CAPITAL POWER

INVESTOR DAY 2012

December 6, 2012

Capital Power

Forward-looking information

Cautionary statement

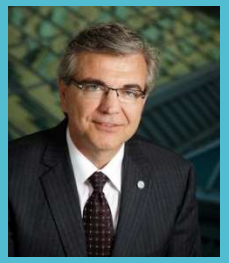
Certain information in today's presentations and in responses to questions contain forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information, and certain material factors or assumptions were applied in drawing conclusions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

Please refer to the forward-looking information slides at the end of the 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.

The forward-looking information contained in today's presentations is provided for the purpose of providing information about management's current expectations and plans relating to the future. Such information may not be appropriate for other purposes.

TODAY'S PRESENTERS

Brian Vaasjo
President & CEO



Darcy Trufyn
SVP Operations,
Engineering & Construction

Bryan DeNeve
SVP Corporate Development
& Commercial

Stuart Lee
SVP Finance & CFO

Agenda

8:30 – 8:35	Introduction	Randy Mah
8:35 – 9:00	Delivering on our strategy	Brian Vaasjo
9:00 – 9:25	Optimizing operations	Darcy Trufyn
9:25 – 9:55	Merchant markets & portfolio optimization	Bryan DeNeve
9:55 – 10:10	Break	
10:10 – 10:40	Creating value through disciplined growth	Bryan DeNeve
10:40 – 11:00	Managing development projects	Darcy Trufyn
11:00 – 11:30	Growing cash flows and shareholder value	Stuart Lee
11:30 – 11:45	2013 corporate priorities	Brian Vaasjo
11:45	Q&A session followed by lunch	

DELIVERING ON OUR STRATEGY

Corporate strategy and execution

Brian Vaasjo, President & CEO

Realignment of executive team functions

Executive team's bench strength supports change; realignment and consolidation of functions improve efficiency and effectiveness of Executive team

- Reduced executives from 7 to 5
- Greater alignment within executive functions

Brian Vaasjo,
President & CEO

Peter Arnold,
SVP HR & Health, Safety & Environment

Kate Chisholm,
SVP Legal & External Relations

Bryan DeNeve,
SVP Corporate Development & Commercial

Stuart Lee,
SVP Finance & CFO

Darcy Trufyn,
SVP Operations, Engineering & Construction

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Consistent strategy

Independent power producer (IPP) strategy designed to create value throughout business cycle

Committed to current strategy despite challenging markets

- Our vision is to be one of North America's most respected, reliable, and competitive power generators
- We develop, acquire and operate larger facilities, maintaining discipline on geography, technology, fuel type and accretion

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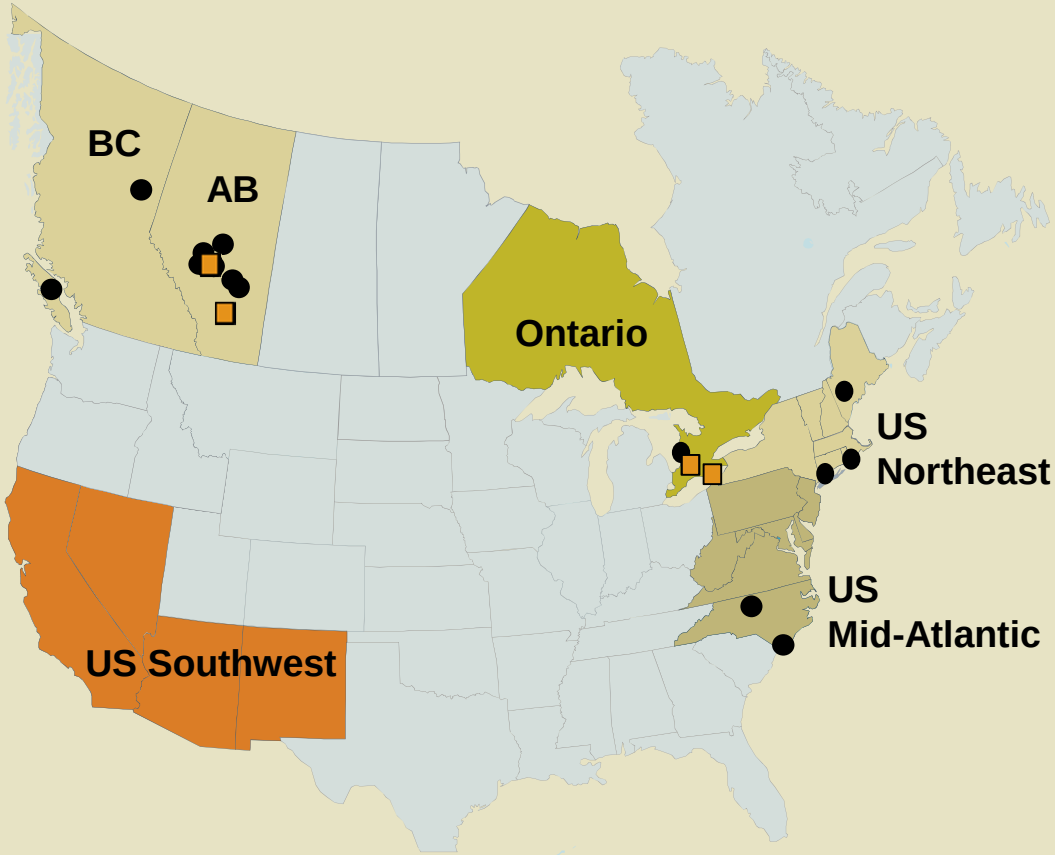
Current power markets present challenges and opportunities

- Current power markets present challenges in short to medium term
  - Low natural gas prices, weak US economy, delays in the retirement of uneconomic generation, and over supply
  - Repositioning Alberta portfolio to address short-term softening of prices
  - Extending contract length of our portfolio
- Longer-term dynamics positive in our target markets
  - Alberta remains one of the fastest growing economies and power markets in North America
  - After 2015, Alberta supply-demand balance will gradually tighten due to strong load growth and fleet retirements
  - Opportunities in Alberta starting later in the decade for developers of generation as coal unit retirements kick in
  - Attractive long term supply dynamics in New England market

Company repositioning in the short- and medium-term to address challenges and take advantage of long term opportunities

North American footprint & target markets

Continue to pursue opportunities in target markets



Region	Constituent jurisdictions
Canada West	Alberta, British Columbia
Ontario	Ontario
US Mid-Atlantic	PJM East (Delaware, Maryland, Pennsylvania, North Carolina, New Jersey, Virginia)
US Northeast	New England (Maine, Rhode Island, Connecticut), New York
US Southwest	California, Desert Southwest (Arizona, New Mexico and Southern Nevada)

Balanced portfolio of merchant and contracted generation(1)

Today - 2012

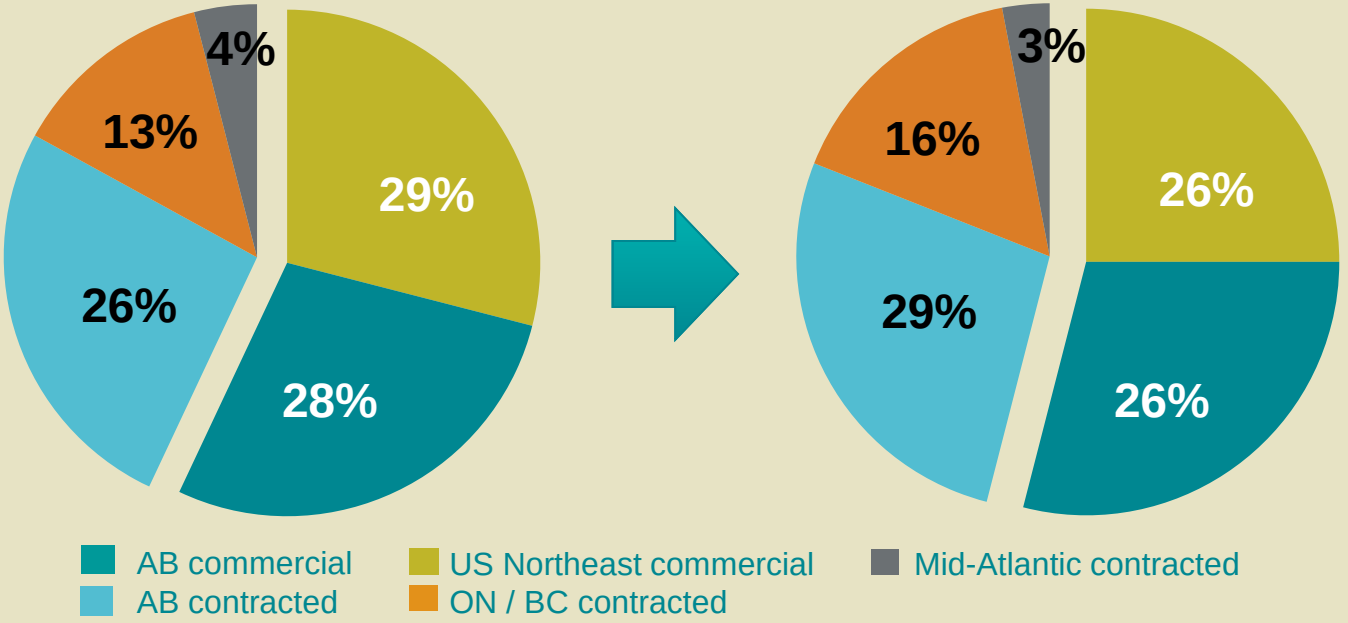
15 facilities (3,603 MW)

- 43% capacity contracted

Year-end 2015E

17 facilities (4,048 MW(2))

- 48% capacity contracted



With the addition of the Shepard facility, contracted operating margin improves to 64% in 2015E compared to 37% in 2012E

(1) Based on MW owned capacity; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).
(2) Based on existing plants plus committed development projects.

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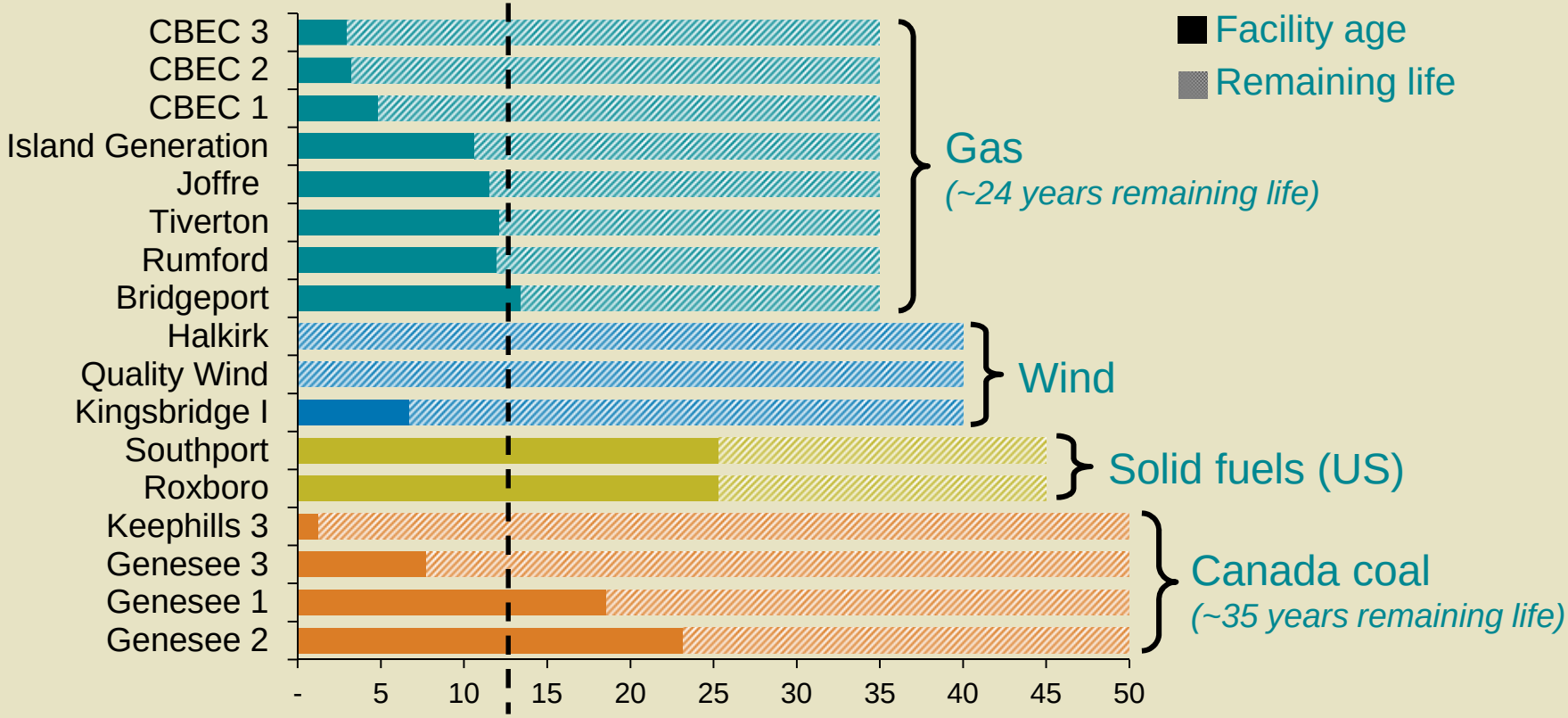
Modern fleet

Helps keep availability high and reduces risk of unplanned outages

- Average weighted facility age of the current fleet is 12.0 years(1)
- 2 new wind projects (195 MW) begin commercial operations in 2013 - 2014



(1) Average facility age and remaining life weighted by owned capacity as of Dec 1/12.

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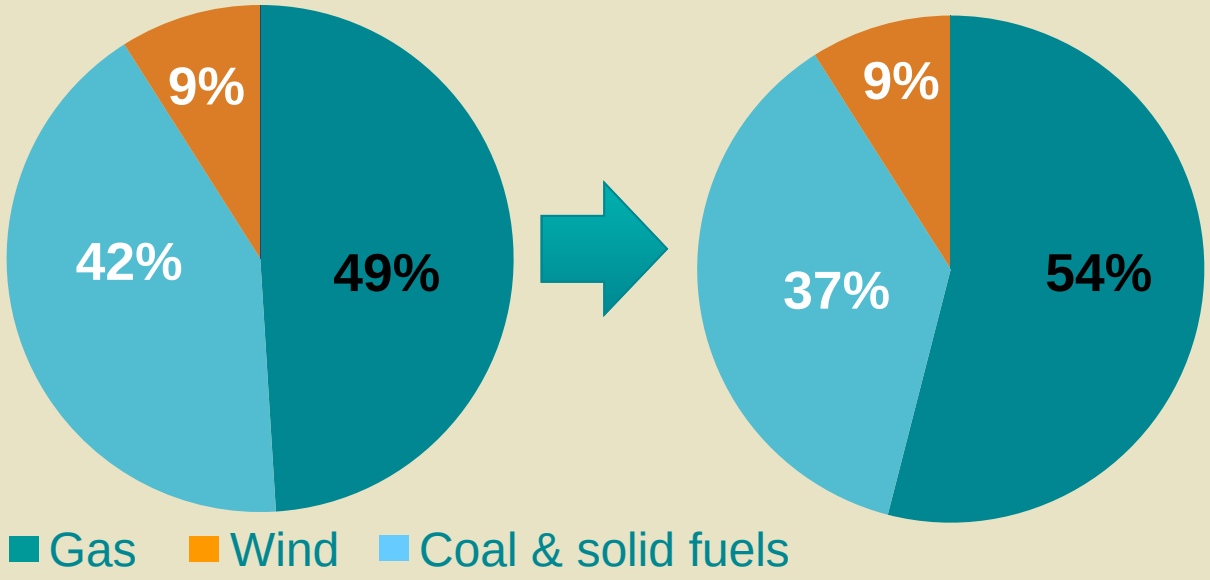
Technology focus(1)

Operations and growth are focused on: natural gas, coal, wind and solar

Current
15 facilities (3,603 MW)

By 2015 year-end
17 facilities (4,048 MW(2))



Interest in Shepard facility (400 MW) will increase natural gas generation from 49% to 54% of overall generation by 2015

(1) Based on MW owned capacity as of Dec 1/12; excludes Sundance PPA (371 MW), and Clover Bar Landfill Gas (4.8 MW).
(2) Based on existing plants plus committed development projects.

