Q4/18 Analyst Conference Call

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February 19, 2019

Capital Power

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 16 of this presentation and in the Company’s 2018 Management’s Discussion and Analysis (MD&A) prepared as of February 15, 2019 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 February 15, 2019 for 2018, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at capitalpower.com.

Strong execution in 2018

An excellent year highlighted by additional contracted growth

Growth and capital allocation

- Secured 12-year contract for Cardinal Point Wind
- Acquired Arlington Valley
- Completed New Frontier project on-time and below budget
- Disposal of minority interest in K2 Wind for pre-tax gain of $159M

Sustainability strategy

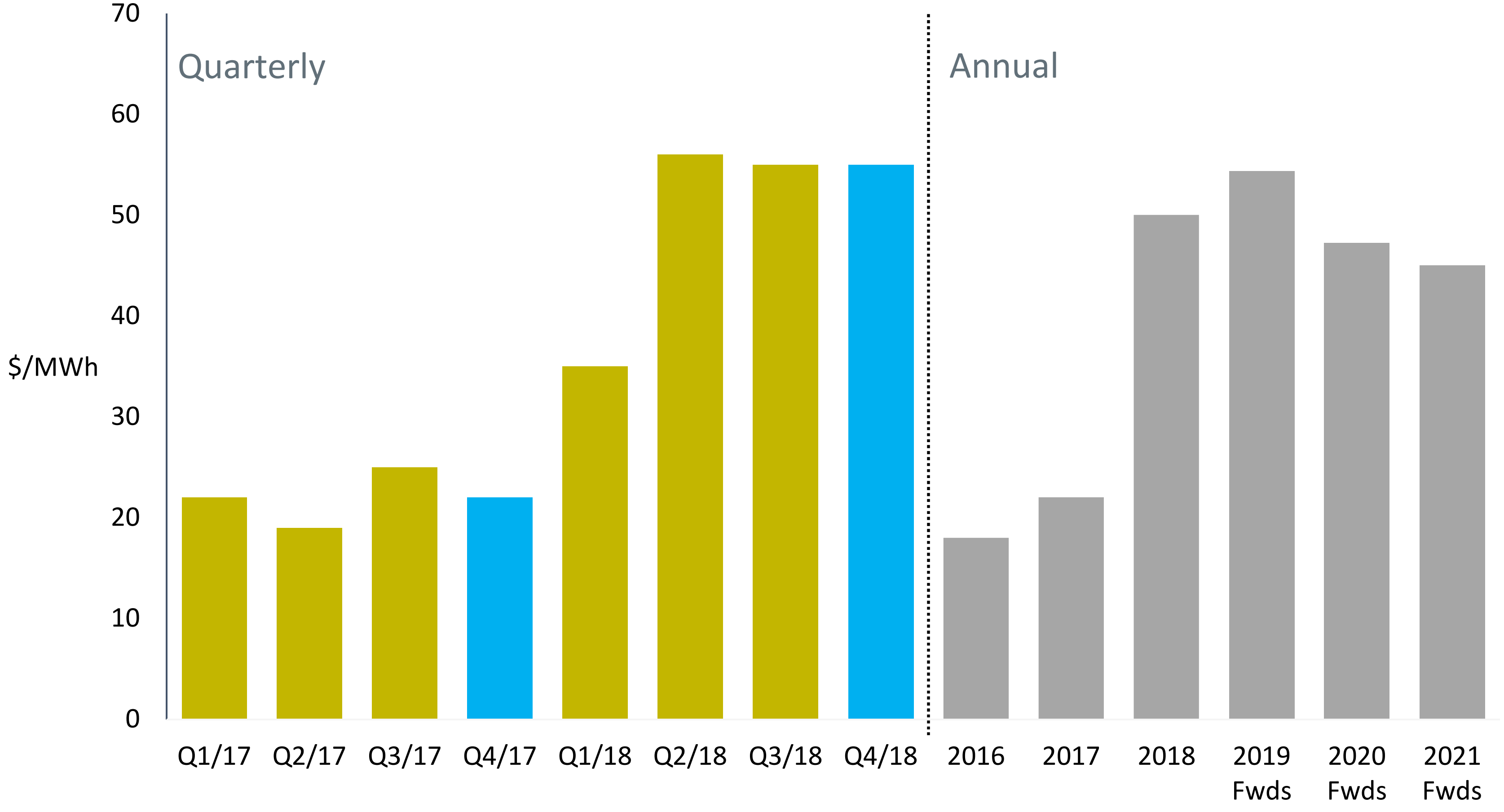
- Secured additional physical gas delivery capacity to Genesee to enable increased natural gas co-firing and allow for full conversion to natural gas in the future

Financial performance

- Generated $397M in AFFO that exceeded the midpoint of $360-$400M annual target range
- Increased the dividend by 7% for the 5th consecutive year and extended dividend growth guidance to 2021

Stable outlook in Alberta power prices

Q4/18 average spot price more than doubled YoY



Significant step change in 2018 power prices

- Coal plant retirements / mothballing
- Robust demand growth
- Higher carbon tax

1) Forward prices as of February 15, 2019.

