Q2/18 Analyst Conference Call

July 30, 2018

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Capital Power

Forward-looking information

Cautionary statement

Certain information in this presentation and in responses to questions contains forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information as a result of certain material factors or assumptions that were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

Additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information are disclosed on slide 17 of this presentation and in the Company's second quarter 2018 Management's Discussion and Analysis (MD&A) prepared as of July 27, 2018 which is available under the Company's profile on SEDAR at sedar.com and on the Company's website at capitalpower.com.

Non-GAAP financial measures

The Company uses (i) earnings before net finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, finance expense and depreciation expense from its joint venture interests, and gains or losses on disposals (adjusted EBITDA), (ii) adjusted funds from operations, (iii) adjusted funds from operations per share, (iv) normalized earnings attributable to common shareholders, and (v) normalized earnings per share as financial performance measures.

These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable to shareholders of the Company, net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, these measures are provided to complement GAAP measures in the analysis of the Company's results of operations from management's perspective.

Reconciliations of these non-GAAP financial measures are disclosed in the Company's Management's Discussion and Analysis prepared as of June 27, 2018 for the second quarter of 2018, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at capitalpower.com.

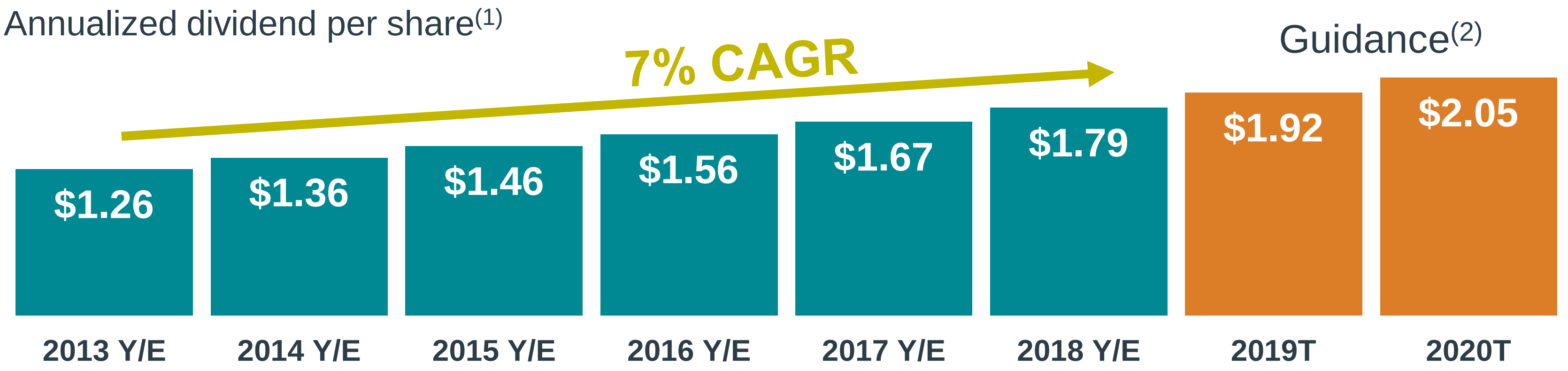
Second quarter achievements

- Increased dividend by 7% ($1.67 to $1.79 annualized)
- Executed 12-year contract for 150 MW Cardinal Point Wind project – operational in 2020
- Added 77.5 MW to U.S. growth pipeline with acquisition of Green Hills Wind project in Missouri
- Acquired 5% equity interest in C2CNT, a company that captures and transforms carbon dioxide into carbon nanotubes
- Secured additional physical natural gas delivery capacity for Genesee site – allows for increased natural gas co-firing in 2019 and full natural gas conversion as early as 2020

