



Economic and Environmental Sustainability



William C. (Bill) Taylor
EVP & President, Energy
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Forward-Looking Information



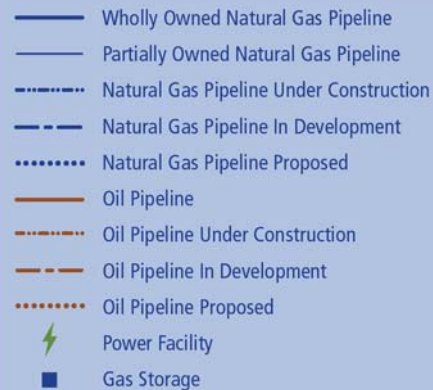
This presentation contains certain information that is forward looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "will", "should", "estimate", "project", "outlook", "forecast", "intend", "target", "plan" or other similar words are used to identify such forward-looking information. Forward-looking statements in this presentation are intended to provide TransCanada security holders and potential investors with information regarding TransCanada and its subsidiaries, including management's assessment of TransCanada's and its subsidiaries' future plans and financial outlook. Forward-looking statements in this presentation may include, but are not limited to, statements regarding anticipated business prospects; financial performance of TransCanada and its subsidiaries and affiliates; expectations or projections about strategies and goals for growth and expansion; expected cash flows; expected costs; expected costs for projects under construction; expected schedules for planned projects (including anticipated construction and completion dates); expected regulatory processes and outcomes; expected outcomes with respect to legal proceedings, including arbitration; expected capital expenditures; expected operating and financial results; and expected impact of future commitments and contingent liabilities.

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The risks and uncertainties that could cause actual results or events to differ materially from current expectations include, but are not limited to the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; the operating performance of the Company's pipeline and energy assets; the availability and price of energy commodities; amount of capacity payments and revenues from the Company's energy business; regulatory decisions and outcomes; outcomes with respect to legal proceedings, including arbitration; counterparty performance; changes in environmental and other laws and regulations; competitive factors in the pipeline and energy sectors; construction and completion of capital projects; labour, equipment and material costs; access to capital markets; interest and currency exchange rates; weather; technological developments; and economic conditions in North America.

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TransCanada Corporation (TSX/NYSE: TRP)



One of North America's Largest Natural Gas Pipeline Networks

- Operating 68,500 km (42,500 mi) of pipeline
- Average volume of 14 Bcf/d or 20% of continental demand

North America's 3rd Largest Natural Gas Storage Operator

- 406 Bcf of capacity

Canada's Largest Private Sector Power Generator

- 21 power plants, 11,800 MW
- Diversified portfolio, including wind, hydro, nuclear, coal, solar and natural gas

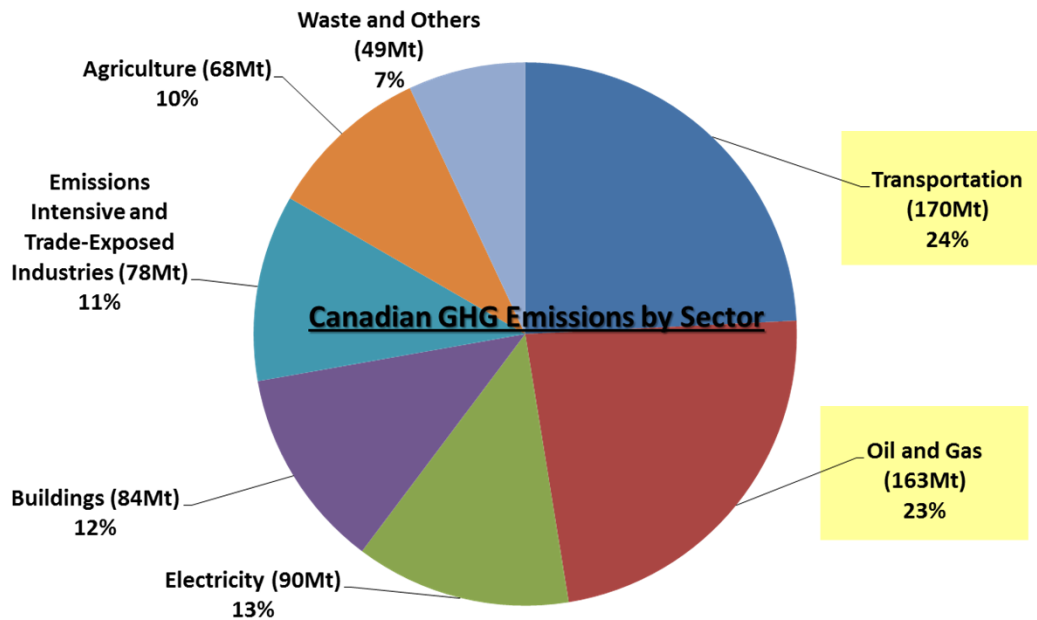
Premier North American Oil Pipeline System

