

**Capital Power
2014 Annual Meeting of Shareholders
April 25, 2014**

Corporate Participants

Don Lowry, Chairman

Brian Vaasjo, President and CEO

Brian Ott (Employee shareholder)

Michelle Chow (Employee shareholder)

Allison Prill (Employee shareholder)

Joel Gardener (Employee shareholder)

David Toope (Employee shareholder)

Dean Colgan (Employee shareholder)

Amber Murray (Employee shareholder)

Marla Dzenick (Employee shareholder)

Jamie Pytel (EPCOR proxyholder)

Don Lowry: Good afternoon ladies and gentlemen. It is just after 1 o'clock, so I'll ask that the meeting come to order. My name is Don Lowry and I am the Chairman of the Board of Capital Power Corporation. In accordance with the Company's By-laws, I am pleased to act as your Chair for this meeting. To those of you here in Edmonton, Alberta and to those of you who are listening on the live webcast, welcome to Capital Power Corporation's fifth Annual Meeting of Shareholders. I would ask that you turn off your cell phones please or place them on mute, thank you. Before we start, every employee of Capital Power is responsible for the health and safety of themselves, their fellow employees and the public in all company-related activities as part of the Company's ongoing Health, Safety and Environment Policy. On that note, I would like to quickly review the procedures we will follow if there is an emergency.

The Art Gallery facility has fire alarm pull boxes located near all designated exits. Smoke detectors are also located throughout the Art Gallery ventilation system. In the event of an emergency, the Art Gallery will be evacuated. The Art Gallery has appointed Evacuation Wardens who will ensure that guests evacuate the building through the closest available exit.

With me today, from your perspective, seated on the far right of the stage is Kate Chisholm, Senior Vice President, Legal and External Relations of Capital Power Corporation. Kate will act as the Secretary of this meeting. I would also like to introduce Brian Vaasjo, our President and Chief Executive Officer of Capital Power Corporation, who is seated in the middle. Stuart Lee, who is Senior Vice President and Chief Financial Officer of Capital Power Corporation, is seated on the left.

Following the formal business portion of today's meeting, Brian will report to you on Capital Power's operating and financial performance in 2013 as well as reviewing the Company's first quarter 2014 results and updating you on recent developments. We will then invite your questions, so we would ask that you hold your questions until then and I know Brian would welcome them. This format allows us to complete our formal business expeditiously and move on to matters of general interest.

I would also like to take this opportunity to introduce our current Board of Directors. I would ask them to stand when I introduce them. In

addition to Brian Vaasjo and myself, your current Board members are:

- Albrecht Bellstedt
- Doyle Beneby
- William Bennett
- Brian Bentz
- Hugh Bolton
- Richard Cruickshank
- Philip Lachambre
- Allister McPherson
- Peggy Mulligan

I would also like to take this opportunity to introduce the senior management team of Capital Power. In addition to Brian Vaasjo, Kate Chisholm, and Stuart Lee, we have in attendance:

- Darcy Trufyn, Senior Vice President, Operations, Engineering and Construction
- Bryan DeNeve, Senior Vice President, Corporate Development and Commercial Services
- Todd Gilchrist, Senior Vice President, Human Resources and, Health, Safety and Environment

Computershare Trust Company of Canada is the Company's registrar and transfer agent for its common shares. Today, Mr. Kyle Gould of Computershare, has been appointed to act as Scrutineer and Ms. Robyn Hall, also of Computershare, will assist him. They will report on the shareholders present in person or by proxy, and compute the votes on any polls taken. At this time we want to thank all of you who submitted proxies in advance and remind

you that only registered shareholders or duly appointed proxyholders may participate in the business of today's meeting.

Under the new Notice and Access system for communicating with Shareholders, the Company mailed a notice of this meeting, together with a form of proxy or a voting instruction form on March 18, of this year. The notice informed shareholders about the time and place of our meeting, the business of the meeting and stated that our Management Proxy Circular was posted on our Website at www.capitalpower.com as well as on SEDAR. The notice also stated that any shareholder could request a printed copy of the Management Proxy Circular in advance of today's meeting. Only 6 such requests were received. The Corporate Secretary has provided me with an affidavit of mailing prepared by Computershare Trust Company of Canada. She will see that this affidavit is filed with the minutes of this meeting.