Productive quarter supporting our growth momentum

5th consecutive annual dividend increase

7% annual dividend growth guidance out to 2020



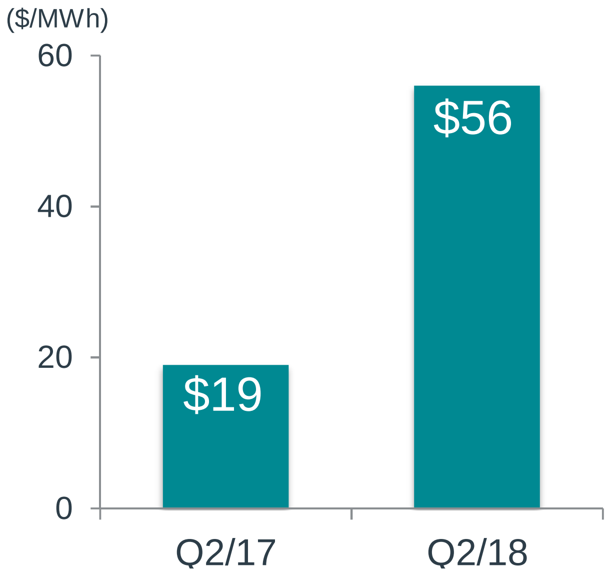
Dividend growth supported by

- ~$200M per year in discretionary cash flow supporting $400-$500M of annual growth capex per year
- Conservative AFFO payout ratio target of 45% - 55%

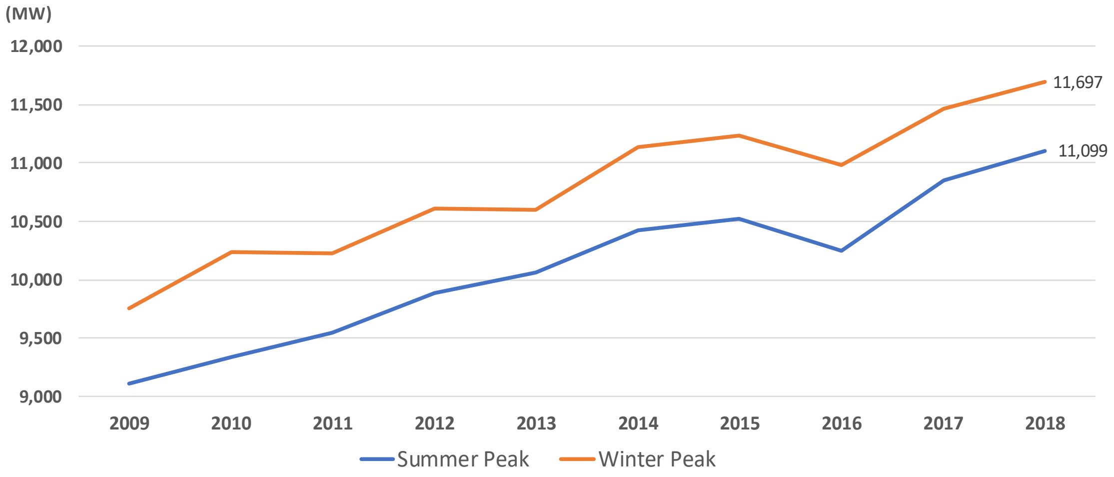
1) 2013-2018 annualized dividend based on year-end quarterly common share dividend declared.
2) Subject to market conditions, economic outlook, cash flow forecast, and Board approval at the time.

Alberta power market has recovered

Average spot prices have nearly tripled



Alberta peak demand



3% to 4% demand growth sets new summer peak record of 11,099 MW on July 17

Capital Power has the best fleet of assets in the province to capture value

Alberta power market

Capacity market design

- AESO has finalized its proposed market design
- Design is constructive and provides an equal opportunity for existing and new assets to earn a return on and of capital
- Key design elements such as participation, market mitigation, term length are reasonable as expected
- Next steps
  - Additional consultation with stakeholders on technical details and finalization of various design elements
  - AESO translates its design into market rules for submission to Alberta Utilities Commission (AUC) for approval

Final design is consistent with our view of a properly designed capacity market for AB and we are well-positioned under this market design

Progress on our renewables growth strategy

450 MW

3 contracted wind projects under advanced development or construction to be added to the fleet within the next two years

245 MW

of potential wind development opportunities to participate in Alberta's Renewable Electricity Program

