INVESTOR DAY 2010

DECEMBER 9, 2010

Capital Power Corporation

Forward-looking Information

Cautionary statement

Certain information in today's presentations and in responses to questions contain forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information, and certain material factors or assumptions were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

Please refer to the Forward-Looking Information slides at the end of this presentation and in our disclosure documents filed with securities regulators on SEDAR, which contain 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.

Today’s Presenters

Brian Vaasjo
President & CEO

Jim Oosterbaan
SVP, Commercial Services

Graham Brown
SVP, Operations

Darcy Trufyn
SVP, Construction, Engineering & Project Mgmt.

Stuart Lee
SVP, Finance & CFO

Investor Day Agenda

8:00 – 8:30	Continental Breakfast	
8:30 – 8:35	Introduction	Randy Mah
8:35 – 8:55	Strategic Overview	Brian Vaasjo
8:55 – 9:40	Market Overview Portfolio Optimization & AB Power Market Business Development	Jim Oosterbaan
9:40 – 10:00	Break	
10:00 – 10:25	Operations Overview	Graham Brown
10:25 – 10:45	Construction & Engineering Overview	Darcy Trufyn
10:45 – 11:15	Financial Overview	Stuart Lee
11:15 – 11:30	2011 Corporate Priorities / Summary	Brian Vaasjo
11:30 – 12:00	Q&A session	
12:00	Lunch	

STRATEGY AND MARKET OVERVIEW

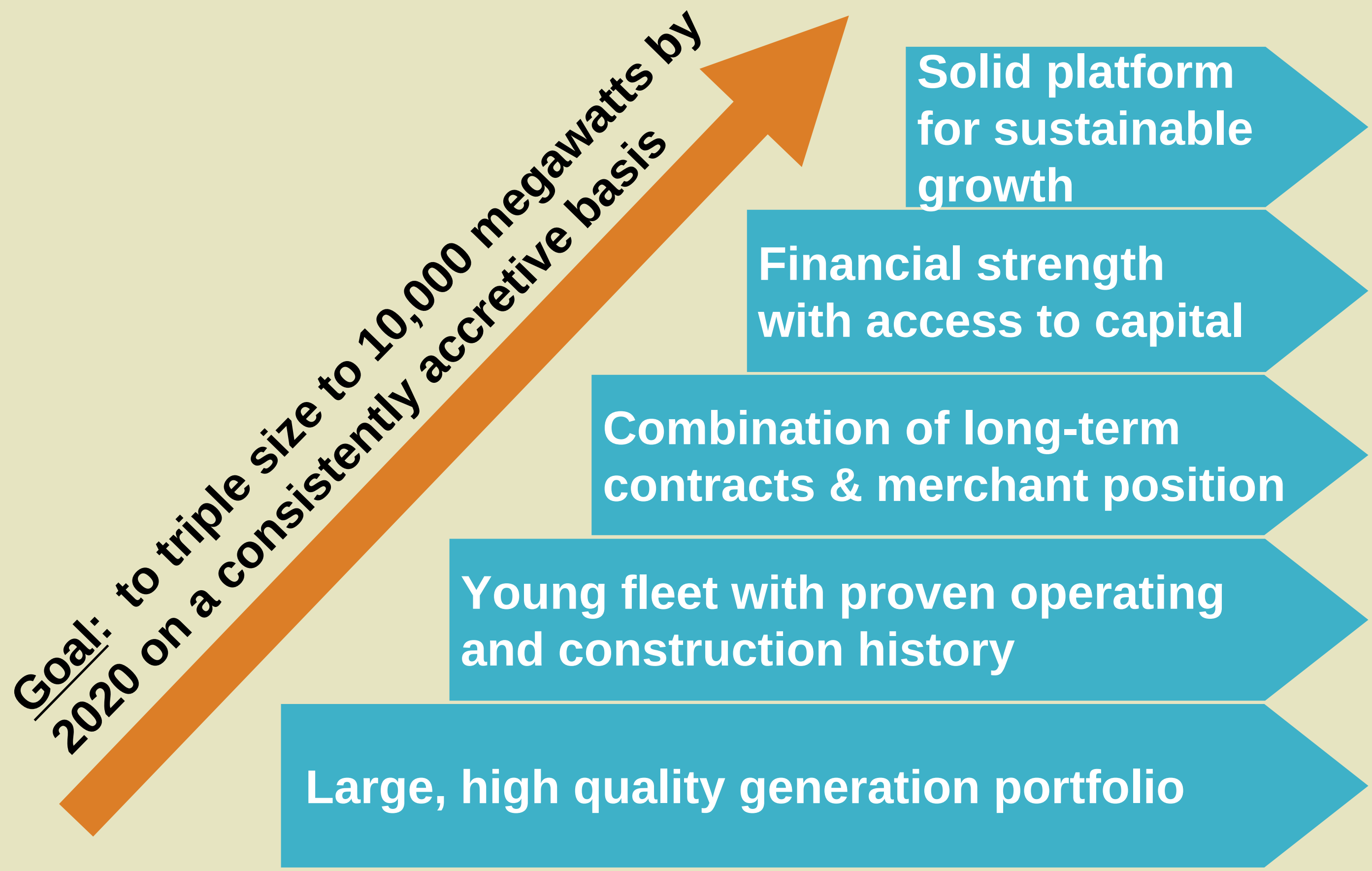
Brian Vaasjo
President & CEO

Capital Power Corporation

Capital Power Overview

- Canadian-based, growth-oriented independent power producer (IPP) operating in North America and trading on the TSX (CPX)
- Consistent strategy
- Business model:

Corporate Strengths



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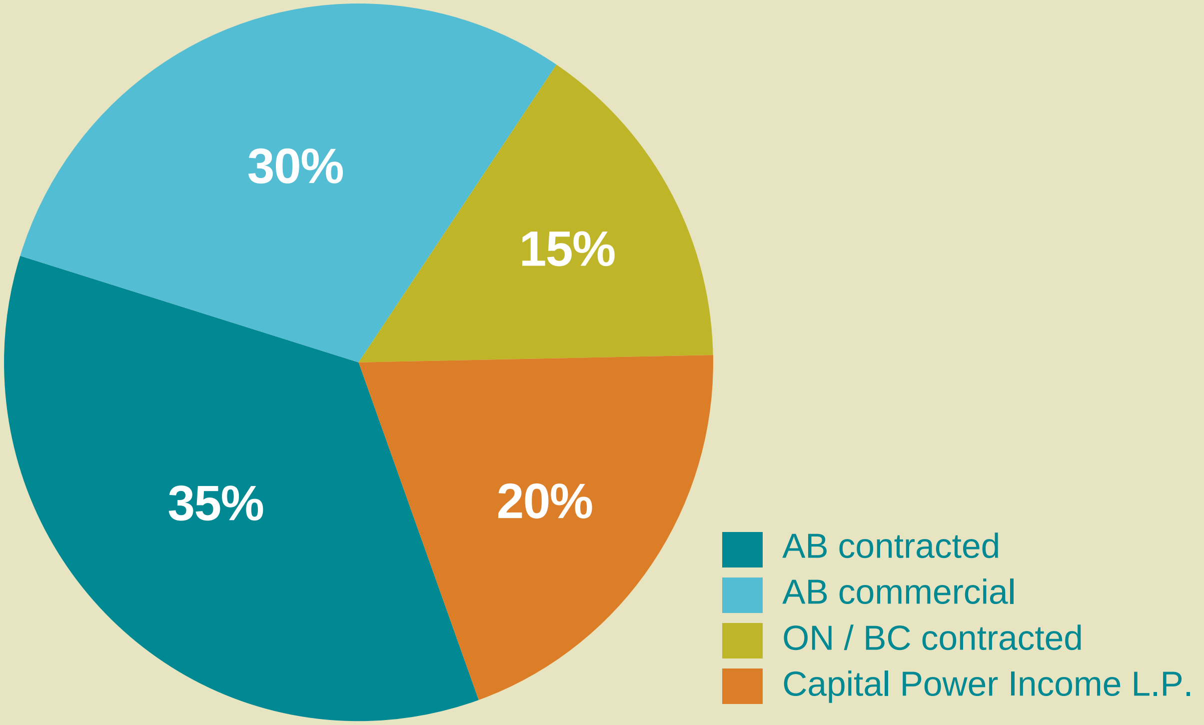
Large, High Quality Generation Portfolio

Interests in 32 facilities (nearly 3,800 MW)(1)

Segmented owned capacity by MW(2)



(1) Capacity owned and /or operated; excludes Sundance PPA (371 MW)
(2) Owned capacity of 2,329 MW as of Oct 31/10 including pro-rata 29.7% ownership of CPILP; excludes Sundance PPA (371 MW)

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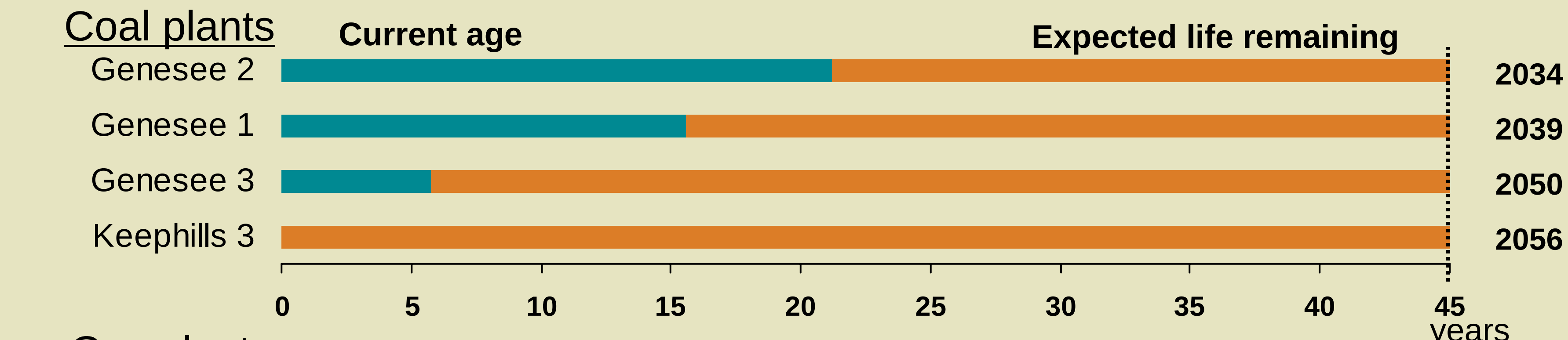
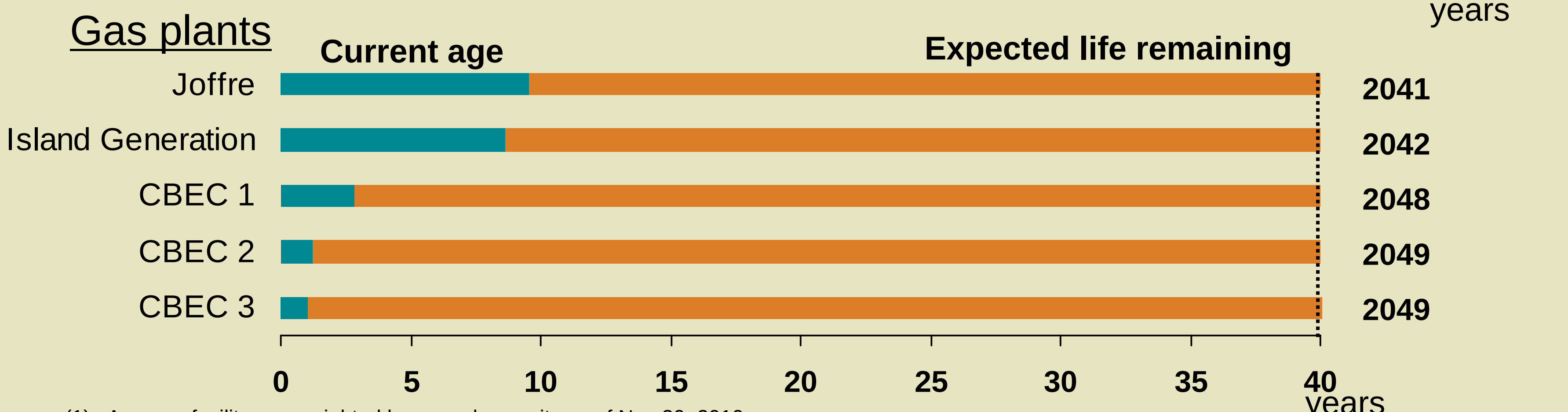
Young Fleet

- Young fleet with average facility age of only 13 years[1]
- 3 new projects (495 MW) with COD in 2011-12
- Kingsbridge I is ~5 years old with expected life remaining of ~15 years