The Corporate Secretary has received the report of the Scrutineers and advises me that there is a quorum present. On the basis of this report, I declare that the meeting has been regularly called and properly constituted for the transaction of business.

The Corporate Secretary will also file the report of the Scrutineers with the minutes of this meeting. In order to facilitate a smooth flow of the business matters we will be dealing with today, we have asked for some of our employee shareholders to move and second formal motions. They will be called upon as required.

The next item of business is the presentation to the meeting of the consolidated financial statements of Capital Power for the year ended December 31, 2013 and the report of the auditors thereon. The Annual Report of the Company, which contains the consolidated financial statements, together with the report of the auditors thereon and the Company's Management's Discussion and Analysis, was mailed on March 27, 2014 to each shareholder who requested a copy. The Annual Report is also available on the Company's website and there are copies here today at the registration table.

On behalf of the Directors, I now place before the meeting the Consolidated Financial Statements and Auditors' Report thereon for the year ended December 31, 2013. Mr. Rick Mussenden and Ms. Leontine Atkins, both partners of KPMG, are in attendance today, Rick and Leontine, please stand and identify yourselves to the participants of the meeting. Rick and Leontine will be available to answer questions in respect of the Auditors' Report during the general question period.

Any questions pertaining to the statements themselves will be responded to by Mr. Stuart Lee, the CFO of Capital Power.

Are there any questions on the Consolidated Financial Statements? Then I declare that the Consolidated Financial Statements and the Auditor's Report have been received.

The next item of business is the election of Directors. In accordance with the by-laws of the

Company and pursuant to a resolution of the Board of Directors, a total of 11 directors will be elected at today's meeting. Pursuant to the Articles of the Company, a subsidiary of EPCOR Utilities Inc., as the holder of all of the issued and outstanding special voting shares of the Company, is entitled to nominate and elect two of the 11 directors. The remaining nine directors will be elected by the holders of common shares.

Information regarding the nominees being proposed for election is set out in the Management Proxy Circular which was posted on our website and on SEDAR or sent to registered shareholders and beneficial shareholders who requested a printed copy in accordance with the terms of the notice.

As of 1:00 pm Wednesday, April 23, 2014, which was the deadline for receipt of proxies, Management had received proxies representing in excess of 32 million shares, and in excess of 40% of the Company's outstanding common shares, voted in favour of each of Management's nominees to the Board of Directors in the Management Proxy Circular.

We will now proceed with the nomination and election of the nine directors to be elected by holders of common shares. Only registered holders of common shares or their duly appointed proxy holders are entitled to nominate and vote for the election of these directors. Mr. Ott, may I ask you for a nomination of each of the nine Directors to be elected by holders of common shares?

Brian Ott: Mr. Chairman, on behalf of the Board of Directors, I nominate each of the following 9 persons as named in the Management Proxy Circular, for election as Directors to hold office until the close of the next Annual Meeting, or until their successors are duly elected or appointed: Don Lowry, Brian Vaasjo, Albrecht Bellstedt, Doyle Beneby, William Bennett, Brian Bentz, Richard Cruickshank, Philip Lachambre and Peggy Mulligan.

Thank you Mr. Ott. Ms. Chow, would you please second the nominations?

Michelle Chow: Mr. Chairman, I second the nominations.

Don Lowry: Thank you, Ms. Chow. In the absence of the receipt of notice of any further nominations in accordance with By-Law No. 3 of the Company, I declare the nominations closed.

We will now proceed with the election of the nominated directors. The election of directors will proceed by way of ballot. Votes will be cast in favour of or withheld from voting for each nominated director individually. The votes cast in favour of the election of a director nominee must represent a majority of the common shares voted at the meeting. If that is not the case, that Director must tender his or her resignation for consideration by the balance of the Board, whereupon the Board must determine whether to accept or reject the resignation and must disclose that decision not to accept the resignation within 90 days of the Annual Meeting.