~1,200 MW

of potential wind development opportunities located throughout the United States

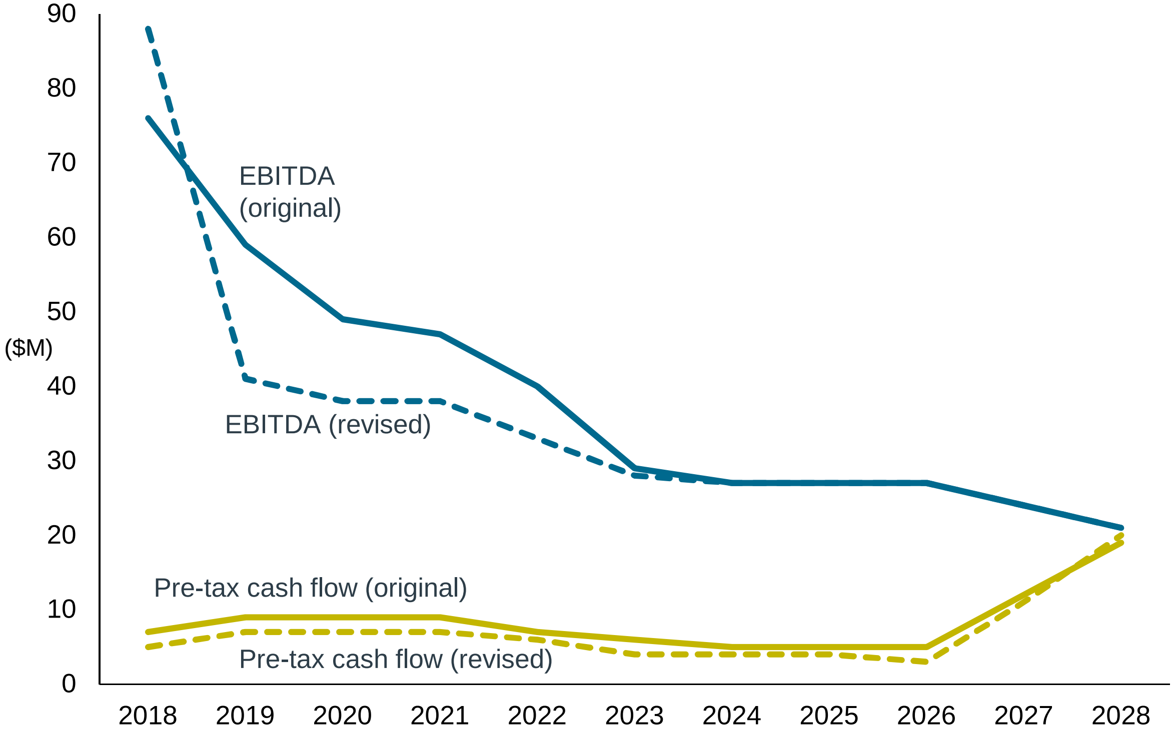
Q2/18 financial review

- Q2/18 financial results exceeded management's expectations
  - Generated $76M of AFFO
  - Adjusted EBITDA[1] of $201M
- Re-negotiated Bloom Wind tax equity agreement
  - A change in tax law provision was triggered in the agreement due to the reduction in U.S. Federal corporate tax rate (effective Jan 1/18)
  - Under revised commercial terms, Bloom Partnership claimed bonus tax depreciation in 2017 to capture a larger portion of the tax depreciation at 35% federal income tax rate (versus 21% rate that became effective Jan 1/18)
  - One-time, non-cash increase to Adjusted EBITDA of $44M

1) Adjusted EBITDA before unrealized changes in fair value of commodity derivatives and emission credits of $22M for Q2/18.

Updated modeling guidance for Bloom Wind

Re-negotiated tax equity agreement impact



Illustrative chart shows the impact of U.S. tax reform and re-negotiated agreement. All other inputs including generation, production tax credits, foreign exchange rates were held constant.

- Under the re-negotiated tax equity agreement, and considering the reduction in U.S. Federal corporate tax rate, Company has maintained its original expected returns
- Revision accelerates depreciation, provides an interest rate increase to tax equity investor (TEI) and for TEI to receive a higher proportion of the cash flow prior to flip-date
- Main difference between EBITDA and cash flow is driven by the accounting of the production tax credits (PTCs) and tax depreciation credits allocated to the TEI prior to the flip-date
- Tax rate change lowers cash taxes to be paid on the projected cash flows

Financial performance – Q2/18

$M, except per share amounts	Q2/18	Q2/17	Change
Revenues and other income	**$363**	$201	81%
Adjusted EBITDA (before mark-to-market)(1)	**$201**	$125	61%
Basic earnings per share	**$0.57**	$1.03	(45%)
Normalized EPS	**$0.22**	$0.27	(19%)
Adjusted funds from operations (AFFO)	**$76**	$44	73%
AFFO per share	**$0.74**	$0.45	64%

Higher Adjusted EBITDA from amended Bloom Wind tax equity agreement, greater contribution from AB contracted facilities and full quarter contributions from Decatur Energy and Bloom Wind

1) Before unrealized changes in fair value of commodity derivatives and emission credits of $22M and -$29M for Q2/18 and Q2/17, respectively.

