Q1/19 Analyst Conference Call

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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 14 of this presentation and in the Company's first quarter 2019 Management's Discussion and Analysis (MD&A) prepared as of April 26, 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 and unrealized changes in fair value of commodity derivatives and emission credits (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 April 26, 2019 for the first quarter of 2019, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at capitalpower.com.

Q1/19 highlights

A strong quarter highlighted by excellent operational performance

Strong operations and financial outlook

- Excellent operating performance with 98-100% availability from Alberta, Ontario and BC facilities; overall average availability of 96%
- Generated a record quarter of 5,782 GWh; up 15% from Q1/18
- Based on our forecast for remainder of the year, expect 2019 AFFO to be in the upper end of our guidance range

Executed 5-year heat rate call option (HRCO) agreement for Arlington Valley

- Agreement with investment grade counterparty covers the periods outside of existing summer tolling agreements
- Counterparty has the right to call the plant in exchange for fixed monthly premiums plus reimbursements for fuel at an indexed price, variable O&M expenses and start charges
- Adjusted EBITDA and AFFO during the period covered by the HRCO are consistent with expectations in original guidance when Arlington was acquired

United Conservative Party (UCP) wins majority government in AB election

UCP wins 63 of 87 seats; NDP elected in 24 seats to form Official Opposition

Election Platform

Carbon Tax

- Establish Technology Innovation and Emissions Reduction (TIER) framework for large emitters, effective January 2020
- Compliance price reduced from $30 to $20/tonne
- Electricity sector compliance obligations based on "good-as-best-gas" performance standard

Initial assessment

- Impact of the carbon tax price reduction will not be fully known until all elements of the policy (performance standard, emissions offset utilization) are in place
- Near term – expect a modest impact on Adjusted EBITDA as the lower carbon compliance costs will be mitigated by lower power prices
- Compliance obligation in 2020 for Genesee 1&2 remain with the Balancing Pool under the PPA
- Compliance cost through 2022 is substantially mitigated by our inventory of offset credits
- Longer term – expect a greater Adjusted EBITDA uplift from TIER framework

UCP election platform (cont'd)

Election Platform

Renewables

- End costly subsidies for renewables after Renewable Electricity Program (REP) 3 and welcome market-driven green power

Initial assessment

- Have experience and success with market-driven renewables in the U.S.