(1) Average facility age weighted by owned capacity as of Nov 30, 2010

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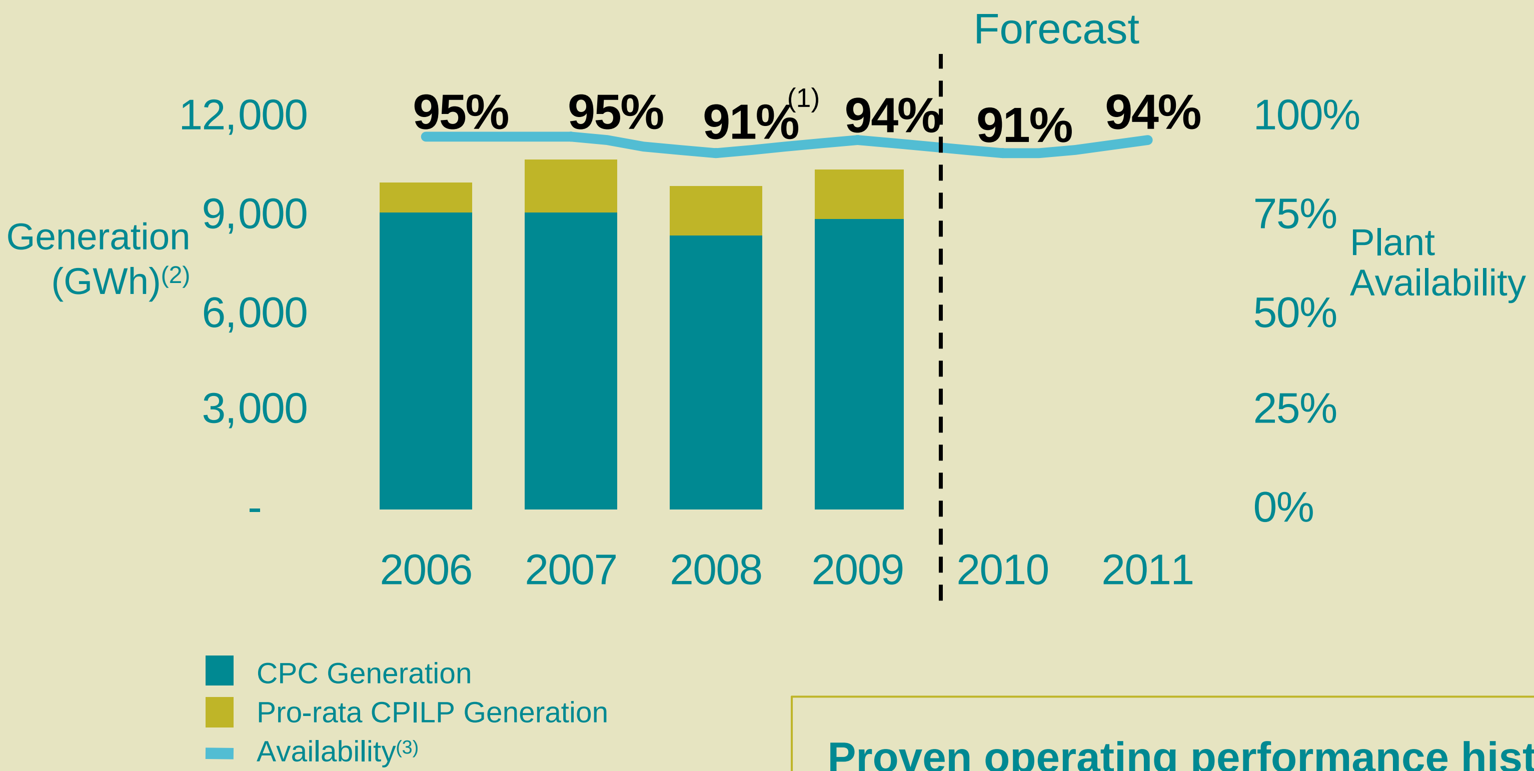
Strong Operating History, Fleet Availability



Proven operating performance history with high plant availability

(1) Lower availability in 2008 primarily due to a 39-day outage at Genesee 3 from a blade failure and planned outages at all three Genesee facilities
(2) Pro-rata CPILP generation ownership of 30.6% in 2006-2008 and 30.5% in 2009
(3) 2010 & 2011 plant availability forecast excludes CPILP; 2006-2009 actual availability includes CPILP

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Long-Term Contracts & Merchant Position

Contracted / merchant split by plant capacity[1]

As portfolio grows, maintain balance between merchant and contracted facilities

(1) Megawatts based on owned capacity; ownership in Capital Power Income L.P. held constant at 29.7% for illustration purposes

Financial Strength with Access to Capital

- Strong balance sheet with BBB investment grade credit rating (S&P/DBRS)
- Continuous access to capital essential to sustainable growth and to increase shareholder value
    - Provides financial flexibility to capitalize on opportunities
- Successful issuances of $300M MTN and $125M of preferred shares
- Secondary offering of $200M of common shares by EPCOR
- $1.2B in credit facilities with $0.9B available

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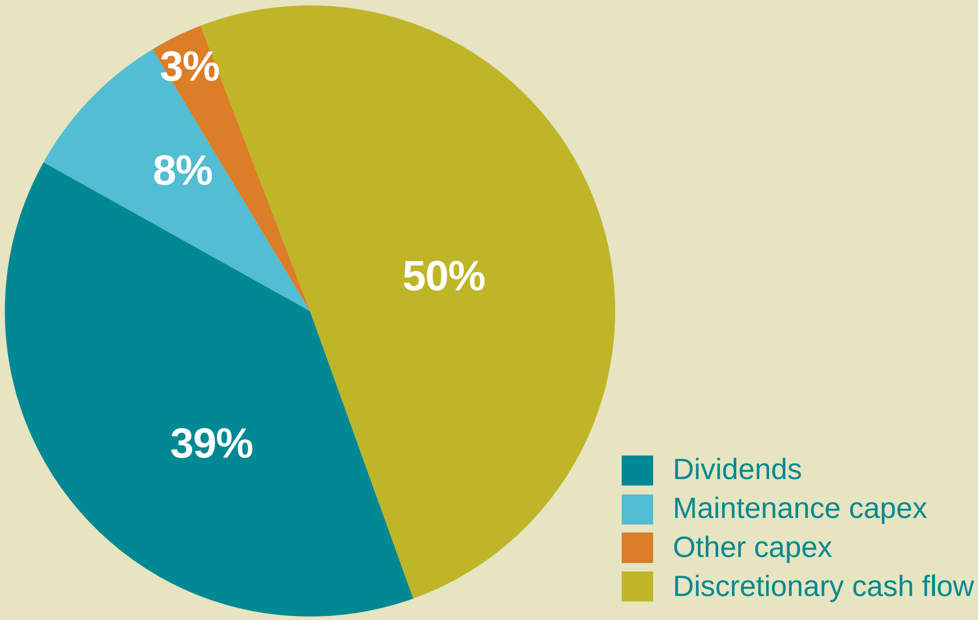
Solid Platform For Sustainable Growth

- Consistent access to growth capital throughout business cycle
- Target 50% contracted cash flow provides solid platform:
  - Maintain investment grade credit rating
  - Commitment to maintain an attractive dividend

De-consolidated cash flow[(1)]



Discretionary cash flow represents 50% of Funds From Operations[(1)]

(1) Based on 12 month trailing Funds From Operations excluding non-controlling interest in CPILP ended Sep 30, 2010

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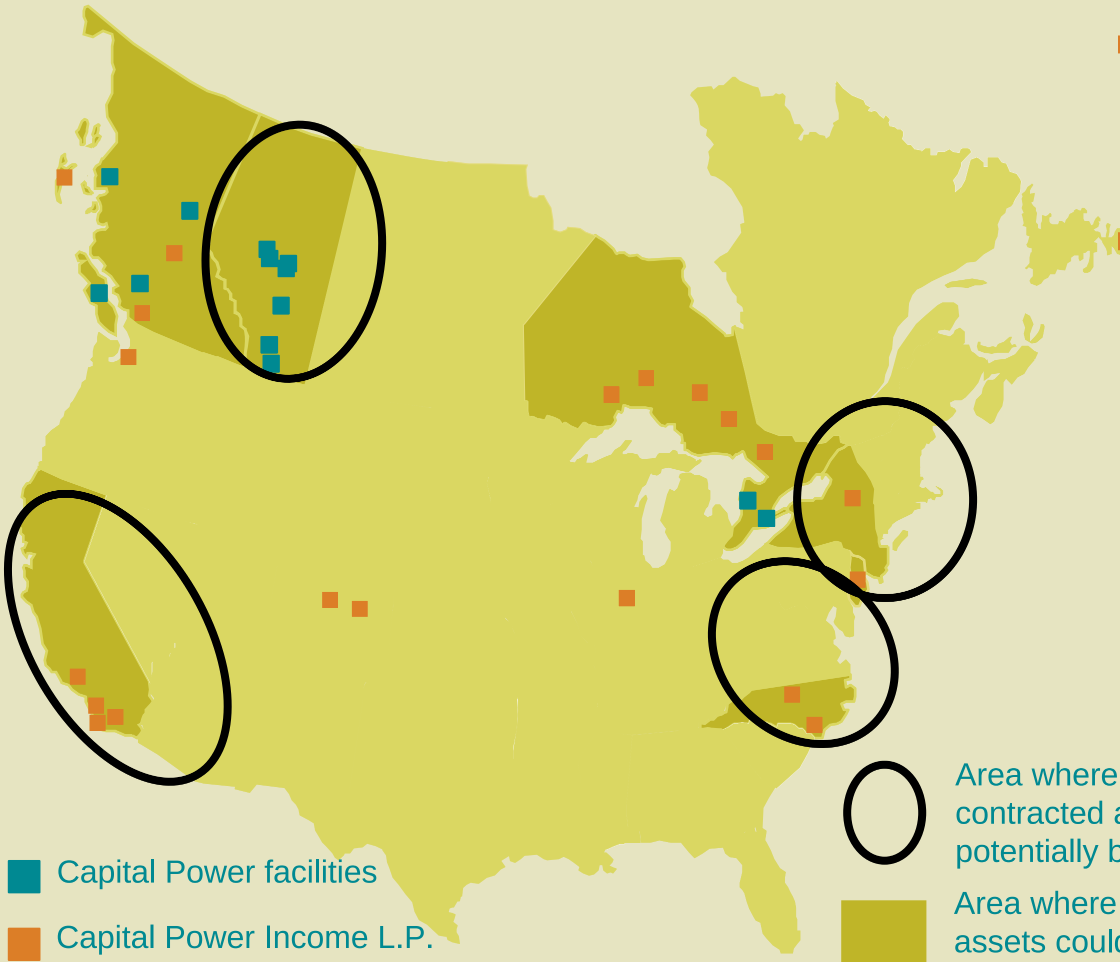
North American Platform & Growth Strategy



- Significant growth through acquisitions and development
- Maintain discipline on:
  - Geography
  - Size
  - Fuel type
  - Economics

Capital Power facilities

Capital Power Income L.P. facilities

Area where merchant or contracted assets could potentially be added

Area where contracted assets could potentially be added

2010 Growth Announcements

- Commitment of approximately $1B into operating and development assets with long-term contracted cash flows

Asset	Location	Capacity (MW)	Fuel Type	Capital Cost ($M)
Island Generation	BC	275	Gas	$207
Port Dover & Nanticoke	Ontario	105	Wind	$340
Quality Wind	BC	142	Wind	$450
Total		**522**		**$997**

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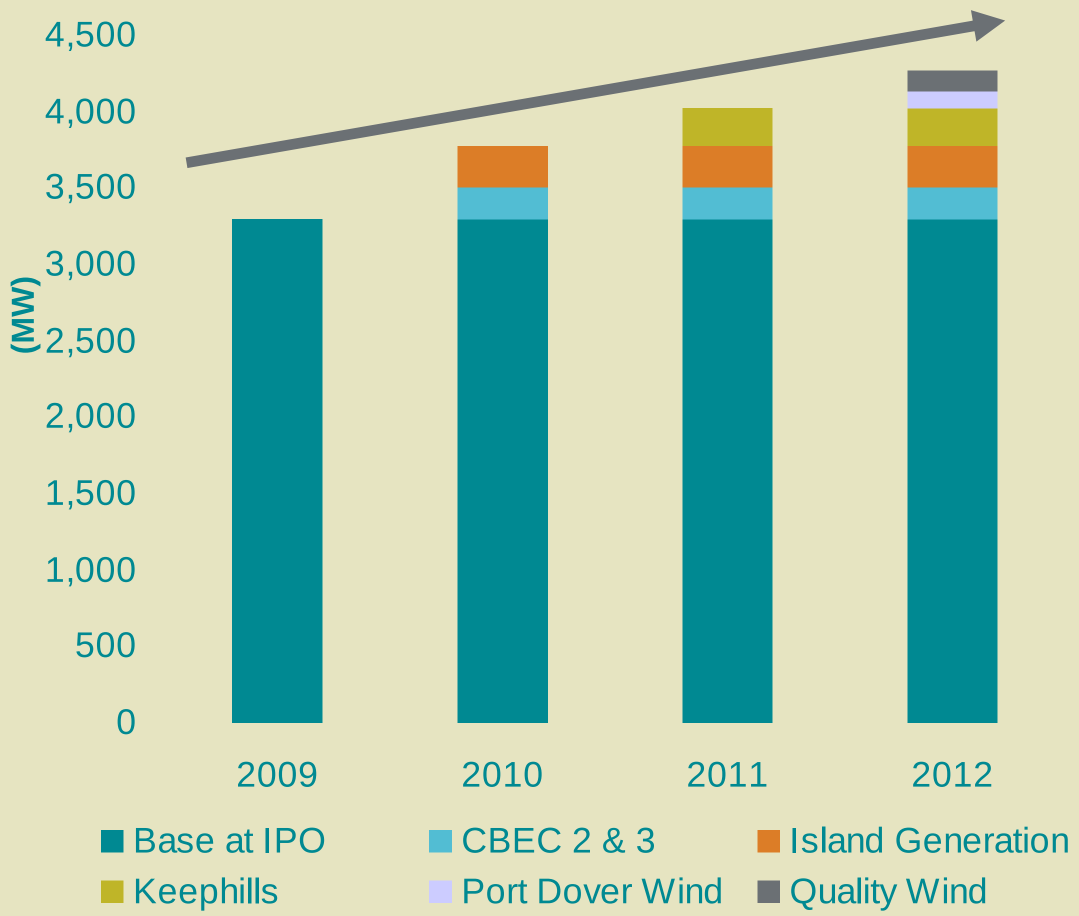
Execution Of Growth Strategy

Confirmed capacity growth



Since Capital Power's IPO launch in mid-2009, 970 MW of new capacity has been added or placed into development

Significant growth expected in 2011 with $1.5B committed capital target

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Environmental Strategy Overview

- Strategy for reducing emissions includes significant investments in new technology and the creation and acquisition of emission offsets
  - Research funding at universities, IGCC, Project Pioneer
- Pursue renewable development in the context of our growth strategy
- Government of Canada's plan for new greenhouse gas emission regulation for coal-fired generation expected to be favourable to Genesee units and Keephills 3
- Actions that show our commitment:
  - Keephills 3 facility will join G3 as one of the cleanest, most advanced coal plants in Canada
  - New technology at all three Genesee units monitors and captures at least 70% of the mercury in the coal
  - Laser monitoring technology installed at G3 is expected to reduce carbon dioxide by 60,000 tonnes per year
  - Carbon capture – although not economic to build today, the work done to date marks a important step forward to significantly lower emissions

