Q1, 2010 Review
Analyst Conference Call
May 3, 2010

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Cautionary statement regarding forward-looking information

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Certain information in this presentation and oral statements made during this presentation contains 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.

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 is contained on pages 31-32 of the Company's first quarter 2010 Management's Discussion and Analysis (MD&A) dated April 30, 2010, which is filed on SEDAR and available at www.sedar.com.

Corporate updates

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- Q1/10 performance was ahead of management's expectations
  - 96% average plant availability
  - Financial results reflect disciplined management of Alberta commercial plants and portfolio optimization
- Awarded two long-term wind power contracts totaling 247 MW
  - Quality Wind project expected to operate under a 25-year Energy Purchase Agreement from BC Hydro
  - Port Dover & Nanticoke wind project selected for a 20-year contract offer under Ontario Power Authority's Feed-in-Tariff (FIT) program
- Keephills 3 construction project is 87% completed at end of Q1/10
  - Remains on schedule to commence operations in Q2/11
  - On track to meet total project cost of ~$1.9B of which 50% is CPX

Q1/10 Operating performance

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	Plant Availability	Generation (GWh)
Alberta commercial plants		
Genesee 3	100%	483
Joffre	100%	41
Clover Bar Energy Centre	72%	43
Taylor Coulee Chute	98%	-
Clover Bar Landfill Gas	96%	10
Weather Dancer	83%	-
	98%	577
Alberta contracted plants		
Genesee 1	99%	813
Genesee 2	99%	825
	99%	1,638
Ontario and BC contracted plants		
Kingsbridge 1	99%	26
Miller Creek	37%	7
Brown Lake	97%	13
	71%	46
Capital Power Income L.P. plants	95%	1,268
Average / Total	**96%**	**3,529**

Clover Bar Energy Centre

- Reduced availability due to oil system inspections of Units 2 & 3 and mechanical failure in main turbine section of Unit 2
- Unit 2 expected to be back online in July/August

Wind power project contract wins

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	Quality Wind	Port Dover & Nanticoke
Location	Tumbler Ridge, BC	Norfolk and Haldimand, ON
Size	142 MW	105 MW
Project costs (est.)	$455M	$340M
Expected COD	Spring, 2013	Q4, 2012
Expected capacity factor	~35% (5 year wind study)	~35% (3 year wind study)
Contract	25-year EPA with BC Hydro	20-year contract with Ontario Power Authority, $135/MWh
Regulatory approvals	▪ Provincial environmental assessment process ▪ Approval of EPA by BC Utilities Commission	▪ Completion of Ontario's Renewable Energy Approval process

- Investment of nearly $800M into wind projects with long-term contracted cash flows of 20 and 25 years in duration
- Long term contracts support strategy of maintaining balance between contracted and merchant generation

Keephills 3 construction project update

- 495 MW coal-fired plant, supercritical boiler technology (same as Genesee 3)
- Partnership with TransAlta
- Total project cost of ~$1.9B (CPX 50% portion = $955M)
- Project currently at peak hired labor (~1,600 workers)
- Overall project 87% completed; power island construction 77% completed
- Feed water and re-heater hydro tests successfully completed in mid-April
- Boiler hydro test successfully completed at end of April (a major milestone)
- Plant expected to commence operations in Q2/11

Financial updates

- Two base shelf prospectuses filed, positioning the Company to fund growth plans through the issuance of up to $1B in both equity and debt
- Financing of wind power projects (Quality Wind, Port Dover & Nanticoke)
  - Each project meets our minimum 9% hurdle rate (unlevered, after-tax IRR) for contracted facilities
  - Both projects expected to provide immediate accretion to earnings after project completion
  - Temporary financing through existing credit lines (~$1.0B available); look to permanently finance after construction completed
  - Financing for the projects in line with Company's overall financing plan (i.e. leverage ratios in 40-50% range) and consistent with commitment to maintain investment grade credit ratings