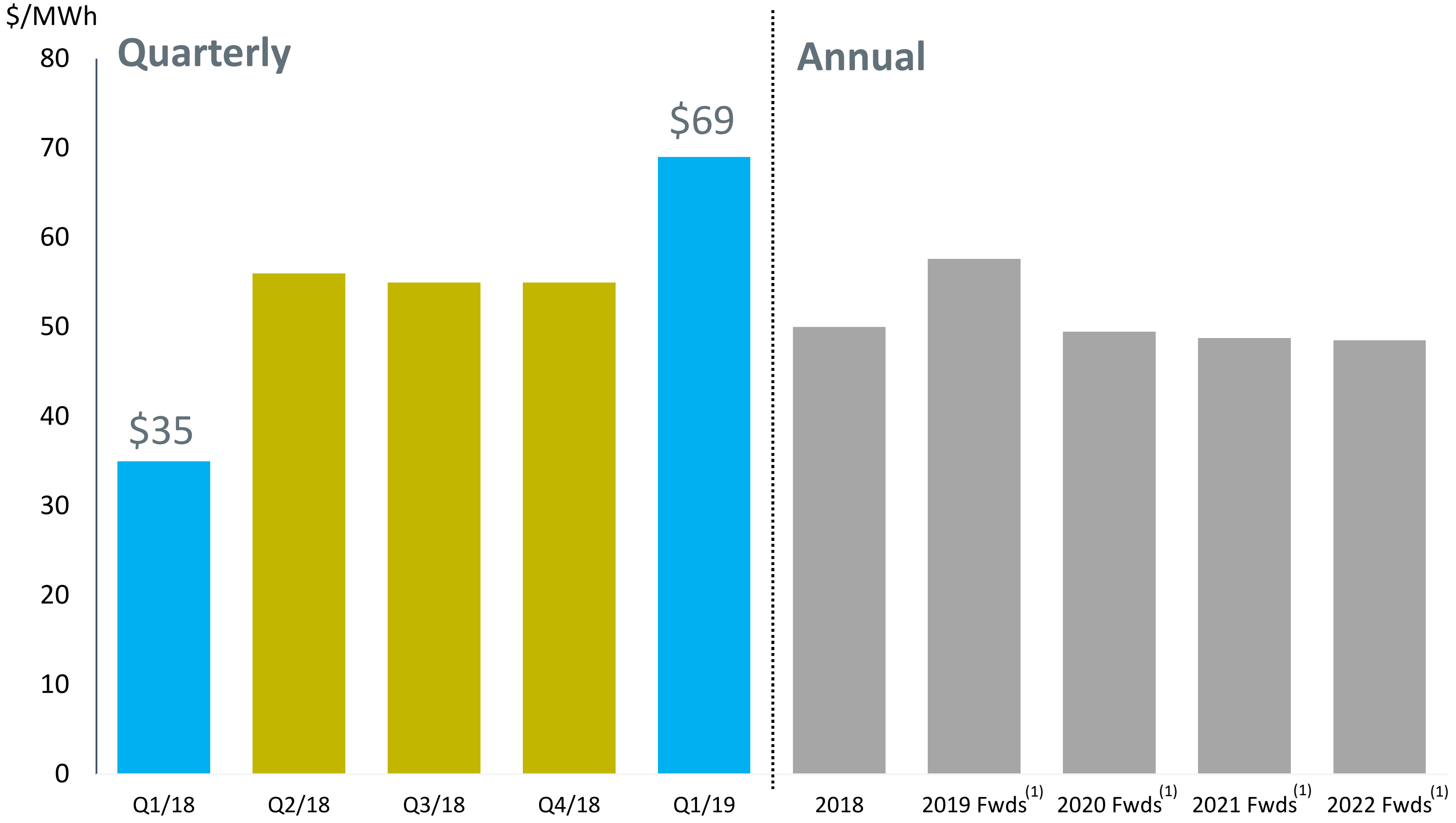
Power market design

- Consult on whether Alberta should return to an energy-only market or create a capacity market, and report back to Albertans within 90 days

- With our young, diverse fleet of assets, we are well-positioned for success in a properly designed capacity market or an energy-only market

Stable outlook in Alberta power prices

Q1/19 average spot price nearly doubled YoY



Average spot price of **$69/MWh** in Q1/19 was the highest quarterly spot price in 2.5 years due to

- Unseasonably cold temperatures
- Higher natural gas prices
- Baseload facility outages and derates
- Low wind generation
- High volume of power exports

1) Forward prices as of April 26, 2019. 2019 Forwards is a blend of Q1/19 actuals and 9 months of forwards.

Q1/19 financial review

- Q1/19 financial results were in-line with management's expectations
  - Generated strong AFFO of $117M
  - Adjusted EBITDA of $202M versus $179M in Q1/18
- Company captured an average realized power price of $58/MWh compared to $47/MWh in Q1/18

Portfolio optimization	Q1/19	Q1/18
AB spot power price average (/MWh)	**$69**	$35
Realized power price[1] (/MWh)	**$58**	$47

1) Realized power price is the average price realized as a result of commercial contracted sales and portfolio optimization activities.

Financial performance – Q1/19

$M, except per share amounts	Q1/19	Q1/18	Change
Revenues and other income	$397	$313	27%
Adjusted EBITDA	$202	$179	13%
Basic earnings per share	$0.49	$0.30	63%
Normalized EPS	$0.29	$0.28	4%
Adjusted funds from operations (AFFO)	$117	$85	38%
AFFO per share	$1.15	$0.82	40%

Higher adjusted EBITDA from strong performance in Alberta (higher generation & captured price) partially offset by lower adjusted EBITDA in ON & BC contracted facilities

Strong year-over-year increases in key financial metrics

Portfolio optimization

AB commercial portfolio positions

	2020	2021	2022
As of date	March 31, 2019		
% sold forward[(1)]	24%	2%	2%
Contracted prices[(2)] ($/MWh)	Low-$50	Low-$70[(3)]	Mid-$50

Current average forward prices[(4)] ($/MWh)	$50	$49	$49

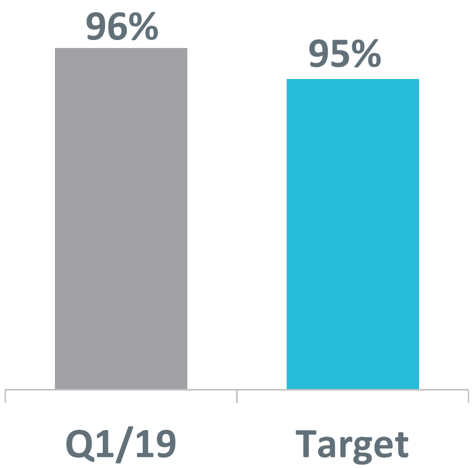
The low hedged % on the merchant position reflects our higher fundamental power price view compared to current forward prices

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 April 26, 2019.