- Keystone Pipeline: 3,467 km (2,154 mi), 591,000 bbl/d capacity
- Transported more than 450 million barrels of Canadian oil to U.S. markets since 2010

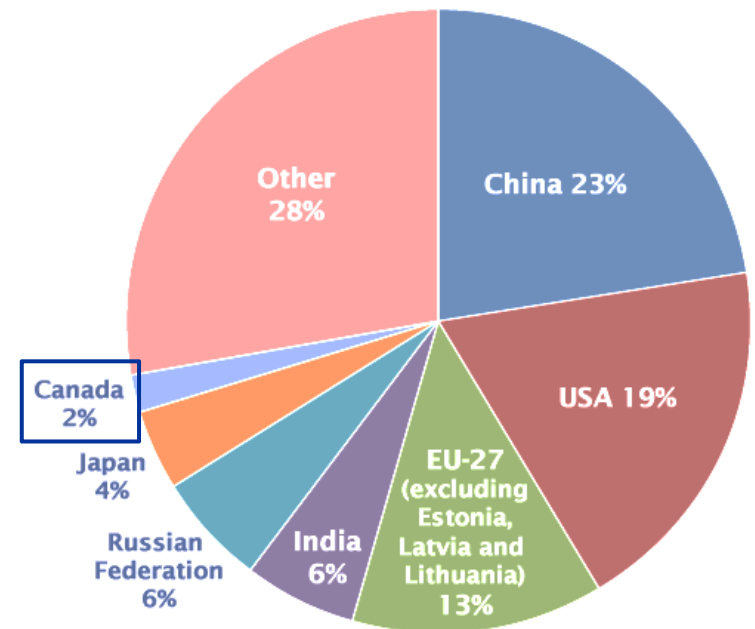
GHG Emissions – Canada in Context



Canada



Rest of the World



Climate Policy – Engagement and Trends



TransCanada has been active on climate policy for over a decade

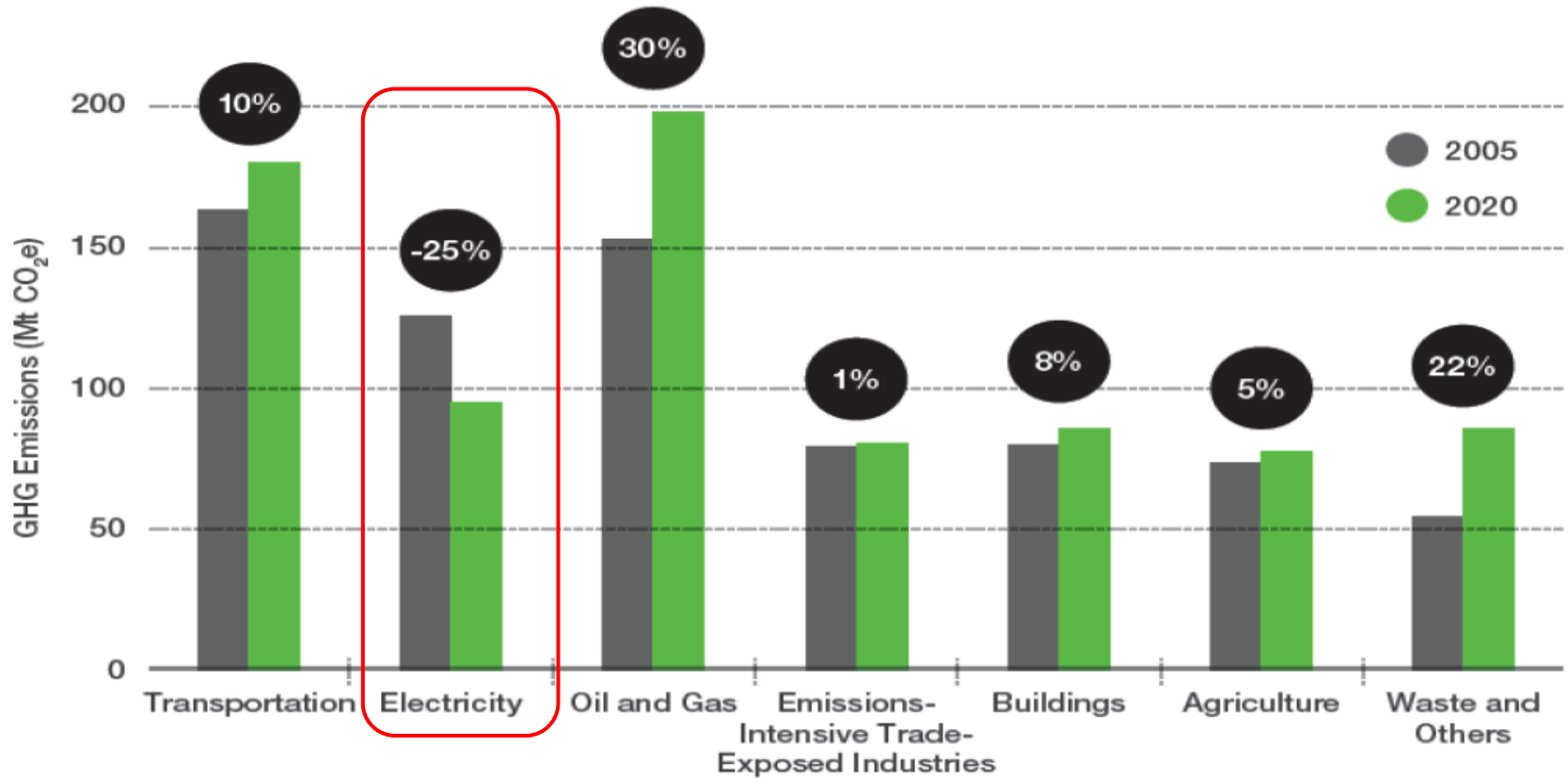
Key Observations:

- Mix of market based and direct regulations...with mixed results
- Pressure on coal fired power generation...a one trick pony?
- Major spends on Carbon capture and storage...with little to no results
- Air Quality Policy and renewable power programs have had some indirect impact...but have played “direct” havoc with power markets