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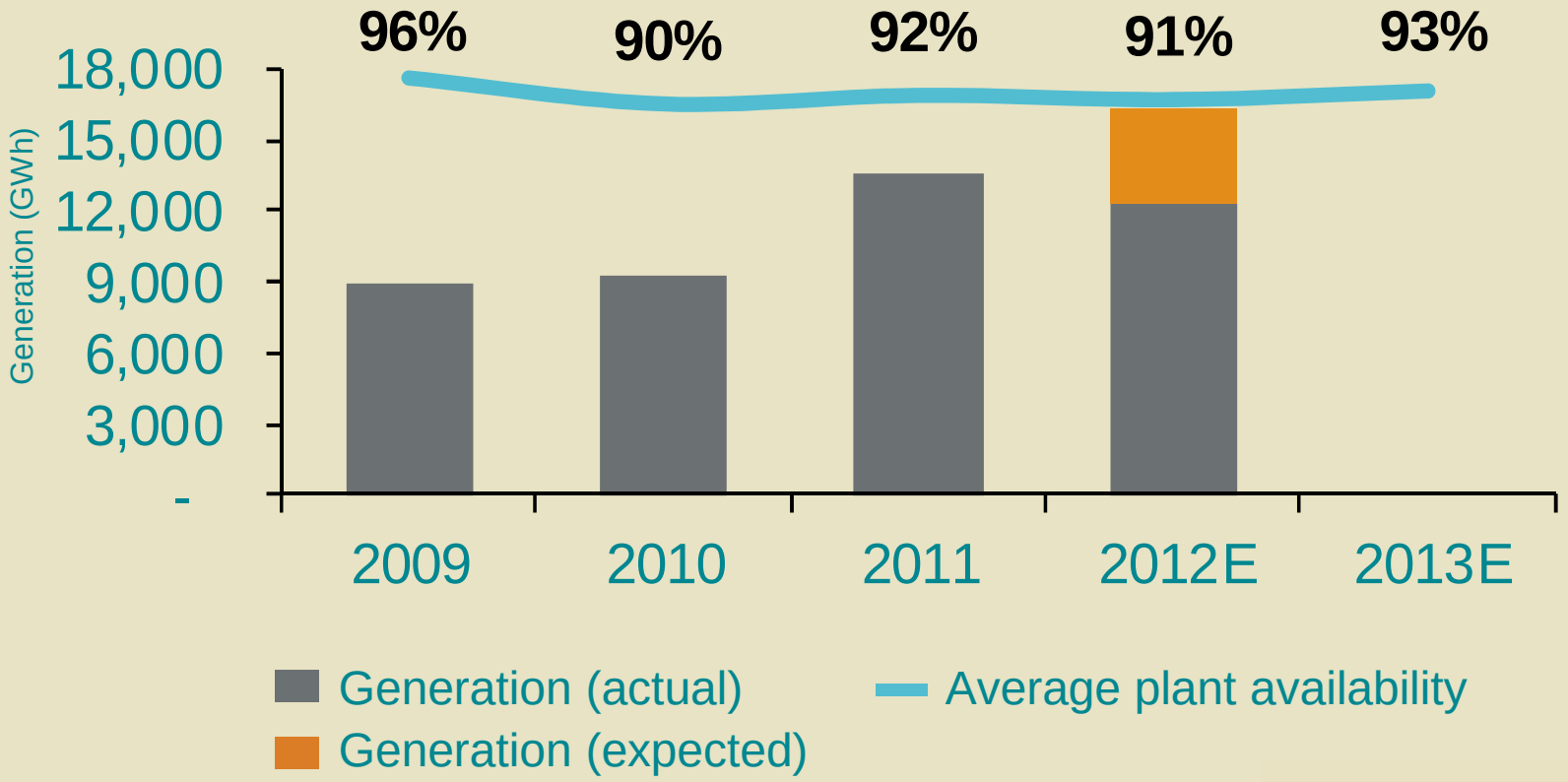
Proven operating excellence

Operating availability consistently 90%+ over a growing fleet and production volumes

Operating performance



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Financial strength and access to capital

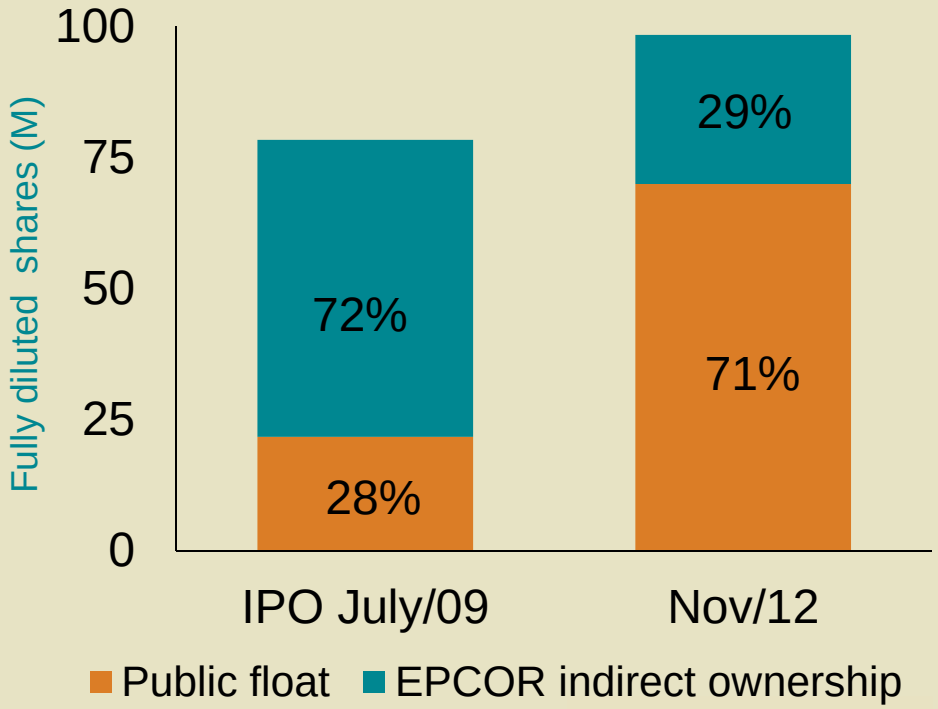
Committed to investment grade credit rating

Financial strength

- Investment grade credit ratings from S&P (BBB-) and DBRS (BBB)
- Debt-to-capital ratio of ~39%(1) remains below long-term target of 40% - 50%

Access to capital

- 3 secondary common share offerings since IPO have progressively increased average daily trading volumes and reduced EPCOR overhang
- 2 primary common share offerings have funded growth projects



(1) As of Nov 30/12.

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2012 accomplishments

Commission 292 MW from two wind projects on time and under budgets

- Quality Wind - COD Nov/12 and ~10% under budget
- Halkirk - COD Dec/12 and ~3% under budget

Aligned Capital Power's fleet with the business strategy

- Divestiture of small hydro facilities rationalized fleet and sharpened focus
- Signed an agreement for a 50% interest in the Shepard Energy Centre with Enmax; 20-year tolling agreement with a fixed capacity charge and cost flow-through
- Announced plans to work with General Electric in the construction of the new Capital Power Energy Centre; a large gas-fired facility in Alberta

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Shepard Energy Centre

Signed an agreement for a 50% interest in Enmax's Shepard Energy Centre

- 800 MW natural gas combined cycle facility located SE of Calgary
- Currently under construction, ~50% complete and expected COD in early 2015

- 20-year tolling agreement with Enmax with a fixed capacity charge and cost flow-through
  - 75% of CP's share of the project output under a long term stable contract for the 2015-17 period and 50% thereafter until 2035
- Transaction expected to be moderately accretive to cash flow and earnings over the first five years of operation
  - Exceeds blended unlevered after-tax IRR minimum of 10%
  - Significantly more accretive over the life of the project
  - Contracts for Differences (CFDs) in place to reduce near term risk

Construction of new Capital Power Energy Centre

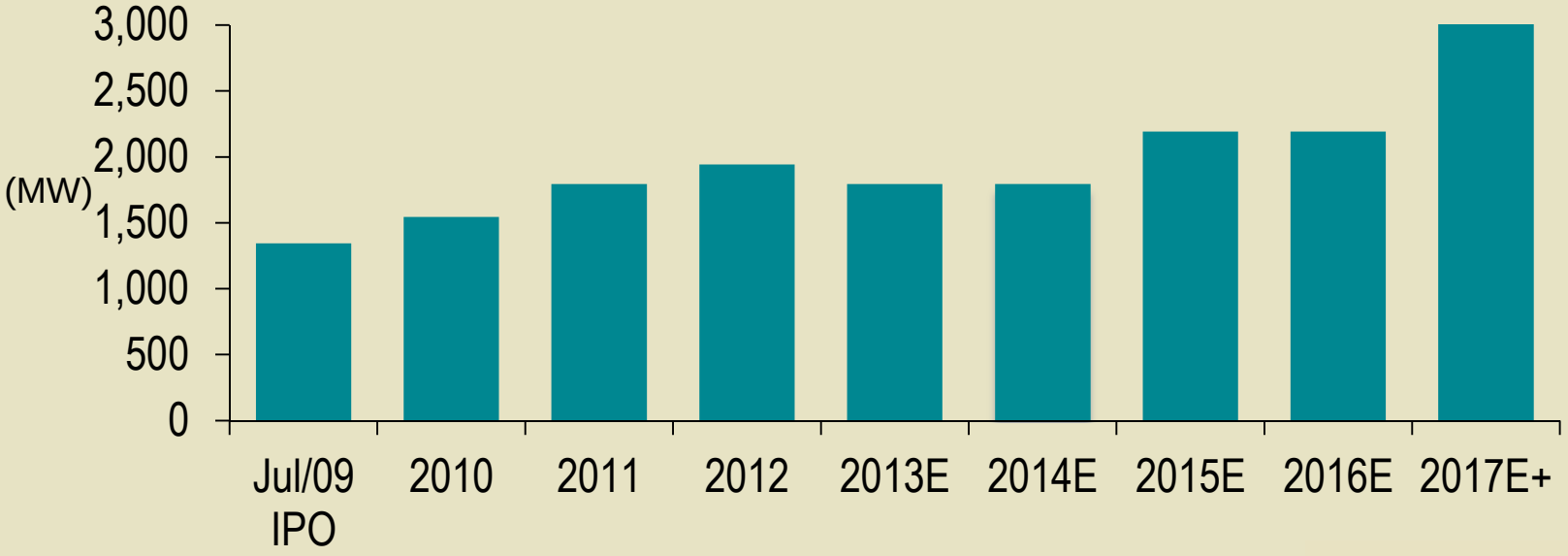
Expands our market share in the attractive Alberta market

- Announced today our intention to build a large (up to 900 MW) gas-fired power generation facility in AB to meet province's power needs
- Additional supply projected to be required in the 2017-20 timeframe to meet increased demand from the province's economic growth
- Working with General Electric in the development of the project, and would utilize GE's latest gas turbine technology
    - Looking to partner with 3rd party in the development of the project
- Evaluating two attractive sites for the project; both sites have existing infrastructure, utilities and close proximity to gas pipelines and transmission
- Targeting COD in 2017-20 timeframe based on projected forecasts on load growth and retirements of existing coal-fired facilities

Re-positioning Alberta portfolio

- Capital Power will own the best fleet of power generation assets in the fastest growing power market in North America
  - Best peaking responsiveness
  - Best coal reliability
  - Lowest environmental impact and lowest cost
  - Most competitive natural gas combined cycle

Projected capacity-owned generation in AB



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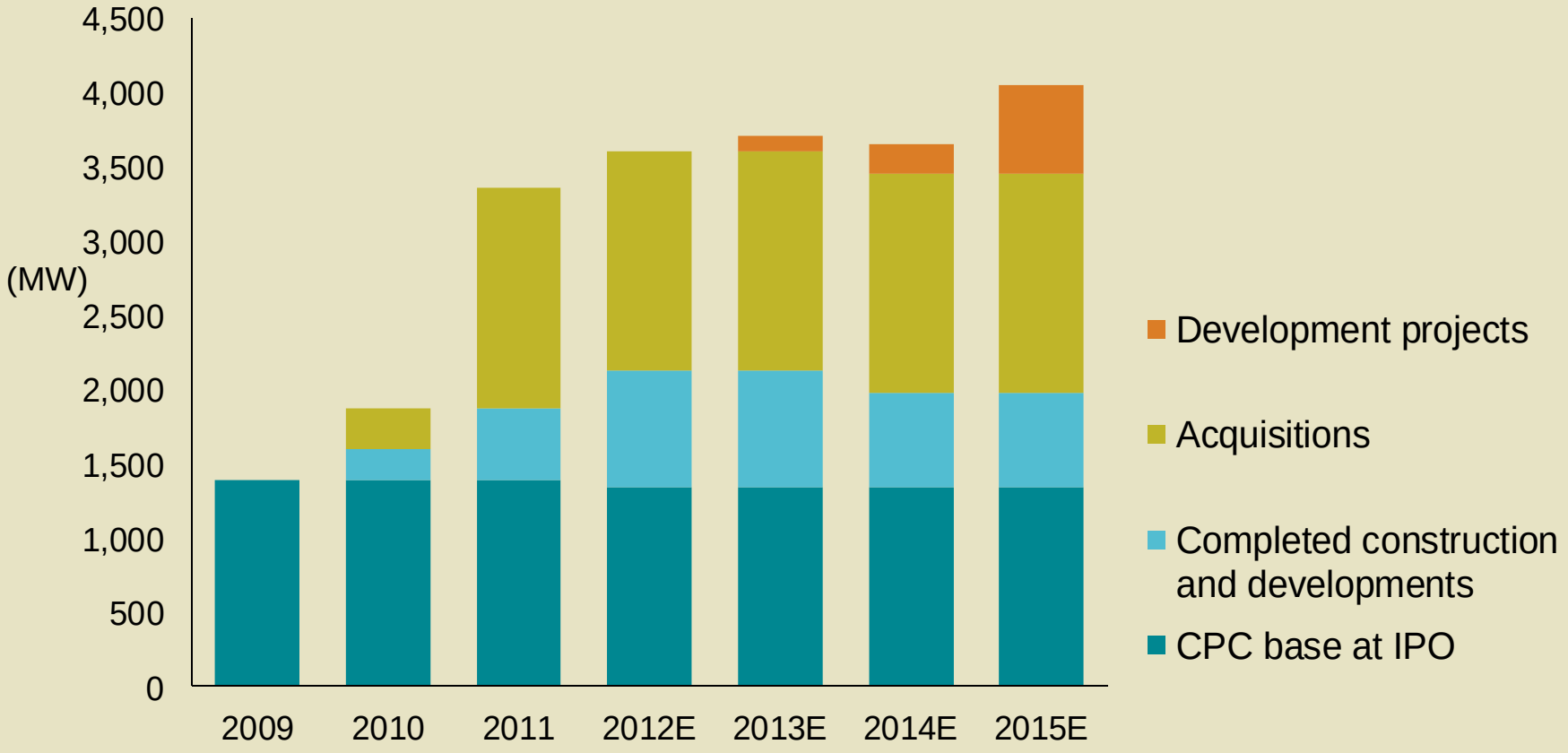
Capital Power's growth(1)

In 6 years, generation capacity (owned) will nearly have tripled



(1) Based on MW capacity owned plus committed projects minus expected divestitures.

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Achieving corporate priorities and vision

- Develop competitive advantages in people, market intelligence and plant development
- Continue to pursue multi-year initiatives to improve efficiencies and effectiveness
  - Reducing core sustaining capital from ~$45M to ~$29M
  - Reducing expenses by ~$20M before new wind farms
- Maintain the availability of the generation fleet and reduce maintenance costs by implementing a comprehensive reliability program
- Complete the development and construction of two Ontario wind projects on-schedule by 2013-14, and on-budget
- Participate in the construction of the Shepard Energy Centre project
- Continue development of growth initiatives

OPTIMIZING OPERATIONS

Facilities and operating performance

Darcy Trufyn, SVP Operations, Engineering & Construction

Fleet availability and safety performance

Focus on safe, high-availability, low-cost operations from CPC's modern, young fleet

	TRIF(1) (3-Yr Rolling Average)	TRIF			Availability		
		2011	2012E	2013E	2011	2012E	2013E
CDN Plants	1.95	3.02	1.76	1.58	93%	94%	96%
US Plants	2.25	2.32	2.03	1.82	88%	85%	88%
Total Fleet	**2.05**	2.80	**1.84**	**1.66**	**92%**	**91%**	**93%**

Safety focus: zero lost-time injuries by 2015

Availability focus: sustained high and improved fleet-wide availability

(1) Total Recordable Incident Frequency (TRIF) shown is last 3 year average and estimates for 2012 and 2013.

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Current state

- Market rewards for reliable power
- Significant opportunities to improve on earnings through Operations and Maintenance
- Capital Power began its cost improvement journey in 2011 including:
  - Implemented industry leading reliability program
  - Improved sharing of best practices across the fleet – internal reorganization to place experts closer to the plants
  - Benchmarking (Solomon) completed to establish where we are strong and where we need to improve
  - Continuous improvement (implement and learn from trials)

Challenges and opportunities

North Carolina assets

- Continue to maintain controllable costs at the plants
- Pursue long term fuel supply and ash removal contracts for the plants
- Alternate fuel capability under consideration at Southport

New England assets

- Focus on controllable expenses
- Maintain unit availability through good execution of scheduled outages
- Continue to optimize maintenance expenditures through our reliability program

Island Generation

- Market mission is to maintain high start reliability when called upon by BC Hydro
- Maintain high availability through cost control and ensuring necessary inspections and maintenance is kept current

Genesee

- Cost optimization
- Increase revenue of ash sales
- Above target availability

Driving cost efficiency

Controllable costs for sample plants: Genesee, Tiverton & Rumford

	2012 (Forecast)	2013 (Forecast)
Genesee	$71M	$68M
Tiverton	$7M	$6M
Rumford	$6M	$5M

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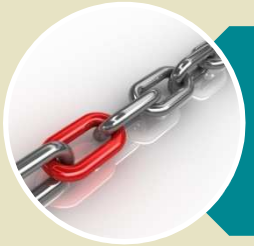
Reliability program - objectives

Continually improving business practices in order to:

Maintain and enhance the availability of our generating plants

Reduce operating and maintenance costs



Maintain a reliability focused culture

Reliability program – expected results

- Standardization of maintenance best practices between plants
- Promote culture focused on optimal proactive vs. reactive maintenance
- Improvement in safety and environmental performance
- Reduction in insurance premiums

Ultimately result in long term reduction in O&M costs; increase in EBIT of ~$25M over the next 5 years and ~$20M per annum thereafter

World class maintenance and reliability at our Kingsbridge I wind farm

- One of the best performing wind farms across the Vestas global footprint
- High availability and reliability

We will leverage our expertise and leadership onto our 3 new assets (Quality Wind, Halkirk, Port Dover & Nanticoke)

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Effective utilization of expertise

Recent reorganization has integrated overlapping areas to allow us to create efficiencies, reduce duplication and share best practices and expertise throughout the fleet

Examples:

- Outage team (Genesee)
- Shared Engineering / Specialist (placing them closer to the plants)
- CBEC's utilization of maintenance management software
- Shared analytics

Achieve significantly more efficiency and effectiveness

Benchmarking

Committed to benchmarking ourselves against the industry as we continue on our continuous improvement journey

We utilize industry-leading sources of information including:

- Solomon and Reliability Assessments (IDCON)

Findings

- Genesee 1 and 2 top decile availability
- Improved reliability in Alberta assets has substantial value
- High fleet availability comes at a cost
- Safety performance is well above average

Actions

- Each plant will have its own market mission
- Reliability program implementation in phases - on a prioritized basis
- Availability vs. expenditures - needs to be optimized
- Our journey to zero lost time continues

Continuous improvements

CBEC Unit 1 (LM 6000)

- Inlet fogging
- Improved heat rate; reduced emissions
- Output up by 2-3 MW
- Payback under one year

Genesee 1 and 2

- Capacity increased from 385 MW to 400 MW with no additional cost
- Historical O&M spend higher than recovered in PPA
- Availability ~5% higher than in PPA
- Additional costs supported by higher availability

