April 1 prior to each MCR outage

## + MITIGATING RISKS

- Long-term **risks** are **mitigated contractually**
- **No liability** for decommissioning or long-term storage of spent fuel

Source: Bruce Power internal forecast representing TC Energy share of ~48.4%

## ONTARIO PUMPED STORAGE<sup>(1)</sup>

# Ontario's biggest battery, storing carbon-free electricity



A 1,000 MW reliable, proven technology to complement current supply and satisfy future demand designed with rate payers in mind

- Pumped hydro is the world's largest battery technology - over 94% of installed global energy storage capacity<sup>(2)</sup>
- Capacity to power nearly **one million homes** and expected to **displace ~500,000 tonnes CO<sub>2</sub>e/year** equivalent to **taking ~150,000 cars off** Ontario's roads
- Developing in collaboration with **Indigenous partners**
- Over **1,000 jobs** will be created during the construction period

### Key developments in 2022:

- Advancing Indigenous partnership opportunity with **Saugeen Ojibway Nation**
- Advancing activities under the Ontario Ministry of Energy's letter to the IESO<sup>(3)</sup> related to the Unsolicited Proposals Process, with goal of **completing the assessment** in Q1/2023
- Evaluating commercial framework options such as cost-of-service under OEB<sup>(4)</sup> rate regulation or a long-term contract with IESO to support an **appropriate risk/return profile**



# VIRTUAL POWER PURCHASE AGREEMENTS (vPPA)

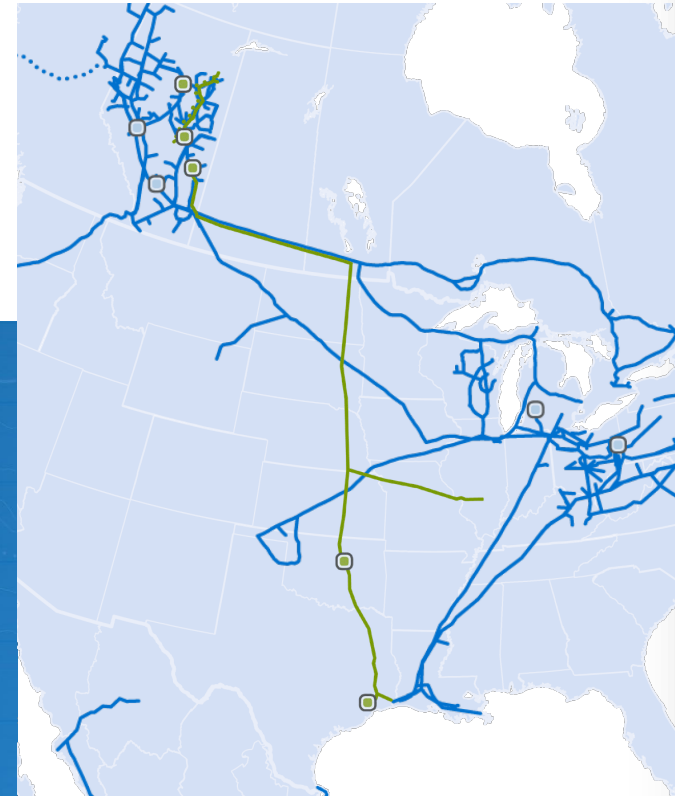
## Progressing power decarbonization for internal & external customers

Powering the Keystone Pipeline System with renewable energy could abate ~1.5 million tonnes of CO<sub>2</sub>e annually

- Evaluating, negotiating and executing vPPAs and equity participation
- Leveraging internal customer demand to offer renewable power solutions to external customers

### Key developments in 2022:

- Secured ~**825 MW** of wind and solar generation; advancing incremental opportunities in the U.S. and Canada
- **2 GW+** of third-party offtake originated
- Issued **RFP** for opportunities for Canadian portion of Keystone Pipeline System



**2021**

Issued RFIs for wind, solar and battery storage capabilities in U.S.