Only registered holders of common shares or their duly appointed proxy holders are entitled to vote on the election of these director nominees. Many shareholders present will have already filed their proxies. Unless they wish to withdraw their proxy, these shareholders should not complete a ballot since their shares will be voted in accordance with the instructions contained in the proxies granted to these proxyholders.

I request that the Scrutineers hand out ballots to each registered holder of common shares and proxyholder who has not already voted by proxy or completed a ballot. If you are a registered holder of common shares or proxyholder and have not already voted by proxy or completed a ballot, please raise your hand so the Scrutineers can see you. We have two over there.

Please vote on the ballot by marking an "X" opposite the names of the nominees for whom you wish to vote. Please sign and print your name in the places indicated at the bottom of the ballot and return your completed ballot to the Scrutineers.

The Scrutineers will collect the ballots, count the votes and prepare the final Scrutineers' Report reflecting the results of the proxies and ballots. The final Scrutineers' Report will be annexed to the minutes of this meeting and filed on SEDAR. In addition, we will publish the results of this voting in next year's Management Proxy Circular.

The Scrutineers will continue to tabulate the ballots and prepare their final report. However, as there are nine directors to be elected by the

holders of Common Shares and there are nine nominees, I will declare Brian Vaasjo, Albrecht Bellstedt, Doyle Beneby, William Bennett, Brian Bentz, Richard Cruickshank, Philip Lachambre, Peggy Mulligan and myself, Don Lowry to be duly elected directors of the Company. If, with respect to any particular nominee, the number of votes withheld exceeds the number of shares voted in favour of the nominee, as indicated in the final Scrutineers' Report, then the nominee will be asked to submit his or her resignation to the Board of Directors forthwith, such resignation to take effect upon acceptance by the Board of Directors.

In addition to the nine individuals that have just been elected, EPCOR, which holds all of the issued and outstanding special voting shares of the Company, is entitled to nominate and elect two nominees to the Board. The biographies of the two EPCOR nominees are also set out in the Management Proxy Circular.

We will now proceed with the nomination and election of the two directors to be elected by EPCOR. Only EPCOR or its duly appointed proxyholder is entitled to nominate and vote for the election of these directors. EPCOR has appointed Ms. Jamie Pytel as its proxy to vote all of the issued and outstanding Special Voting Shares of the Company for the election of the two EPCOR nominees to the Board named in the Management Proxy Circular.

Ms. Pytel, as the proxyholder for EPCOR, may I ask you for a nomination of each of the two

directors to be elected by EPCOR, and a vote for each of EPCOR's nominees to the Board?

Jamie Pytel: Mr. Chairman, on behalf of EPCOR, I nominate and vote for each of the following two persons as named in the Management Proxy Circular, for election as Directors to hold office until the close of the next Annual Meeting or until their successors are duly elected or appointed: Hugh Bolton, and Allister McPherson.

Don Lowry: Thank you. As there are two directors to be elected by EPCOR and there are two persons nominated to the Board and voted for by EPCOR, I declare that Hugh Bolton and Allister McPherson have been duly elected Directors of the Company to hold office until the next annual meeting of the shareholders or until their successors are duly elected or appointed.

Next on the Agenda is the appointment of Auditors. As described in the Management Proxy Circular, and with the exception of the nomination and election of directors, the common shares and the Special Voting Shares vote together on all business brought before the Annual Meeting, including the appointment of the auditors, with each common share and each Special Voting Share entitled to one vote. Together, Management and EPCOR hold proxies for common and Special Voting Shares representing in excess of 60 million votes, which represent more than 60% of the total eligible votes for this motion. Ms. Prill, may I have a motion to appoint the Auditors of the Company?

Allison Prill: Mr. Chairman, I move that KPMG LLP chartered accountants be appointed Auditors of the Company to hold office until the close of the next Annual Meeting of shareholders, with compensation to be fixed by the Board on the recommendation of the Audit Committee.

Don Lowry: Thank you, Ms. Prill. Mr. Gardener, will you second the motion?

Joel Gardener: Mr. Chairman, I second the motion.