Key Pressure Point has been Coal Generation

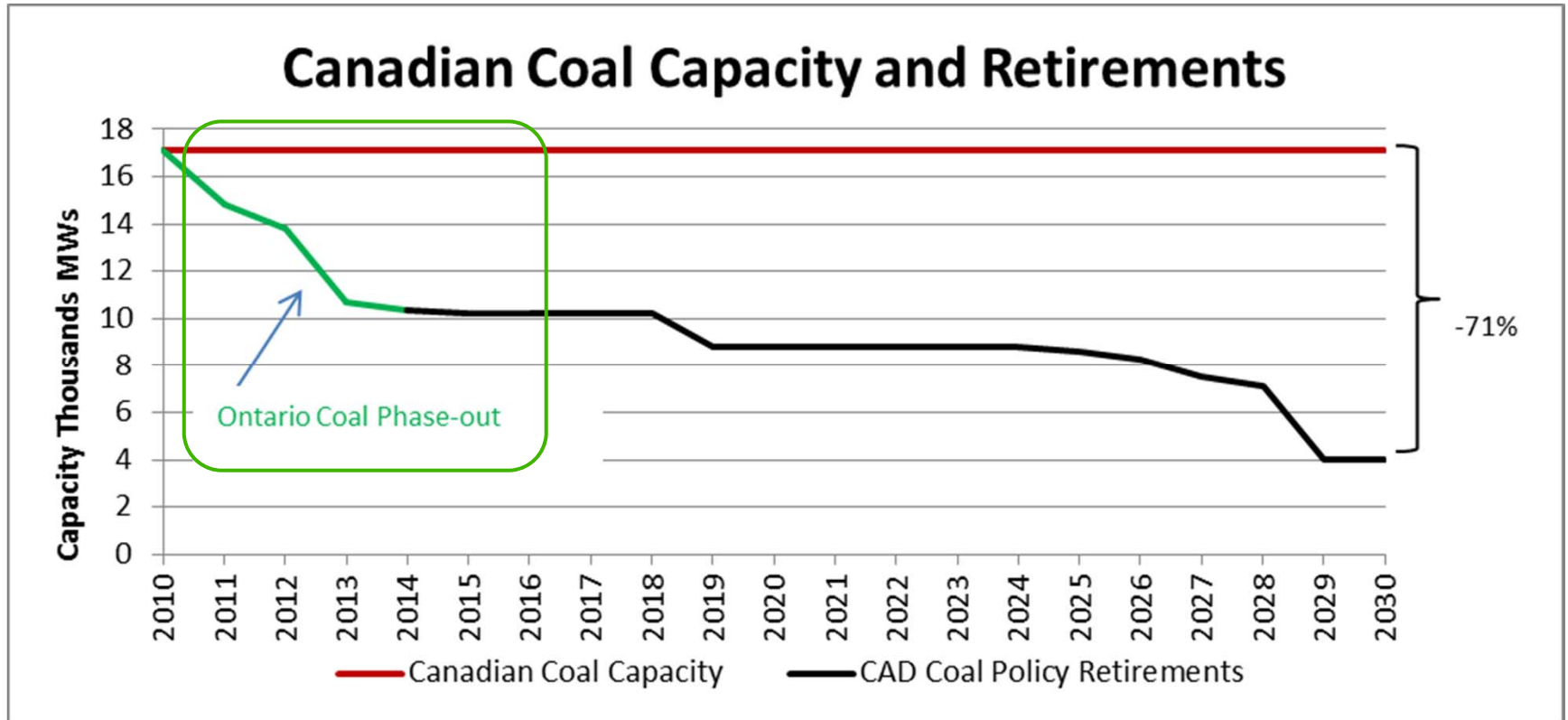


FIGURE 2: FORECAST GROWTH IN EMISSIONS BY ECONOMIC SECTOR FROM 2005 TO 2020 (Mt CO₂e)



Source: Canada. National Round Table on the Environment and the Economy. (2012). Reality Check: The State of Climate Progress in Canada.