2010 Highlights

- Growth highlights
  - Secured long term contracts for two wind development projects located in BC and Ontario
  - Acquired contracted natural gas plant in BC
  - Construction of Keephills 3 on-track to commence operations in Q2/11
- Successful debt and equity financings
- Financial performance tracking slightly ahead of plan for 2010
- CPC and Capital Power Income L.P announced review of strategic alternatives for CPILP

Delivered on strategic and operating objectives

MARKET OVERVIEW

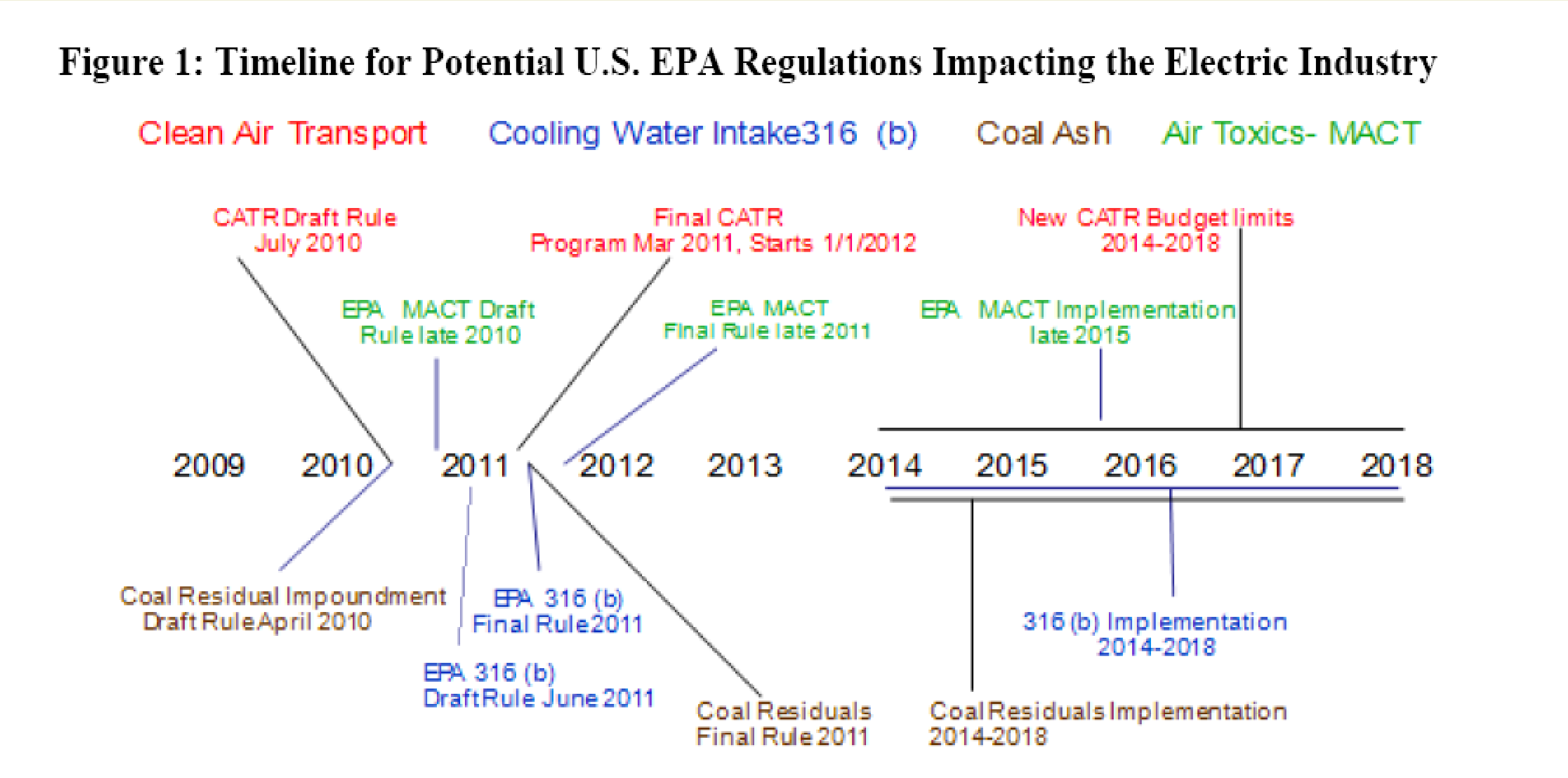
Jim Oosterbaan
SVP, Commercial Services

Market Observations

- Low and stable gas prices
- Low interest rates, vibrant capital markets
- Macroeconomic uncertainty
    - Pace and scope of recovery
    - U.S. power demand rebounding
    - State and Federal budget deficits/impacts on RPS targets
- Mixed public policy signals
    - Waning support for carbon tax/cap & trade
    - Cancun unlikely to yield progress
    - EPA rules and impacts
- Canada's economy has recovered
- Canadian RFPs for renewable energy reduced

Environment Landscape

EPA regulations to impact thermal generation

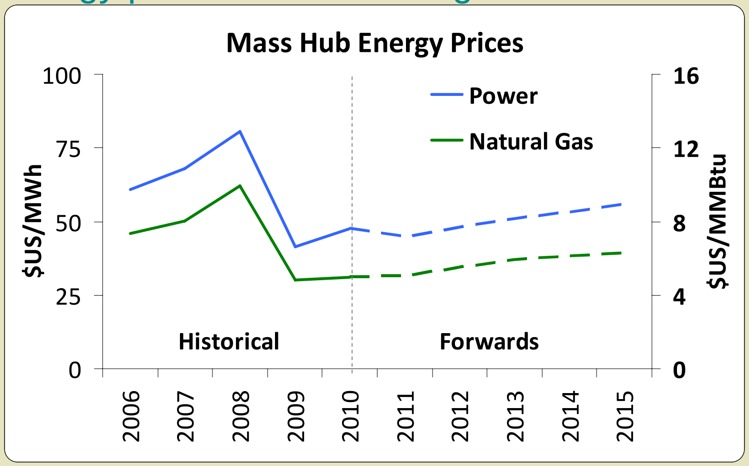


Source: NERC 2010 Special Reliability Scenario Assessment: Resource Adequacy Impacts of Potential U.S. Environmental Regulations

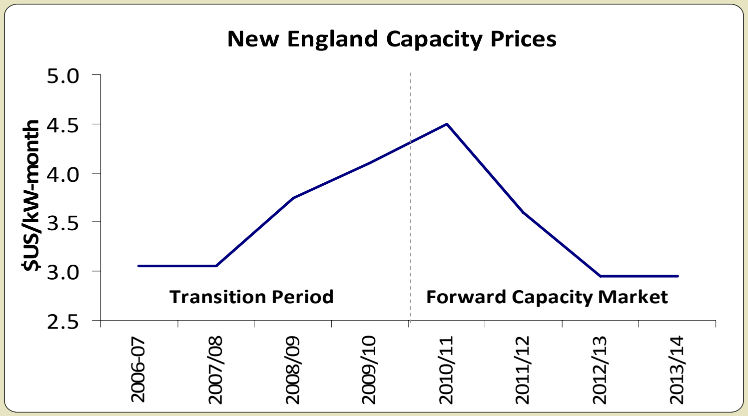
New England Market

Attractive long term supply dynamics

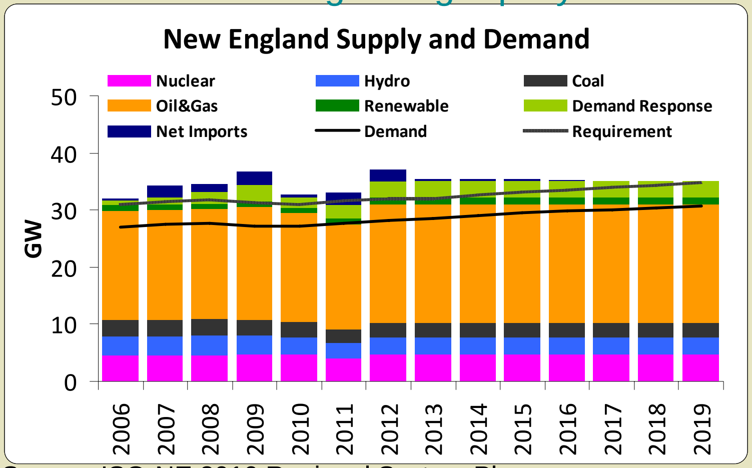
Energy prices track natural gas



Capacity prices will remain soft until market balance is restored



Demand resources growing rapidly



Source: ISO-NE 2010 Regional System Plan

- Capacity surplus could disappear as early as 2016 but more likely by 2019
- Environmental regulations could drive retirement of 3.1 to 4.1 GW of coal & oil-fired steam turbines
- Renewable targets of 5,000 MW of wind development unlikely to be met
- Quebec may increase exports to New England, potentially displacing imports from Ont. & NY
- Reliability of demand resources is uncertain

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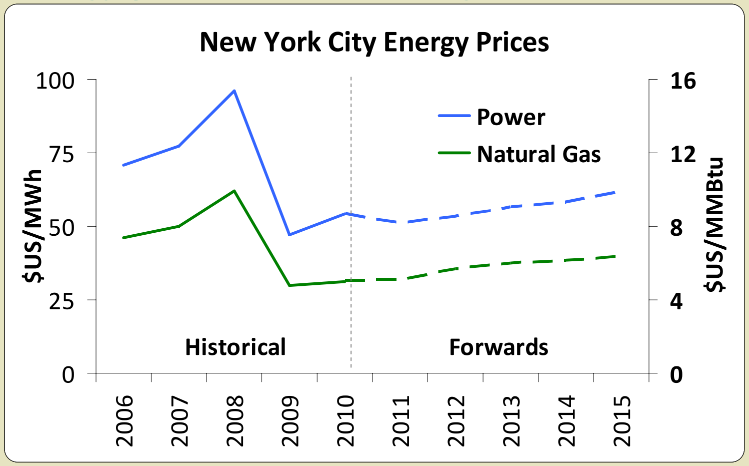
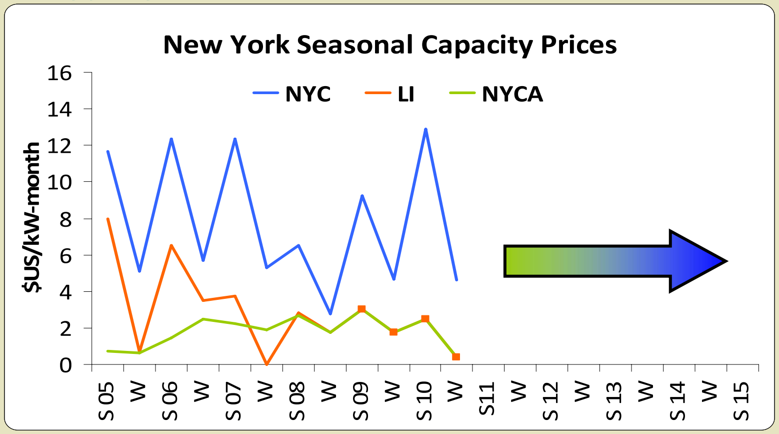
New York Market

Environmental issues creating opportunities

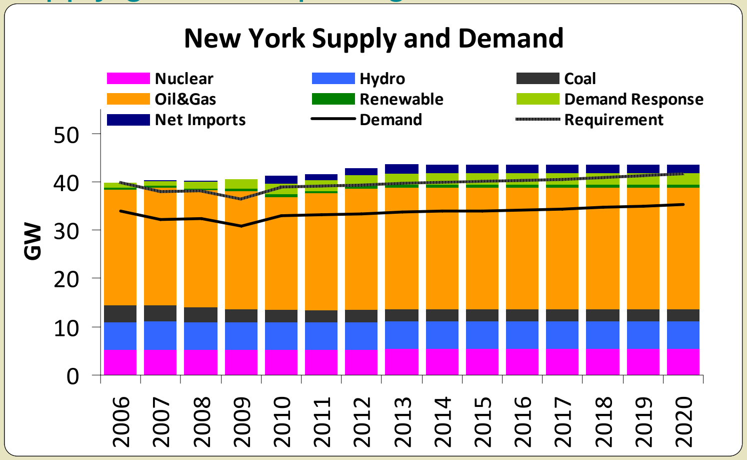
Energy prices track natural gas



Capacity prices expected to remain weak in near term



Supply growth outpacing demand



Source: NYISO 2010 Load and Capacity Forecast

- Capacity surplus due to weak demand, new in-region capacity, increased imports from PJM and growing demand resources
- New resources must be deliverable to receive capacity payments
- State Energy Plan increases RPS to 30% by 2015
- Environmental regulations could drive retirement of 3.6 to 5.1 GW, assuming nuclear units retrofit, and quickly strengthens prices

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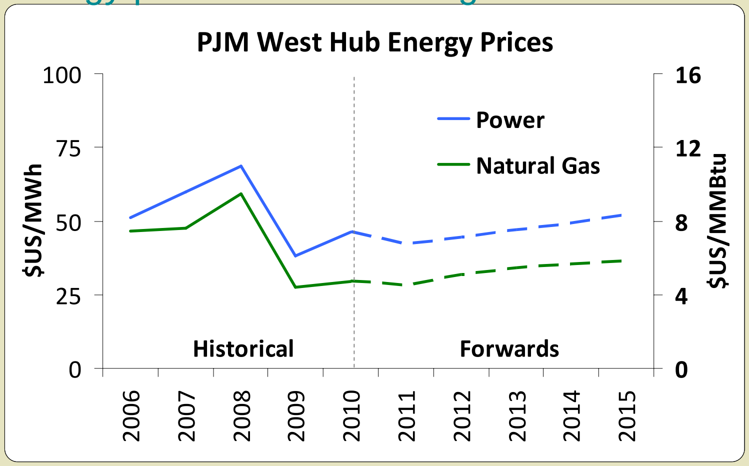
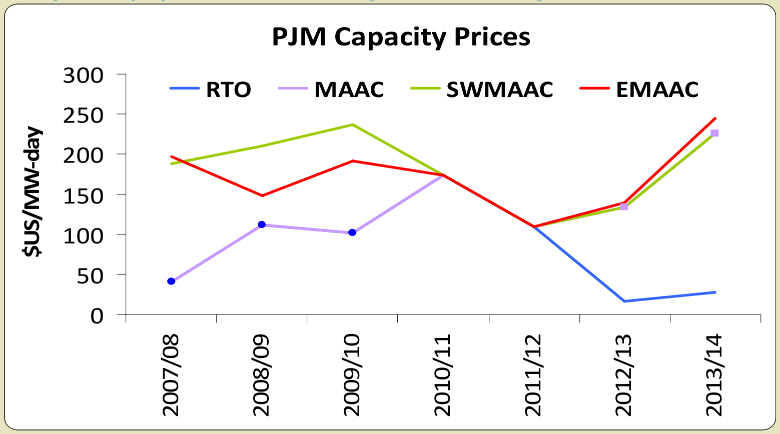
PJM Market