**2021-2022**

Evaluated U.S. proposals, commenced negotiations, signing LOIs and finalizing contracts



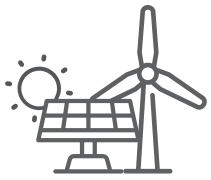
**2022**

Issued RFP for Canadian decarbonized power and incremental U.S. opportunities



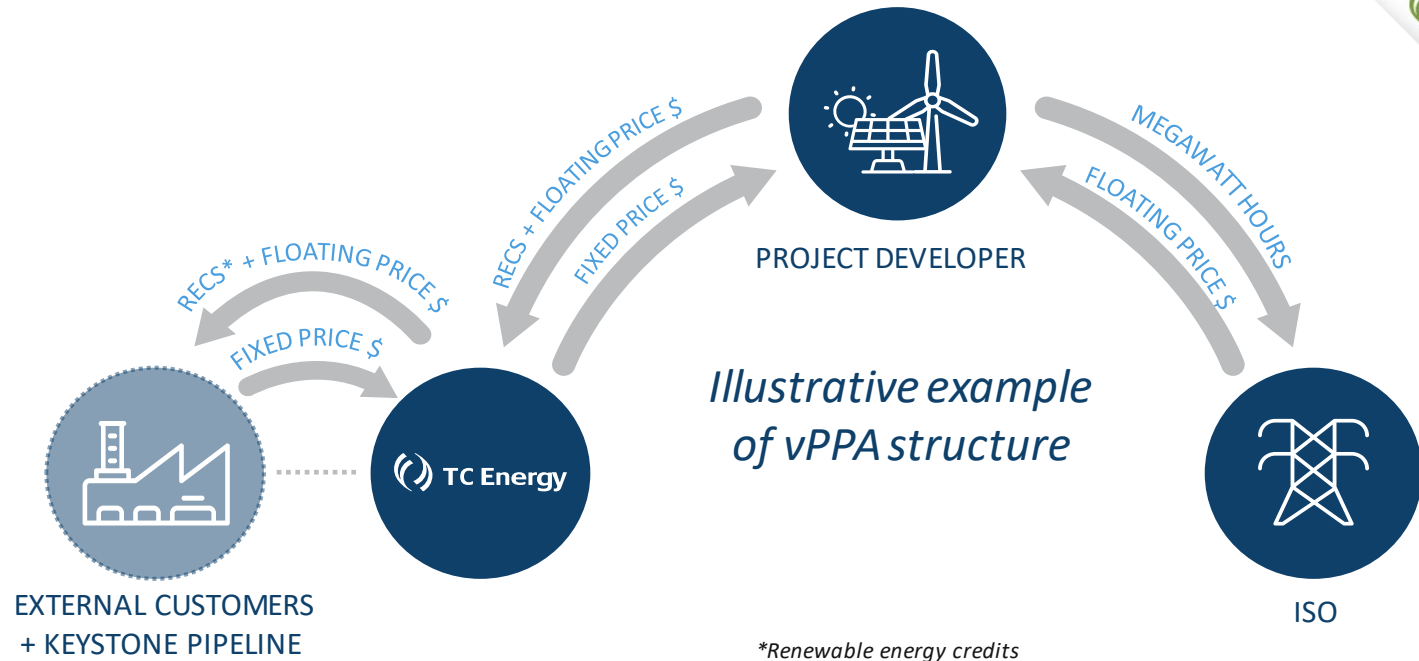
**2022-2023**

Evaluating Canadian proposals, commencing negotiations, signing LOIs and finalizing contracts



## VIRTUAL POWER PURCHASE AGREEMENTS (vPPA)

# Earning incremental returns through decarbonization solutions



### Multiple revenue streams:

- **Earning a margin** by providing risk management strategies to our customers
- Potential to **earn incremental returns** through the sale of renewable energy credits (RECs)
- **Option** to take equity participation at Commercial Operations Date (COD)

### Providing environmental benefits

- Renewable power solution to **decarbonize electricity consumption** of internal and external customers
- **Investment-grade** counterparty and **long-term contract** ensures project build, adding renewable energy to the grid

### While mitigating risks

- **Diversified portfolio** across technologies, jurisdictions, commercial structures and customers
- Sold on an **'as-generated'** basis
- No project development risk

# 24x7 CARBON-FREE POWER PRODUCT

## First in Canada, premium decarbonization solution

Carbon-free power product in Alberta offers a fixed price for a fixed volume of power and all environmental attributes

- Pioneering a combined wind, solar and long-duration pumped hydro portfolio **eliminates renewable generation variability**
- Expected capital cost of Saddlebrook Solar + Storage is **\$146 million**
- The proposed Project is partially supported by \$10 million in funding from the Government of Alberta through **Emissions Reduction Alberta**<sup>(1)</sup>

### Key developments in 2022:

- Executed binding offtake agreements with **multiple creditworthy** customers
- Achieved **positive FID** on Saddlebrook Solar project
- **Groundbreaking** on Sharp Hills Wind facility