Financial performance

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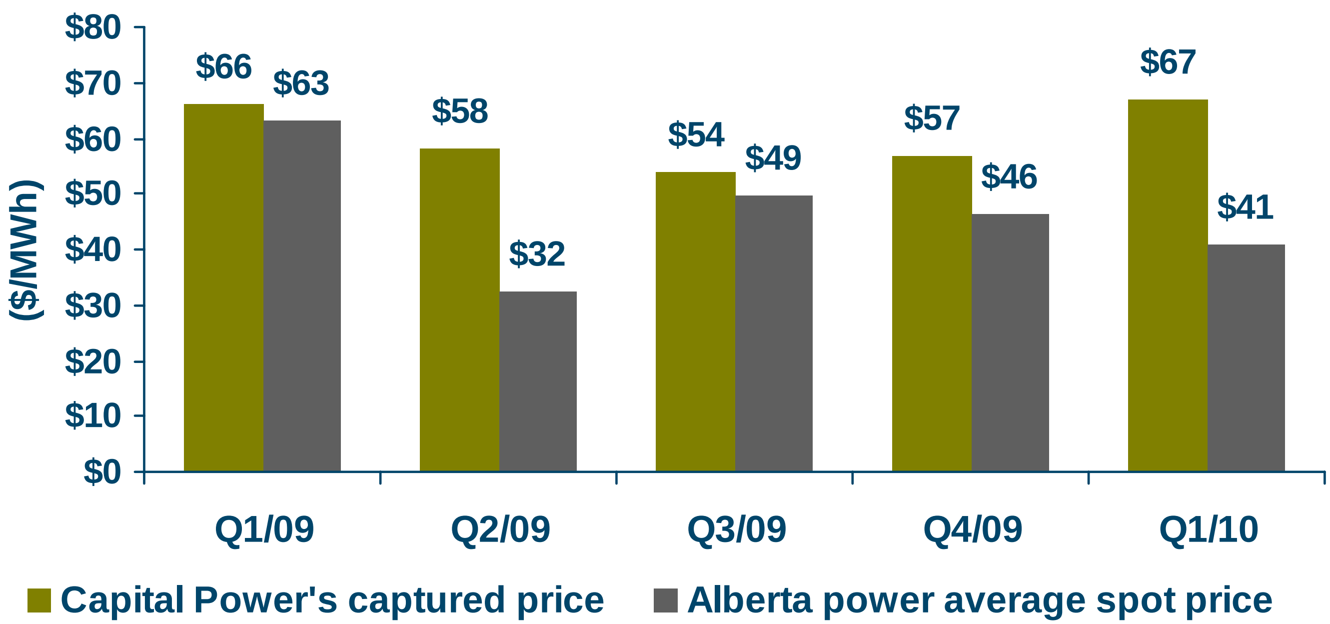
($M, except earnings per share)	Q1/10	Q4/09	Q3/09
Revenues	$499	$497	$511
Gross margin[1,2]	$210	$182	$189
Operating margin[1,2]	$161	$120	$140
Net income	$13	$7	$14
Earnings per share	$0.60	$0.33	$0.64
Earnings per share (normalized)[2]	$0.55	$0.18	$0.42
Funds from operations[2]	$112	$71	$93
Funds from operations excluding non-controlling interests in CPILP[2]	$87	$49	$70

(1) Before unrealized fair value changes in derivative instruments and natural gas inventory held for trading.
(2) See Non-GAAP financial measures on slides 15-17.

Alberta power prices

- Alberta spot power prices of $41/MWh in Q1/10 declined 36% from Q1/09 and 12% from Q4/09
- Company's captured power price(1) of $67/MWh in Q1/10
  - $26/MWh higher than the average spot price



(1) Captured power price represents the price realized on the Company's Alberta commercial contracted sales and portfolio optimization activities.

Hedging Alberta spot power price exposure

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- Actively manage our position throughout various time periods

Plant capacity (MW)	2009	2010	2011
AB Commercial – Base load			
Genesee 3	248	248	248
Sundance PPA	371	371	371
Battle River PPA	99	–	–
Keephills 3(1)	–	–	124
Other	13	13	13
	731	632	756
AB Commercial – Natural gas			
Joffre	146	146	146
Clover Bar Energy Centre(2)	80	243	243
	226	389	389
Net Position	957	1,021	1,145

- Hedging positions taken primarily on base load length from coal facilities and PPAs

- Output from natural gas facilities not hedged but used to manage portfolio
- Material heat rate upside from Clover Bar and Joffre
- Clover Bar plant can power up to full load in 10 minutes providing significant ability to manage portfolio by providing upside on power price increases and protecting downside on plant outages

(1) Reflects 50% of 248 MW capacity based on expected COD in Q2/11.
(2) Reflects pro-rated MW capacity based on COD of Sep/09 for Unit 2 and COD of Dec/09 for Unit 3.