East zones presents supply opportunities

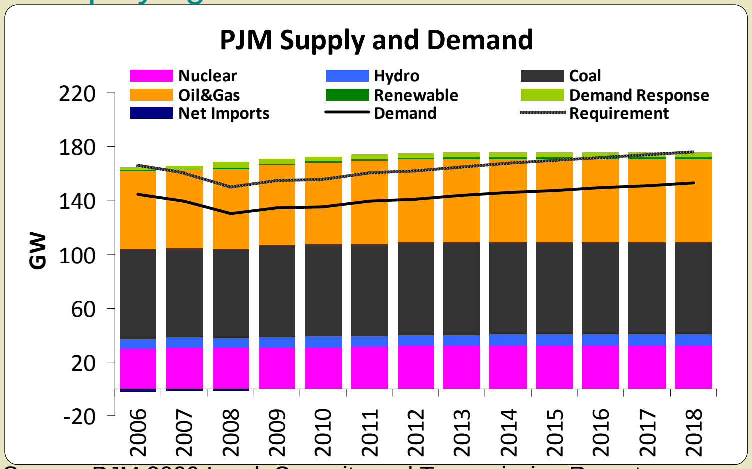
Energy prices track natural gas



Capacity prices are higher in target market



Coal plays greater role in PJM



Source: PJM 2009 Load, Capacity and Transmission Report

- Energy and capacity prices are higher in MAAC due to transmission constraints
- Planned transmission builds would reduce prices, but projects are stalling
- RPS could stimulate investment in renewable capacity, out-of-state purchases may be likely
- Environmental regulations could drive retirement of 10 to 18 GW, mostly coal-fired

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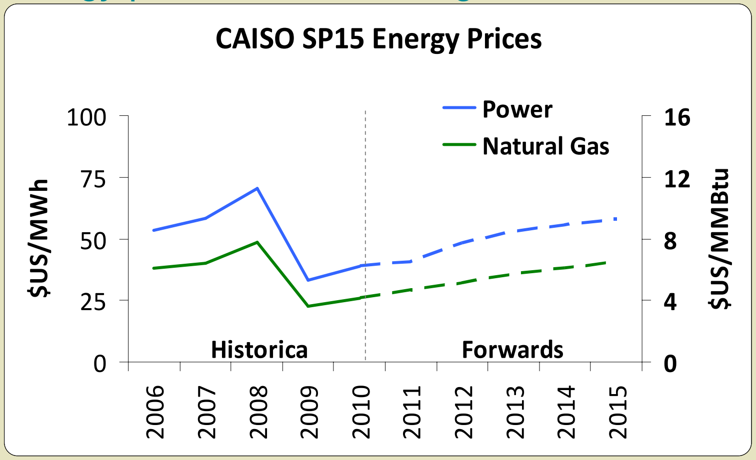
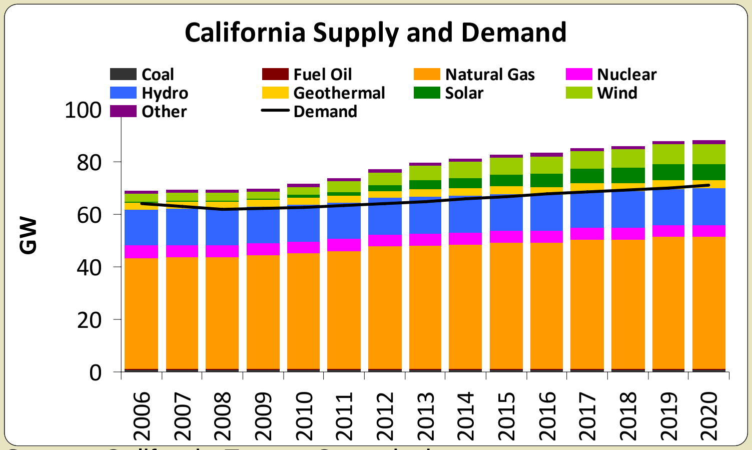
California Market

Transmission builds key to meeting the 33% RPS

Energy prices track natural gas



Renewable builds to meet 33% RPS



Source: California Energy Commission

- Renewable Portfolio Standards (RPS) will be the key driver of new builds in California
  - Expected to move to 33% by 2020
  - Transmission builds and wind/solar economics may cause constraints
- California continues to indicate it will implement the Western Climate Initiative (WCI) Cap & Trade
- ~16 GW of Once-Through-Cooling capacity is at risk of shutting down between 2010-22
- Continued uncertainty as to whether California will move towards market-based capacity procurement

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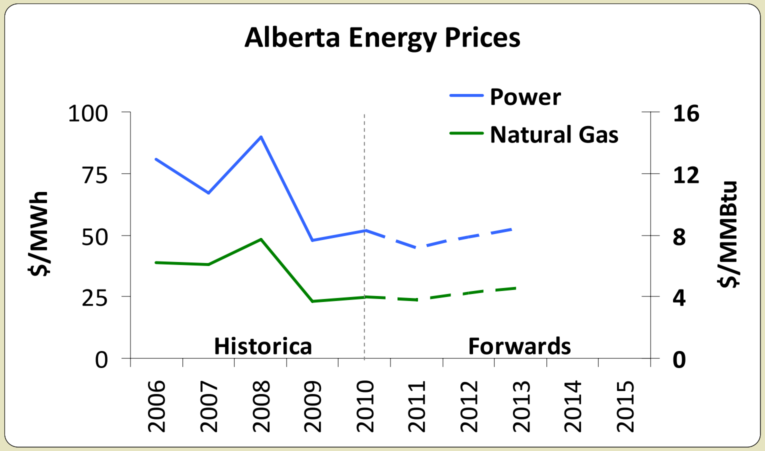
Alberta Market

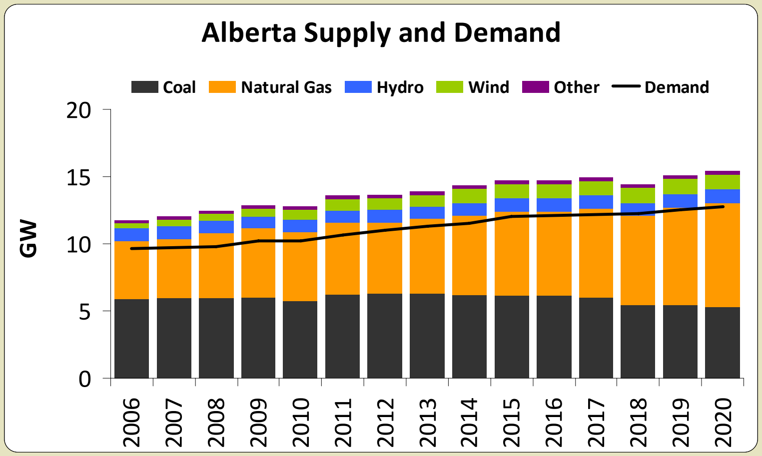
Positive long term supply dynamics

Energy prices track natural gas



Declining reserve margin as coal retires

Declining coal generation starts 2018



Source: Internal Forecasts

- Supply-demand dynamics and low natural gas prices keep prices soft
- Alberta expected to grow at above-national average rates due to the impact of oil sands activity
- Capital Stock Turnover expected to drive major coal retirements with upward impact on prices 2015 onwards
- As coal retires, natural gas generation will be increasingly on the margin

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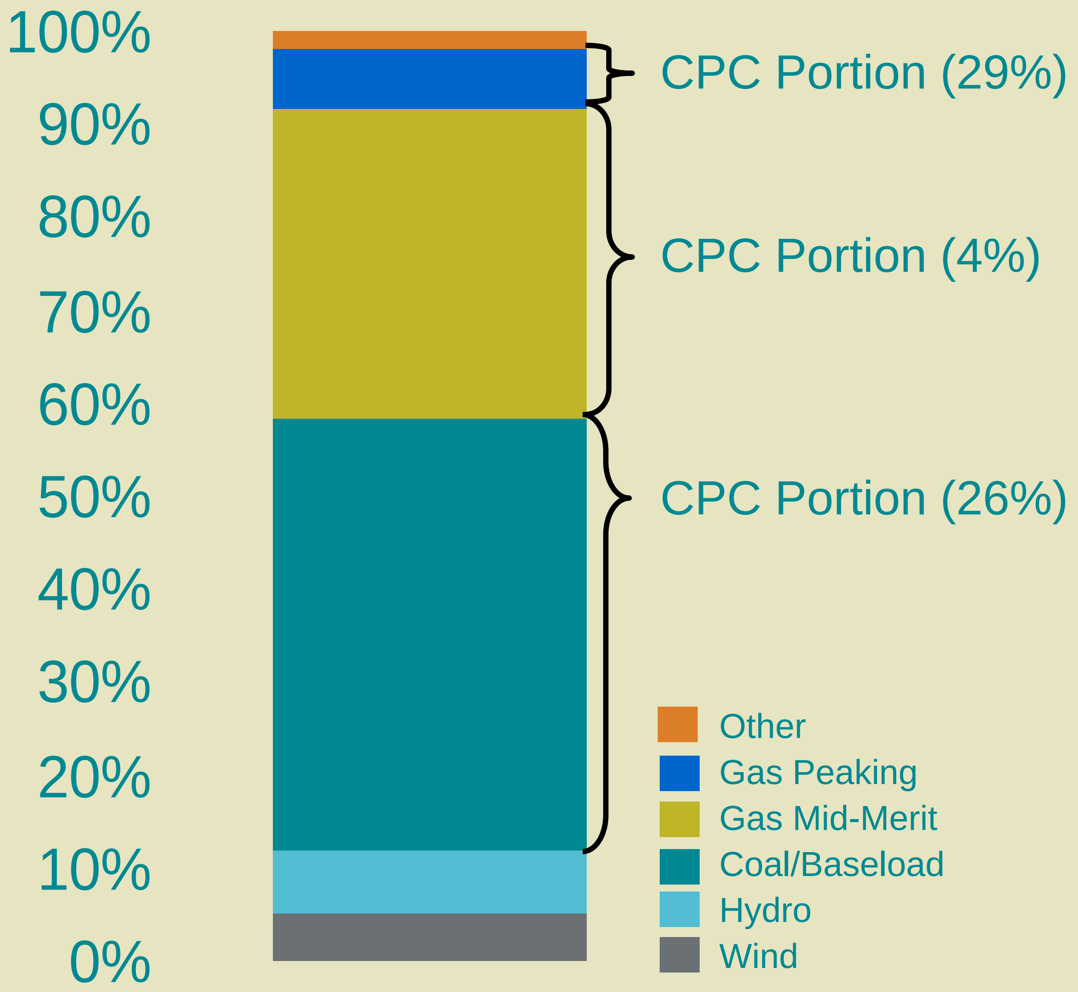
PORTFOLIO OPTIMIZATION & ALBERTA POWER MARKET

Jim Oosterbaan
SVP, Commercial Services

Capital Power Corporation

Alberta Power Generation Stack[1]



(1) CPC percentages reflect ownership interest and includes Keephills 3 and Sundance PPA

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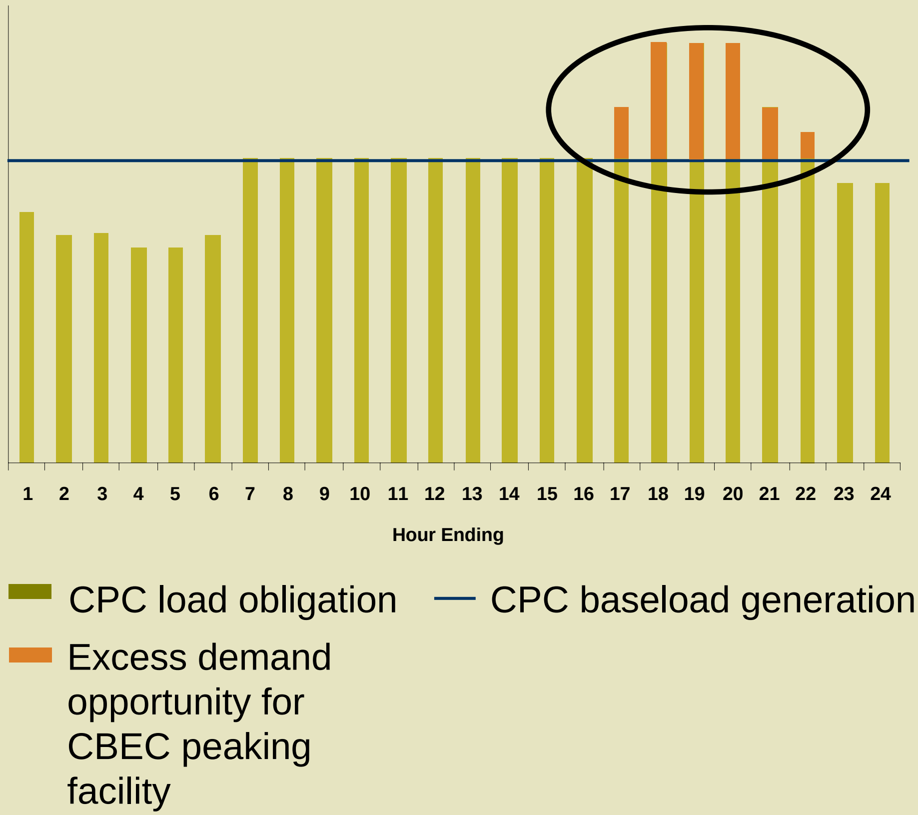
Alberta Generation Portfolio