300 MW:  
Sharp Hills Wind



81 MW:  
Saddlebrook Solar + Storage



75 MW:  
Canyon Creek Pumped Hydro



2021

Service opportunity announced

2021-2022

Negotiated offtake agreements and LOIs

2022-2023

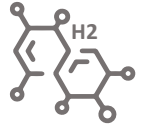
Development projects in construction

2024

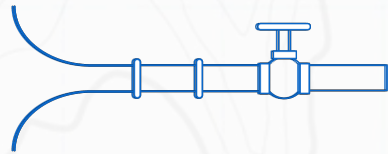
New renewable power and storage assets come online

(1) Emissions Reduction Alberta funding granted through their BEST Challenge, to support the development of a hybrid solar generation facility combined with a flow battery energy storage system.

# Capturing opportunities across the hydrogen value chain



A comprehensive hydrogen strategy enables us to build upon our power and gas businesses and continue to be the partner of choice



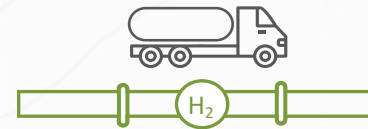
**H<sub>2</sub> feedstocks**

One of the **largest natural gas networks** in North America



**H<sub>2</sub> production + CO<sub>2</sub> capture**

Evaluating over **ten** different blue and green **H<sub>2</sub> hubs** across North America



**H<sub>2</sub> transport + H<sub>2</sub> dispensing**

**Developing opportunities** with H<sub>2</sub> trucking carriers and dispensing companies

**Blending H<sub>2</sub>** into our natural gas pipelines



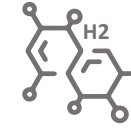
**H<sub>2</sub> end users**

**Partnering** with long-haul trucking (Nikola, Hyzon) and other industrial customers

**Leveraging our footprint and expertise to enter new markets with high barriers to entry**

# CROSSFIELD HYDROGEN HUB<sup>(1)</sup>

## Leverage existing gas storage site for low-carbon hydrogen production hub



Incumbent position and expertise enables access to markets with high barriers to entry

- Supports Provincial, Federal and industry **GHG reduction goals**
- Implementing **carbon capture** will lower carbon intensity
- Liquified hydrogen to be transported by truck to filling stations and industrial users
- Potential to **leverage existing pipeline** network plus new transportation capacity
- **60 tonnes** of hydrogen per day, capacity to increase to **150 tonnes** per day

### Key developments in 2022:

- Announced Crossfield Hydrogen Hub project
- Advancing development with our partner and customer – Nikola