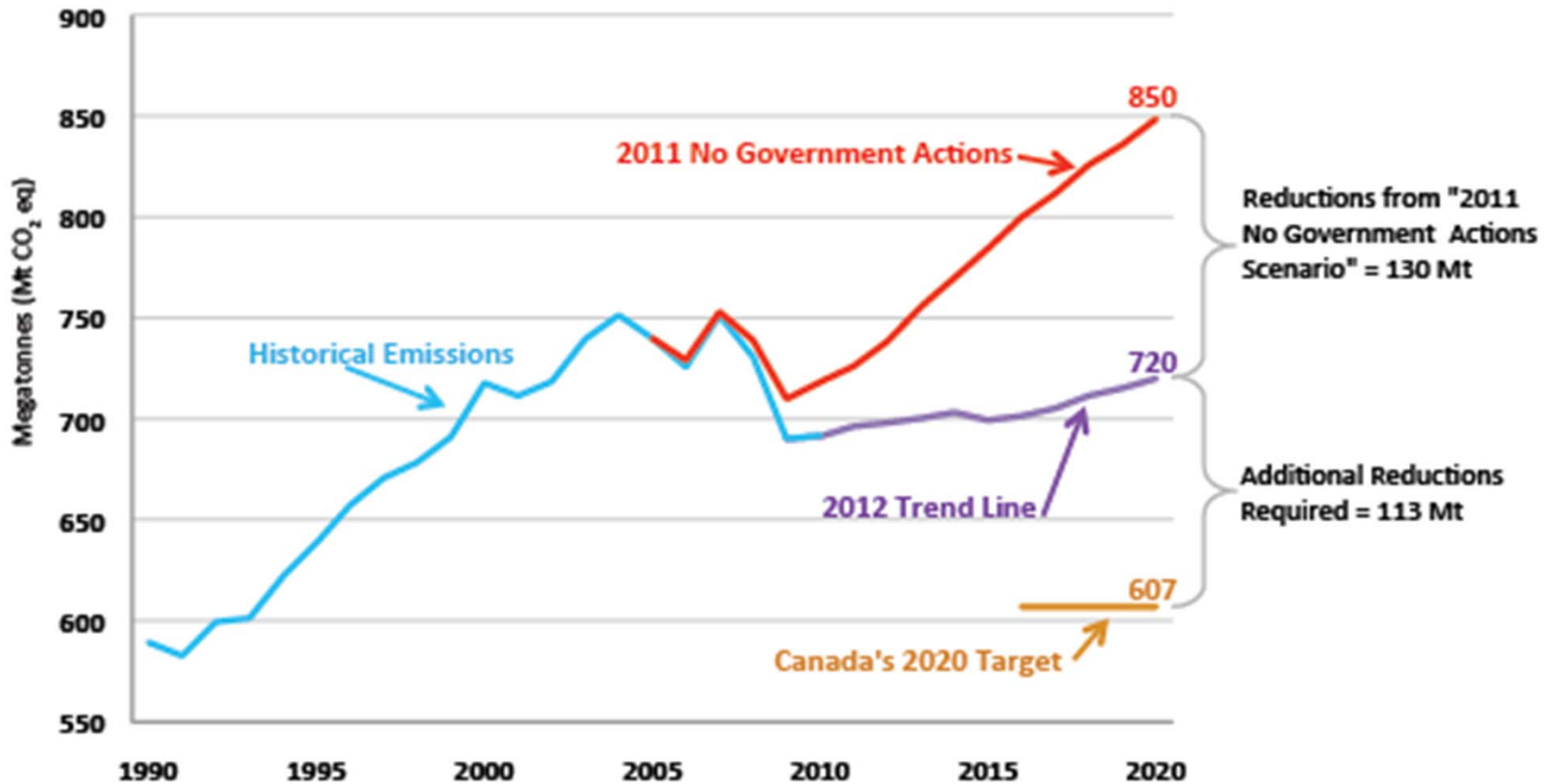
Coal Policies have been Effective



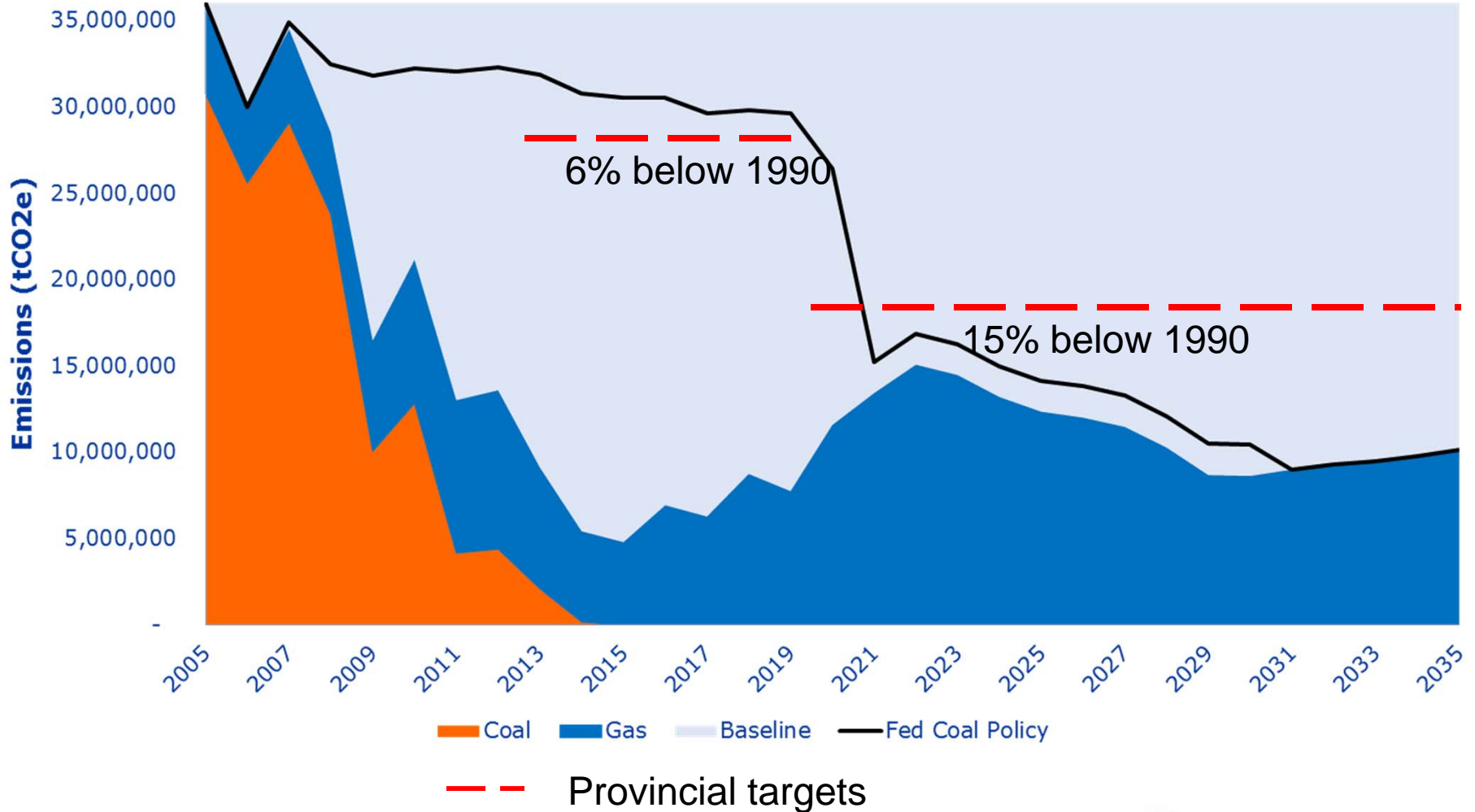
Government Action has made a Difference



Canadian GHG Emissions and Forecast (Environment Canada, 2012)