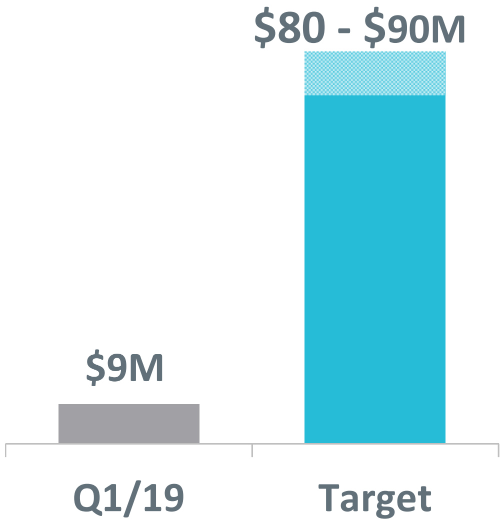
Q1/19 performance versus 2019 annual targets

2019 AFFO expected to be in the upper end of the range

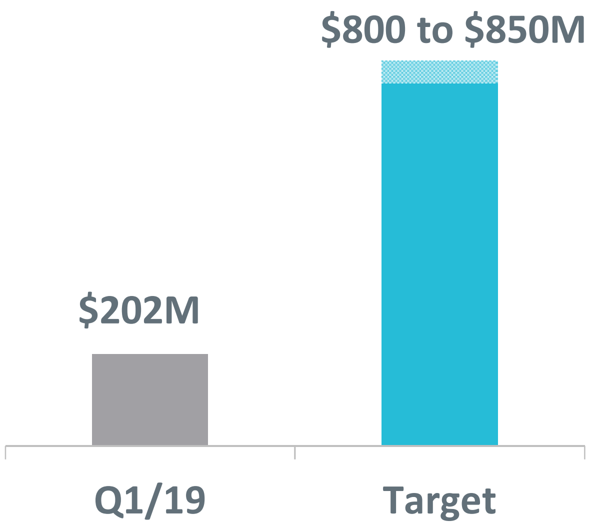
Facility availability



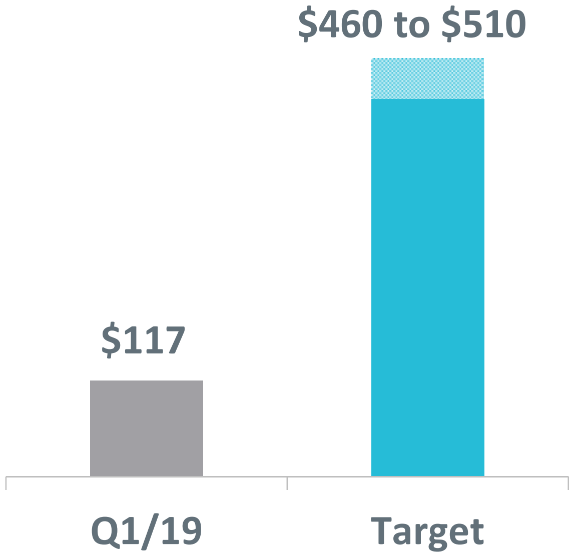
Sustaining capex



Adjusted EBITDA



AFFO



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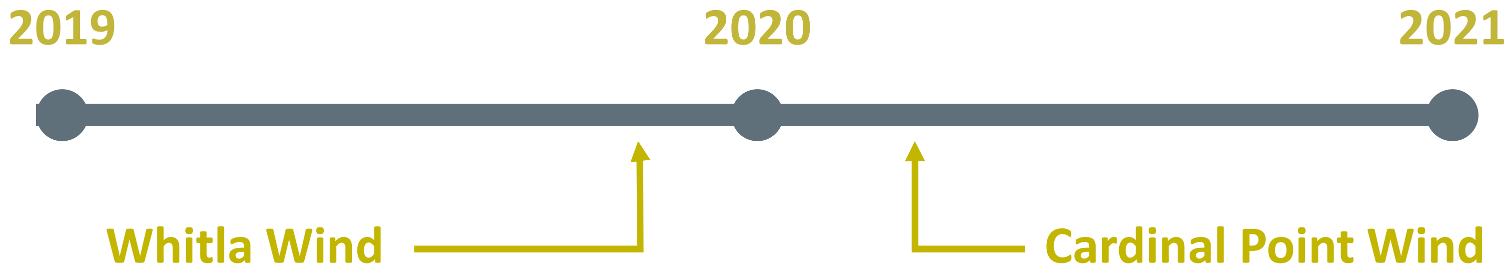
2019 development & construction targets

Construction



Whitla Wind
(Alberta)

- 201.6 MW (Phase 1)
- 20-year PPA
- $315-$325M(1)
- 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

1) Reflects original projected total construction costs. Actual spend is expected to be in line with this range with the exception of foreign exchange rate impacts which are largely economically hedged.


Questions?
Capital Power

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, and
- 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.

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 in the first quarter 2019 Management’s Discussion and Analysis.

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, 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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