Don Lowry: Thank you, Mr. Gardener. All those in favor of the motion, please signify by raising your hands. I declare this motion carried.

Next on the Agenda is the advisory vote on executive compensation also known as the “shareholder say on pay”. This is the third year that Capital Power Corporation has conducted an advisory vote with respect to executive compensation. As previously noted, the common shares and the Special Voting Shares vote together on this matter. Together, Management and EPCOR held proxies for common and Special Voting Shares representing in excess of 58 million votes, which represent more than 58% of the total eligible votes for this motion. As Capital Power’s approach to executive compensation has been discussed in the Management Proxy Circular, I do not propose to reiterate the details now. Mr. Toope, may I have a motion regarding this matter?

David Toope: Mr. Chairman, I move that it be resolved, on an advisory basis and not to

diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Capital Power’s Management Proxy Circular delivered before the 2014 annual meeting of shareholders.

Don Lowry: Thank you, Mr. Toope. Mr. Colgan, will you second the motion?

Dean Colgan: Mr. Chairman, I second the motion.

Don Lowry: Thank you. Is there any discussion? All those in favor of the motion, please signify by raising your hands. Contrary? I declare that this motion has been carried.

That now completes the formal business portion of the meeting. There being no further business on the Agenda, I will ask Ms. Murray for a motion to terminate.

Amber Murray: Mr. Chairman, I move that the meeting be terminated.

Don Lowry: Thank you. We will now have a presentation by Brian Vaasjo. Here is an opportunity that you will be provided at the end of his presentation, as I said before, for questions, and Brian would certainly be happy to handle those.

So with the motion to terminate the meeting, I move that this meeting is terminated. Thank you Ms. Murray. Ms. Dzenick, will you please second the motion.

Marla Dzenick: Mr. Chairman, I second the motion.

Don Lowry: Thank you. All those in favour of the motion? The motion is carried, and I declare the formal business portion of today's meeting terminated. I invite Brian to please come up to the podium and present.

**Brian Vaasjo, President and CEO
Presentation**

Thank you Don, and good afternoon. For those of you who are with us here in Edmonton, and for those who are joining us by webcast, welcome. And thank you for taking part in Capital Power's fifth annual meeting of shareholders.

I'll begin my remarks with a review of our accomplishments in 2013 and then discuss Capital Power's value proposition. I'll also touch on our performance for the first quarter of this year and review our corporate priorities and recent developments for 2014.

Following my presentation, we'll show a short video. We'll then open the floor to a question and answer session. So let's get started.

In 2013, higher-than-expected Alberta power prices resulted in strong financial results that exceeded our earnings and cash flow targets. Normalized earnings per share were \$1.69, substantially above our \$1.20 to \$1.40 target. We generated \$419 million in funds from operations, which was slightly higher than the

\$385 to \$415 million dollar target range. Cash flow per share was \$4.24 and also exceeded our \$3.80 to \$4.20 per share target. From an operational perspective, we achieved our 93% average availability target.

We completed a number of important initiatives in 2013 that positions Capital Power very well for the future.

In August, we announced that we were refocusing our merchant and contracted business strategy. On the merchant side, we are now focusing our business and trading activities exclusively in Alberta. As a result, we divested our three New England merchant assets.

For our contracted business, we expanded the geographical footprint for contracted opportunities across North America.

Alberta is the most attractive power market in North America and we continue to make investments that build on our strong position in this market. In 2013, two major projects reached significant milestones. First, we employed the proceeds from the sale of the New England assets to fund our investment in the Shepard Energy Centre.

The Shepard facility, located in Calgary, is an 800 megawatt joint venture with ENMAX. 2013 progress on construction continued to track well, and we're on target for commercial operations early in 2015.

Second, in December, we announced a partnership with ENMAX to jointly develop, build and own Genesee 4 & 5. Genesee 4 & 5 will be built adjacent to our Genesee units located west of Edmonton. The natural gas combined cycle facility with up to 1,050 megawatts is expected to begin operations near the end of the decade.

We also completed the Port Dover and Nanticoke wind farm, on time and under budget.

