Q3/18 Analyst Conference Call

Brian Vaasjo, President & CEO

Bryan DeNeve, SVP Finance & CFO

October 29, 2018

Forward-looking information

Cautionary statement

Certain information in this presentation and 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 14 of this presentation and in the Company's third quarter 2018 Management's Discussion and Analysis (MD&A) prepared as of October 26, 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 October 26, 2018 for the third 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.

Acquisition of Arlington Valley

Announced on Sept 6/18 an agreement to acquire a 580 MW contracted gas facility in Arizona for US$300M

Strategic benefits:

- Immediate accretion – 5-year average accretion of $0.22 (6%) on AFFO/share
  and $0.03 (2%) to EPS
- Strengthens contracted cash flow profile
  - Contracted until 2025 with high probability of re-contracting
  - Pursuing additional contracts for the output generated in the non-summer toll months
- Key addition to U.S. growth plans – well-positioned asset in the attractive Desert Southwest power market
- Geographic diversification

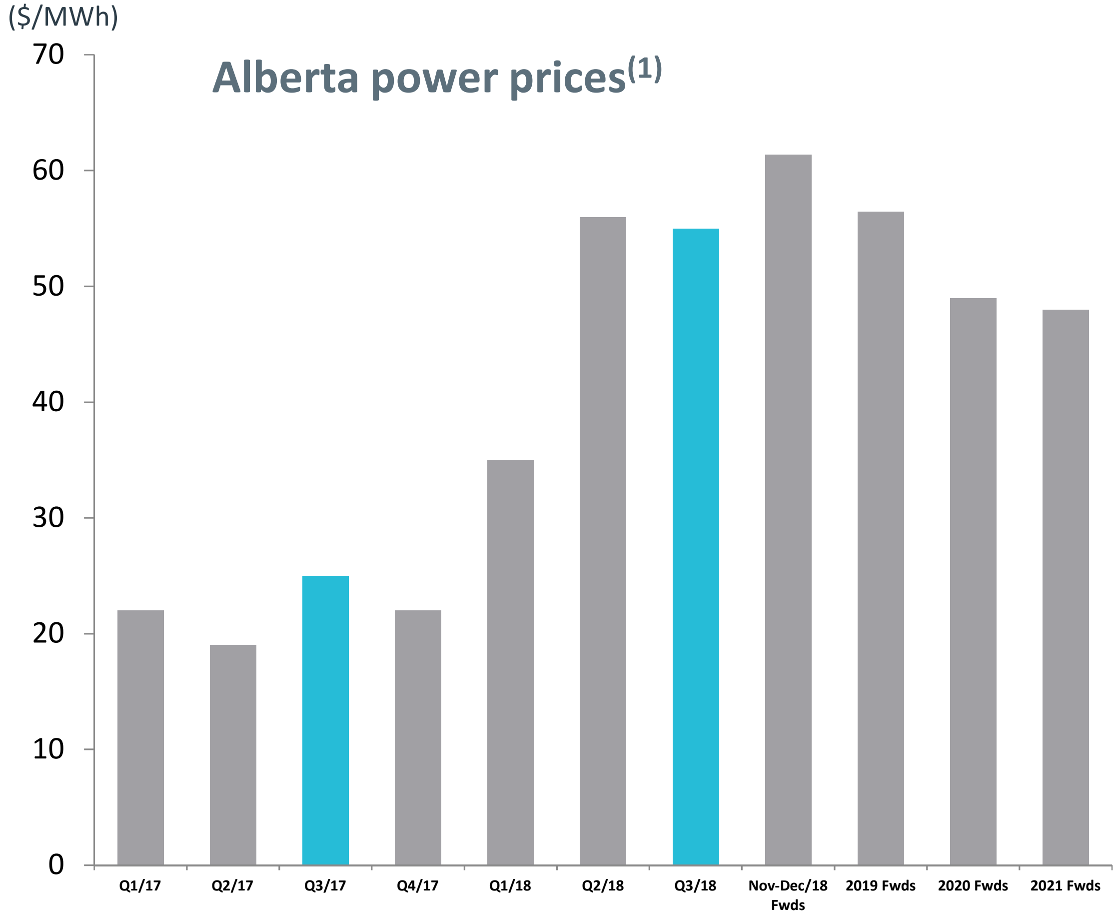
Acquisition of Arlington Valley

Low risk, long-term cash generating investment providing an important platform for further potential growth in Desert Southwest