Q4/18 financial review

- Completed two major planned outages at Genesee 3 and Decatur resulting in average facility availability of 94% in Q4/18
- Recorded $159M gain on disposal of minority interest in K2 Wind
- Q4/18 Adjusted EBITDA slightly below management's expectations while AFFO in-line with expectations
  - Generated AFFO of $80M
  - Adjusted EBITDA[1] (before mark-to-market) of $166M
  - Higher sustaining capex of $25M compared to $13M in Q4/17

1) Adjusted EBITDA before unrealized changes in fair value of commodity derivatives and emission credits of -$53M.

Financial performance – Q4/18

$M, except per share amounts	Q4/18	Q4/17	Change
Revenues and other income	$335	$261	28%
Adjusted EBITDA (before mark-to-market)[1]	$166	$172	(3%)
Basic earnings per share	$1.27	($0.20)	735%
Normalized EPS	$0.33	$0.24	38%
Adjusted funds from operations (AFFO)	$80	$94	(15%)
AFFO per share	$0.78	$0.90	(13%)

Lower Adjusted EBITDA from ON, BC, and U.S. contracted assets and higher Corporate expenses, partially offset by strong AB results

1) Before unrealized changes in fair value of commodity derivatives and emission credits of -$53M and -$18M for Q4/18 and Q4/17, respectively.

Financial performance – 2018

$M, except per share amounts	2018	2017	Change
Revenues and other income	$1,394	$1,146	22%
Adjusted EBITDA (before mark-to-market)(1)	$713	$592	20%
Basic earnings per share	$2.25	$1.07	110%
Normalized EPS	$1.20	$1.12	7%
Adjusted funds from operations (AFFO)	$397	$361	10%
AFFO per share	$3.85	$3.58	8%

Strong growth in Adjusted EBITDA and AFFO from AB contracted facilities and a full year of contributions from assets acquired (Decatur, York Energy, East Windsor) and developed (Bloom Wind) in 2017

1) Before unrealized changes in fair value of commodity derivatives and emission credits of -$67M and -$41M for 2018 and 2017, respectively.

Portfolio optimization

AB commercial portfolio positions

	2019	2020	2021
As of date	Dec 31, 2018		
% sold forward[1]	78%	34%	1%
Contracted prices[2] ($/MWh)	Mid-$50	Low-$50	Low-$80[3]
Current average forward prices[4] ($/MWh)	$54	$47	$45

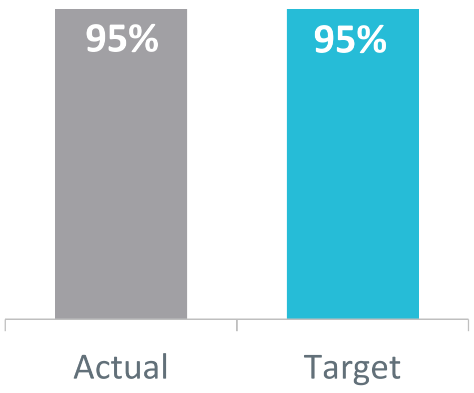
Nearly 500 MW (gas peaking, wind) available to capture the upside from low natural gas prices, higher power prices, and price volatility

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) Average contract pricing on the net 2021 position is abnormally high due to low net volumes sold forward where gross sales were transacted at higher prices than gross purchases.
4) As of February 15, 2019.