At a high level, this refocusing of our strategy and progress on major investments are premised on our continuing shareholder commitment – that Capital Power will provide investors with a stable and growing contracted cash flow base, with upside exposure to the Alberta power market.

This slide illustrates Capital Power's value proposition, which is supported by a solid foundation of operational excellence and a strong financial base.

The value proposition is driven by the stable cash flow generated from contracted cash flows, leverage from the Alberta power market upside, and growth. I'll discuss these concepts in more detail in a moment.

The base of Capital Power's operational excellence is our relatively young and modern power generation fleet. This fleet consists of 14 facilities located in British Columbia, Alberta, Ontario and North Carolina. The young fleet has a generation capacity of more than 2,600 megawatts and its weighted average age is only 12.5 years. With the young age comes modern

technology. Our fleet operates with the latest technologies in power generation and produces efficient generation from coal, solid fuels, natural gas and wind.

One indicative measure of operational excellence is plant availability. In the five years since 2009 Capital Power's plant availability has averaged 92%. For 2014, we are targeting a 95% plant availability.

Capital Power's capacity growth over the past few years is attributable to the development and construction of various types of power generation assets. The company has an outstanding track record, with the completion of seven construction projects since 2005 over a variety of energy sources. The total capacity from these assets is approximately 1,700 megawatts, with close to 1,200 megawatts of owned generation added to our fleet.

As highlighted on this slide, we've been very successful in completing these projects on time and at or below budget. The one exception is Keephills 3, which was built in the overheated Alberta labor market.

Noteworthy among the accomplishments in 2013 was the completion of Port Dover and Nanticoke wind project, on time and 12% below the \$340 million dollar budget.

This is the third in a series where Capital Power has invested over a billion dollars in three wind projects that were commissioned over a short 13-month period, and have added nearly 400 megawatts to the fleet.

Specifically, we completed Quality Wind in BC in November of 2012, Halkirk here in Alberta in December 2012, and most recently Port Dover & Nanticoke in Ontario last November.

The significance of these projects is illustrated on this slide. You can see the contribution of these wind projects to Capital Power's contracted cash flows from 2012 to 2014. Starting in 2015, we'll begin to benefit from the significant stream of contracted cash flows from the Shepard Energy Centre and K2 Wind, which will be starting commercial operations.

In summary, from 2012 to 2015, these projects generate a significant increase in contracted operating margin from \$225 million to approximately \$375 million, which represents a 66% increase over the 3-year period.

Of course, this growing contracted cash flow base supports dividend stability and potential dividend growth. This chart shows the percentage of contracted operating margin relative to our financial obligations, including interest payments, sustaining capital expenditures, and general and administration costs plus dividends.

As you can see, starting in 2015 when Shepard and K2 Wind are expected to begin commercial operations, the coverage of the financial obligations and dividends is approximately 100% and increases thereafter.

In other words, we can cover all of our financial obligations and pay the current dividends from our contracted cash flows alone. This does not

include our cash flows from our merchant business. This positions us well for sustainable dividend increases in the future.

This next slide illustrates how our Alberta merchant position provides the Company with significant upside. The blue line at the bottom of the chart is the margin from our contracted assets that we had on the previous slide. The two lines above show the impact of the operating margin from the merchant business.

We have used a power price range of \$50 to \$80 per megawatt to demonstrate a range of incremental operating margin from the Alberta merchant business. As you can see, even at a low \$50 price, the coverage of financial obligations and dividends starting in 2015 is approximately 140-145%.

At an \$80 price, the coverage on financial obligations and dividends starting in 2015 increases to 165% and higher. We are confident that with the positive long-term price dynamics in the Alberta market – the Company is positioned for significant upside from the Alberta merchant business.

Capital Power has long seen the Alberta market as an excellent place to invest. Our generation capacity in Alberta has grown from approximately 1,350 megawatts at the time of the IPO in 2009 to 1,950 megawatts today. In 2015, when the Shepard facility begins commercial operations, it will add another 400 megawatts of capacity to the fleet. Later on, Genesee 4&5 will contribute an additional 400 to 500 megawatts to our capacity.