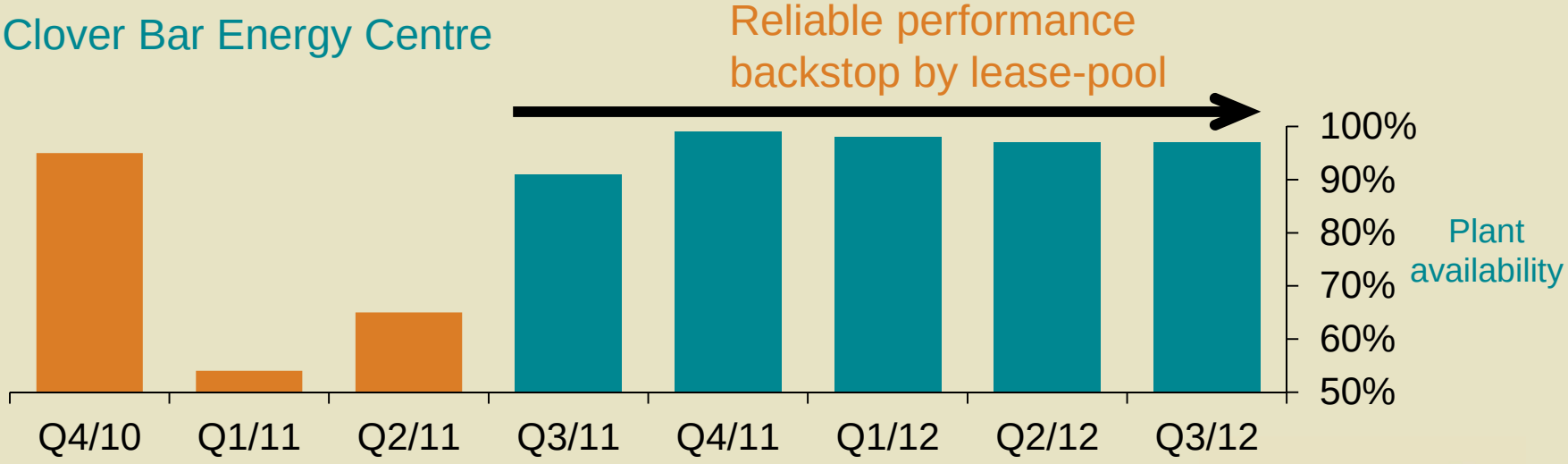
Historically our Genesee economics have been very positive; continually reassess for changing market conditions

Continuous learning

Promoting a culture of continuous learning and striving for excellence

- Genesee 3 High Energy Piping (HEP) Program – Safety is #1
  - Major issue identified during a scheduled outage; proactively remediated to mitigate future risks
  - Proactively built into Keephills 3
- CBEC – Improvements in reliability and processes over the last 3 years
  - Working through and incorporating new technologies
  - Resulting in improved start reliability and availability

Clover Bar Energy Centre



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Overview of planned major outages

Regular maintenance is key to delivering long-term high availability. Focus on trade-off between outage frequency/timing and impact on availability

Cdn plants	2013	2014
Genesee	Unit 1 – 27 days, $18M	Unit 2 – 24 days, $17M Unit 3 – 27 days, $9M

US plants	2013	2014
US NE plants	$14M	$24M
Bridgeport	20 days	60 days full plant, 15 days 1x1
Rumford	22 days	10 days
Tiverton	53 days	16 days
North Carolina plants	$3M	$2M
Southport	16 days	16 days
Roxboro	7 days	7 days

Summary

Achieved through:

- Comprehensive measuring of where we are strong and where we need to improve (Solomon)
- Industry-leading reliability program
- Improved sharing of best practices across the fleet; internal reorganization to place experts closer to the plants
- Continuous improvement (implement and learn from trials)

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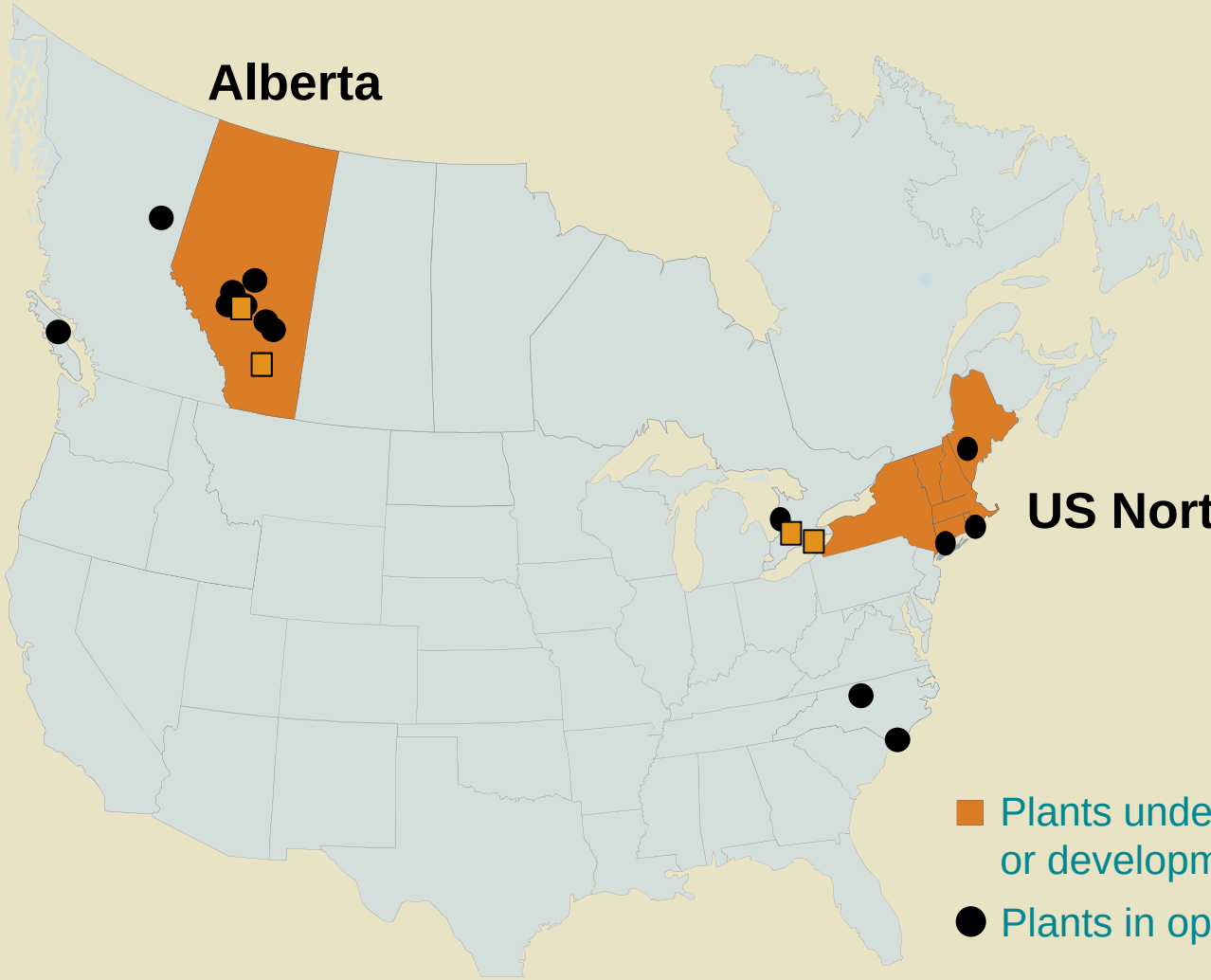
MERCHANT MARKETS AND PORTFOLIO OPTIMIZATION

Bryan DeNeve, SVP Corporate Development & Commercial

Merchant markets



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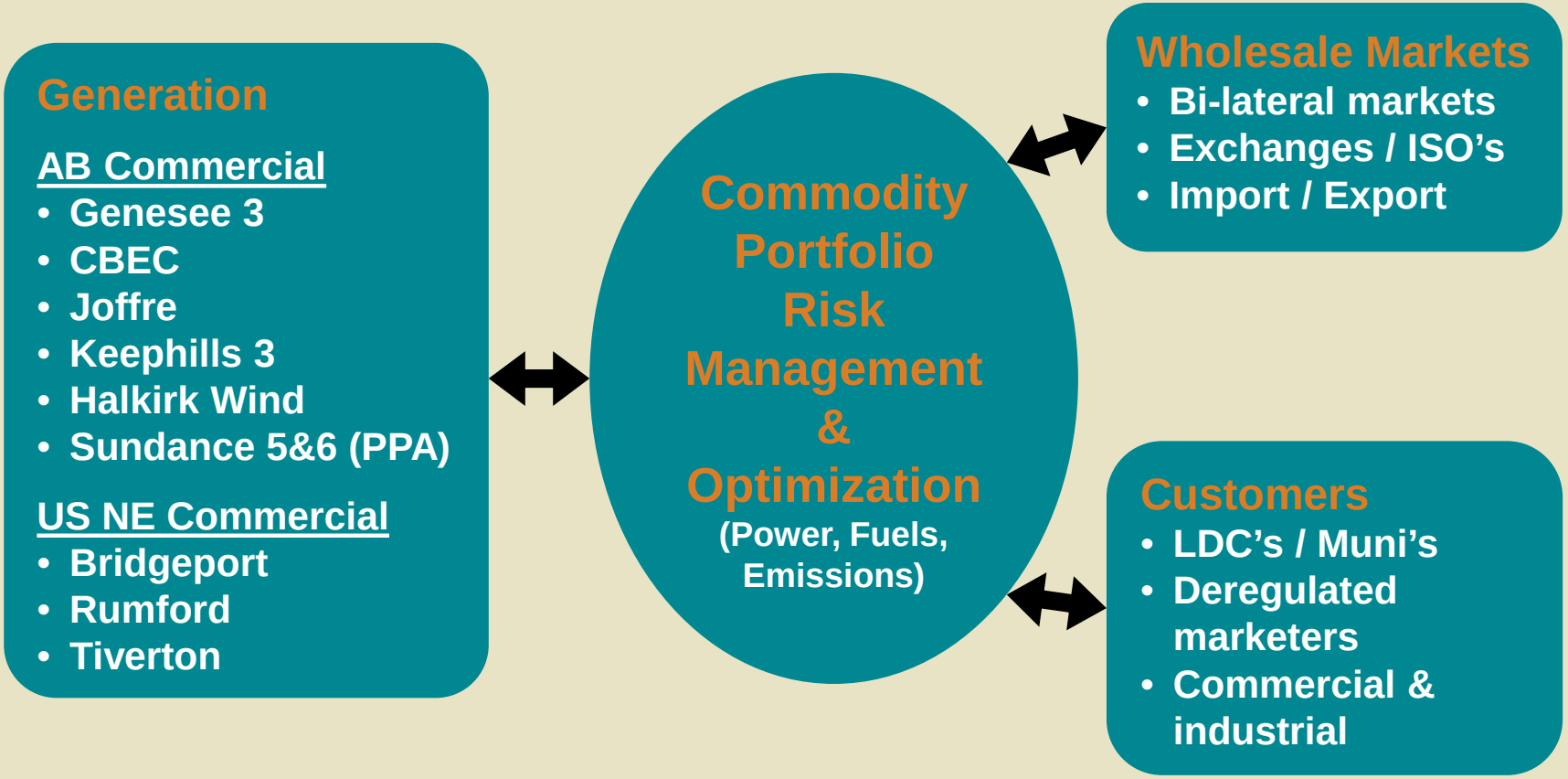
Commodity portfolio risk management & optimization



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Managing power portfolios

Risk management and optimization of power portfolios

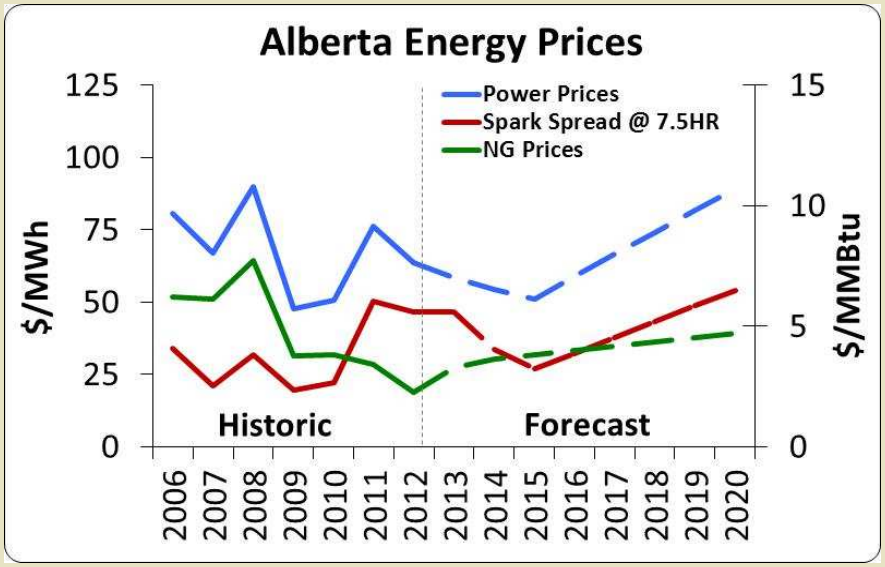
- **Commodity operations** – offering plant production into Energy Market and Ancillary Service market on a 24/7/365 basis
- **Optimization & trading** – managing forward power portfolio exposures according to market views and corporate risk limits. Activities include working with plants to optimize outage impact, plant offer strategy, wholesale trading, import/export activity. All decisions made with consideration of and in coordination with generation fuels and environmental commodities impacts.
- **Strategic portfolio management** – development of long-term portfolio risk management strategy, input into regulatory policy, and support of Business Development activities
- **Origination** – additional channel with which to manage risk and optimize portfolio exposures through long term contracts with large industrial customers and municipalities

Position taking based on in-depth market analytics

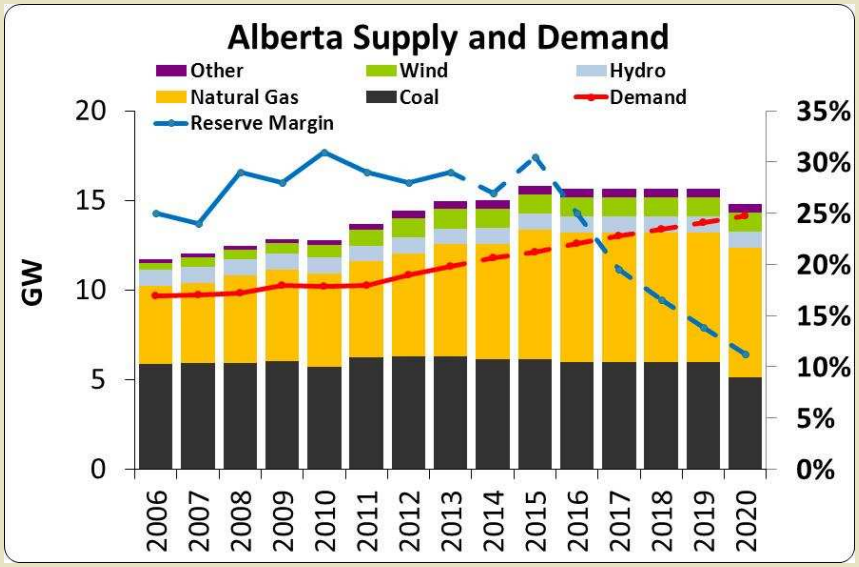
Alberta market

Positive long term supply dynamics

Forecast spark spreads above historical average



Projected reserve margin signals the need for new capacity in the 2017-2020 timeframe



Source: AESO and CPC Estimates

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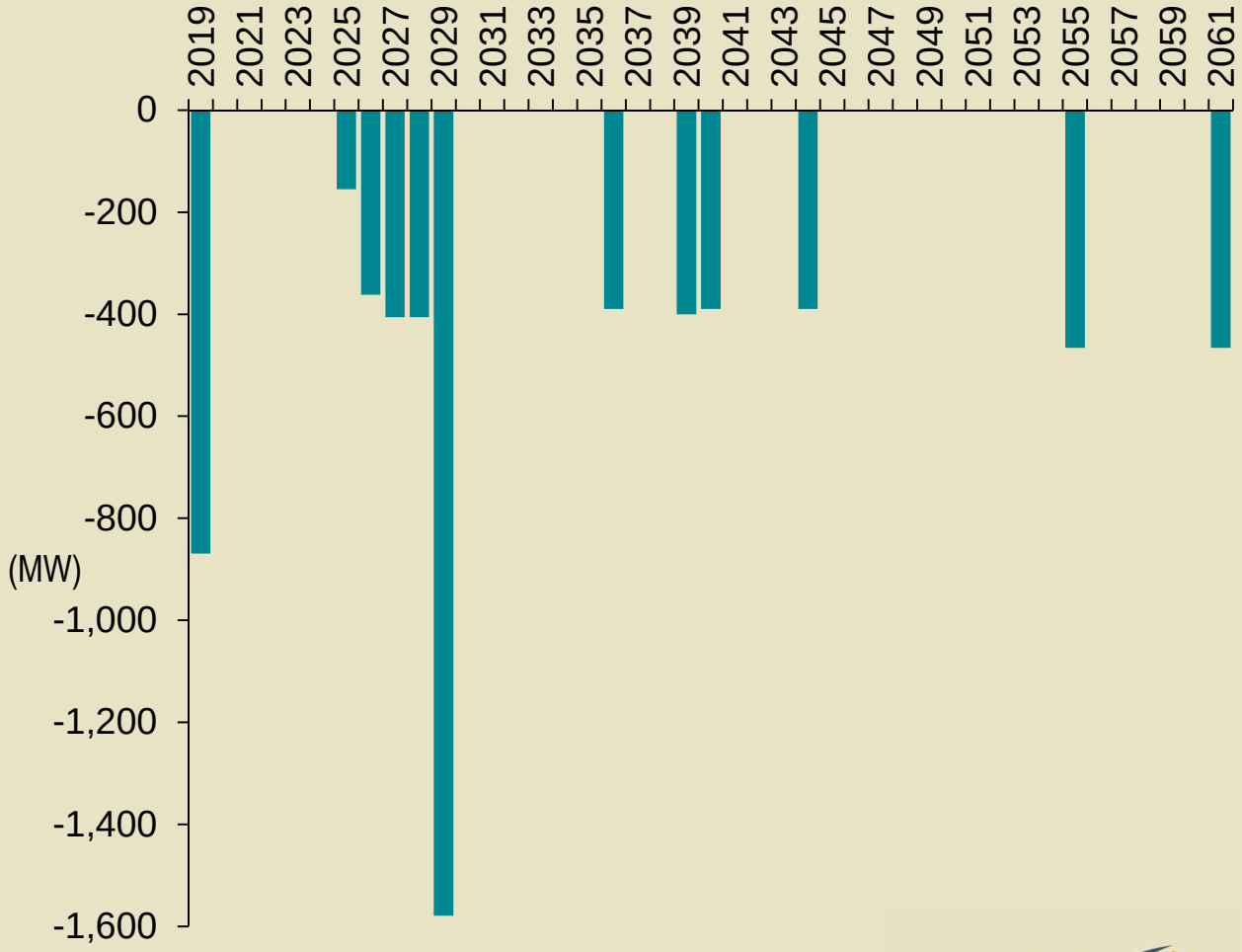
Increasing certainty of coal unit retirement schedule