Hedging Alberta spot power price exposure

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Alberta commercial portfolio

- Hedging positions based primarily on generation from Genesee 3 base load coal plant and output from the Sundance PPA
- Risk management targets 70%+ hedged position entering into a prompt year

	% Contracted	Contract price
2010	Substantially sold forward for remainder of the year	Low $60/MWh
2011	~80%	Low $60/MWh

2010 financial outlook

- Higher captured power price for Alberta commercial portfolio as a significant portion of portfolio sold forward in low-$60/MWh
- Clover Bar Unit 2 outage may impact expected benefits of having all 3 units available
- Scheduled maintenance outages for Genesee 2 and 3 (total operating expenses of $18M to $22M) versus one scheduled outage in 2009
- Lower operating margin at Genesee 3 from scheduled outage
- Capex (excluding CPILP) of ~$304M for remaining 9 months of year
  - Includes $63M for wind development projects
- No significant transition costs in 2010 for reorganization

Review of 2010 corporate priorities

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Priority	Status
Operational targets	
▪ Plant availability of ≥ 94%	Challenged due to Clover Bar (Unit 2) outage
▪ Sustaining capex of $60M	On track
Construction / development objectives	
▪ CPC's share of final costs for Keephills 3 project at ≤ $955M with completion by Q2/11	On track
▪ Commit at least $500M to capital opportunities that meet or exceed our target rate of return	✓
Financial	
▪ 2010 normalized EPS expected to be roughly in line with 2009 EPS (annualized)	On track
▪ Refinance $245M of existing debt due in 2010	On track

Goal: Deliver total shareholder return greater than the average of peer group

Questions?

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Non-GAAP financial measures

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The Company uses (i) gross margin, (ii) operating margin, (iii) funds from operations, (iv) funds from operations excluding non-controlling interests in CPILP and (v) normalized earnings per share as financial performance measures. These terms are not defined financial measures according to Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP, and therefore may not be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with Canadian GAAP. Rather, these measures are provided to complement Canadian GAAP measures in the analysis of the Company's results of operations from management's perspective.

Gross margin and operating margin

Capital Power uses gross margin and operating margin to measure the operating performance of plants and groups of plants from period to period. A reconciliation of gross margin and operating margin to net income is as follows:

(unaudited, $millions)	Three months ended	
	March 31, 2010	March 31, 2009
Revenues	$ 499	$ 653
Energy purchases and fuel	283	454
Gross margin	**216**	**199**
Operations, maintenance, and direct administration	49	54
Operating margin	**167**	**145**
Deduct (add):		
Indirect administration	26	29
Depreciation, amortization and asset retirement accretion	46	47
Foreign exchange losses	1	-
Gain on sale of power syndicate agreement	(28)	(30)
Net financing expenses	18	35
Income taxes (reduction)	-	(8)
Non-controlling interests	91	53
Net income	**$ 13**	**$ 19**

Non-GAAP financial measures (cont'd)

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Management considers operating margin to be representative of plant performance as it excludes corporate administration and business development expenses (indirect administration). The presentation of the pro forma consolidated information for the three months ended March 31, 2009 conforms to the presentation adopted for the three months ended March 31, 2010.

Funds from operations and funds from operations excluding non-controlling interests in CPILP

Capital Power uses funds from operations to measure the Company's ability to generate funds from current operations. Funds from operations are cash provided by operating activities excluding changes in working capital. Changes in working capital are impacted by the timing of cash receipts and payments and are not comparable from period to period. Therefore, the Company uses funds from operations as its primary operating cash flow measure. The Company measures its interest in cash flows by excluding the non-controlling interest in CPILP's cash flows. A reconciliation of (i) funds from operations and (ii) funds from operations excluding non-controlling interests in CPILP, to cash provided by operating activities is as follows:

(unaudited, $millions)	Three months ended	
	March 31, 2010	December 31, 2009
Funds from operations excluding non-controlling interests in CPILP	**$ 87**	**$ 49**
Funds from operations due to non-controlling interests in CPILP	25	22
Funds from operations	112	71
Change in non-cash operating working capital	18	50
Cash provided by operating activities	**$ 130**	**$ 121**

Non-GAAP financial measures (cont'd)

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Normalized net income and normalized earnings per share

The Company uses normalized earnings per share to measure performance by period on a comparable basis. Normalized earnings per share is based on net income according to Canadian GAAP adjusted for items that are not reflective of performance in the period such as fair value changes, impairments, unusual tax adjustments and gains or losses on disposal of assets. A reconciliation of normalized net income to net income, and normalized earnings per share to earnings per share is as follows:

(unaudited, $millions except earnings per share)	Three months ended	
	March 31, 2010	December 31, 2009
Earnings per share	**$ 0.60**	**$ 0.33**
Net income	**13**	**7**
Adjustments		
Unrealized changes in fair value of CPLP's derivative instruments and natural gas held for trading	-	(5)
Unrealized changes in fair value of CPILP's derivative instruments	-	(1)
Venture capital investment write-down	-	1
Income tax adjustments	(1)	2
	(1)	(3)
Normalized net income	**12**	**4**
Normalized earnings per share	**$ 0.55**	**$ 0.18**