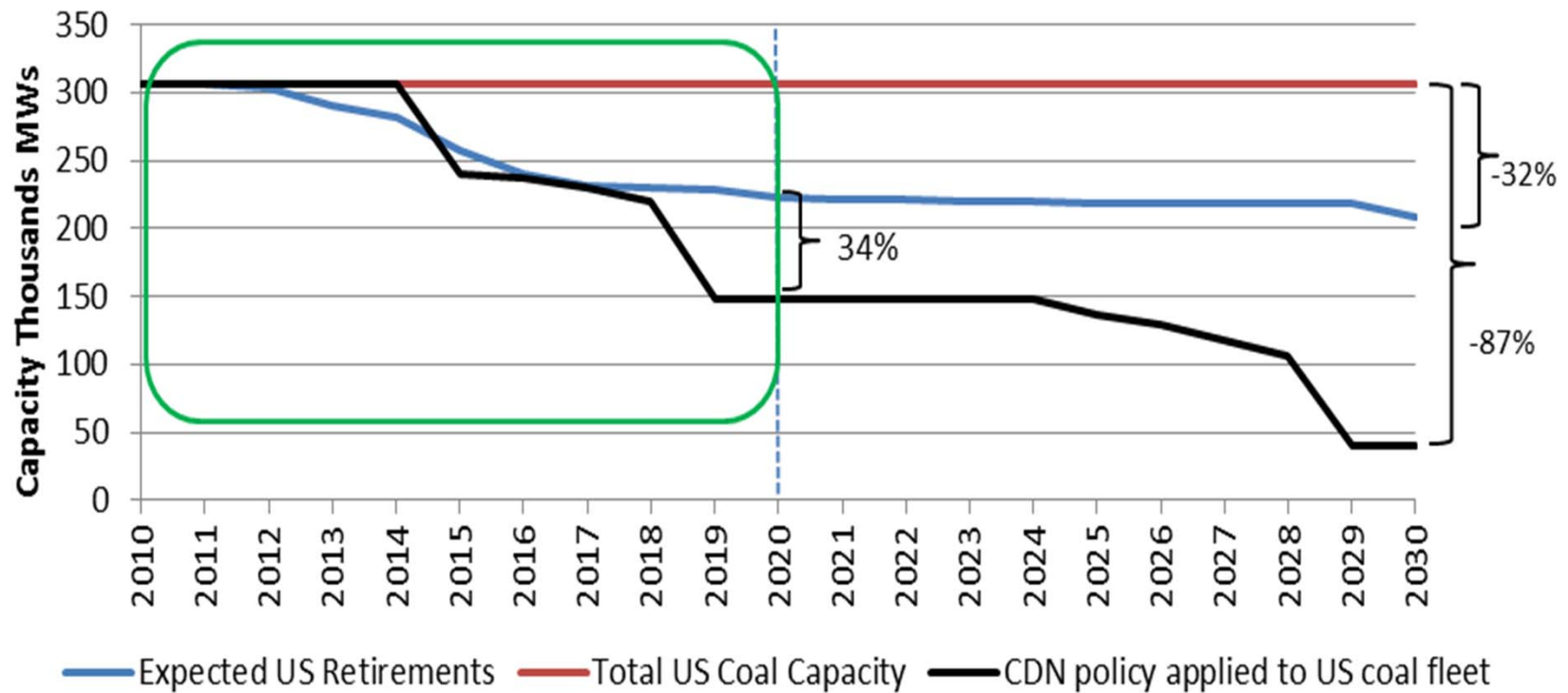
Ontario's Actions are on Track



Coal - United States .vs. Canada



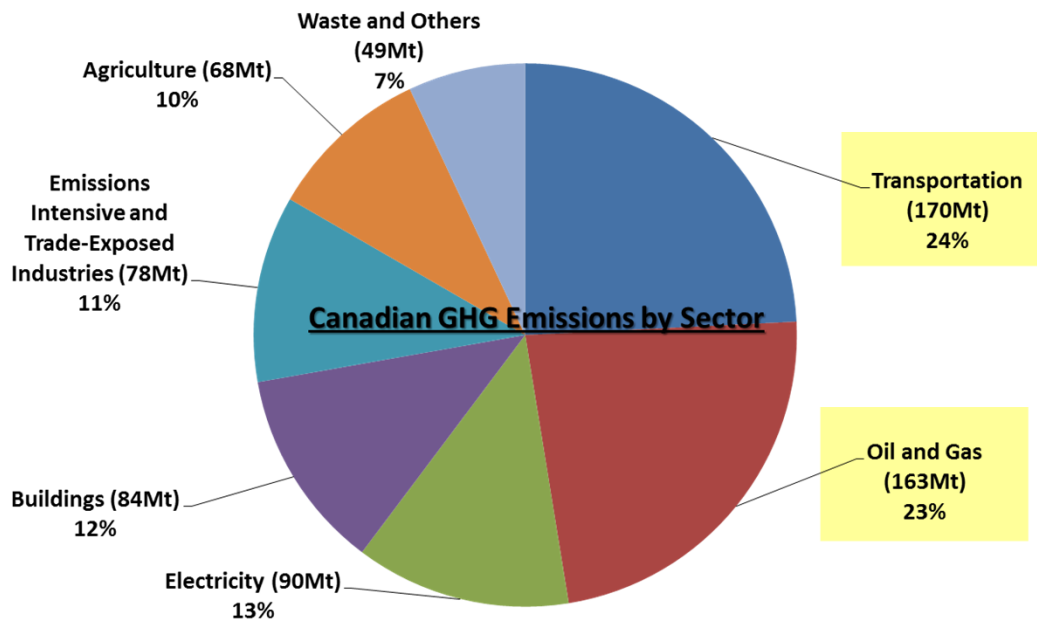
US Coal Capacity and Retirements



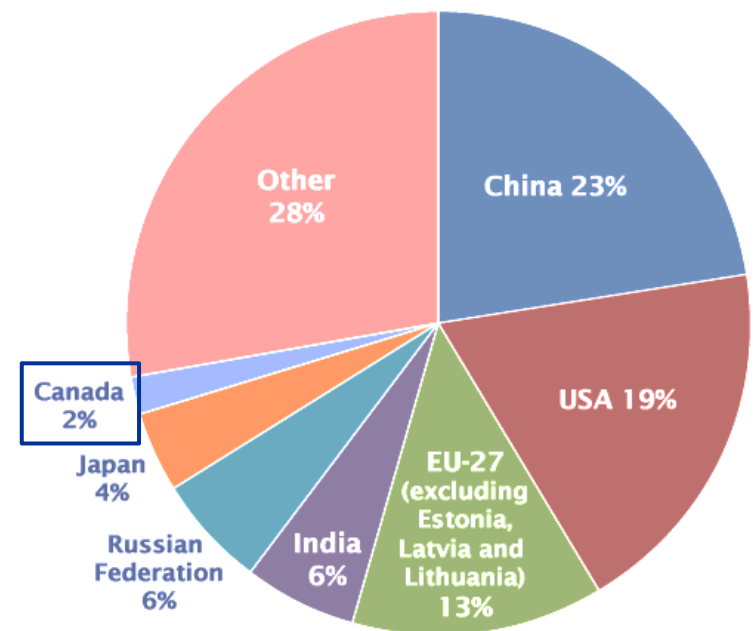
Climate Change – Canada in Context



Canada



Rest of the World



Canada Should Be Proud!



Hockey Gold – Women's



Image From CTV News

Hockey Gold – Men's



Image from The Star

Coal Capacity Reductions (by 2030)