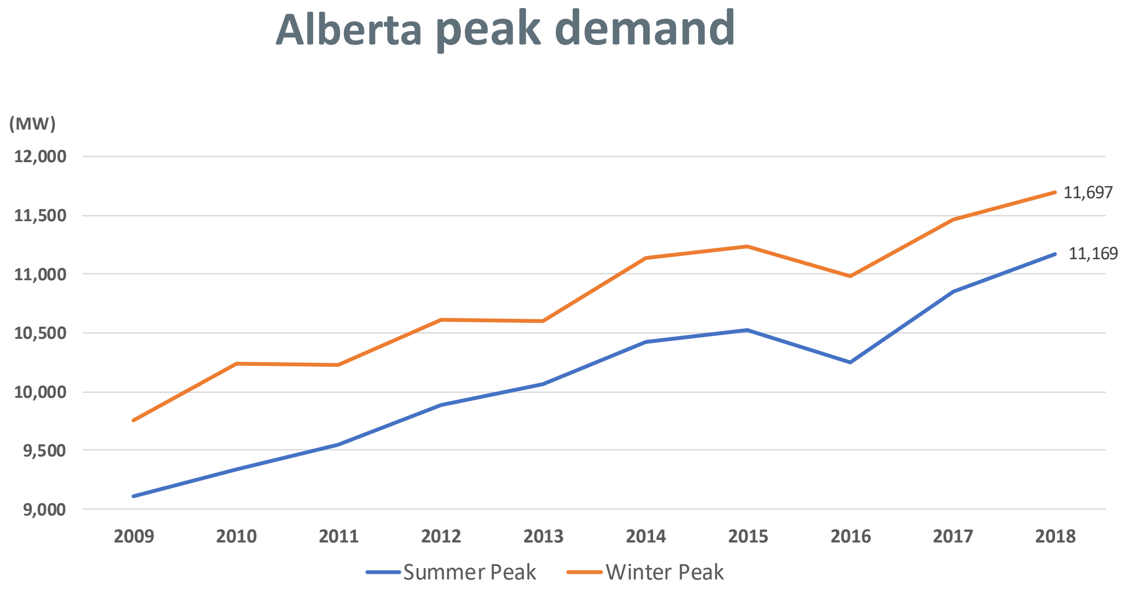
- Acquisition to be financed through credit facilities followed by permanent debt financing
- No need to issue equity with existing balance sheet capacity
- Closing expected in Q4/18

Positive outlook for Alberta power market

Q3/18 average spot price more than doubled YoY



1) Forward prices as of October 26, 2018.



3% to 4% demand growth sets new summer peak record of 11,169 MW on August 10, 2018

Portfolio optimization

AB commercial portfolio positions

	2019	2020	2021
As of date	Sept 30, 2018		
% sold forward(1)	55%	22%	4%
Contracted prices(2) ($/MWh)	Low-$50	Low-$50	Mid-$50
Current average forward prices(3) ($/MWh)	$56	$49	$48

Nearly 500 MW (gas peaking, wind) available to capture the upside from low natural gas prices, higher power prices, and 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 October 26, 2018.

Q3/18 financial review and Q4/18 outlook

- Excellent operating performance with average facility availability of 98%
- Q3/18 financial results exceeded management's expectations
  - Generated strong AFFO of $156M, highest AFFO quarter since Q2/15, when comparative information was first reported for AFFO
  - Adjusted EBITDA[1] (before mark-to-market) of $173M
- Outlook for Q4/18
  - Major planned outages at Genesee 3 and Decatur
  - Higher sustaining capex compared to Q4/17

1) Adjusted EBITDA before unrealized changes in fair value of commodity derivatives and emission credits of -$35M for Q3/18.

Financial performance – Q3/18

$M, except per share amounts	Q3/18	Q3/17	Change
Revenues and other income	$389	$346	12%
Adjusted EBITDA (before mark-to-market)(1)	$173	$161	7%
Basic earnings per share	$0.10	($0.13)	177%
Normalized EPS	$0.35	$0.28	25%
Adjusted funds from operations (AFFO)	$156	$135	16%
AFFO per share	$1.52	$1.30	17%

Strong results in Alberta contracted facilities from higher rolling average pool price (RAPP) that benefitted availability incentive and excess energy revenues

1) Before unrealized changes in fair value of commodity derivatives and emission credits of -$35M and -$3M for Q3/18 and Q3/17, respectively.