Annual coal unit retirements under the recent federal Capital Stock Turnover regulations

CASA regulations may result in coal units retiring sooner



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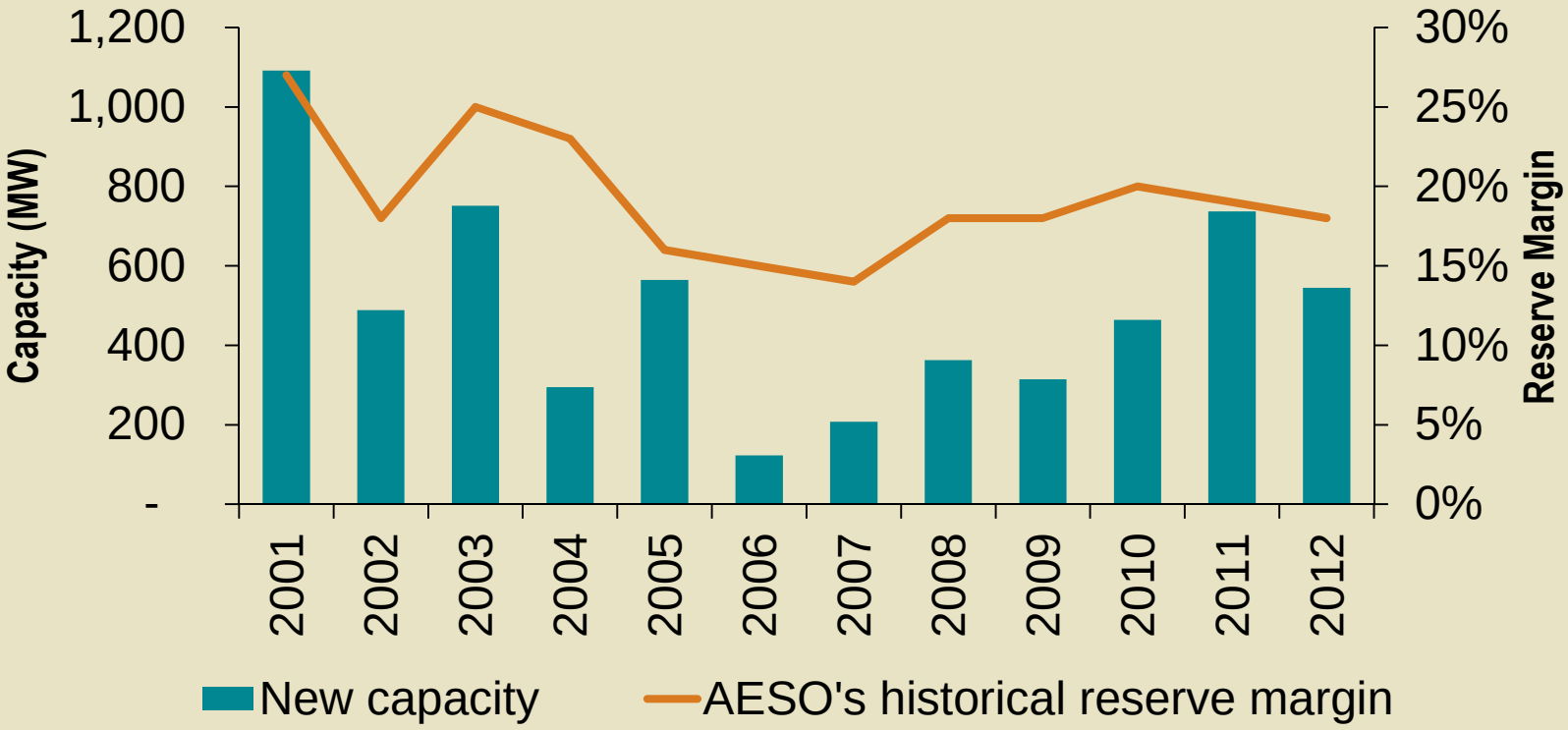
AB market design

Current market design has been successful in signaling when new capacity is required

Alberta reserve margin and new capacity



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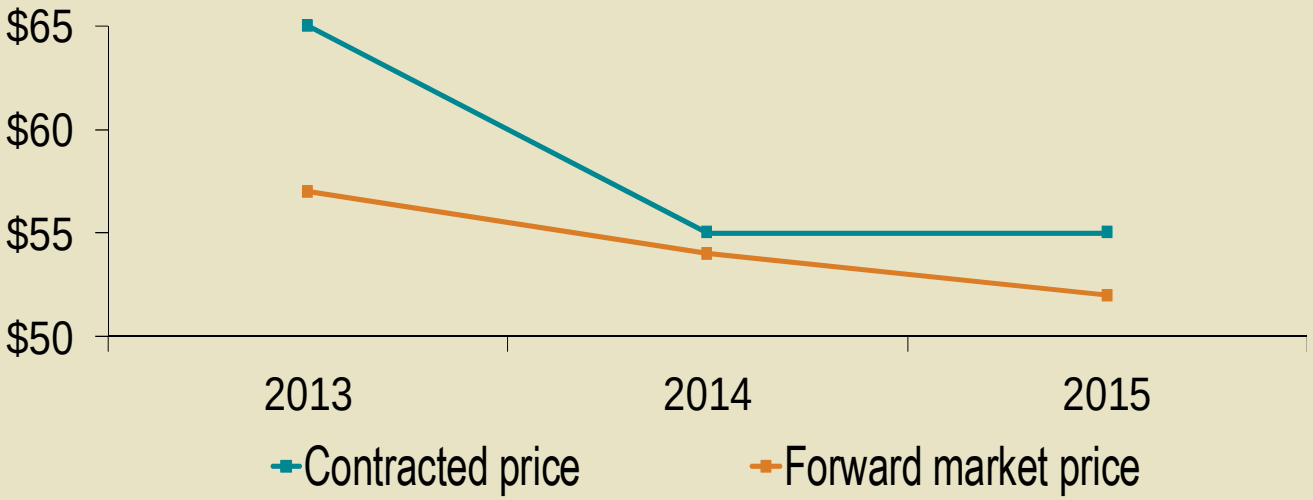
Managing Alberta market exposures

Portfolio positioned to continue to capture upside volatility in the AB power market

% of merchant position contracted

	2013	2014	2015
Pre-Shepard	**30%**	**4%**	**4%**
Post-Shepard	**44%**	**44%**	**17%**

Portfolio price versus current forward prices



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Clover Bar and Capital Power's portfolio

Flexible peaking units used to supplement our AB network hub

- Clover Bar units are used in a variety of ways to complement company's portfolio strategies:
  - Backstop planned and unplanned outages
  - Capture upside in the event of power volatility and price spikes
  - Support active portfolio optimization
  - Provide system support ancillary services to the AESO

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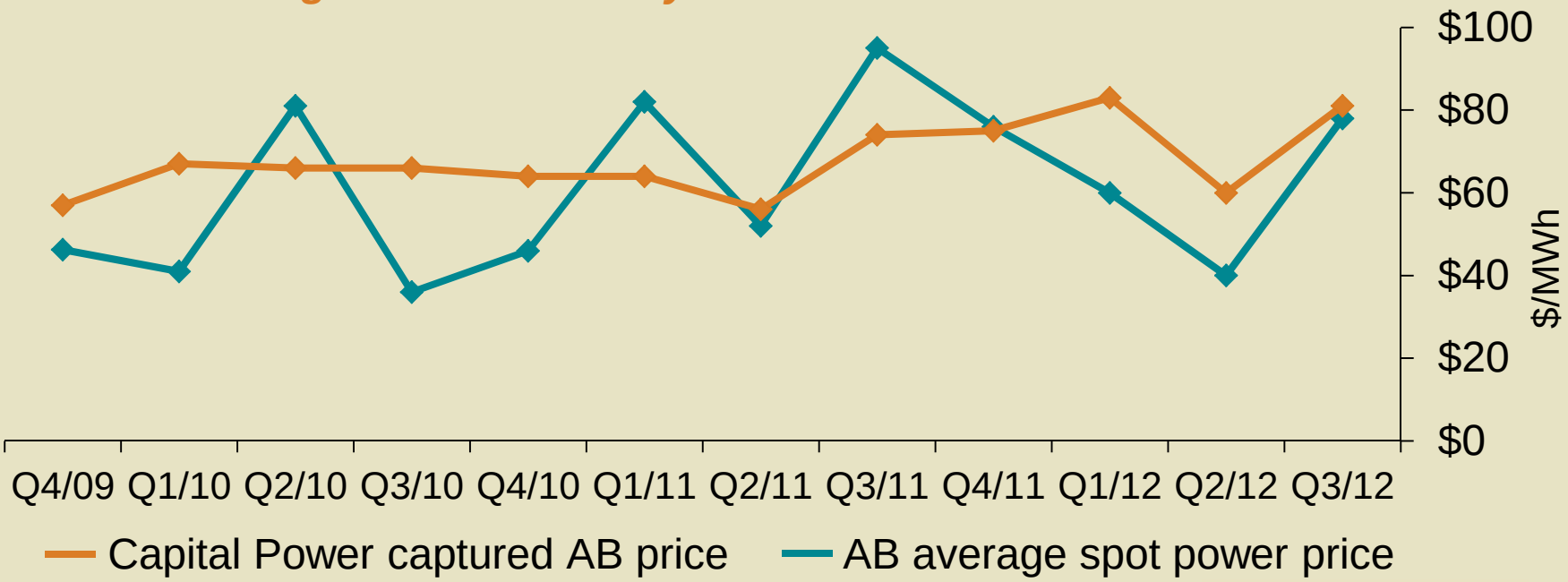
Capturing upside from AB power prices

- Hedging positions based primarily on generation from Genesee 3 and Keephills 3 baseload coal plants and output from the Sundance PPA
- Actively trading throughout various time periods to minimize portfolio risks, create incremental value, and reduce volatility

CPX's average realized power price has exceeded spot power prices by ~20% on average over the last 3 years



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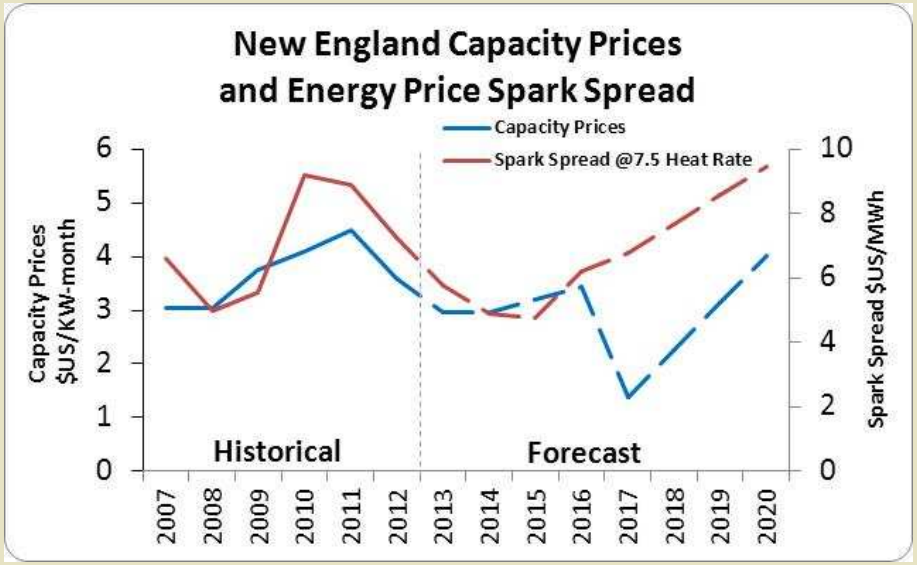
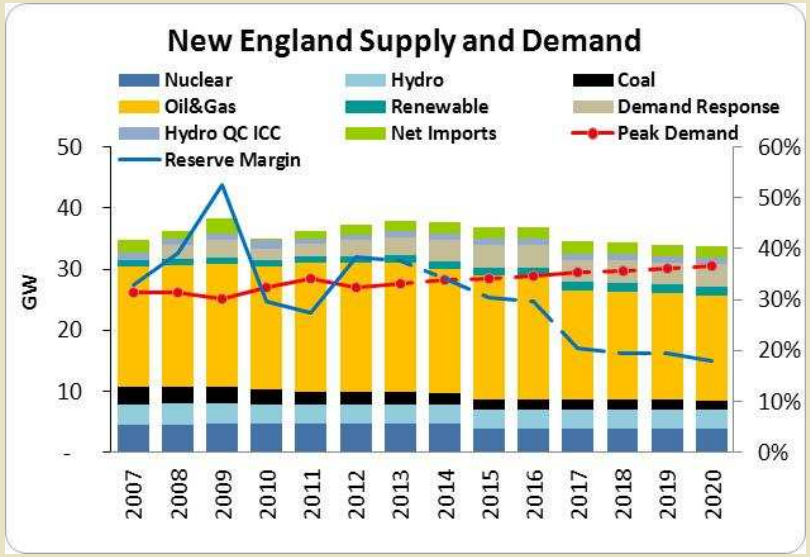
New England Market

Attractive long term supply dynamics

Capacity market rule changes – floor likely to disappear



Market in balance by 2017



Source: ISO-NE and CPC Estimates

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Portfolio optimization

Northeast ISONE market position update

Hedged energy generation capacity

2013	2014	2015
~50%	0%	0%

- Lower power prices driven by a low gas price environment
- 2012 sparks spreads reflect additional generation coming online in 2011 and flat demand growth
- Less earnings volatility due to locked-in capacity payments and hedge position
- Market liquidity allows for active position management up to 5-years forward
- 2014-15 position being managed according to market views and portfolio hedging strategy

Environmental commodities portfolio

Back-drop of increasing environmental regulation across all of the existing and targeted geographies that CPC operates in

Alberta Natural Gas Combined Cycle and Specified Gas Emitters Reg	**Market** GHG Emissions Trading (offsets)	**CPC action** AB/Canada GHG trading function has hedged exposure through 2014
US North East Regional Greenhouse Gas Initiative (RGGI)	**Market** GHG Emissions Trading (allowances)	**CPC action** Hedging program through auctions, bilateral trades and ICE
US Assets Clean Air Interstate Rule (CAIR)	**Market** Annual and Seasonal NOx/SO2 Trading (allowances)	**CPC action** Hedging program through bilateral trading and ICE

Proactive management of environmental commodity exposure has yielded significant compliance cost savings as well as incremental revenue through sales of excess inventory to 3rd parties

Commodity risk management

Approach and governance

- Segregation of accountabilities across Front, Middle and Back Office areas
- Control framework integrated within CPC's Commodity Risk Policy, Procedures and Guidelines
- Policy establishes framework for determining Commodity Risk Limits based on ability and willingness to take risk
- Commodity Risk measured within a centralized Energy Trading and Risk Management system utilizing Value At Risk (VAR) based approaches
- Scenarios provide stress testing to estimate maximum loss under abnormal market conditions
- Back testing is conducted to recalibrate VAR parameters to address model risk and ensure relevance

Processes, systems and analytics

New ETRM system went live in Oct/12, providing a more sophisticated portfolio optimization and growth

Commercial value creation – BC / Alberta

Optimizing plant inputs and outputs to deliver incremental bottom line value to the shareholder

- Identify and implement non-commodity commercial actions to derive additional contribution from the AB and BC fleet of generation assets
- Target exceeded in 2011 and 2012
  - Reductions in environmental costs
  - Effective resolution of settlement issues with third parties
  - Increased capacity at Genesee 3
  - Black Start capability at Clover Bar
- Some valuation creation remains in place for the long term such as Black Start and increased capacity
- In last two years, have exceeded the $3M - $4M annual targets

Commercial value creation - US NE and Mid-Atlantic

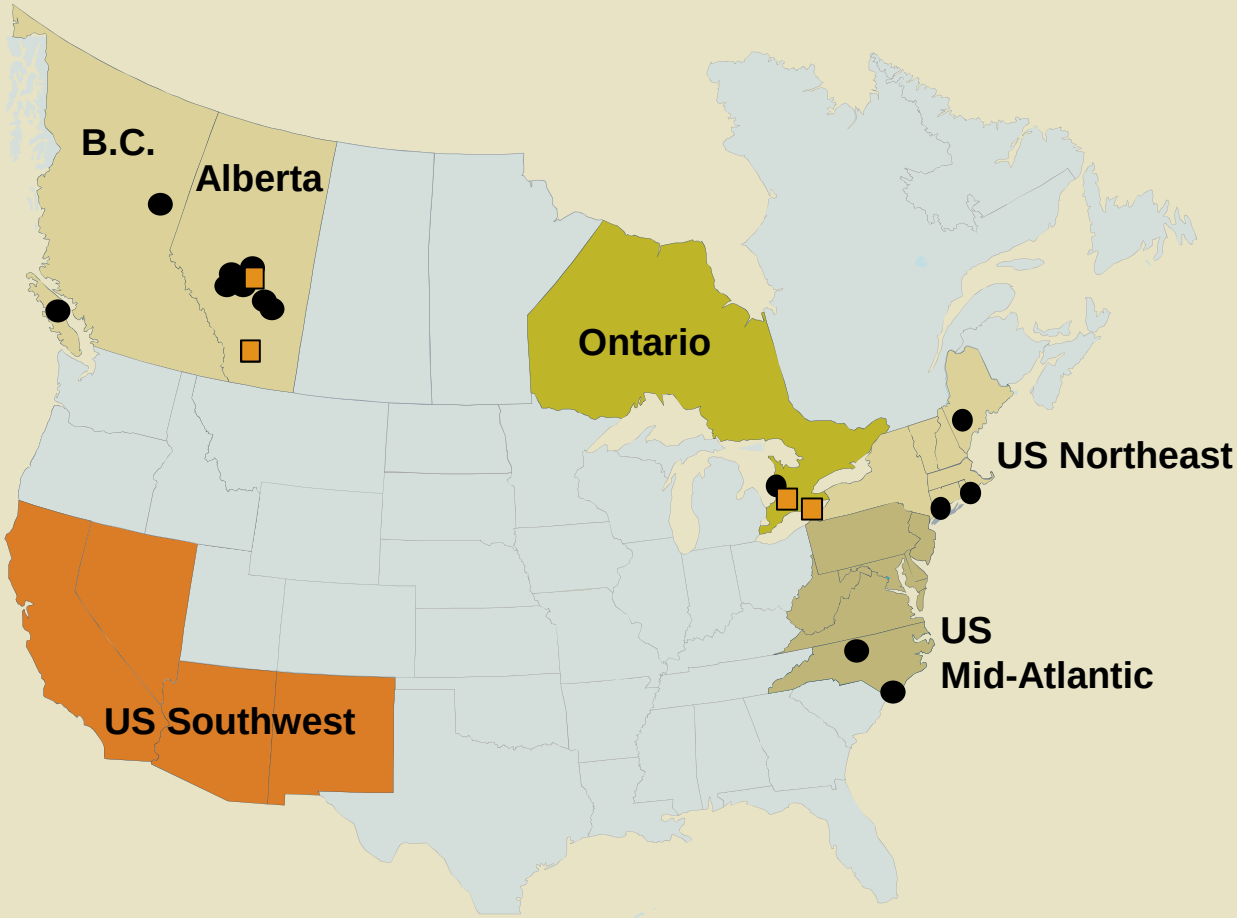
Optimizing plant inputs and outputs and the portfolio to deliver incremental bottom line value to the shareholder