With the investments in Shepard and Genesee 4&5, Capital Power will own high quality baseload, mid-merit, renewable and peaking generation in Alberta, providing more flexibility than any other power portfolio in the province. I have no hesitation in telling you that Capital Power today has, and will have for a considerable period of time, the best fleet in the best merchant market in North America.

Turning to 2014. This morning we released our first quarter 2014 results. The charts on the slide present our first quarter 2014 operational and financial results and our full-year 2014 targets.

In the first quarter, average plant availability was 94%, which was in-line with our 95% plant availability target for 2014 but slightly lower than our expectations for the quarter due to an unplanned valve repair at Genesee 1.

We generated \$90 million in funds from operations. Overall, first quarter financial results were modestly below expectations, again largely due to the Genesee 1 outage, but we remain on-track to achieve our 2014 funds from operations target of \$360 to \$400 million.

We have a number of development and construction targets in 2014, related to the Shepard Energy Centre, K2 Wind project, and Genesee 4&5. These targets involve advancing the projects to ensure they are completed on-time and on-budget. We also had three important developments so far in 2014.

K2 Wind is the 270-megawatt wind project located in southwestern Ontario where we are

partnering with Samsung and Pattern. Last month, the project financing for \$850 million was completed, a major milestone for the project. Construction has started and commercial operations are targeted for mid-2015.

As highlighted earlier, Capital Power and ENMAX are joint partners on the Genesee 4&5 project. We announced with our first quarter results that a purchase and sale agreement for ENMAX to participate in the project has been executed. Eventually, ENMAX will be purchasing approximately 225 megawatts of our output under an 8-year tolling arrangement.

Capital Power will be responsible for construction of the project and will be the operator of the 1,000 megawatt facility. Construction is expected to be completed in the 2018 to 2020 timeframe, depending on load growth in the province.

We also acknowledged with our first quarter results that we will soon have a new joint venture partner at our Genesee coal mine. Westmoreland Coal Company will be acquiring their interest from Sherritt International.

Westmoreland is the oldest independent coal mining company in North America and with the addition of Sherritt coal interests, it will be the leading mine-mouth coal operator in North America.

We are confident that with their extensive coal mining experience and scale, they will make a positive contribution to Capital Power's bottom line in the coming years.

In summary – with the refocusing of our merchant power business in Alberta and the expansion of our contracted asset base across North America, we are “powering forward”.

2013 was a very successful year. We have made substantive progress towards our vision of being one of North America’s most respected, reliable and competitive power producers.

With the best fleet in the most attractive merchant market in North America, on top of a strong base of contracted cashflow, we are well positioned to deliver shareholder value. Thank you for your continued support.

I would like now to share a short video with you. After the video, we would move to the question and answer period.

Video – “Powering ahead”

Question & Answer session

Brian Vaasjo: So that now turns us to part of the agenda which is where you can ask us any questions you like and certainly happy to respond. We got microphones on the sides for the benefit of those people on the phone to hear any other questions.

Shareholder: Will Capital Power be increasing or decreasing the use of coal in the future and by approximately what rate?

Brian Vaasjo: So Capital Power, because of the Federal regulations in place, will be reducing its utilization of coal. Our coal plants have a definite schedule of retirements basically after they hit a

50-year life, they will be retired. And that’s the schedule on the retirement of assets. And they won’t be replaced with coal, they’ll be replaced with natural gas, or wind or solar. But certainly with technologies with less of an environmental footprint.

Shareholder: At what point are we at this time in the 50-year cycle?

Brian Vaasjo: So with Genesee...or with Keephills 3, which is jointly owned by us. It just entered into operations two years ago, so two years into life, it will have another 47-48 years to go. And likewise Genesee 3 will have more in the order of 45 years; actually 42 to be more specific. And then Genesee 1 and 2, whose lives are in around the mid-30’s and will be retired in around the mid-30’s.

Shareholder: Thank you.

Brian Vaasjo: You’re welcome. Any other questions? Well thank you again for joining us this afternoon. And for those of you who are here in Edmonton, we hope that you can join us for refreshments in the foyer. Thank you very much for your interests in Capital Power.