Moving in the Right Direction
Capital Power releases its first corporate responsibility report

The people of Capital Power are deeply committed to achieving the company’s vision of becoming one of the most respected, reliable, competitive power producers in North America. We’re aiming to triple our capacity to 10,000 megawatts by the year 2020. Acting responsibly and respectfully in every aspect of our business is vital to the realization of our goals.

– President & CEO Brian Vaasjo

INTERNATIONALLY RECOGNIZED A+ RATING
Capital’s Power’s first Corporate Responsibility Report fully and openly reports on the impacts Capital Power’s operations and business practices have on the environment, employees, shareholders, and communities. It paints a clear picture of where we stand as a corporate citizen.

Our report achieved an A+ level of reporting under Global Reporting Initiative (GRI) guidelines. PricewaterhouseCoopers LLP has independently assured the A+ rating.

Moving in the Right Direction is a concrete example of Capital Power’s corporate values: acting with integrity; being accountable and environmentally responsible; and working safely towards a zero-injury culture.

A CLEAR FUTURE OF RESPONSIBLE GROWTH
Capital Power (TSX: CPX) is a growth-oriented North American power producer headquartered in Edmonton, Alberta, with interests in 31 facilities across North America. We develop, acquire and optimize power generation from a wide range of energy sources.

Capital Power is a new company, yet it is firmly anchored to a legacy of integrity, innovation, and more than a century of experience. This solid foundation enables the company to blaze a new trail in the North American power generation industry.

DIVERSITY OF FUEL SOURCE…WITH PLANTS ACROSS NORTH AMERICA
HOW GENERATION IS FUELED AT CAPITAL POWER (2009)

- Subcritical Coal 36.6%
- Supercritical Coal 20.8%
- Natural Gas 19.6%
- Waste Heat 14.8%
- Hydro 4.0%
- Biomass 3%
- Wind 0.8%
- Tire-Derived Fuel (TDF) 0.4%
- Landfill Gas 0.2%

Production (MMH) includes both electricity and exported steam. Steam production was converted from GJ to MWh using a conversion factor of 3.6 GJ/MMH to allow aggregation. Production statistics differ from other published statistics due to differences in reporting scope.
BY THE NUMBERS: NET GENERATION (MWH)

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<td>2009</td>
<td>10,470,000</td>
<td>1,926,000</td>
<td>12,396,000</td>
<td>5,874,000</td>
<td>18,270,000</td>
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<td>2008</td>
<td>9,257,000</td>
<td>2,007,000</td>
<td>11,264,000</td>
<td>5,056,000</td>
<td>16,320,000</td>
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For the periods 2008 and January 1 – June 30, 2009, production statistics are for the relevant predecessor entity. EPCOR Utilities Inc.'s power generation business is the predecessor for Capital Power Corporation, and EPCOR Power L.P. the predecessor for Capital Power Income L.P. Production statistics may differ from other published statistics due to differences in the scope of reporting.
PROTECTING FISH & WILDLIFE
Capital Power's bio-monitoring program at Genesee is one of the largest in Canada. Our work to assess potential impacts on wildlife in 2009 included monitoring the nesting of Peregrine falcons in the area, surveying the habitats of ungulate (e.g. deer, moose) and surveying the over-wintering migratory birds, raptors and owls, songbirds and amphibians. No adverse impact on air, water, wildlife, and habitat was found in 2009.

Capital Power also works with University of Alberta graduate students to study ways of improving wildlife habitats through innovative reclamation methods involving wetlands and forests.

At our hydro facility in Miller Creek, B.C., an environmental monitoring program is being credited for increased sightings of Coastal Tailed Frogs and American Dippers.

LABOUR PRACTICES
- Employee turnover rates at Capital Power were significantly lower in the last half of 2009 compared with the full year 2008 at our predecessor company.
- The lowest wage paid to a Canadian employee was more than double the local minimum wage. In the U.S. it was 1.9 times the local minimum wage.
- The company has positive relationships with its five Canadian labour unions, which together represent approximately 40% of Capital Power's Canadian labour force and approximately 30% of Capital Power's overall work force.
- More than 85% of employees are members of either Capital Power's registered defined contribution plan or the Local Authority Pension Plan (LAPP).
- Out-of-scope employees participate in a short-term incentive plan (STIP), based on achievement of corporate, group, and individual performance objectives.
- Capital Power’s Total Rewards program is based on a Flex Credit system that allows employees to direct their own coverage by allocating credits to different areas.
- An example of Capital Power’s dedication to developing its people was a decision to maintain staff training and development budgets despite difficult market conditions in 2009.

OCCUPATIONAL HEALTH AND SAFETY
Capital Power believes safety must be managed and incidents are preventable. A zero-injury culture is a primary corporate goal. Policies and procedures set clear expectations for safe, healthy and environmentally-responsible work and working conditions.

In 2009, the company’s focus on health and safety contributed to reduced total recordable injuries and lost-time injury rates, which were lower than the average of the three years prior.
STAKEHOLDER ENGAGEMENT PHILOSOPHY
Capital Power develops and operates power plants from a diverse range of fuel sources in communities across North America.

At every stage of a facility’s life-cycle – from development, through operations, to decommissioning – we draw on best practices in public consultation to ensure that critical infrastructure is permitted, built and operated in a way that aligns with the interests and priorities of the community.

For example, the Genesee Community Advisory Task Group meets three times a year to discuss operational and community issues related to the power plant and mine. In Ontario, a comprehensive engagement program is well established for the Kingsbridge I Wind Power Project. In B.C., public consultation and First Nations engagement for the proposed 142-megawatt Quality Wind project near Tumbler Ridge is underway.

INVESTING IN THE COMMUNITY
Capital Power contributes to healthy, sustainable communities through its community investment program. In 2009, employees reported more than 3,000 hours in community volunteer efforts. Employees who volunteered a minimum of 50 hours in 2009 could apply for a $200 grant to be directed to a non-profit or community service organization recommended by them. In 2010, the grant is being increased to $300.

A partnership with the Art Gallery of Alberta over the next three years, Capital Powered Art, is bringing more than 10 major exhibitions from the National Gallery of Canada to the AGA.

Other community investments in 2009 included:
• Alberta Shock Trauma Air Rescue Service (STARS) Foundation.
• Williams Lake Studio Society
• Stewardship Pemberton Society
• Le Fondation de l’Hôpital Notre Dame Hospital, Hearst, Ontario.
• Corinth Volunteer Fire Department, New York.

This visionary initiative provides vital financial support in making world-class art available to Albertans. The long-term commitment is a rare gesture in the Canadian art world, establishing a stable environment for the AGA to plan for the future.

– Gilles Hébert, executive director, Art Gallery of Alberta.

CAPITAL POWER OPERATIONS (INCLUDING CPILP)

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