2018 performance versus annual targets

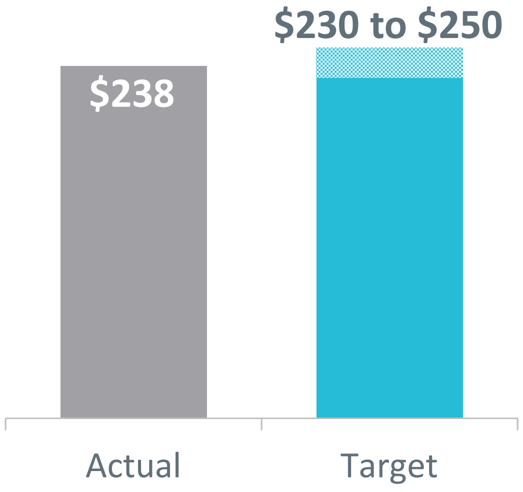
Met or exceeded annual targets

Facility availability

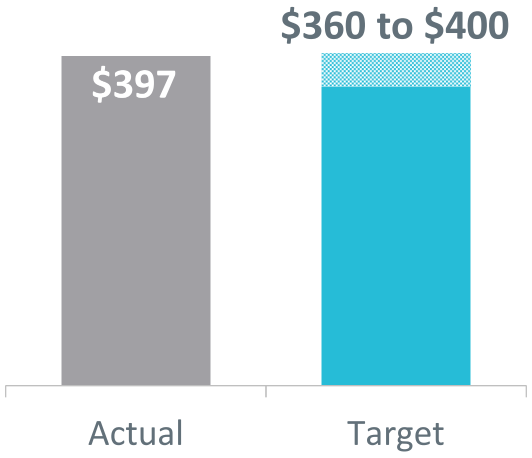


Sustaining capex ($M)

Facility O&M expenses ($M)



AFFO ($M)



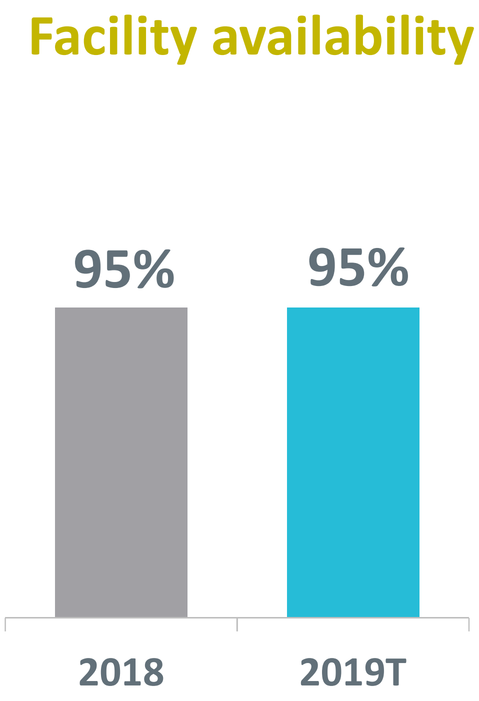
2018 development & construction targets

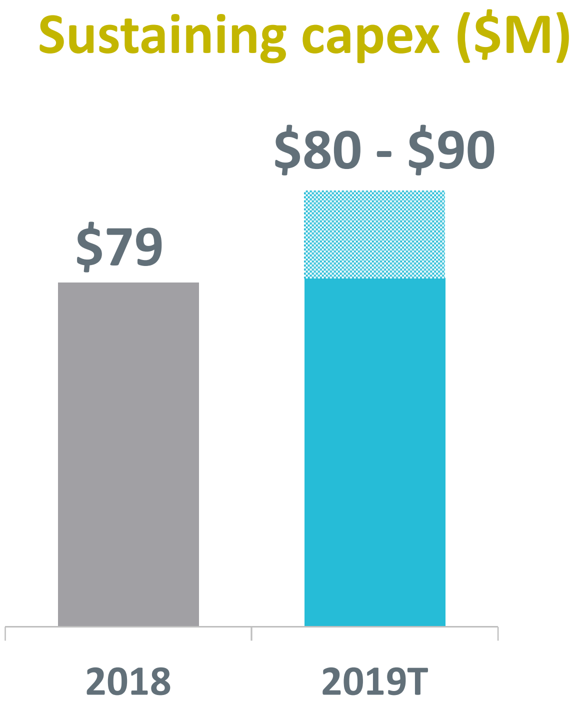
Disciplined growth

Targets	Results
New Frontier Wind – complete within $182M budget for COD in Dec 2018	✓ Final project cost slightly below budget ✓ Achieved COD on Dec 21/18 ✓ Received net tax equity financing of $125M from J.P. Morgan ✓ Returns on project forecasted to exceed original expectations
Whitla Wind – Complete within $315M-$325M budget for COD in Q4 2019	✓ Project currently tracking on-budget and on-schedule
Execute contracts for the output of 1-3 new wind developments	✓ Cardinal Point Wind – executed 12-year PPA and secured 15-year Renewable Energy Credit (REC) contracts; commenced construction in Apr/18

2019 operational targets

Deliver strong operational performance from a young, well-maintained generation fleet



