

November 23, 2020

Welcome to the TortoiseEcofin QuickTake podcast. Thank you for joining us as we provide timely updates on the market.

Hello. I am Tortoise Managing Director and Senior Portfolio Manager Brian Kessens with this week's QuickTake podcast.

More positive COVID-19 vaccination news last Monday brought another good week of equity performance for those sectors to benefit most from a recovery. That certainly includes energy which was notably stronger across the board. Broad energy and crude oil both improved by 5% with midstream outperforming too. The Tortoise MLP Index was higher by nearly 7%.

There was one analyst day last week. TC Energy maintained its \$37 billion capital investment plan, targeting one, projects in Alberta to expand its natural gas pipeline network, two the Keystone XL crude oil pipeline where Natural Law Energy, a First Nations tribe entity, will be able to invest \$1 billion in the project, and three, a push into power. Notably, the company stated it is considering greenhouse gas emissions in its capital allocation decisions and emphasized investment in the energy transition, including: mixing hydrogen into their natural gas pipelines, CO² capture, and hydrogen production opportunities. TC Energy doesn't expect to issue equity for funding outside of its DRIP program. Based on the company's sizeable capital investment backlog, TC Energy reaffirmed its 8-10% dividend growth target for next year, moving to 5-7% thereafter.

In other news, Enbridge announced a \$5 million hydrogen pilot program to blend renewable hydrogen into a portion of its natural gas pipeline network to distribute gas to customers in Markham Ontario. The project is the first of its kind in North America.

And Sempra reached a final investment decision for its LNG export project in Baja California, Mexico. This would be the first export project on the west coast of North America, more directly connecting Permian basin natural gas supply to the Pacific basin. Production is expected to start in 2024.

On the regulatory front, Equitrans Midstream's Mountain Valley Project received a legal victory from the fourth circuit court which ruled construction can continue while the court considers the merit of appeals. The company expects to complete the pipeline in mid-2021.

In renewable news, Clearway Energy announced the acquisition of an additional 35% interest in the 290 MW Agua Caliente solar project in Arizona for \$200 million. Post-acquisition Clearway will own a 51% interest in the solar asset. The project has 19 years remaining on its contract life. The transaction is accretive, coming in at a 10% cash flow yield. We expect additional acquisitions of low risk, renewable, long lived assets that are accretive to cash flow from Clearway in 2021.

Money is often made by investing in a sector or company that is undergoing change and investing before such a change is becoming apparent to others. Looking at the energy sector and specifically midstream through this lens: capital allocation changes are apparent (think less capex and increased share buybacks), the sector is embracing the energy transition by becoming a part of the solution (hydrogen, carbon capture, and renewable natural gas come to mind), and visibility to significantly improved energy demand in 2021 is upon us with the growing belief in vaccine success. Potentially energy demand growth in 2021 will exceed anything we've ever seen on a year over year basis. Any change is a recipe for opportunity, and we have three. We'll be here to keep you abreast of how the ingredients continue to mix and transform over the coming weeks.

Finally, we appreciate your ear for this podcast every week and your investment trust in us. We wish all our listeners a safe and happy Thanksgiving!

Thank you for joining us. And stay tuned for our next episode. Have topics you want covered or other feedback to share? Write us at info@tortoiseecofin.com.

The S&P 500® Index is a market-value weighted index of equity securities.

Broad Energy = The S&P Energy Select Sector® Index is a capitalization-weighted index of S&P 500® Index companies in the energy sector involved in the development or production of energy products.

Producers = Tortoise North American Oil & Gas Producers IndexSM

The Tortoise North American Oil & Gas Producers IndexSM is a float-adjusted, capitalization weighted index of North American energy companies primarily engaged in the production of crude oil, condensate, natural gas or natural gas liquids (NGLs). The index includes exploration and production companies structured as corporations, limited liability companies and master limited partnerships but excludes United States royalty trusts.

MLPs = The Tortoise MLP Index® is a float-adjusted, capitalization weighted index of energy master limited partnerships (MLPs). The index is comprised of publicly traded companies organized in the form of limited partnerships or limited liability companies engaged in transportation, production, processing and/or storage of energy commodities.

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