- Utilize Bridgeport's designation as a Class Resource to participate in the Connecticut Renewable Portfolio Standard Objectives
- Increase dispatch at Rumford through transmission enhancements and State wide transmission system expansions
- Re-contract fuel supplies at the North Carolina facilities to provide for long term alignment with PPAs and facility operation
- Expand market participation in State Renewable Energy and Efficiency Portfolio Standard to create additional value for non-contracted REC's

CREATING VALUE THROUGH DISCIPLINED GROWTH

Bryan DeNeve, SVP Corporate Development & Commercial

Target markets



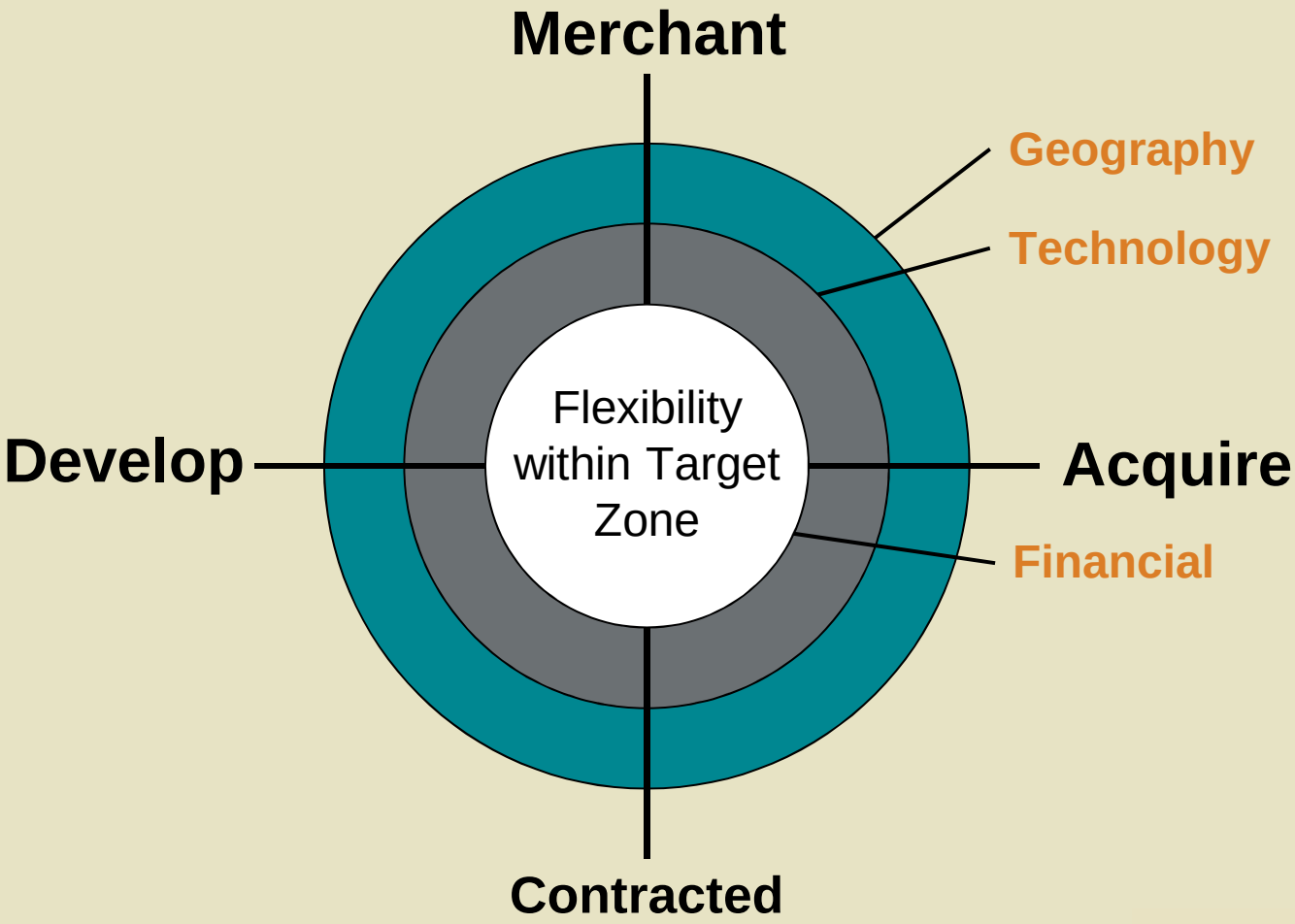
- Plants under construction or development
- Plants in operation

BEST 50 CORPORATE CITIZENS

Capital Power

Framework for disciplined growth

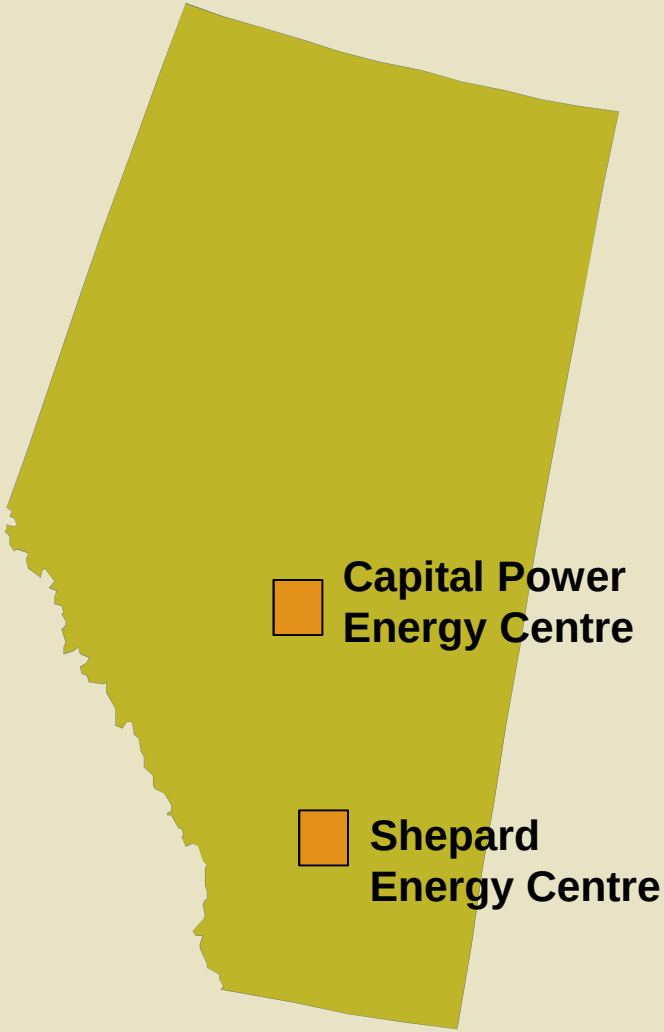
Capital Power's strategy drives opportunity evaluation



BEST 50 CORPORATE CITIZENS

Capital Power

Alberta opportunities



- Beyond Shepard, new generation is expected to be needed in the 2017- 2020 timeframe
- Alberta market design is expected to continue to provide timely pricing signals for the addition of new supply

Shepard Energy Centre (SEC)

- Acquired 50% interest in ENMAX's Shepard facility
- Project is 50% complete with a projected cost of $1.6B
- Project is projected to be 5-10 cents accretive per year over first five years
- After-tax unlevered returns expected to exceed 10% over project life

	Shepard Energy Centre
Capacity	800 MW
Type	Natural gas combined cycle
Technology	2 x 240 MW Mitsubishi M501 G class turbines; 1 x 320 MW Mitsubishi condensing reheat steam turbine; 2 x fully fired triple pressure Vogt Heat Recovery Steam Generators
Location	Southern Alberta, close to major load center and has low line losses
Operator	ENMAX

Artist's rendering of the Shepard Facility

Shepard is a strategic fit for Capital Power

Target region and networked hub

- Alberta location adds to existing network hub which will facilitate additional economies of scale and trading synergies

Sustainable cash flows

- 20-year tolling agreement on 50% of owned capacity with ENMAX
- Additional 25% contracted for 2015, 2016 & 2017 which increases cash flow certainty during an expected period of low pool prices in Alberta
- Additional cash flow certainty created by hedging Capital Power's existing portfolio by 100 MW in 2013, 300 MW in 2014 and 100 MW in 2015

Construction and operational excellence

- ENMAX will manage construction and operation.
- Management committee gives CPC ability to contribute knowledge and experience

Halkirk

Financing plans for Shepard facility includes the planned divestiture of Halkirk in 2013

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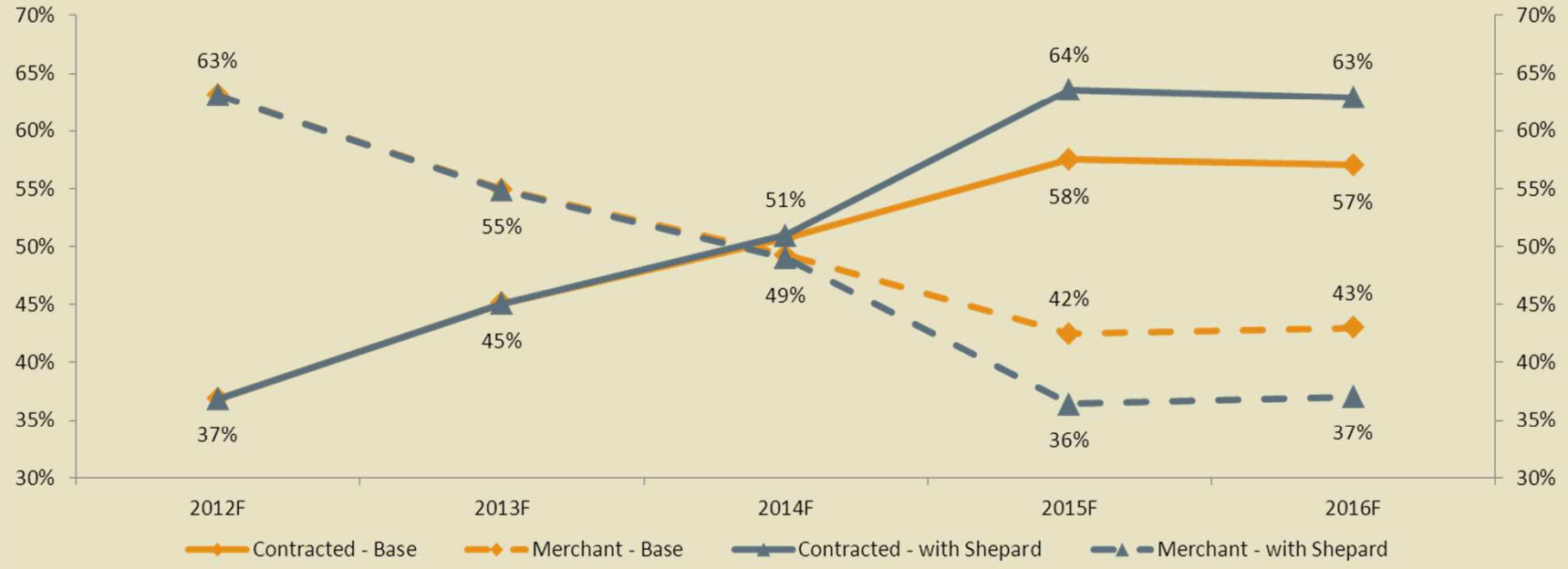
Capital Power

Shepard impact on contracted/merchant mix

- Contracted operating margin improves Capital Power's contracted / merchant mix from 2014 through 2016
- Average weighted-age of our contracted EBITDA at 2015F would improve to 12.5 years with Shepard project compared to 10.6 years without the project

Contracted vs. Merchant mix



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Capital Power

Capital Power Energy Centre

- New gas-fired combined cycle facility in Alberta
- Capacity is expected to be up to 900 MW
- Expected to be completed in the 2017-2020 timeframe
- Will utilize GE’s latest gas turbine technology
- Assessing two attractive brownfield sites
- Extensive construction experience in Alberta

B.C. opportunities

- Limited wind opportunities in the near term
- Natural gas is gaining acceptance for electricity generation
- Province is expected to continue to support IPPs
- LNG may provide opportunities

US Southwest

- Low load growth and RPS has pushed out need for new supply
- Continued uncertainty around market structure
- Focused on developing fully contracted assets

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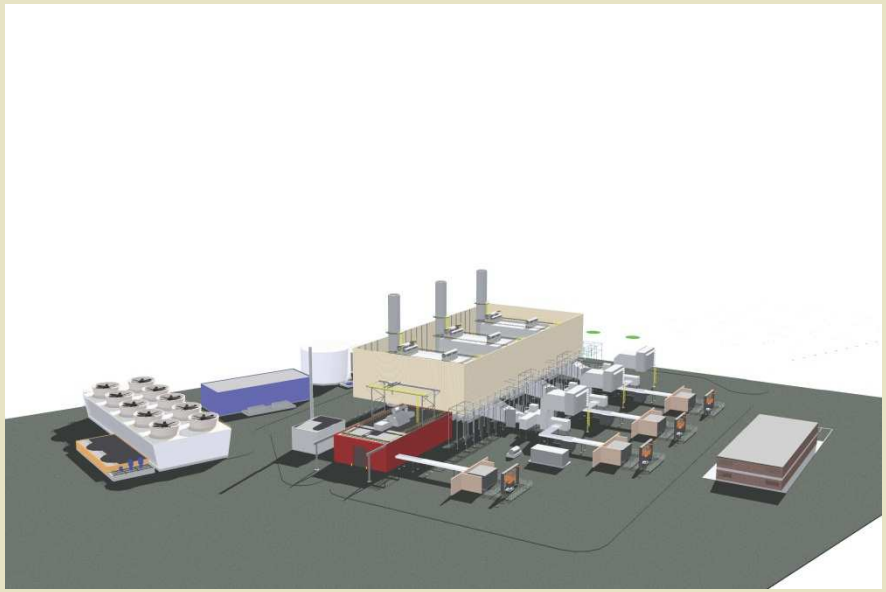
Capital Power

Sun Valley Energy Center

- 300 MW of solar PV
  - Targeting long term PPAs with California LSEs
  - Projected COD in 2016-17
  - Projected capital cost of ~$720M
- 300 MW of gas-fired generation
  - Targeting long-term PPAs with Arizona LSEs
  - Projected capital cost of ~$300M

Southern CA development opportunity

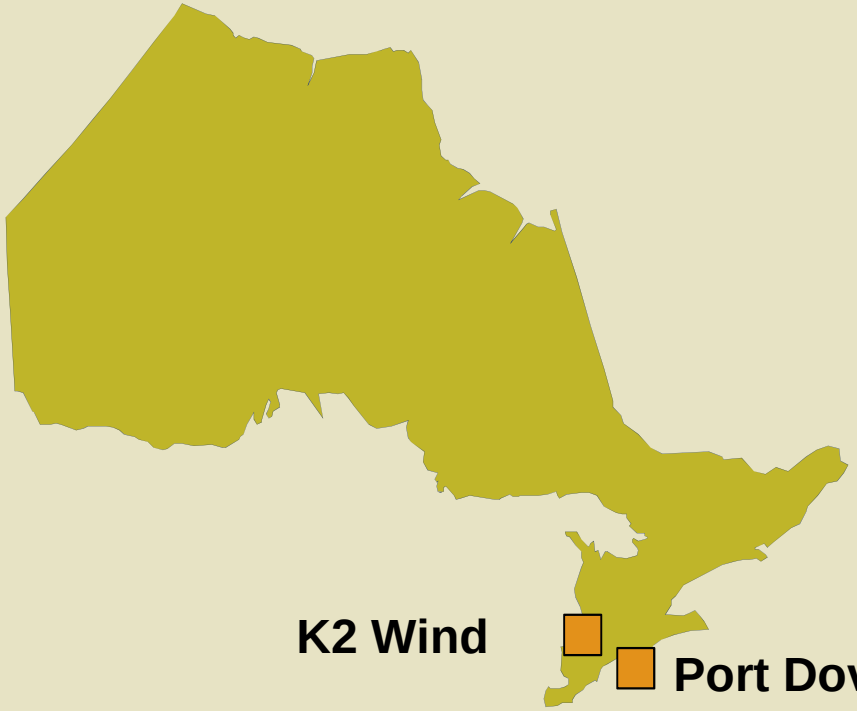
- Up to 800 MW combined cycle opportunity targeting long term PPA with SDG&E
- RFP expected in Q1 2013
- Projected capital cost of up to $1B



Development activities have been delayed to provide more time for stakeholder involvement and to better align with expected need

Ontario

- FIT unlikely to provide material opportunities in near term
- Minimal development opportunities given slow load growth and nuclear life extension
- Longer term renewable and natural gas opportunities