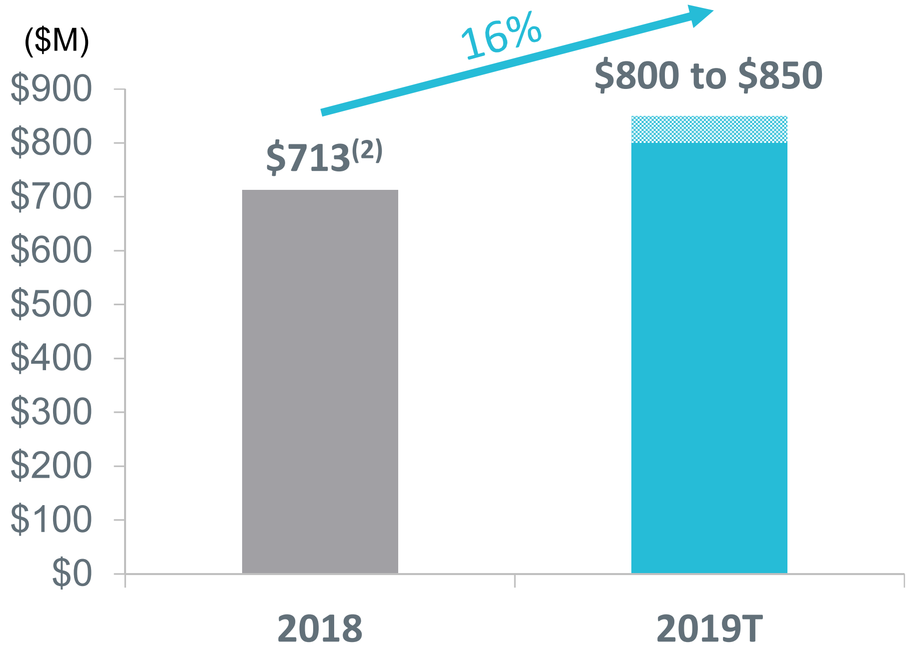


2019 financial targets

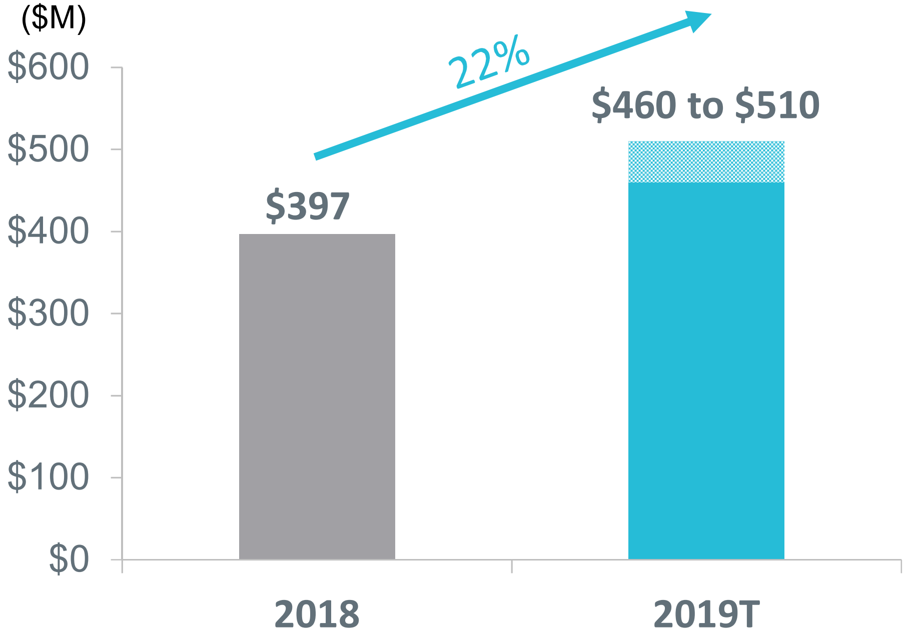
Key assumptions

- Based on 70% of the Alberta Commercial baseload generation sold forward at an average contracted price in the low-$50/MWh range
- Excludes any impacts from $500M of committed capital for growth

Adjusted EBITDA[1]



Adjusted funds from operations[1]



1) AFFO and Adjusted EBITDA are Non-GAAP financial measures.
2) Before unrealized changes in fair value of commodity derivatives and emission credits of -$67M.

2019 development & construction targets

Construction

2019 — 2020 — 2021

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

Other contracted growth

- $500 million of committed capital

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 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 project,
- 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,
- 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 and Targets for 2019 sections of the Company's MD&A for the fourth quarter of 2018, and
- anticipated performance of the acquired Arlington Valley facility.

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, 2018 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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