Well balanced portfolio

Generation vs. Load Obligation



Challenges

- Baseload generation does not offset hourly load obligation
- Wholesale baseload and peak products do not offset hourly load obligation
- Unplanned baseload outages shorten the position and can lead to price spikes

Clover Bar Energy Centre

- Units balance hourly supply and demand mismatches with quick ramping ability
- Units generate when required

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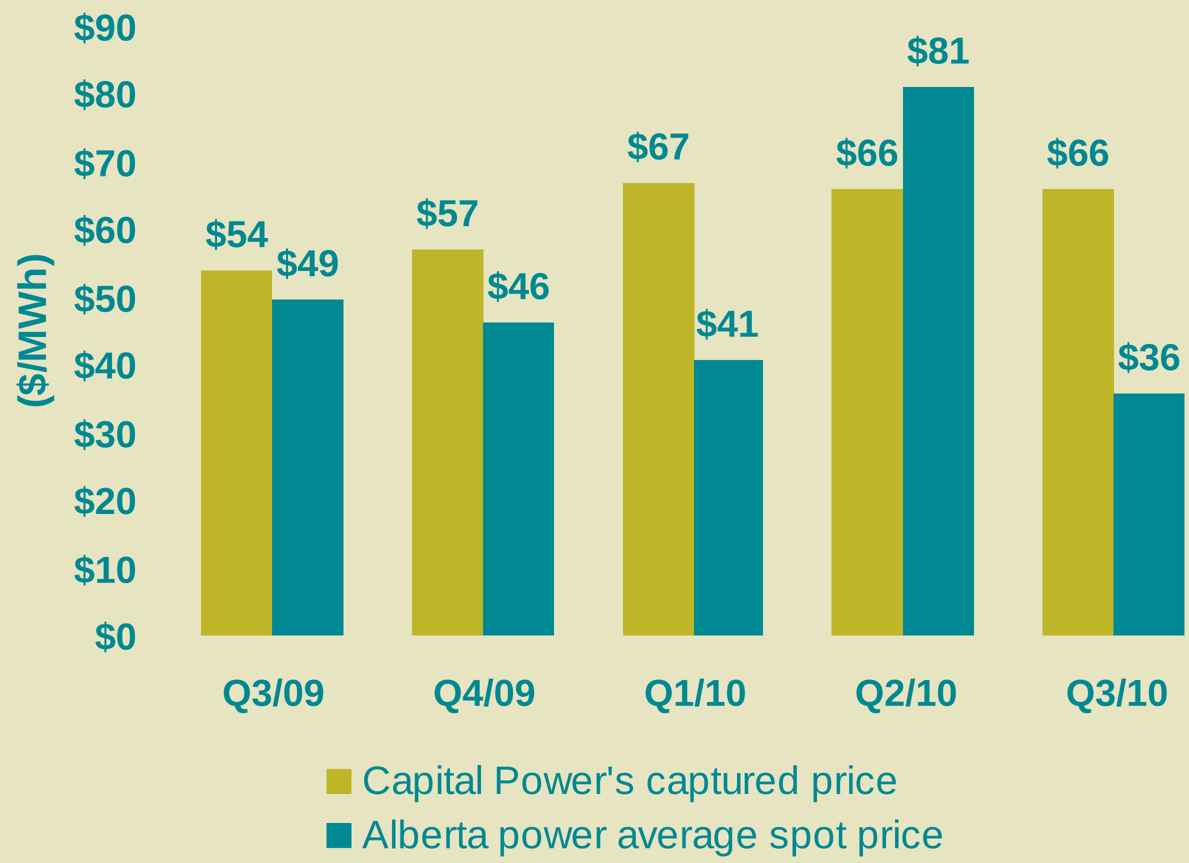
Portfolio Optimization

- Commodity exposure and risk is consolidated, centrally managed and optimized by the Commodity Portfolio Management (CPM) team
- CPM uses non-specific contracts to position the portfolio
- CPM Approach
  - Disciplined approach to strategy execution
  - Competing on analytics
  - Leveraging market experience
  - Building upon a successful track record of translating information into strategy
- CPM Capabilities
  - Very short term (next hour/day), medium term (balance of year) and long term (next number of years)
  - Import/export of physical power
  - Term physical and financial transactions
  - Provision of ancillary services
  - Origination
  - Diverse and young generation portfolio

Portfolio Optimization Value Creation

- CPM historically has and will continue to create value through Portfolio Optimization



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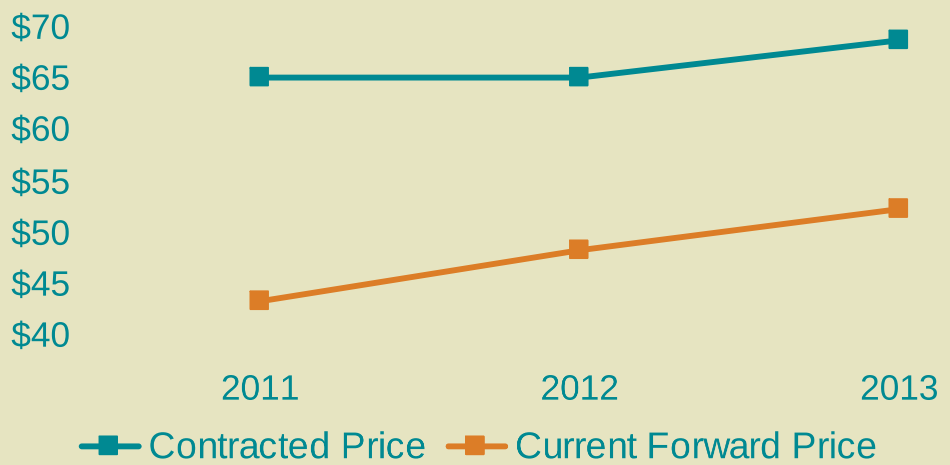
Managing Alberta Market Exposures

	2011	2012	2013
Hedged Positions - % Contracted			
	~65%	~30%	~15%
Contracted Price			
	Mid-$60/MWh	Mid-$60/MWh	High-$60/MWh

Portfolio Optimization



- Baseload generation partially offset by supply obligations
- Hedging program designed to manage risk
- Long-term portfolio positioned to capture upside when Alberta market recovers
- Peaking capacity allows for value extraction in times of upward price volatility

BUSINESS DEVELOPMENT

Jim Oosterbaan
SVP, Commercial Services

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Trends

- M&A activity has strongly rebounded in the US power sector in 2010
- Traditional public utilities are focused on regulated assets and divesting merchant assets
- Current power prices have increased financial pressure on leveraged owners
- Private equity buyers see fundamental value above forward commodity curves
- Strategic buyers are matching generation with their retail load
- IPPs are seeking to realize synergies through consolidation and scale
- International players looking to fully exit or re-engage in the US market
- Acquisition values for conventional power plants have fallen to half of replacement cost

Trends (Cont’d)

- Significant number of merchant assets in the deregulated markets remain in the hands of financial owners who typically will not maintain a long-term position
  - 4,000 MW in New England ISO
  - 3,000 MW in New York ISO
  - 2,000 MW in PJM
- Gap between buyers’ offers and sellers’ expectations narrowing
- Renewed interest in contracted assets and merchant assets with attractive fundamentals
- Higher level of activity in Canada than expected (e.g. Raleigh, St. Clair, Mont Blanc)

Development Opportunities

Presented at 2009 Investor Day

Stage	Project	Size (MW)	$M	Fuel	Status Dec, 2010
Most Advanced	PDN	105	$260	Wind	COD, 2012
	Quality Wind	142	$500	Wind	COD, 2012
	Kingsbridge II	260	$800	Wind	Bid Submitted
	Pioneer		TBD	Carbon Capture and Storage	Underway
Moderately Advanced	BC Wind	500	$1,100	Wind	Sites Developed
	BC Biomass	50 - 70	$250	Biomass	Bid Submitted
	Saskatchewan	200	$425	Wind	Withdrew
Other	California	300	$460	Natural Gas	Active
	U.S. NE	500	$650	Natural Gas	Active
	U.S. NE	265	$250	Natural Gas	Active

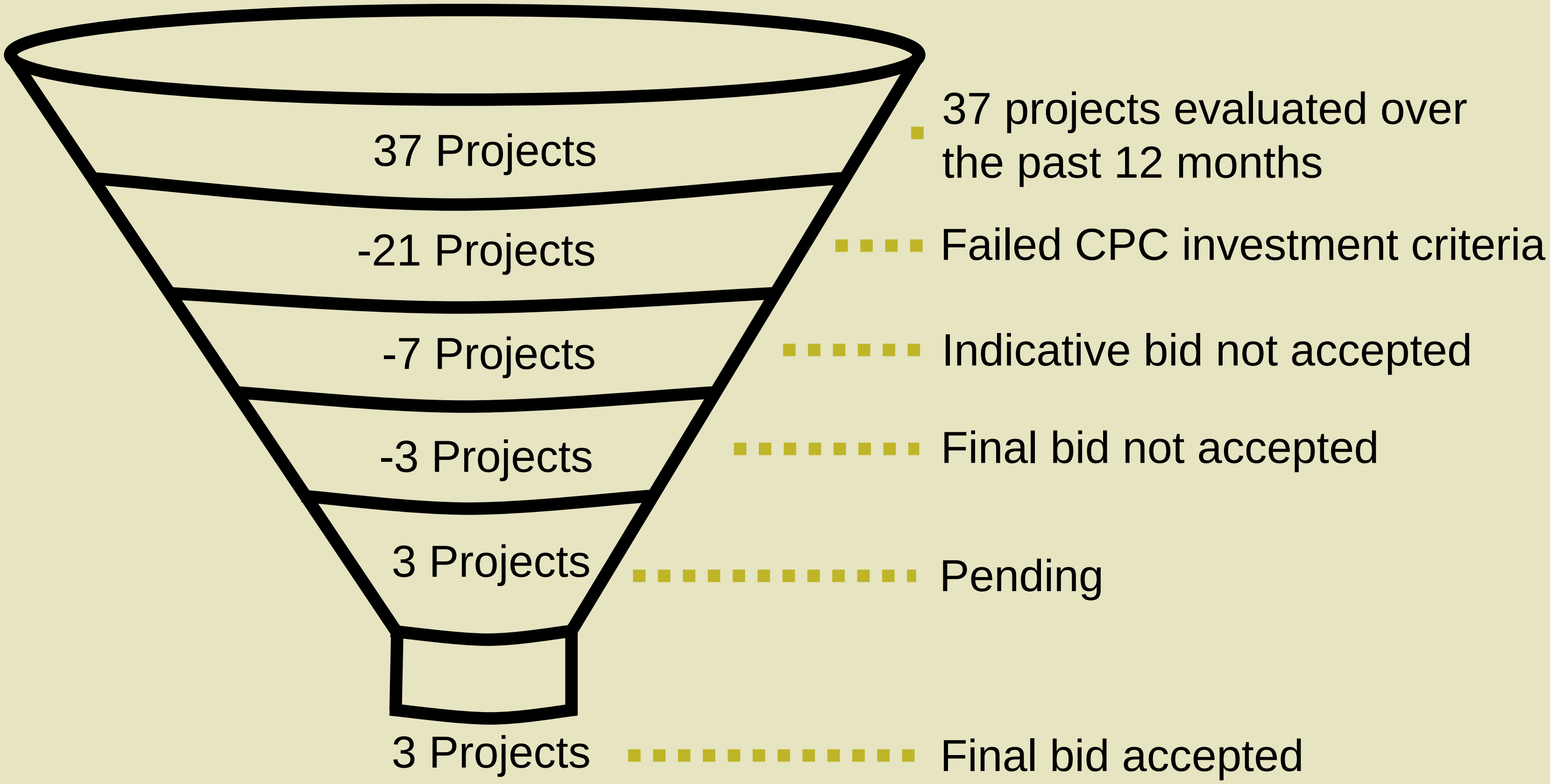
2010 BD Targets and Results

- 2010 target for committed capital of $500M
- Actual committed capital of $1B with acquisition of Island Generation facility and contract wins for Quality and PDN wind projects
- Entered into a JV with Greengate on the 150 MW Halkirk wind project located in central Alberta

	Acquisitions	**Contracted Development**	
	Island Generation	**Quality Wind**	**Port Dover & Nanticoke**
Location	Campbell River, BC	Tumbler Ridge, BC	Norfolk & Haldimand, ON
Fuel Type	Natural Gas	Wind	Wind
Size	275 MW	142 MW	105 MW
Costs	~$207M	~$455M	~$340M
COD	2002	Before end of 2012	Q4, 2012
Capacity Factor	~90% (3 year historical average availability factor)	Expected ~35% (5 year wind study)	Expected ~35% (3 year wind study)
Contract & Counterparty	12-year (remaining) EPA (BC Hydro)	25-year EPA (BC Hydro)	20-year PPA, $135/MWh (Ontario Power Authority)
Status	Transaction closed Oct.19, 2010	Construction activities started, EPC contracts in place	Awaiting completion of Ontario's Renewable Energy Approval process

2010 BD Activity

- 50+ projects in target markets
- Disciplined and focused
- Active in all target markets



2011 BD Objectives

- 2011 target for committed capital is $1.5B
- Currently 12 projects in development pipeline, all in target markets
- Disciplined, rigorous approach
- Financial targets (unlevered, after-tax IRR)
  - 11% for uncontracted / merchant assets and 9% for contracted assets
  - Project returns may be higher or lower depending on cost of capital and risk
  - Accretive to EPS
- Natural gas, coal; proven technology; contracted assets