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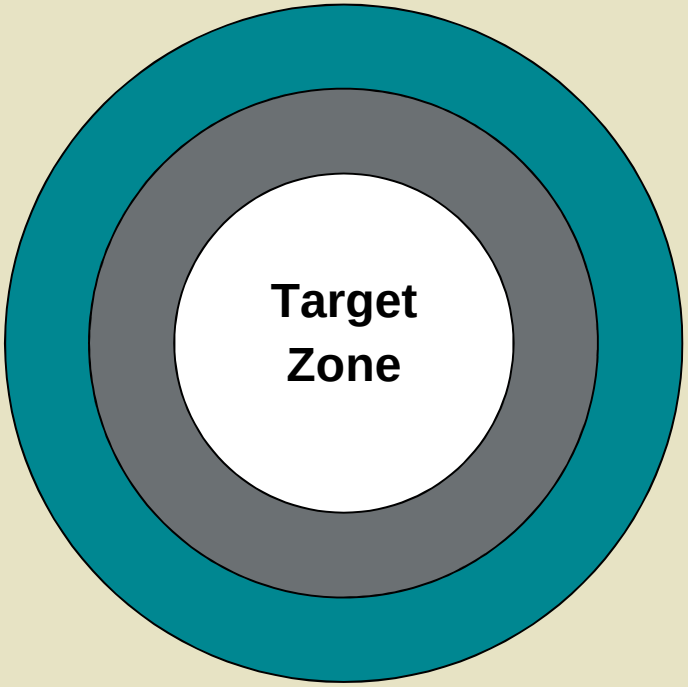
Development of K2 Wind Ontario

- Capital Power, Samsung and Pattern have formed a limited partnership agreement to construction and operate
- 270 MW wind project located in southwestern Ontario
- 20-year PPA with Ontario Power Authority for $135/MWh
- Submitted REA Q4/12, approval REA expected in Q2/13
- Construction expected to begin in 2013 with COD in Q4/14
- Total expected capital cost of $874M; to be project financed

Creating value through disciplined growth

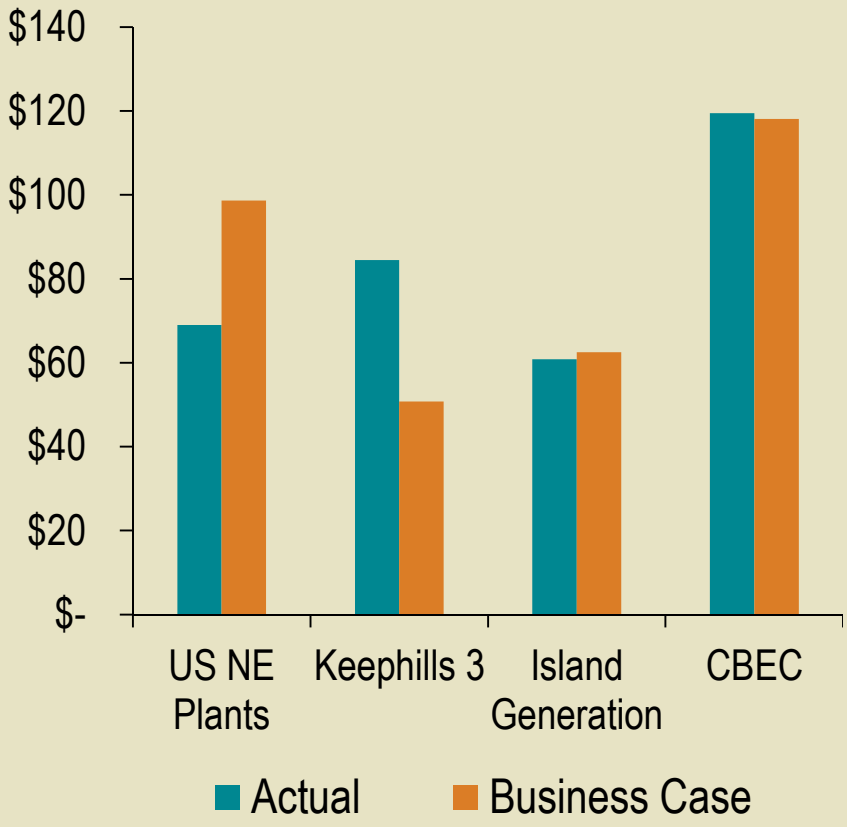


- Since the formation of Capital Power, growth includes:
  - Development of four wind projects (Quality Wind, Halkirk, PD&N and K2)
  - Acquisition of Island Generation and the US NE assets (Rumford, Tiverton and Bridgeport)
  - 50% JV on the Shepard asset
- Contracted assets account for 60% of growth on a committed capital basis
- Expected after-tax projected unlevered returns range from 8.5% to 11.5% with the expected weighted unlevered return of 10.1% exceeding a weighted target return of 9.2%

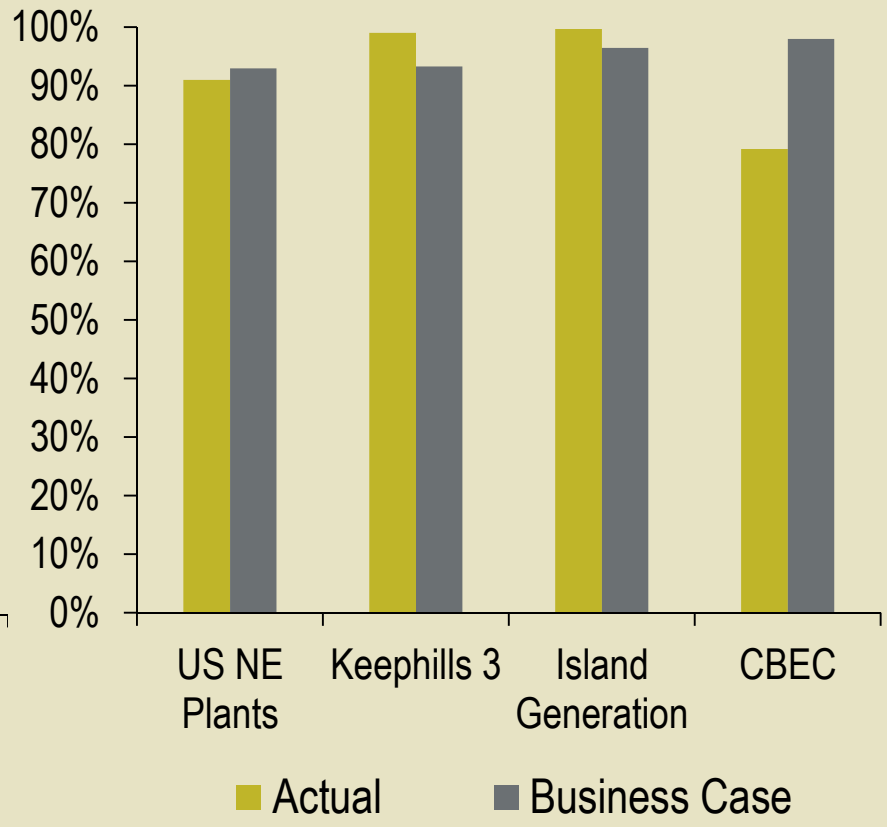
Actual performance has met expectations

Total business case of $334M in EBITDA; compared to actual of $330M

EBITDA ($M)



Plant availability



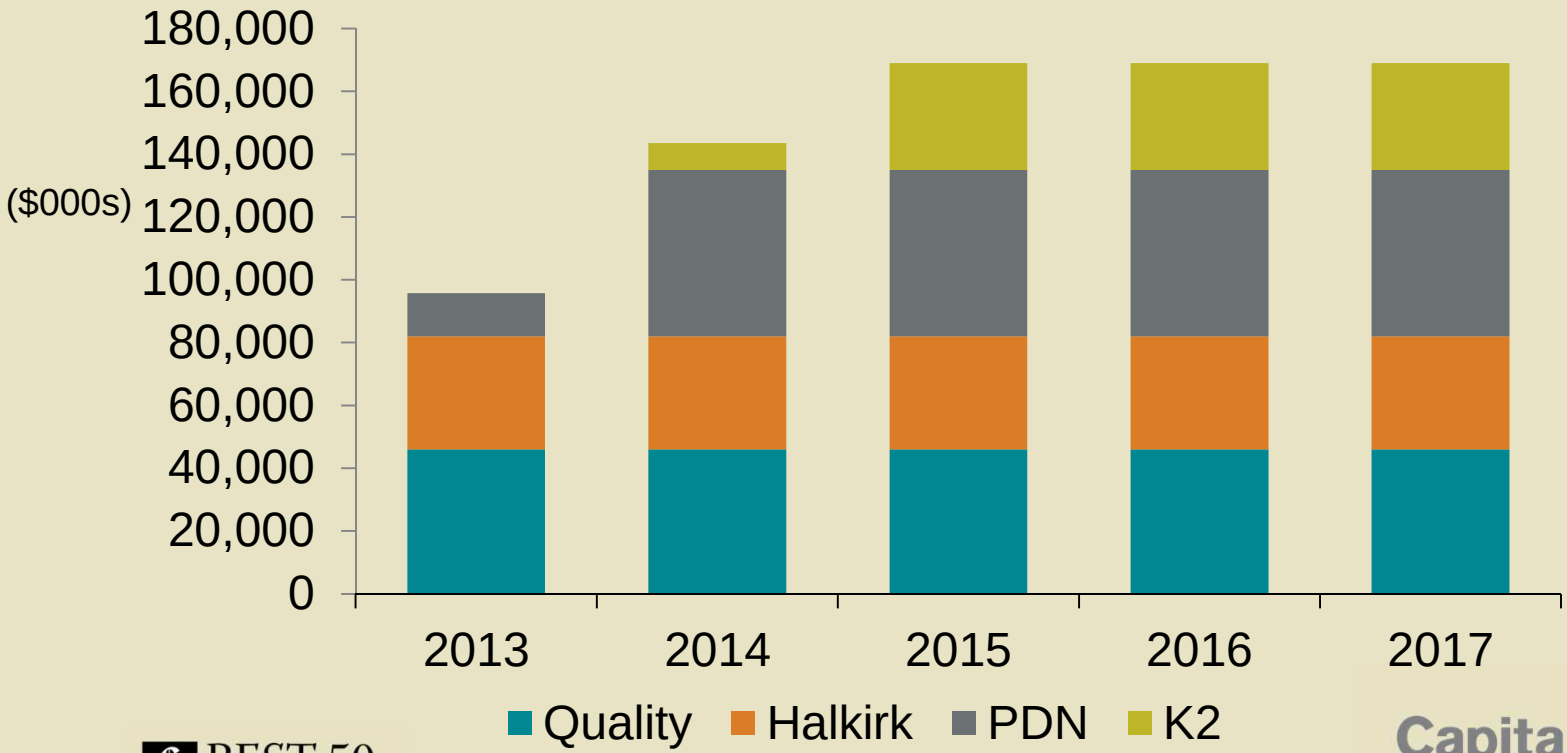
BEST 50 CORPORATE CITIZENS

Capital Power

Strong financial performance of wind projects

- Wind projects are forecast to provide $165M - $175M of annual cash flow before financing
- Strong accretion of ~$1.05 - $1.10 in cash flow per share and ~$0.35 - $0.40 in EPS for all 4 wind projects

Forecast cash flow from wind projects



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Capital Power

MANAGING DEVELOPMENT

A Competitive Advantage

Darcy Trufyn, SVP Operations, Engineering & Construction

Developments – a competitive advantage

Successful completion of Quality Wind

Successful completion of Halkirk Wind

Port Dover & Nanticoke – construction underway

QUALITY WIND PROJECT

On time and under budget

Quality Wind

Developing on time and under budget

Successful execution:

- COD achieved Nov 8/12
- Forecast cost 10%< $455M budget

Project Scope:

- 142 MW; near Tumbler Ridge, B.C.
- 79 Vestas V90/V100 1.8 MW turbines
- 43 kilometers of roads
- 22 kilometer of HV transmission

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Capital Power

Quality Wind

Successful wind development that demonstrates CPC's capabilities

- A "quality" Capital Power development
  - CPC managed project to ensure a well built and safe installation
  - Built in difficult terrain and conditions
  - Industry leading equipment – Vestas
  - Optimized layout using a combination of V90 and V100
  - Strong Community and First Nations relations established – we delivered on our commitments
  - Safety – no lost time incidents
  - Worked well with BC Hydro on all fronts
- A new and reliable asset in the CPC fleet
  - 35% expected capacity factor (4+ years of wind data)
  - 25 year PPA with BC Hydro
  - Long term service agreement with Vestas

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Capital Power

HALKIRK WIND PROJECT

Ahead of schedule and under budget

Halkirk Wind

Developed under budget and ahead of schedule

Project Scope

- 150 MW; Halkirk, Alberta
- 83 Vestas V80 1.8 MW turbines
- 31 kilometers of roads
- 80 kilometers of underground collectors

Another Successful Execution

- COD achieved Dec 1/12 – 14 days ahead of planned schedule
- Forecast cost ~3% < $357M budget

Halkirk Wind

Another successful development

- CPC managed project – well built and a safe installation
- Built ahead of schedule in spite of project challenges
- Industry leading equipment – Vestas
- Strong community relations established – delivered on our commitments
- Safety – no lost time incidents

A new reliable asset

- 38% expected capacity factor (3+ yrs wind data); unique AB wind regime
- 20 year REC's with PG&E provide ~40% of revenue
- Long term service agreement with Vestas

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Port Dover & Nanticoke Wind Project

Building upon our competitive advantage

Port Dover & Nanticoke

Building on success

Project Scope

- 105 MW; near Port Dover & Nanticoke, Ontario
- 58 Vestas V90 1.8 MW turbines
- 28 kilometers of roads
- 32 kilometers of underground collectors

Key indicators

- REA received Jul/12. Appeal to be released Jan/13
- Construction commenced Sep/12
- COD Q4/13
- Budget $340M

Port Dover & Nanticoke

Another anticipated Capital Power success

A "quality" development

- CPC managed project. All major project elements secured on a firm price basis
- Land swap with neighboring wind farm created more efficient project
- Delays in project approval have allowed more front end planning/value engineering
- Lessons learned from Quality Wind and Halkirk projects
- Schedule maintained in spite of REA delays – transformer strategy
- Industry leading equipment – Vestas. Well established and good working relationship

Another excellent future asset in the CPC fleet

- 35% expected capacity factor (4+ years of wind data)
- 20 year FIT with Ontario Hydro
- Long term service agreement with Vestas

Development - a competitive advantage

We have invested in our future

- Strong management team with proven capabilities
- “In house” expertise and depth in power plants of all types
- Established systems, tools and processes for reliable and effective execution
- Excellent risk management processes

Confident we can successfully compete in our fuel types and safely build quality plants - on time and on budget

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Quality Wind - Video

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GROWING CASH FLOWS AND SHAREHOLDER VALUE

Finance Overview

Stuart Lee, SVP Finance & CFO

Financial strategy

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

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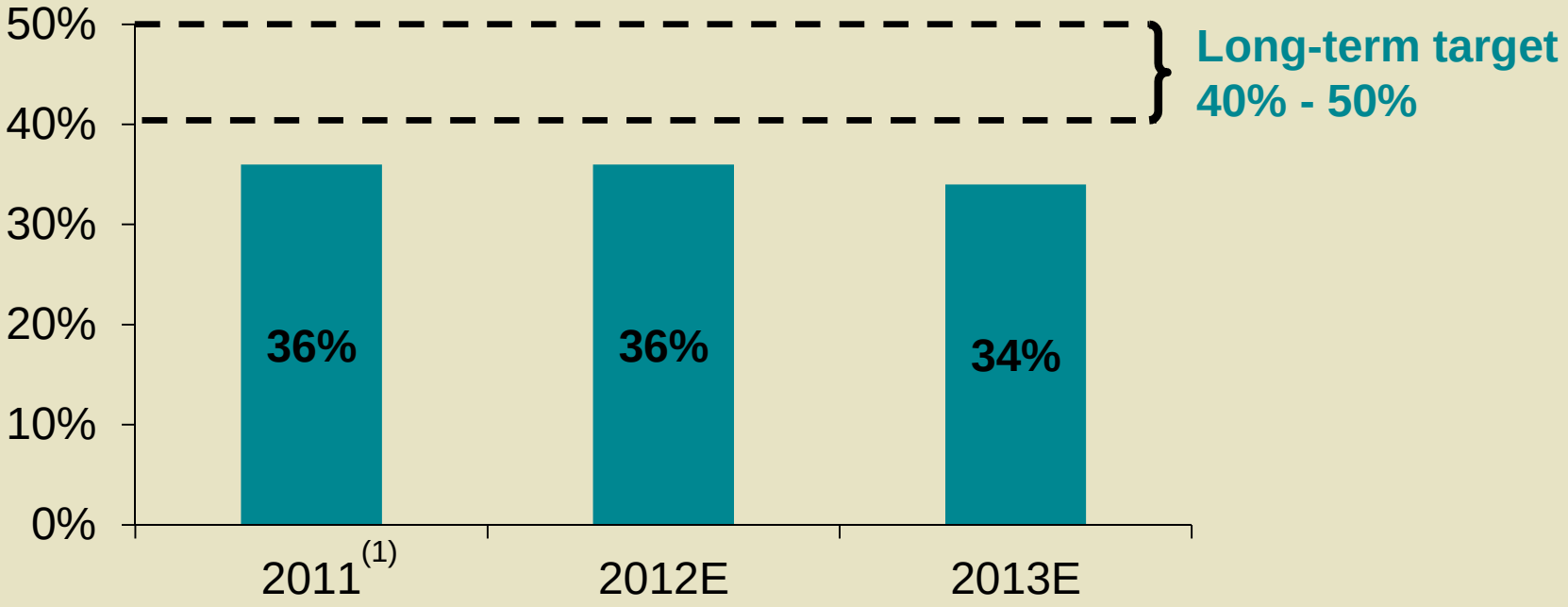
Financial strength and access to capital

Strong balance sheet

- Assets of ~$5.0B with ~$1.6B of long-term debt
- $1.2B in credit facilities, of which ~$1.0B available
  - In 2012 added $300M accordion feature