Financial performance – Q2/18 YTD

$M, except per share amounts	Q2/18 YTD	Q2/17 YTD	Change
Revenues and other income	**$670**	$539	24%
Adjusted EBITDA (before mark-to-market)(1)	**$374**	$259	44%
Basic earnings per share	**$0.89**	$1.47	(39%)
Normalized EPS	**$0.52**	$0.61	(15%)
Adjusted funds from operations (AFFO)	**$161**	$132	22%
AFFO per share	**$1.55**	$1.36	14%

Double-digit increases in AFFO and AFFO per share year-over-year

1) Before unrealized changes in fair value of commodity derivatives and emission credits of $21M and -$20M for Q2/18 YTD and Q2/17 YTD, respectively.

Portfolio optimization

AB commercial portfolio positions

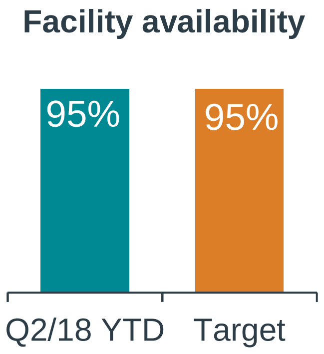
	2019	2020	2021
As of date	June 30, 2018		
% sold forward(1)	49%	25%	5%
Contracted prices(2) ($/MWh)	Low-$50	Low-$50	Mid-$50

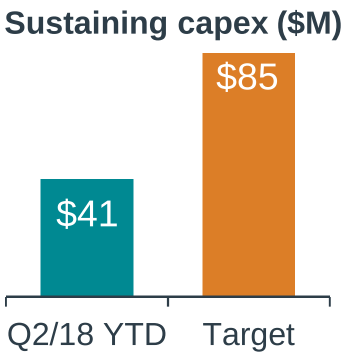
Current average forward prices(3) ($/MWh)	$56	$52	$48

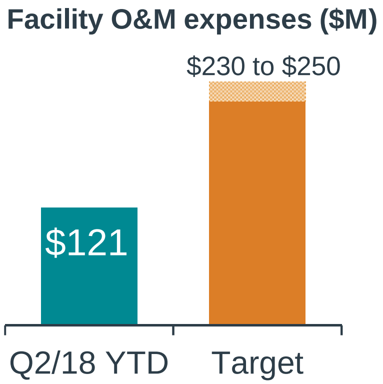
Nearly 500 MW (gas peaking, wind) available to capture upside from higher power prices or price volatility

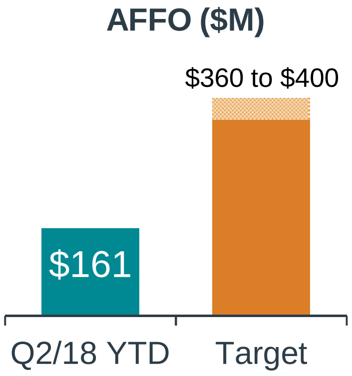
1) Based on the Alberta baseload plants plus a portion of Joffre and the uncontracted portion of Shepard.
2) Forecasted average contracted prices may differ significantly from future average realized prices as future realized prices are driven by a combination of previously contracted prices and settled prices.
3) As of July 26, 2018.