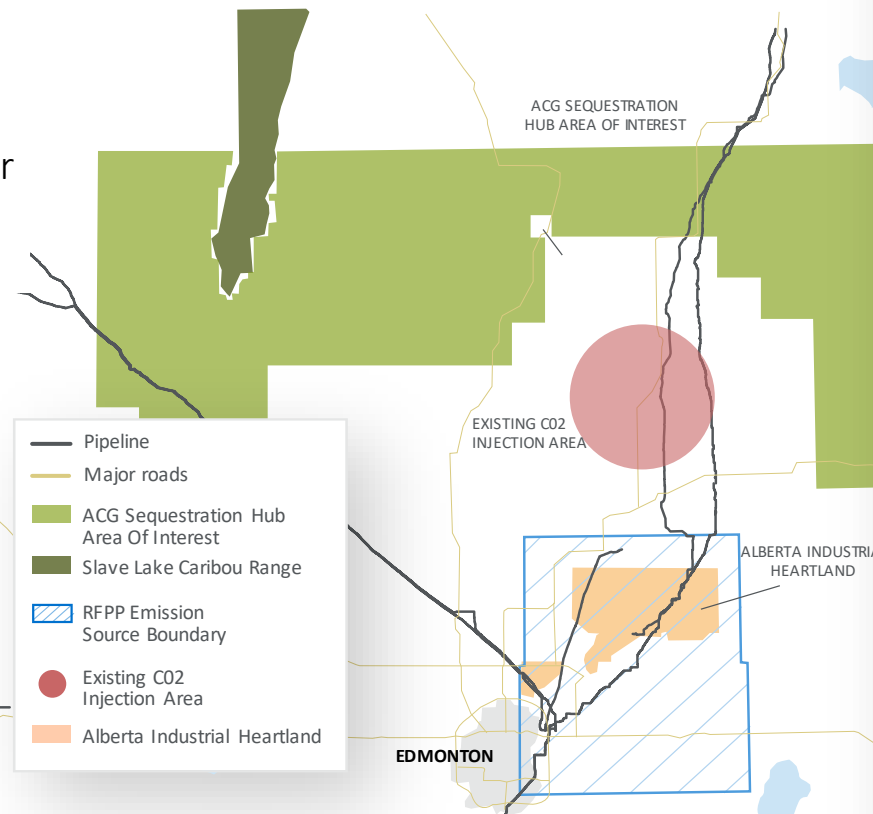


# A world-scale carbon transportation and sequestration solution

- Collaboration between **TC Energy** and **Pembina Pipeline**
- Safe, reliable, cost-effective **decarbonization** solution for cross-industry emitters
- Helping extend WCSB longevity with GHG abatement offerings that support **Canada's climate targets**
- ACG Industrial Heartland hub expected to transport/store up to **10 million tonnes of CO<sub>2</sub>** per year

## Key developments in 2022:

- Carbon sequestration evaluation agreement with the Government of Alberta reached in October
- Seeking long-term, take-or-pay contracts with appropriate risk/return profile



**2021**  
ACG partnership announced

**2022**  
ACG proposal submitted and selected to move forward by Government of Alberta

**2024-2025**  
Final investment decision

**~2030**  
Anticipated completion of ACG by end of decade

(1) Project is subject to TC Energy's final investment decision.

CUSTOMER-DRIVEN  
SOLUTIONS

# Strategic partnerships generate significant value

## Strong relationships with suppliers, customers and internal partners

- Strategic partnerships enable opportunities **across the value chain**
- Growth opportunities driven by **customer demand**
- **Existing customer relationships** are a competitive advantage

BrucePower



SUNCOR

IRVING

Nutrien™  
Feeding the Future™

PEMBINA

INTERNATIONAL PAPER



KEYERA

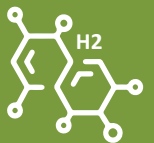


NIKOLA™

JACK DANIEL'S

3 RIVERS  
ENERGY PARTNERS

HYZON



# Corporate strategy alignment and key takeaways



## Showcase **sustainable growth** in cash flows

- Significant **opportunity set** to capture **low-carbon growth**
- **Incumbent position enables access** to high barrier to entry markets
- Advancing low-carbon projects with **attractive returns**
- **Bruce Power** will generate **substantial incremental free cash flow** in early 2030s



## Demonstrate the **resiliency** of our portfolio

- Bruce Power — **emission-less** generation **contracted to 2064** with an investment-grade counterparty
- **Diversity of opportunities** and structures **gives optionality** to align with our risk preferences
- Growth driven by **customer demand** for decarbonization solutions; **existing customer relationships** are a competitive advantage



## Provide a **clearly defined** funding plan

- Joint ventures, partnerships and project level financing optionality, **minimizing equity capex**
- Our strong energy transition origination, development and operational capabilities **will ensure we deliver on our commitments**

# Q & A

Liquids Pipelines and  
Power & Energy Solutions



# Final Q & A

CLOSING REMARKS



# Appendix A – Business segment results GAAP measure

MILLIONS OF DOLLARS

	<u>Year ended December 31 2021</u>
<b>Segmented earnings</b>	
Canadian Natural Gas Pipelines	1,449
U.S. Natural Gas Pipelines	3,071
Mexico Natural Gas Pipelines	557
Liquids Pipelines	(1,600)
Power and Storage	628
Corporate	(46)
<b>Total segmented earnings</b>	<u>4,059</u>
Interest expense	(2,360)
Allowance for funds used during construction	267
Interest income and other	200
<b>Income before incomes taxes</b>	<u>2,166</u>
Income tax expense	(120)
<b>Net income</b>	<u>2,046</u>

# Appendix B – Net cash provided by operations GAAP measure

MILLIONS OF DOLLARS

	Year ended <u>December 31</u> <u>2021</u>
Net cash provided by operations	6,890
Increase in operating working capital	<u>287</u>
Funds generated from operations	7,177
Specific items:	
Current income tax expense on Keystone XL asset impairment charge, preservation and other	131
Keystone XL preservation and other	49
Voluntary retirement program	63
Current income tax recovery on Voluntary Retirement Program	<u>(14)</u>
Comparable funds generated from operations	<u>7,406</u>