Debt to Total Capitalization



(1) CPILP accounted for on an equity basis

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Capital Power

Capital markets financings & liquidity

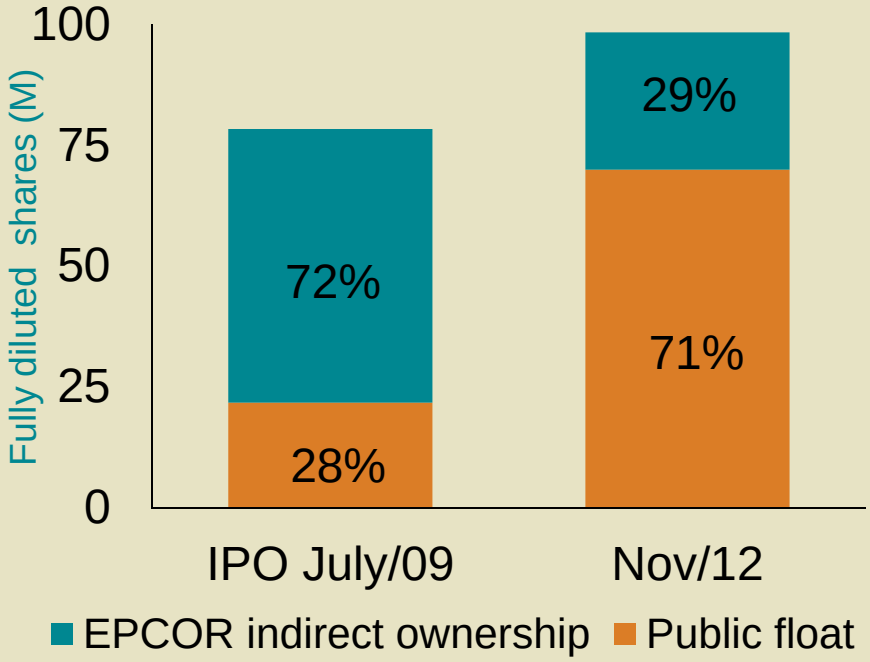
$250M raised from issuances of debt in 2012

- $250M, 7-year medium term note in Feb/12

Secondary offering of common shares by EPCOR in 2012

- Apr/12, 9.8 M shares, ~$230M gross proceeds to EPCOR

Increased public float & improved liquidity



- Fully diluted market cap of ~2.1B
- EPCOR indirect ownership now 29%
- Added to S&P/TSX Composite Index in Jun/11
- 2012 YTD average daily trading volume of ~153K has doubled compared to 2010
- Introduced Shareholder Rights Plan to ensure all shareholders treated equally

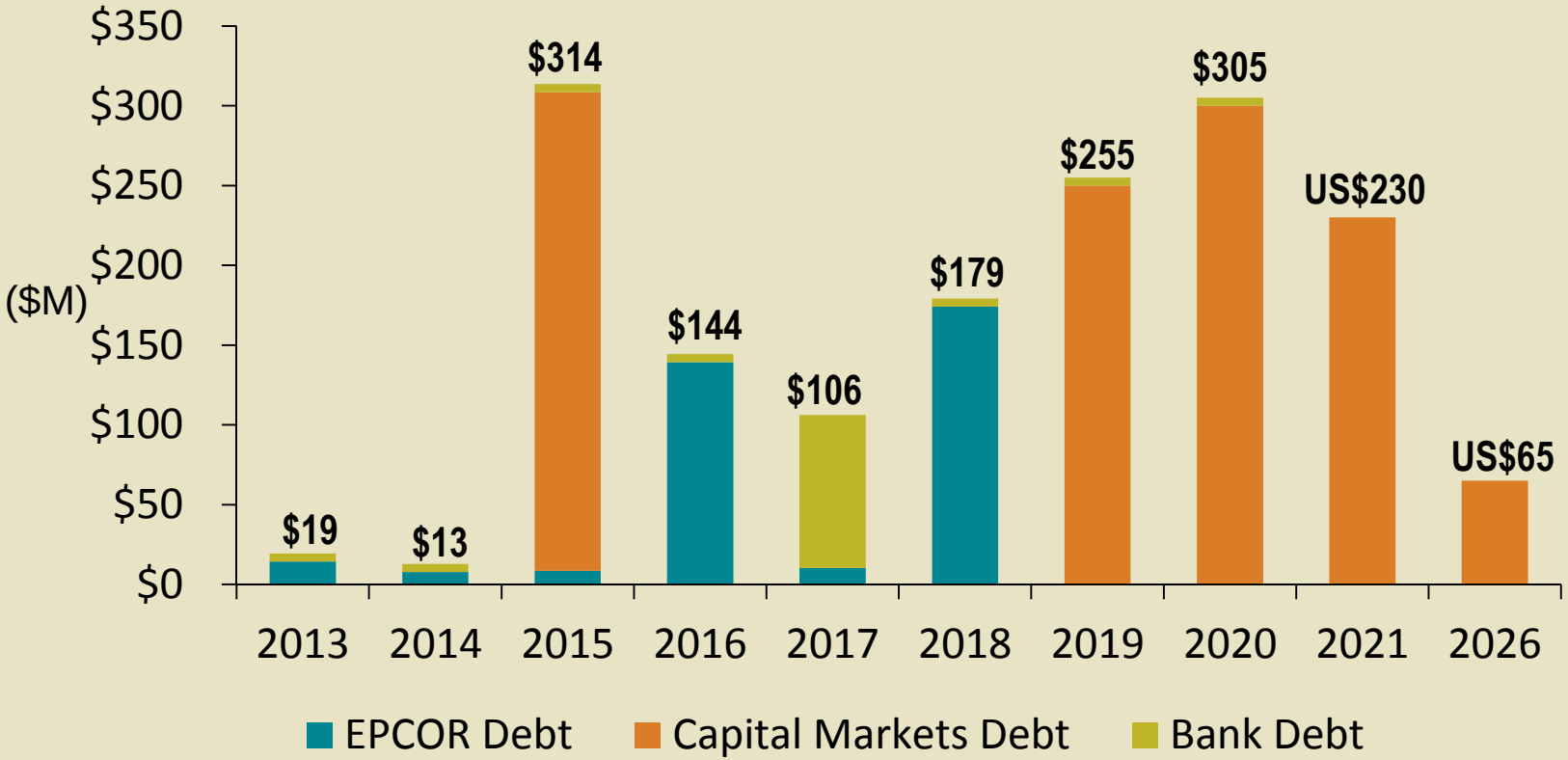
BEST 50 CORPORATE CITIZENS

Capital Power

Debt maturity schedule(1)

Well spread-out debt maturities are supported by long asset lives

- Term on credit facilities extended to 5 years



(1) As of Nov 30/12.

BEST 50 CORPORATE CITIZENS

Capital Power

Development projects - capex

($M)	Prior to 2012	2012E	2013E	2014E	Project Total
Halkirk	$183	$137	$25	-	**$345**(1)
Quality Wind	$155	$255	-	-	**$410**
Port Dover Nanticoke	$49	$40	$251	-	**$340**
K2 Wind Ontario	$1	$3	$21	$33	**$58**(2)
Shepard Centre	-	$50	$335	$470	**$855**
Total growth capex		**$485**	**$632**	**$503**	

Continue strong execution of capex program

(1) Based on current projections
(2) Balance of proceeds from project financing and partners

Sustaining capital expenditures

($M)	2012E	2013E
Plant maintenance capex		
• Planned outages	$34	$49
• Sustaining capex	$61	$37
Other	$24	$11
Total sustaining capex	$119	$97
Genesee land expense	$18	$9

- 2013 major planned outages; Genesee 1 and Keephills 3
- Other Canadian plants $16M and US plants $36M for 2013E

Operating expenses

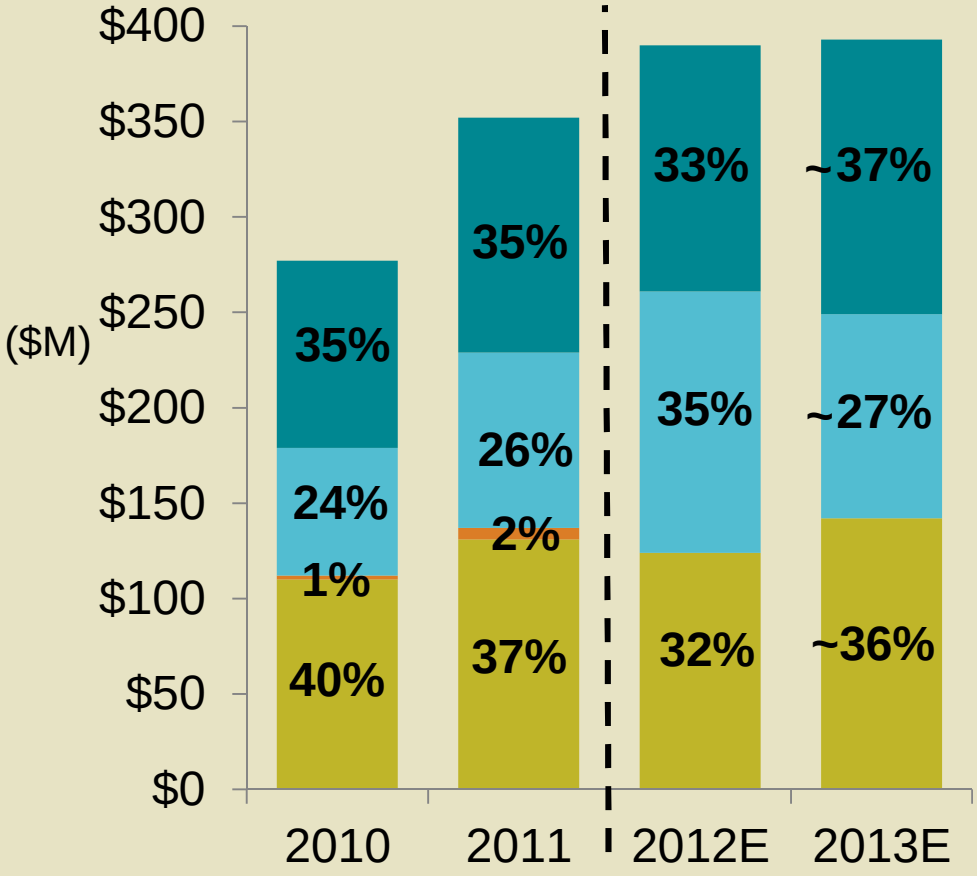
Expected operating expenses in 2013 relatively flat to 2012 levels

- Offset inflationary costs and additional plant costs through cost control measures

($M)	2010	2011	2012E	2013E
Other raw materials	$104	$149	$136	$133
Staff costs	$175	$155	$146	$146
Admin and Other Expenses	$75	$77	$62	$63
Total	**$354**	**$381**	**$344**	**$342**

Continued strong cash flow generation

Funds From Operations (FFO)



- Targeting $385M-$415M in FFO in 2013
  - ~36% expected to be discretionary cash flow(1)
- 32%-40% of 2010-12 FFO is discretionary cash flow
- Additional cash flows in 2013 from:
  - Full year operations from Halkirk and Quality Wind
  - PD&N expected COD in Q4/13

Dividends (common and preferred)
Sustaining capex
Other sustaining capex
Discretionary cash flow

(1) Discretionary cash flow is a non-GAAP financial measure. See page 109.

BEST 50 CORPORATE CITIZENS

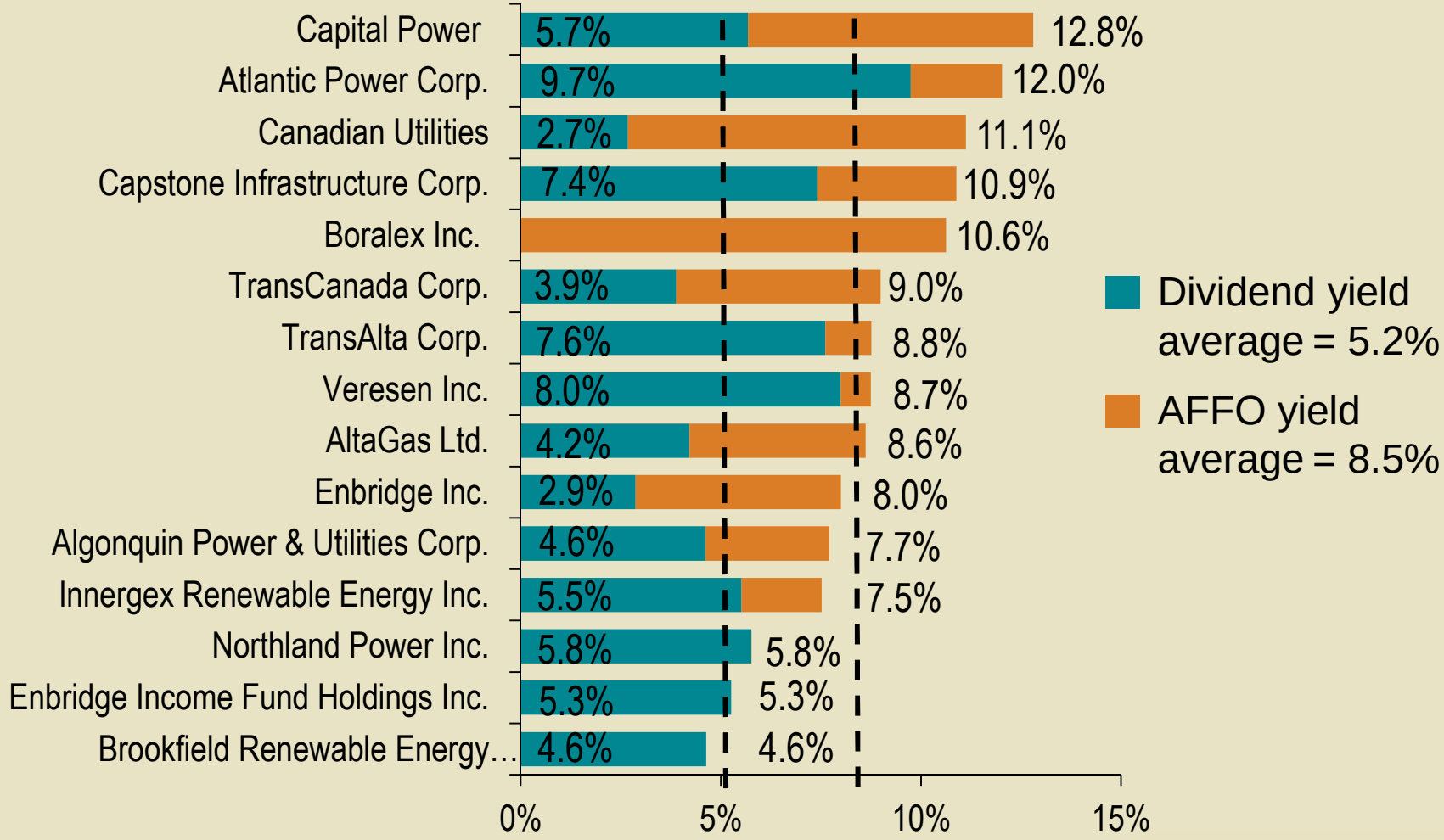
Capital Power

Strong cash flow supports stability of dividend

- Targeting $385M - $415M in FFO in 2013
  - ~36% expected to be discretionary cash flow
- Additional cash flows from recently completed wind projects (Quality Wind, Halkirk) in 2012 with incremental cash flows from PD&N, K2 Wind Ontario and interest in Shepard facility in 2013-15
- Increase in contracted positions reduces cash flow risk
  - Contracted position within AB commercial plants and portfolio optimization increases with the addition of Shepard facility
  - 44% hedged in 2013 and 2014, 17% in 2015
- With the addition of the Shepard facility, contracted operating margin improves to 64% in 2015E compared to 37% in 2012E
- Low counterparty risk on contracted positions
- Young and modern fleet minimizes risks of unplanned outages

Attractive yields relative to peers

2012E Dividend and AFFO yields(1)



(1) Source CIBC World Markets. Based on consensus analyst estimates as at Nov 27/12.

BEST 50 CORPORATE CITIZENS

Capital Power

Cash flow and financing outlook

No primary common share equity issuance expected in 2013 other than DRIP, absent an acquisition

- Financing PD&N and K2 development projects with internally generated funds
- In 2014, expect Shepard construction costs to be financed through cash from operations and modest debt, and equity if required, which may be raised through dividend reinvestment programs

Sources of cash flow ($M)	2012E	2013E
Funds from operations	$390(1)	$400(1)
Financing	$427	$176
Proceeds from sale of assets	$115	$340(2)
Uses of cash flow		
Dividends & distributions to NCI	$129	$140
Acquisitions	-	-
PP&E and other expenditures	$612	$672
Repayment of LTD	$27	$19
Change in cash	**$164**	**$85**

(1) Represents mid-point of range.
(2) For illustration purpose, proceeds assume carrying cost of Halkirk.

AB commercial portfolio positions

Acquisition of 50% interest in Shepard increases our hedged position

- Alberta portfolio hedged positions for AB baseload plants and Sundance PPA (% sold forward)

2013	2014	2015
Hedged positions (% hedged)		
44%	44%	17%
Average hedged prices ($/MWh)		
Mid-$60	Mid-$50	Mid-$50

- Sensitivity analysis(1) to +/- $1/MWh change in Alberta power prices
  - 2013: +/- $3.7M to EBITDA
  - 2014: +/- $3.7M to EBITDA
  - 2015: +/- $5.6M to EBITDA

(1) Based on hedged positions as of Oct 31/12.

New England power price sensitivities

- Sensitivity analysis(1) to +/- $1.00 MWh change in New England spark spreads
  - 2013: +$5.7M and -$6.0M to EBITDA
  - 2014: +$6.5M and -$7.1M to EBITDA
  - 2015: +$7.4M and -$7M to EBITDA

Expect market fundamentals in US Eastern region will normalize in future years resulting in a positive impact on New England plants

(1) The spark spread sensitivity provided is general guidance. Estimates may vary depending on dispatch and pricing differences for individual plants.