6-month performance versus 2018 annual targets





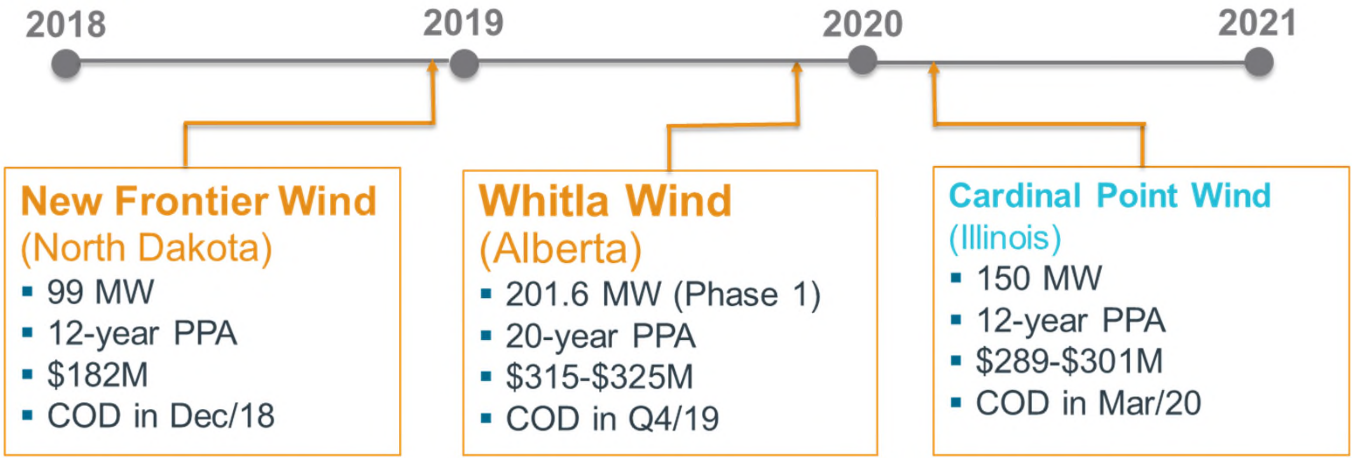




2018 AFFO expected to be above the midpoint of the range

2018 construction & development targets

Construction



Development

- Execute contracts for the output of 1-3 new wind developments
  - Contract executed for Cardinal Point Wind
  - Alberta's Renewable Electricity Program
  - 1,200 MW of potential wind development opportunities in the U.S.

Questions?

Forward-looking information

Forward-looking information or statements included in this presentation are provided to inform the Company's shareholders and potential investors about management's assessment of Capital Power's future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this presentation is generally identified by words such as will, anticipate, believe, plan, intend, target, and expect or similar words that suggest future outcomes.

Material forward-looking information includes expectations regarding:

- future revenues, expenses, earnings and adjusted funds from operations,
- the future pricing of electricity and market fundamentals in existing and target markets,
- future dividend growth,
- the Company's future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions,
- the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings,
- future growth and emerging opportunities in the Company's target markets including the focus on certain technologies,
- the timing of, funding of, and costs for existing, planned and potential development projects and acquisitions (including the New Frontier Wind project, phase 1 of Whitla Wind project and the Cardinal Point Wind project),
- facility availability and planned outages,
- capital expenditures for facility maintenance and other (sustaining capital, future growth projects),
- the impact of the transition to a capacity market on the Company's future growth projects including the Genesee 4 and 5 project,
- expectations around the Line Loss Rule Proceeding including timing of retrospective loss factors being finalized, participation in applicable appeal processes, and potential impacts to the Company, and
- impacts of future IFRS standards and amendments.

These statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors it believes are appropriate. The material factors and assumptions used to develop these forward-looking statements relate to:

- electricity and other energy and carbon prices,
- performance,
- business prospects and opportunities including expected growth and capital projects,
- status of and impact of policy, legislation and regulations,
- effective tax rates, and
- other matters discussed under the Performance Overview and Outlook sections

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results and experience to differ materially from the Company's expectations. Such material risks and uncertainties are:

- changes in electricity prices in markets in which the Company operates,
- changes in energy commodity market prices and use of derivatives,
- regulatory and political environments including changes to environmental, financial reporting, market structure and tax legislation,
- generation facility availability and performance including maintenance of equipment,
- ability to fund current and future capital and working capital needs,
- acquisitions and developments including timing and costs of regulatory approvals and construction,
- changes in market prices and availability of fuel, and
- changes in general economic and competitive conditions.

See Risks and Risk Management in the Company's December 31, 2017 annual MD&A for further discussion of these and other risks. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the specified approval date. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

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