Financial performance – Q3/18 YTD

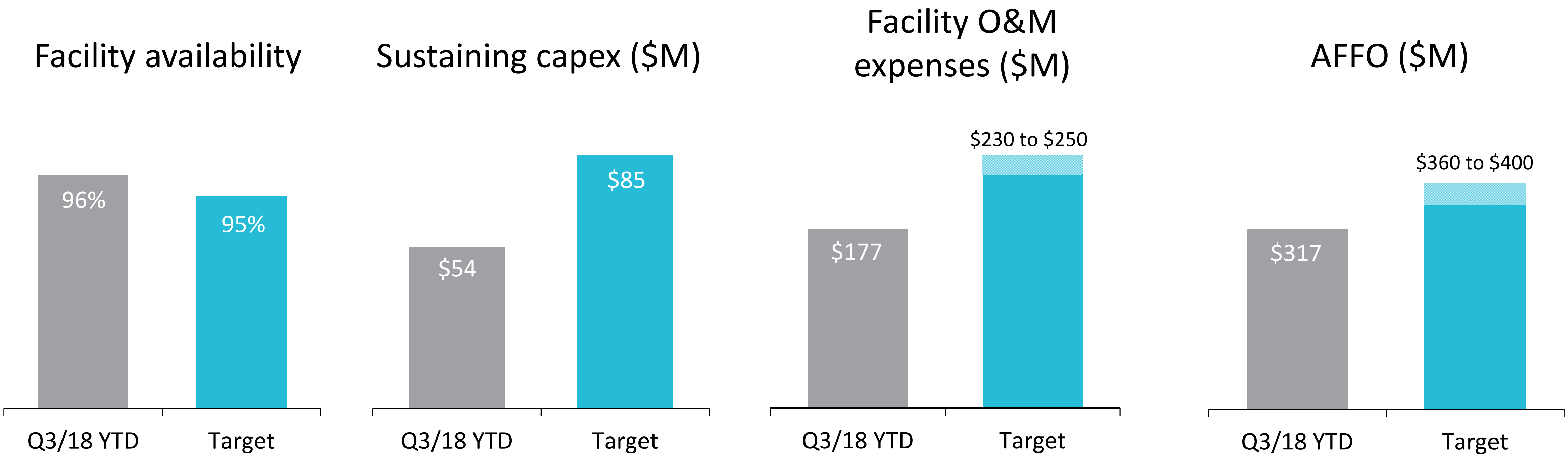
$M, except per share amounts	Q3/18 YTD	Q3/17 YTD	Change
Revenues and other income	$1,059	$885	20%
Adjusted EBITDA (before mark-to-market)[1]	$547	$420	30%
Basic earnings per share	$0.99	$1.30	(24%)
Normalized EPS	$0.87	$0.88	(1%)
Adjusted funds from operations (AFFO)	$317	$267	19%
AFFO per share	$3.07	$2.68	15%

Strong growth in Adjusted EBITDA and AFFO from assets acquired and developed in Q2/17

1) Before unrealized changes in fair value of commodity derivatives and emission credits of -$14M and -$23M for Q3/18 YTD and Q3/17 YTD, respectively.

Q3/18 YTD performance versus 2018 annual targets

2018 AFFO expected to be above the midpoint of the range



2018 construction & development targets

Construction

2018 — 2019 — 2020 — 2021

New Frontier Wind
(North Dakota)

- 99 MW
- 12-year PPA
- $182M
- COD in Dec/18

Whitla Wind
(Alberta)

- 201.6 MW (Phase 1)
- 20-year PPA
- $315-$325M
- COD in Q4/19

Cardinal Point Wind
(Illinois)

- 150 MW
- 12-year PPA
- $289-$301M
- COD in Mar/20

Development

- Execute contracts for the output of 1-3 new wind developments
  - Contract executed for Cardinal Point Wind
  - Potential wind development opportunities in Canada and 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 the 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 projects,
- expectations pertaining to the financial impacts of the acquisition of Arlington Valley, including the impacts to adjusted funds from operations, adjusted funds from operations per share and adjusted EBITDA,
- the financing plans for and the timing of the close of the acquisition of Arlington Valley,
- re-contracting of the Arlington Valley facility,
- 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 (including potential re-contracting of facilities) 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 of the Company's MD&A for the third quarter of 2018.

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,
- ability to realize the anticipated benefits of the Arlington Valley acquisition,
- limitations inherent in the Company's review of acquired assets, 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.

Investor Relations

Randy Mah
Director
(780) 392-5305
rmah@capitalpower.com

10423 101 Street NW
10th Floor
Edmonton, Alberta
Canada, T5H 0E9
www.capitalpower.com