Growth Opportunities - 2011

Stage	Project	Size (MW)	$M	Fuel	Status
Most	Kingsbridge II	260	$800	Wind	Bid Submitted
Advanced	Pioneer		TBD	Carbon Capture and Storage	Underway
	BC Biomass	50 - 70	$250	Biomass	Bid Submitted
	Halkirk	150	TBD	Wind	Underway
Developing	BC Wind	500	$1,100	Wind	Sites Developed
	Ontario	250	$500	Natural Gas	Site
Other	California	300	$460	Natural Gas	Active
	U.S. NE	500	$650	Natural Gas	Active
	U.S. NE	265	$250	Natural Gas	Active

Break

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OPERATIONS OVERVIEW

Graham Brown
Senior Vice President, Operations

Capital Power Corporation

Operating Results And Forecast

	2010 Budget MWHrs	2010 Budget Availability	2010 Forecast MWHrs	2010 Forecast Availability	2011 Forecast Availability
Genesee 1&2	6,349,712	95%	6,335,524	96%	95%
Genesee 3	1,731,944	89%	1,652,913	87%	98%
Keephills 3	—	—	—	—	96%
Clover Bar	45,793	93%	382,462	69%	89%
Joffre	177,475	93%	273,767	95%	90%
Island Generation(1)	1,678,249	97%	1,733,457	99%	97%
Renewables	320,998	94%	294,121	91%	88%
Excluding CPILP	**10,304,171**	**94%**	**10,672,244**	**91%**	**94%**
CPILP	5,407,000	95%	5,048,000	94%	
Overall Totals	15,711,171	95%	15,720,244	93%	

(1) Island Generation 2010 Budgets and Forecasts are for full year 2010

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Genesee Update 2010

- G2 & G3 planned outages
- G3 blade update
- 2011 G1 Outage

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Genesee - Optimization & Maintenance

- Genesee has consistently been a top ten performer in the Canadian marketplace
- New computerized work management system – Mainsaver
- New historian and operational assessment tool – PI
- Genesee output increase

Clover Bar Energy Centre Update

- Unit 2 outage
- LMS 100 fleet operation
- Economic value

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Island Generation

- Acquisition completed on Oct 19/10
- Alstom GT24B
- Successful integration process

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Kingsbridge I

- Excellent operating history
- Good working relationship with Vestas
- High availability (>98%)

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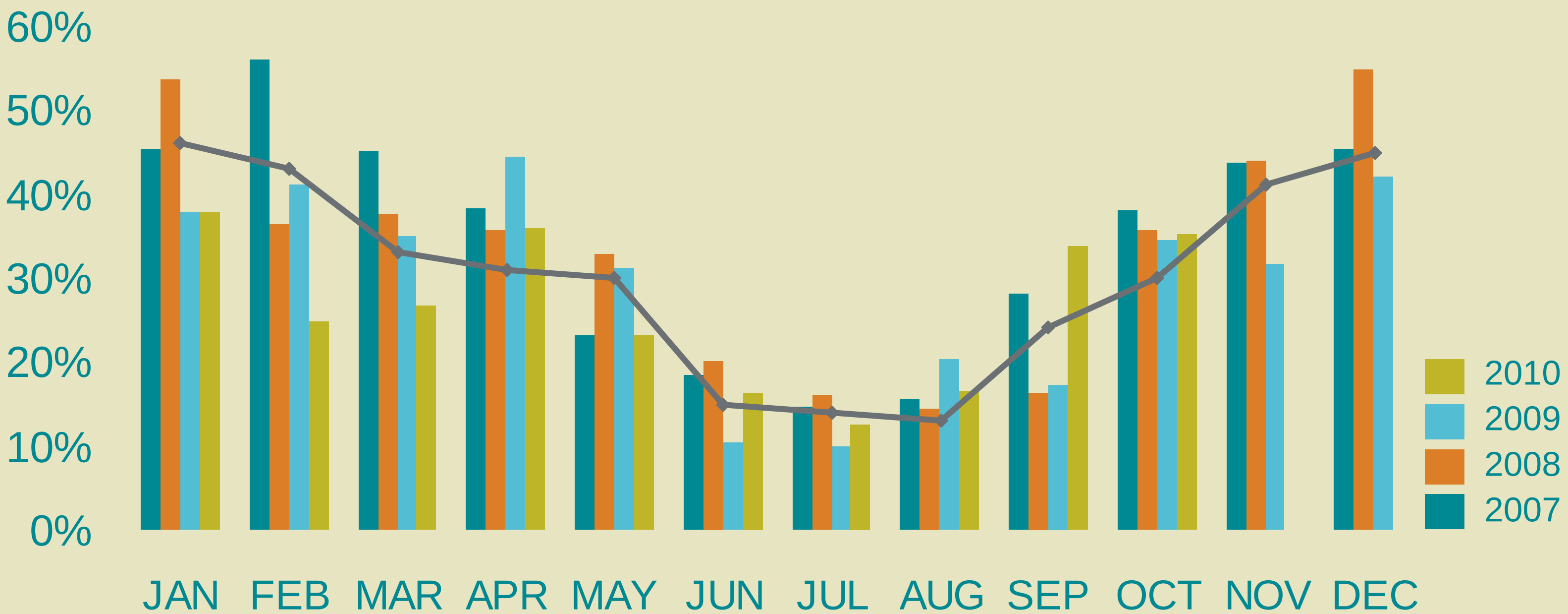
Kingsbridge I
Historical Capacity Factor



Over the four years since COD, average capacity factor has exceeded 30% target and thus earned returns above expectations

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CPILP Updates of Significance

- North Carolina enhancement project
- Oxnard repowering project

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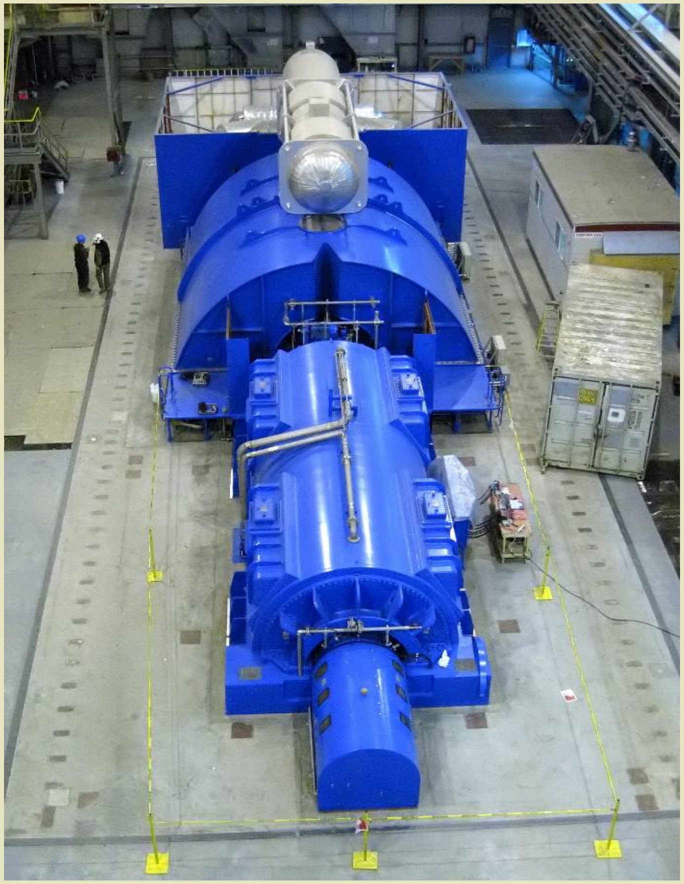
Key Takeaways



- Continual focus on high quality operating and maintenance philosophies
- Creating value through maximizing operating margin whilst maintaining long term asset integrity
- Effective asset integration processes in place to support future acquisitions
- 2011 fleet performance is expected to be very consistent with an overall availability at 94%

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CONSTRUCTION

FROM CORE COMPETENCY
TO COMPETITIVE ADVANTAGE

Darcy Trufyn
Senior Vice President, Construction, Engineering & Project Management

Capital Power Corporation

Proven Construction Capability

- Foundation of proven capability and processes in construction
- Capital Power (predecessor EPCOR Utilities Inc.) led construction of 7 facilities (1,560 MW) including Genesee 3 and Keephills 3 in past 10 years
    - Genesee 3, one of the very few large construction projects built in Alberta over the last six years that was on time and on budget
    - Keephills 3 on schedule for COD in Q2/11 and on track to meet slightly higher revised budget
- Have measured well in terms of construction costs and schedules despite an overheated Alberta market when large capital projects >$500M overran budgets by 40% or more
- To successfully achieve our 10 X 20 vision, construction must move from a core competency to become a competitive advantage

Developing a Competitive Advantage

Keephills 3 Turbine Hall

Things CPC is doing to create a competitive advantage:

- Reorganized
  - Additional expertise
  - Sustainable
  - “In house” capability
- Standardization
  - Specifications and details
  - Equipment selection
  - Project execution
  - Benchmarking
- Catalogue plants
  - Standard configurations
  - Defined scope

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Developing a Competitive Advantage (Cont'd)

Construction of Keephills 3

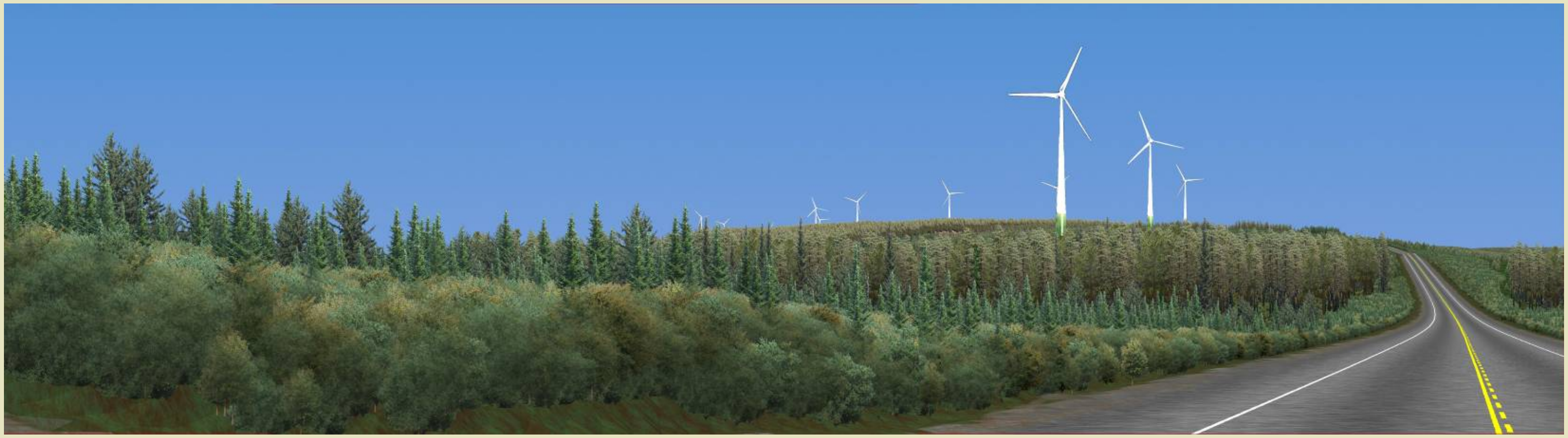
- Value engineering
  - Continuous improvement
  - Better "mousetraps"
- Constructability
  - Incorporating construction ideas / savings into design
- Lessons learned
  - Feedback loop from construction & operations
- Risk management
  - Formalized processes for identifying and managing project risks through development cycle

Case Study – Quality Wind

- 142MW wind farm located in Northern B.C.
- Preliminary project development began in early 2008 using external engineering and estimating services
- During 2009, CPC construction organization realigned to start developing competitive advantage
- Under new CPC construction organization, processes developed to re-estimate the project using internal resources
- Steps taken under EPCM approach:
  - Determined the scope of work and our detailed requirements
  - Solicited independent contractor pricing and location information
  - Value engineered scope/costs to find ways and means to lower total installed cost (TIC)
- Lowered TIC price by $55M from $507M to $452M and upon resubmission, CPC awarded project
- CPC has subsequently contracted all work on a lump sum basis and has significantly reduced our risk profile

Quality Wind Project Update

- 142 MW (79 wind turbines @ 1.8 MW each)
- Located near Tumbler Ridge, BC
- Turbine supply contract awarded to Vestas
- Engineering Procurement Construction BOP lump sum contract awarded
- Extensive front-end development work completed
- Clearing and geotechnical work in progress
- COD planned Q4 2012



Quality Wind Project – Artist Rendering

Port Dover & Nanticoke Project Update

- 105 MW (58 wind turbines @ 1.8 MW each)
- Located in an area that covers the Ontario counties of Norfolk and Haldimand
- Rationalized land with other developers to improve effectiveness
- Turbine supply contract awarded to Vestas
- Completed revised layout and preliminary design
- Issued RFP to prequalified BOP contractors
- COD expected in Q4/12

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Houston Biomass

- 68 MW biomass project located near Houston B.C.
- Bid submitted in Oct/10 in response to BC Hydro Bioenergy Phase 2 RFP
- BC Hydro expected to short-list proponents by Jan/11, aim to sign Electricity Purchase Agreement by Apr/11
- Significant front-end engineering completed in 2008; estimate refreshed and reworked in 2010 for bid proposal.
- Long term fuel supply contract secured
- COD target 2nd half of 2015

Keephills 3 Project Update

August 2008

November 2010

- 495 MW coal-fired generating plant
- 50% partnership with TransAlta
- CPC responsible for construction
- TransAlta responsible for operations
- Costs within October 2009 forecast
- Project in commissioning phase
- Major milestone of first fire planned for December 10, 2010
- COD planned in Q2/11

Key Takeaways

- Construction must be a core competency to successfully achieve growth vision of 10 X 20
- Significant experience in the construction and operation of both thermal (coal, natural gas) and renewable (wind, biomass, small hydro) facilities
- Demonstrated success with construction of Keephills 3 during challenging construction period in Alberta
- Positioning construction expertise as a competitive advantage for the company
    - Early signs that changes are working
    - CPC selective at development opportunity pursuits
    - Strong internal risk management processes in place