Accounting and accretion for Halkirk Wind

Halkirk Wind

- COD Dec 1/12 with costs slightly under budget
- Project is not a finance lease and will have depreciation impact. Lower EPS impact, strong cash flow
- Annual cash flow of $22M ($0.20 - $0.25 per share) after financing costs
- Project expected to add ~$0.04 in EPS based on actual financing

Accounting and accretion for Quality Wind

Quality Wind

- Finance lease – Interest income with a portion of revenue going to the balance sheet to reduce long term accounts receivables
- No depreciation
- COD Nov 8/12, costs ~10% under budget
- Annual cash flow of $28M ($0.25 - $0.30 per share) after financing costs
- Project expected to add ~$0.12 in EPS based on actual financing and lower than budgeted construction costs

Quality Wind and Halkirk Wind projects are expected to contribute ~$50M in additional annual cash flow after financing cost

BEST 50 CORPORATE CITIZENS

Capital Power

Financial outlook – 2013 vs. 2012

Expect year-over-year increase in capacity and production

- Full year of operations from Quality Wind and Halkirk Wind
- EBITDA from North Carolina plants expected to be comparable to 2012 based on better operating performance partially offset by lower contract REC pricing in 2013-14 and return to 2012 levels in 2015
- EBITDA from New England facilities is expected to be comparable to 2012

Additional wind capacity expected to come on-line in 2013

- Full year cash flow (after financing costs) for Quality Wind and Halkirk Wind of ~$50M
- Expected COD for Port Dover & Nanticoke in Q4/13

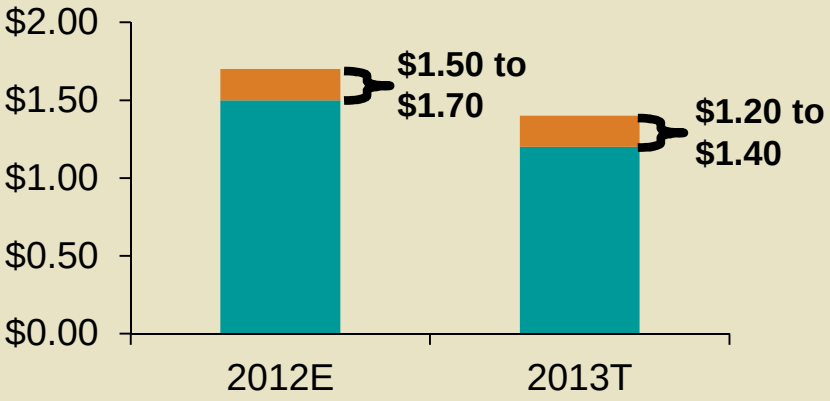
Relatively balanced merchant/contracted position provides opportunity

- 44% of the Alberta Commercial portfolio sold forward in 2013 at the mid-$60/MWh

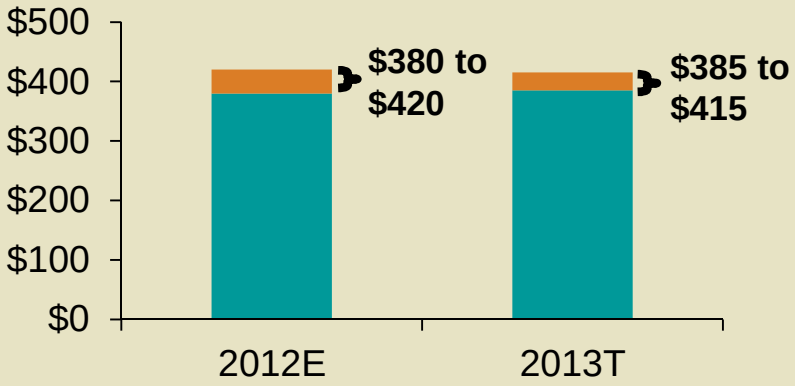
2013 Financial targets(1)

Normalized EPS of $1.20 - $1.40 and CFPS of $3.80 - $4.20 are based on a forecasted average Alberta power price of $58/MWh

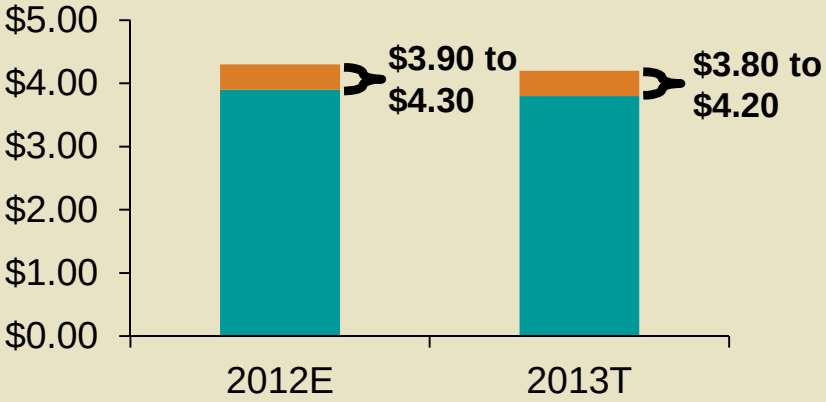
Normalized EPS target

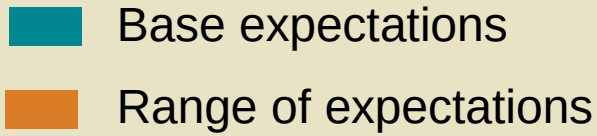


Funds from operations target ($M)



Cash flow per share target





(1) All financial measures are non-GAAP measures, see page 109.

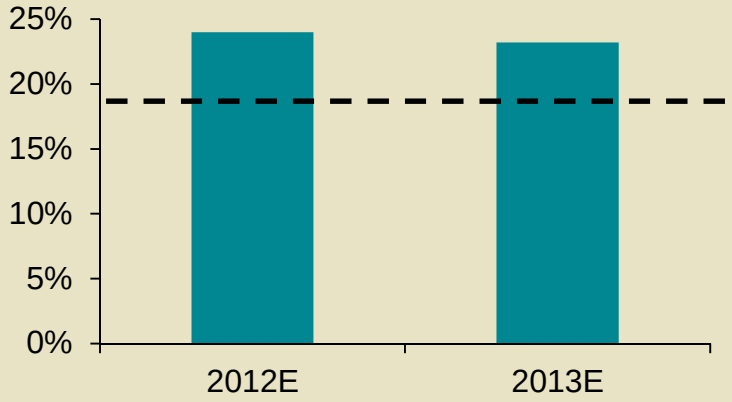
BEST 50 CORPORATE CITIZENS

Capital Power

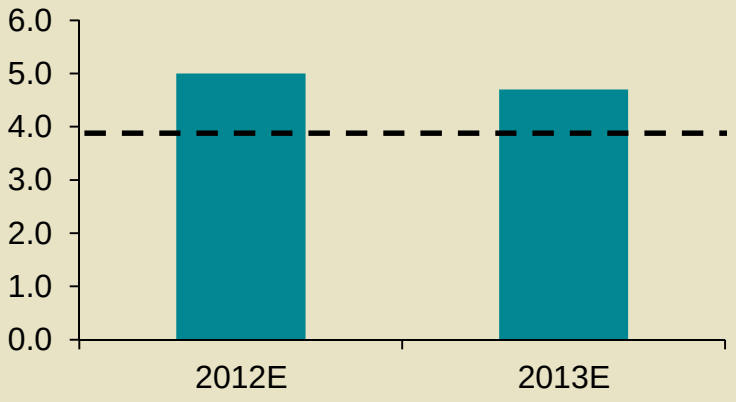
Credit rating agency metrics(1)

In line with DBRS financial criteria for current rating

Cash flow/Adj. Debt

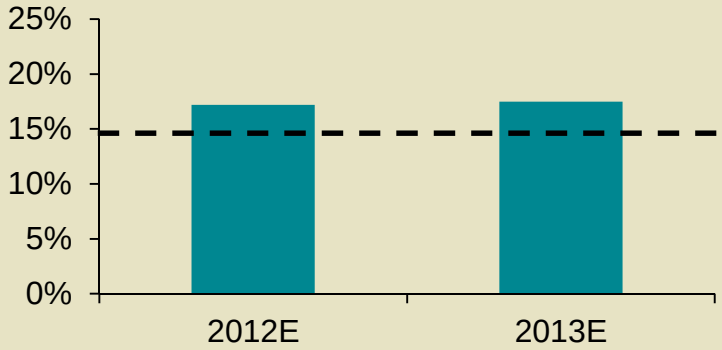


EBITDA/Adj. Interest

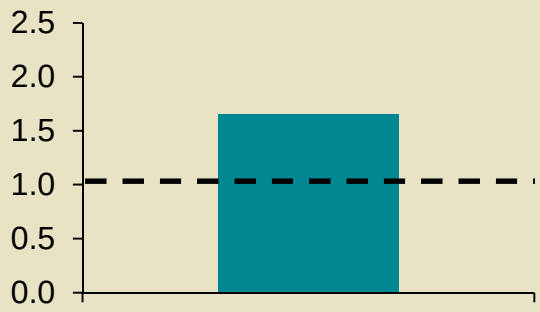


Above S&P financial criteria for investment grade rating

AFFO/Adj. Debt



Corporate Liquidity(2)



(1) Metrics applicable to Capital Power L.P. and include effects of Shepard Energy Centre (SEC) participation.
(2) As of Nov 30/12; adjusted to include announced SEC participation and preferred share issuance.

BEST 50 CORPORATE CITIZENS

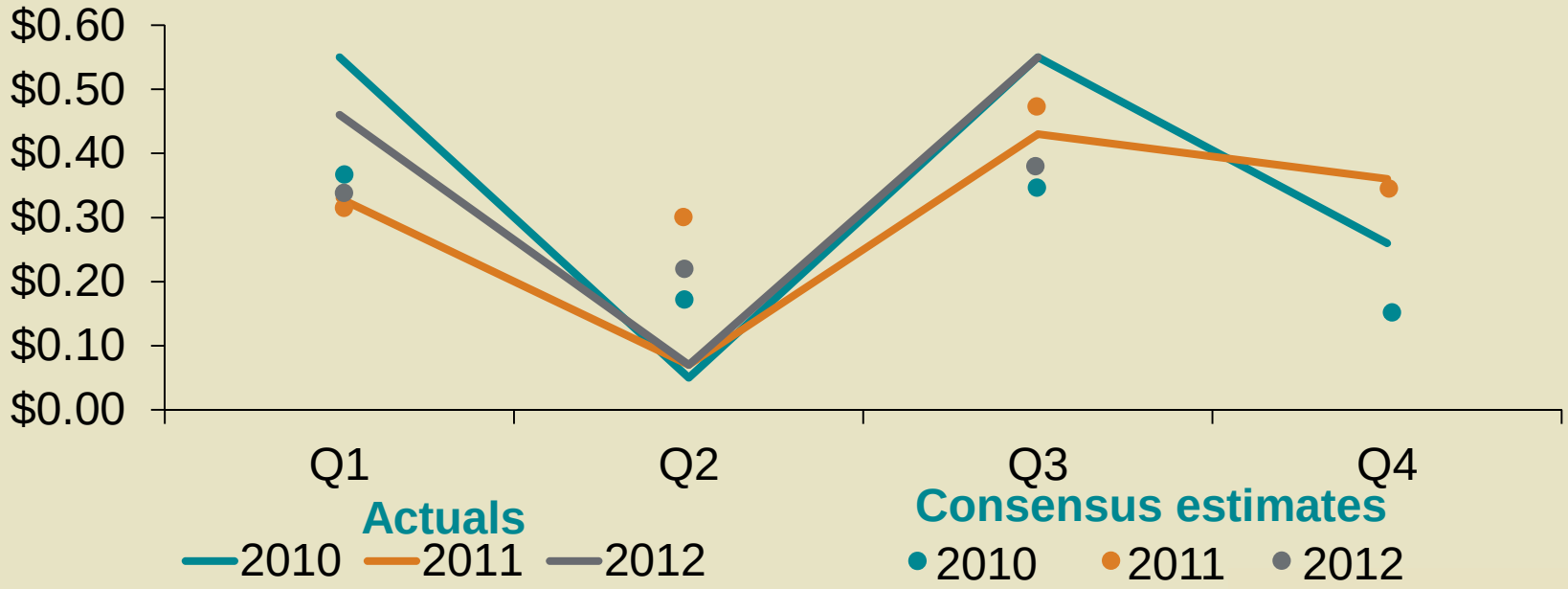
Capital Power

Good track record on achieving annual financial guidance

Do not provide or manage quarterly guidance due to power price exposure and timing of major outages

- Seasonality in quarterly results
  - Q2 results are historically lower due to Genesee outages and shoulder season power prices and not reflected in analysts' models

Reported quarterly normalized EPS vs. consensus estimates



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Capital Power

Delivering on financial strategy

Capital Power remains committed to the financial strategy established at the IPO

- Maintained strong balance sheet with relatively conservative long term debt to total capitalization ratio of 40-50%
- Committed to maintaining investment grade credit rating
- Strong dividend stability supported by growing cash flow

Strengthening performance, outlook and opportunity

- Successful financings of $1.9B since 2009 IPO
- Significant generator of CFPS accretion in 2012-14, as growth projects and acquisitions add production to the fleet
- Strong discretionary cash flow to support growth plans

Minimal common share equity issuances required to fund growth in 2013-14

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Capital Power

Focused on the future

2013 corporate priorities and summary

Brian Vaasjo, President & CEO

2013 Corporate priorities

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

Operational Targets

≥ 93%	Capacity-weighted plant availability (reflects two planned turnarounds at Genesee 1 and Keephills 3)
≤ $105M	Maintenance capital (plant maintenance capex and Other)
$225M to $245M	Maintenance and operating expenses

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2013 Corporate priorities (cont'd)

Priority: Enhance value for shareholders by delivering accretive growth from current developments and identifying and committing to new opportunities that meet investment criteria

Development and Construction Targets

On-time, on-budget and safe development of committed projects	Port Dover & Nanticoke wind project (COD Q4/13 at $340M) K2 Ontario Wind project (full notice to proceed in 2013) Shepard Energy Centre project (contribute to the successful construction of facility with ENMAX)

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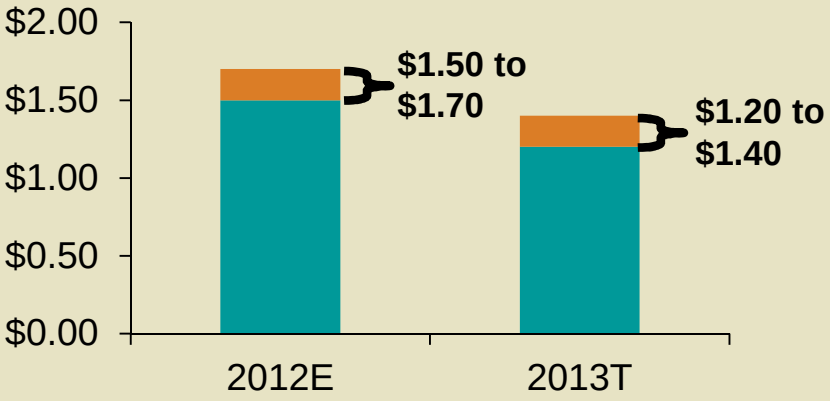
Capital Power

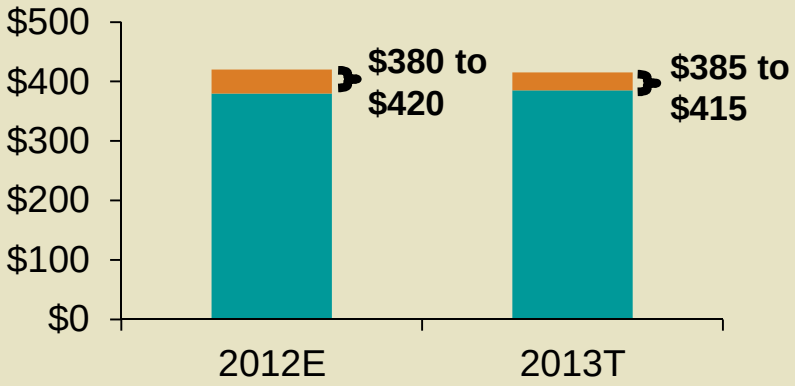
2013 Financial targets(1)

Normalized EPS of $1.20 - $1.40 and CFPS of $3.80 - $4.20 are based on a forecasted average Alberta power price of $58/MWh

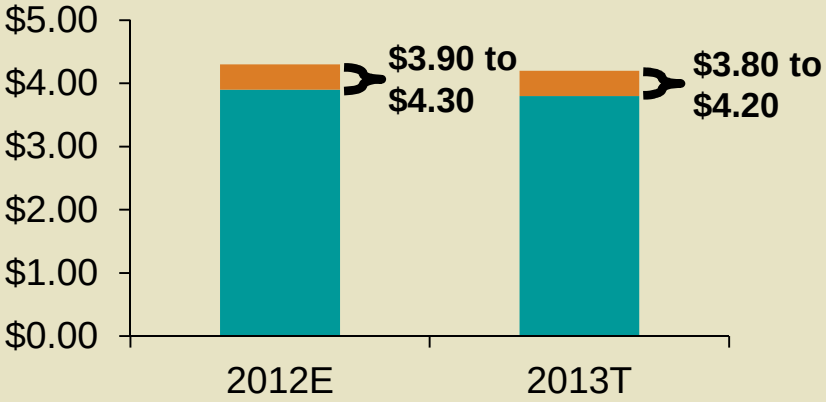
Normalized EPS target



Funds from operations target ($M)



Cash flow per share target



Base expectations

Range of expectations

(1) All financial measures are non-GAAP measures, see page 109.

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Capital Power

Summary

Capital Power is well-positioned to deliver shareholder value

- Strategy is designed to create value throughout a business cycle
- One of the dominant power producers in the Alberta power market
  - Repositioned AB portfolio to reduce downside and increase upside
  - Recognizing future opportunities
- Continuing to deliver operational excellence from a young and modern fleet
  - Responding to lower power prices
  - Continuing to optimize fleet
- Continue to capture value from Alberta power price volatility and portfolio optimization strategies through proven successful portfolio management
- Demonstrated construction expertise in building wind and natural gas facilities on-time and on-budget
- Disciplined capacity growth through a robust development pipeline
- Funding growth with access to low cost capital through a commitment to maintain an investment grade credit rating

Non-GAAP financial measures

The Company uses (i) EBITDA, (ii) funds from operations, (iii) funds from operations excluding non-controlling interests in CPILP, (iv) cash flow per share, (v) dividend coverage ratio, (vi) normalized earnings attributable to common shareholders, (vii) normalized earnings per share, and (viii) discretionary cash flow 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 may not be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to gross income, 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.

Forward-looking information

Certain information in this Investor Day presentation is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial and operating performance, events or strategies. The forward-looking information or statements 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 Investor Day 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, among other things, information relating to: (i) expectations regarding Capital Power's sources of funding; (ii) expectations regarding future growth and emerging opportunities in the Alberta market including the focus on certain technologies; (iii) expectations regarding the timing of, funding of, and costs for existing and planned development projects and acquisitions; (iv) expectations regarding plant availability; and (v) expectations regarding future earnings and funds from operations.

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. All forward-looking information or statements reflect Capital Power's 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. Readers are cautioned not to place undue reliance on this forward-looking information. Capital Power undertakes no obligation to update or revise any forward-looking information except as required by law. For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to Capital Power's Management's Discussion and Analysis dated and filed March 13, 2012 under Capital Power's profile on SEDAR at www.sedar.com and other reports filed by Capital Power with Canadian securities regulators.

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