New approach showing estimate cost reductions of 10% or more while maintaining or reducing risk profile

FINANCIAL OVERVIEW

Stuart Lee
Senior Vice President & CFO

Capital Power Corporation

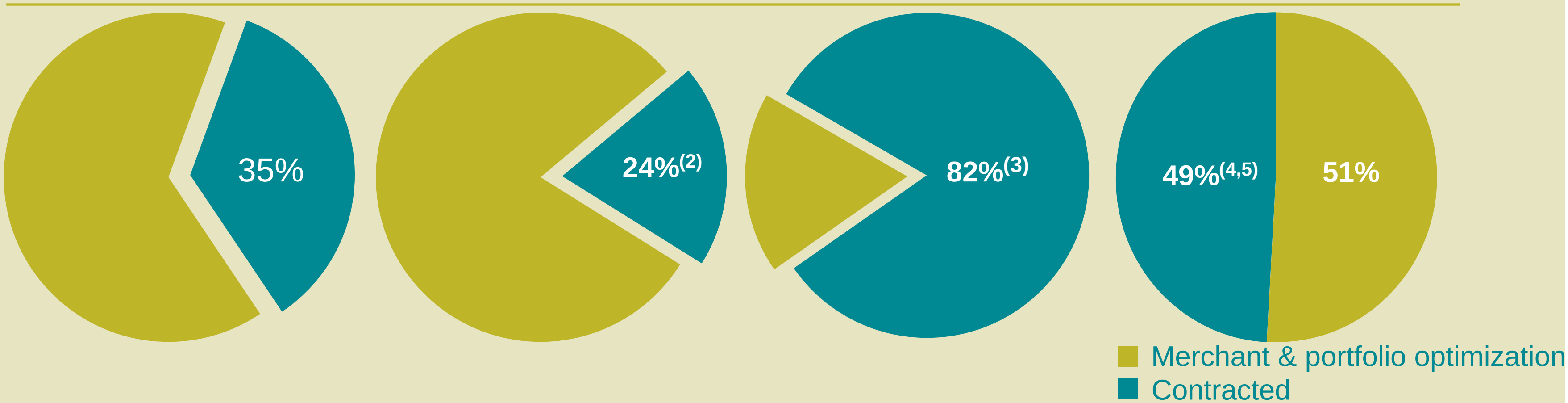
Financial Strategy

- Investment grade minimum BBB credit rating to access debt markets
- Stable dividend with growth over time
- Maintain economic discipline for growth and acquisitions (targeted unlevered, after-tax IRR)
  - 11% for uncontracted / merchant assets and 9% for contracted assets
  - Project returns may be higher or lower depending on cost of capital and risks
  - Accretive to EPS
- Effectively manage commodity, foreign exchange & interest rate risks
- Strong liquidity
- Well spread out debt maturities that are supported by asset lives
- Financial flexibility to utilize various forms of capital in structure

Maintain ongoing access to cost competitive capital to fund sustainable growth throughout business cycle

Financial Ratio Targets

Debt to capital ratio[1]	FFO to total debt ratio	Dividend	Operating margin split
Target			
40% - 50%	Minimum 20%	60% - 70% long term payout ratio (consistent with peers)	50% contracted vs. merchant
As of September 30, 2010			

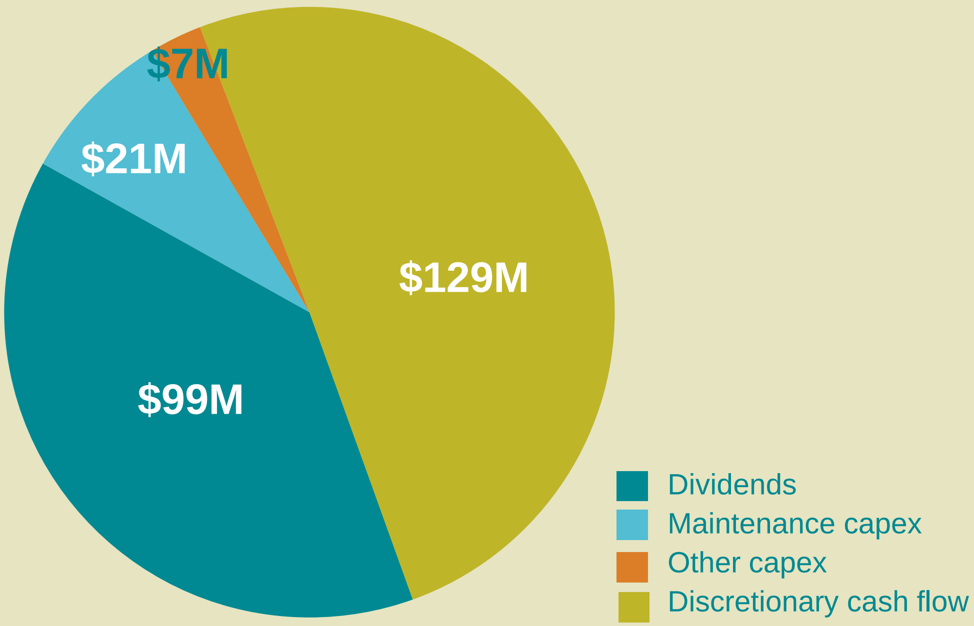


(1) Ratio calculated on on a consolidated basis except for Capital Power Income L.P. which is excluded for on the equity basis
(2) Funds from operations for trailing 12 months divided by total debt
(3) Dividends declared divided by normalized earnings per share YTD Sep 30, 2010
(4) YTD Operating margin excluding unrealized changes in fair value of derivatives, FX and natural gas contracts and Interplant category transaction eliminations
(5) Pro-rata CPILP generation ownership of 29.8%; other portfolio activities included with merchant & portfolio optimization

Cash Flow – Trailing 12 Months

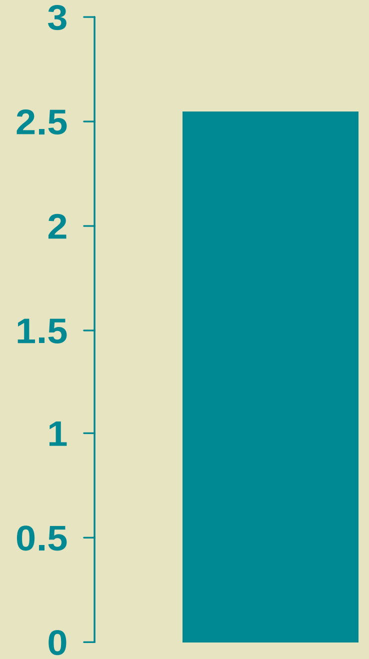
- Generating significant discretionary cash flow net of dividends and maintenance capex
  - At bottom of commodity cycle and with 25% of our capital in construction projects
  - Substantial future cash flows from Keephills 3 in Q2/11

Funds From Operations of $256M(1)



(1) FFO excludes non-controlling interests in CPILP

Dividend coverage ratio



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Strong Financial Base

- Debt to capital ratio ~35% (non-consolidated basis)
- Consolidated assets of ~$5.0B with only ~$1.8B(1) in long-term debt
- Filed base shelf prospectus in Ap/10, positioning the Company to fund growth plans through the issuance of up to $1B in equity and $1B in debt
    - Issued $300M 10-year MTN in Nov/10, yield 5.27%
    - Issued $125M in preferred shares in Dec/10, yield 4.6%
- Secondary offering of $200M common shares by EPCOR increases liquidity
    - May be sufficient to lead to S&P/TSX Composite Index inclusion

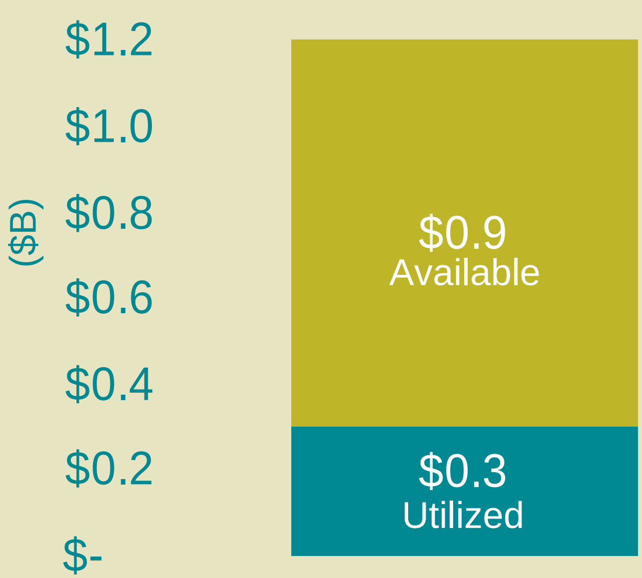
Significant financial flexibility from conservative financial base

(1) As of Sep 30, 2010

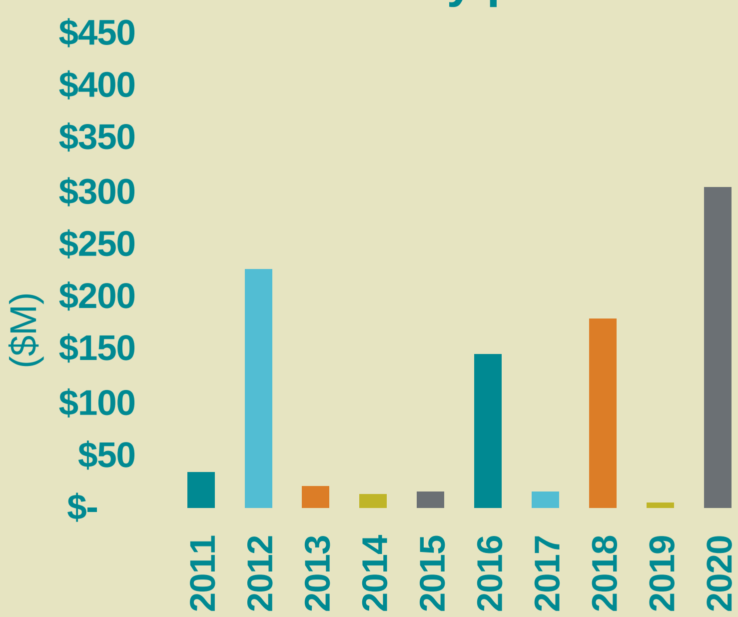
Liquidity & Debt Maturities

- $1.2 billion in credit facilities with terms out to 2013 with $0.9 billion available
- Debt maturity profile very manageable
- Asset base will support new issues of longer term debt

Credit facilities[1]



Debt maturity profile[2]



(1) Pro-forma as of Nov 30, 2010 excluding CPILP and includes proceeds from $125M preferred share offering
(2) Reflects debt with fixed maturity dates as of Nov 30, 2010

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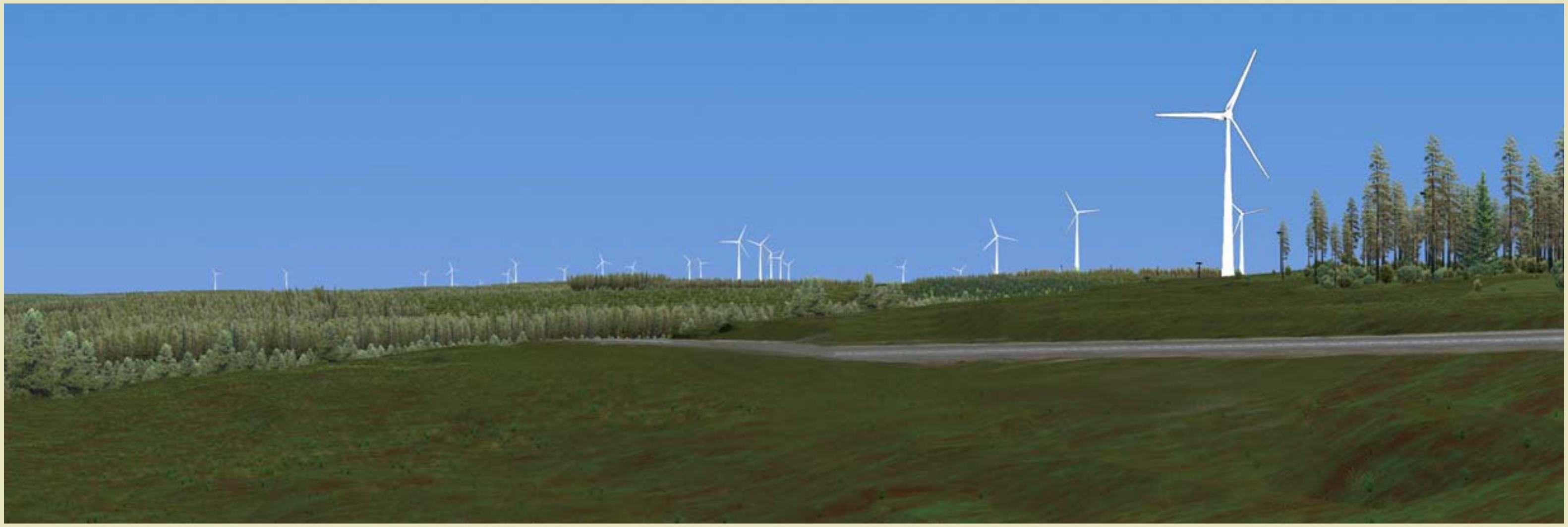
Financing Growth Strategy

- Acquisitions funded with an appropriate mix of debt and equity given the profile of the acquisition
- Development projects are assumed to be funded initially with short-term debt, then replaced with permanent financing (debt and equity) just prior to/during the first year of operations
- Issuance within any given year dependent on metrics and size of capital program
- Issuances based on evaluation of market opportunities relative to capital structure, cost, tax effectiveness and impact on credit ratings

Capital Expenditures

2011E Sustaining Capex	$M	2011E Growth Capex	$M
Plant maintenance capex	$25	Keephills 3	~$25
Mine capex	$12	Quality Wind	~$180
Information Technology	$13	Port Dover Nanticoke	~$95
Other	$20		
Total sustaining capex	$70		



Quality Wind - Artist Rendering

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Alberta Power Price Sensitivity

	2011	2012	2013
Hedged Positions - % Contracted			
	~65%	~30%	~15%
Contracted Price			
	Mid-$60/MWh	Mid-$60/MWh	High-$60/MWh

- Sensitivity analysis to +/- $1/MWh change in Alberta power prices
  - 2011: +/- $2M to operating margin
  - 2012: +/- $5M to operating margin
  - 2013: +/- $6M to operating margin

Financial Outlook

- Currently experiencing bottom of an economic cycle and expect this will continue through 2011
- Expect significant upside as power prices recover in 2012
- Announced acquisition and development projects in 2010 have long term contracts
- Maintenance of investment grade credit rating important to execution of the long-term strategy

Financial Outlook – 2011 vs. 2010

- One scheduled maintenance outage in 2011 for Genesee unit 1 versus two scheduled outages for Genesee 2 and 3 in 2010
- Keephills 3 adds incremental cash flow post COD in Q2/11
- 65% of Alberta Commercial Portfolio sold forward in 2011 in the mid-$60/MWh range
- Full year of operations at Island Generation
    - Operating margin of $24M to $28M in 2011, expected to be relatively stable over the term of the EPA
    - Cash provided by operating activities of $23M to $26M in 2011, declining on average by 7% per year
- Clover Bar Energy Centre
    - Expect full year of availability from Unit 2 compared to 6-month outage in 2010

International Financial Reporting Standards (IFRS)
Key changes compared to Canadian GAAP

- PP&E
  - Depreciation calculated on a component basis: leads to slightly higher depreciation
  - Major inspection and some overhaul costs will be capitalized and amortized to the next inspection or overhaul: reduces maintenance cost and increases depreciation
- Leases
  - A number of our PPAs re-evaluated as operating leases: no significant difference in revenue recognition
  - Kingsbridge PPA determined to be a capital lease under IFRS

While financial standard changes are significant – do not expect material impact on assets, liabilities or equity

IFRS (Cont'd)

- Asset Retirement Obligations
  - IFRS requires re-measurement at each reporting period; as discount rates change, expect to see more adjustments flow through financial statements
  - Liability does not have to be measured assuming 3rd party costs
- Asset Impairments
  - Only a one step test - fair value test
  - Will result in more impairments
  - Ability to write up to the extent an asset has been written down
  - Assets tested at the cash generating unit (CGU) level
  - Most of our CPC facilities are separate CGU's with exception of the Alberta Commercial portfolio
  - Impairment is allocated to goodwill first, then allocated to other assets pro-rata

IFRS (Cont'd)

- Business Combinations
  - Non-controlling interests will be recorded at the fair value of assets acquired
  - IFRS does not permit the capitalization of acquisition costs
- Non-Controlling Interests
  - Still finalizing the treatment of non-controlling interests and purchase price allocation on IPO
  - Potential for some odd allocations of income in future periods between NCI and CPC shareholders
- Financial Statements
  - Under IFRS, expenses can be disclosed by either nature or function
  - Nature presentation is more closely aligned with current presentation

Sample CPC Income Statement under IFRS

Continuing Operations	
Revenues – sale of goods	**$XXX**
Other income	**XX**
Energy purchases and fuel	**(XXX)**
Gross profit	**XXX**
Other raw materials and operating charges	**(XX)**
Staff costs and employee benefits expense	**(XX)**
Depreciation and amortization	**(XX)**
Other administrative expenses	**(XX)**
Property taxes	**(XX)**
Foreign exchange gains	**X**
Operating profit	**XX**
Gain on sale of power syndicate agreement	**XX**
Finance expense	**(XX)**
Finance income	**XX**
Profit before tax	**XX**
Income tax recovery	**X**
Profit for the period	**XX**
Attributable to:	
Non-controlling interests	**XX**
Profit attributable to equity holders	**XX**

Key Takeaways

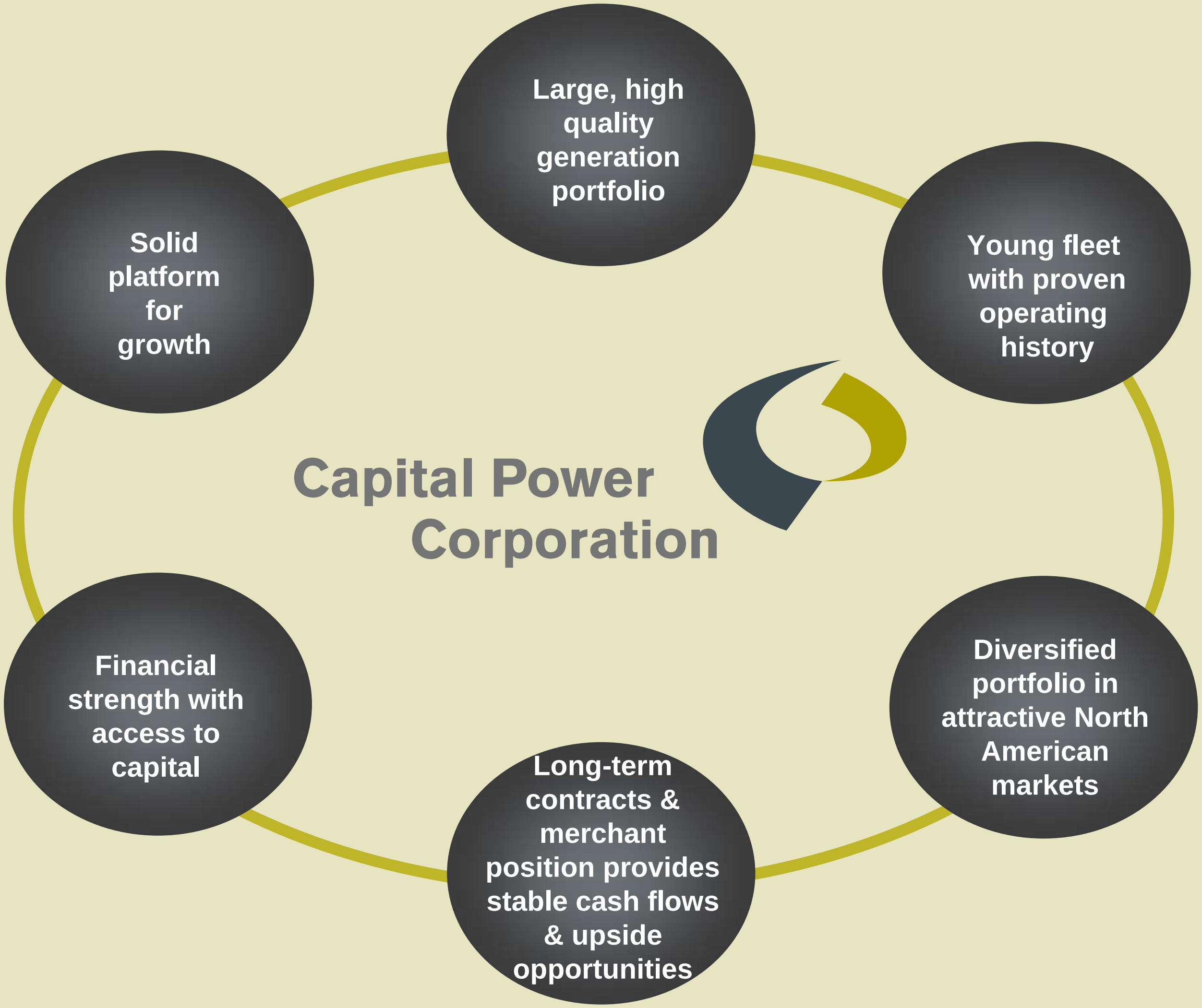
- Consistent financial strategy aligned with growth strategy
- Maintain strong financial base
  - Disciplined balance sheet metrics
  - Excellent operating liquidity
  - Strong cash flow generation
- Well positioned to finance company's growth pipeline
- Cash flow outlook
  - Strong existing cash flow
  - Incremental cash flow from new projects
  - Increased cash flow when power prices recover

BUILDING MOMENTUM: 2011 CORPORATE PRIORITIES

Brian Vaasjo
President & CEO

Capital Power Corporation

Investment Highlights Summary



Recap: 2010 Performance Highlights

Growth

- Exceeded development targets, with $1B committed to 522 MW of projects that meet or exceed target rates of return
- Milestone: December 2010 first fire at Keephills 3
- Planning and construction on-track at Ontario and B.C. wind projects; Island Generation integration successful

Operations

- Forecast 2010 CPC plant availability ≥ 91%; CBEC units are all in-service and have been performing well in Q3 and Q4 2010

Financial

- Expect to meet or exceed 2010 normalized EPS guidance of $1.20
- Discretionary cash flow is 50% of 12-month trailing FFO
- Dividend coverage ratio of 2.6X
- 2010 TSR tracking close to peer group average at end of November

Succession Planning & Senior Leadership Changes

Effective January 2011

- SVP Operations **Graham Brown** will retire after 35 years in the power industry. Graham will advise CPC through to at least July 2011, and remain on the Capital Power Income LP Board
- Current SVP Commercial Services **Jim Oosterbaan** will become SVP Operations & Commodity Portfolio Management
- **Bryan DeNeve** joins the executive team as SVP Commercial Services, from his current role as VP Business Development where he reported to Jim. Bryan will continue to lead CPC's business development initiatives.
- **Robert Brassard** becomes VP Canadian Operations, and is succeeded as VP Planning, I.S. & Business Transformation by **Allan Danroth**

Succession planning initiatives are designed to build a robust leadership team

Comprehensive Management Performance System

Key Performance Indicators established for Capital Power's management team in key areas including:

- Financial performance
- Allocated capital
- Investment performance and investor relations
- Operations
- Construction and development
- Safety
- Environment

Management team is focused on both opportunities and business risks or challenges

2011 Corporate Priorities

- Capital Power will publicly report progress towards the following targets on a quarterly basis

2011 Operational Targets

≥ 94%	CPC capacity-weighted plant availability (one Genesee turnaround planned in 2011)
≤ $40M	Maintenance capital (plant maintenance and Genesee mine extension)

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

2011 Corporate Priorities (Cont'd)

2011 Development and Construction Targets

≥ $1.5B	Capital committed to acquisitions or developments that are in line with our target rates of return
≤ $955M	CPC's final costs for Keephills 3; COD Q2 2011
On time On budget	Development progress for Quality Wind and Port Dover & Nanticoke wind projects (both COD 2012)

On-track for 10,000 MW by 2020

Current development projects to add 495 MW before the end of 2012

2011 Corporate Priorities (Cont'd)

2011 Financial Targets and Expectations

- 2011 normalized EPS guidance will be provided in Jan/11
- 2011 Funds From Operations guidance will be provided in Jan/11

Overall Investment Performance

- Capital Power seeks to deliver Total Shareholder Return that exceeds the median of CPC's peer group

At end of November, TSR of 18.6% tracking close to peer group average of 20.1%

QUESTION & ANSWER SESSION

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Forward Looking Information

Certain information in the Investor Day presentations are forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial and operating performance, events or strategies. When used in this context, words such as will, anticipate, believe, plan, intend, target, and expect or similar words suggest future outcomes.

Forward-looking information includes, among other things, information relating to: (i) expectations that Capital Power's 2010 normalized EPS will meet or exceed $1.20; (ii) expectations that full-year 2010 operating availability at Capital Power's facilities will be 91%; (iii) expectations that first fire of the Keephills 3 boiler will occur in December 2010; (iv) Capital Power's 2011 corporate priorities and business targets, (v) expectations that Capital Power will announce targets for 2011 normalized EPS and Funds From Operations in January 2011, and (vi) planned changes to Capital Power's leadership team.

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 and expected future developments and other factors it believes are appropriate. The material factors and assumptions used to develop these forward-looking statements include, but are not limited to: (i) the operation of the Company's facilities; (ii) power plant availability and dispatch; (iii) the Company's financial position and credit facilities and sources of funding; (iv) the Company's assessment of commodity and power markets; (v) the Company's assessment of the markets and regulatory environments in which it operates; (vi) the Company's assessment of economic conditions; (vii) weather; (viii) availability and cost of labour and management resources; (ix) performance of contractors and suppliers; (x) availability and cost of financing; (xi) foreign exchange rates; (xii) management's analysis of applicable tax legislation; (xiii) the currently applicable and proposed tax laws will not change and will be implemented; (xiv) currently applicable and proposed environmental regulations will be implemented; (xv) counterparties will perform their obligations; (xvi) renewal and terms of PPAs; (xvii) ability to successfully integrate and realize benefits of its acquisitions; (xviii) ability to implement strategic initiatives which will yield the expected benefits; (xix) ability to obtain necessary regulatory approvals for development projects; (xx) the Company's assessment of capital markets and ability to complete future share and debt offerings; (xxi) locations of projects and the areas of which they will be developed, including the availability and use of certain optioned lands; and, (xxii) costs of construction and development.

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Forward Looking Information (Cont'd)

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 risks and uncertainties include, but are not limited to, risks relating to: (i) operation of the Company's facilities; (ii) power plant availability and performance; (iii) unanticipated maintenance and other expenditures; (iv) availability and price of energy commodities; (v) electricity load settlement; (vi) regulatory and government decisions including changes to environmental, financial reporting and tax legislation; (vii) weather and economic conditions; (viii) competitive pressures; (ix) economic and market conditions, including in the markets served by Capital Power's facilities; (xx) construction; (xi) availability and cost of financing; (xii) foreign exchange rates; (xiii) availability and cost of labour, equipment and management resources; (xiv) performance of counterparties, partners, contractors and suppliers in fulfilling their obligations to the Company, (xv) developments in the North American capital markets; (xvi) compliance with financial covenants; (xvii) ability to successfully realize the benefits of acquisitions and investments; and (xviii) the tax attributes of and implications of any acquisitions. If any such risks actually occur, they could materially adversely affect the Company's business, financial condition or results of operations. In that case the trading price of the Company's common shares could decline, perhaps materially.

If any such risks actually occur, they could materially adversely affect the Company's business, financial condition or results of operations. In that case the trading price of the Company's common shares could decline, perhaps materially. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Forward-looking statements are provided for the purpose of providing information about management's current expectations, and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. 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.