

The background of the slide is a photograph of a wind farm. Several white wind turbines are visible against a clear blue sky. The foreground is a field of golden-brown grass. The text is overlaid on the right side of the image.

CAPITAL POWER

ANNUAL MEETING OF SHAREHOLDERS

APRIL 26, 2013

Agenda

I. Business meeting

1. Chairman calls meeting to order
2. Scrutineers
3. Notice of meeting
4. Scrutineers' report on attendance
5. Consolidated financial statements
6. Election of Directors
7. Election of EPCOR nominees
8. Appointment of auditors
9. Advisory vote on executive compensation or “say on pay”
10. Approval of the shareholder rights plan
11. Confirmation of the advance notice by-law
12. Termination of meeting

II. Management's presentation

III. Question and answer session

Today's presenters and panelists



Donald Lowry
Chairman



Brian Vaasjo
President & CEO



Stuart Lee
SVP Finance &
CFO



Kate Chisholm, QC
SVP, Legal &
External Relations

Business meeting

- Introduction of current Board



Business meeting (cont'd)

- Rest of senior management team



Darcy Trufyn
SVP, Operations,
Construction &
Engineering



Bryan DeNeve
SVP, Corporate
Development &
Commercial
Services



Peter Arnold
SVP, HR &
Health, Safety
& Environment

Business meeting (cont'd)

2. Scrutineers (Computershare)

- Kyle Gould, Andrea Thiessen

3. Notice of meeting

- Notice and form of proxy or voting instruction form mailed March 25, 2013 to those who were common shareholders at the close of business March 15, 2013
- Posted on www.capitalpower.com and on SEDAR
- Affidavit of mailing provided; copy to be filed with Minutes

4. Scrutineers' report on attendance

- Confirms quorum present; copy to be filed with Minutes

5. Consolidated financial statements

- External auditor, KPMG LLP, Edmonton

Business meeting (cont'd)

6. Election of Directors (Common shareholder nominees)



Brian Vaasjo



Albrecht Bellstedt



Doyle Beneby



William Bennett



Brian Bentz



**Richard
Cruickshank**



Philip Lachambre



Peggy Mulligan

Business meeting (cont'd)

7. Election of EPCOR nominees



Donald Lowry



Hugh Bolton



**Allister
McPherson**



Robert Phillips

Business meeting (cont'd)

8. Appointment of Auditors

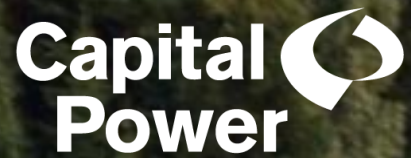
- KPMG, LLP

9. Advisory vote on executive compensation or “say on pay”

10. Approval of the shareholder rights plan

11. Confirmation of the advanced notice by-law

12. Termination of meeting



OPTIMIZING TODAY FOR TOMORROW

Brian Vaasjo, President & CEO



Remain focused on executing our strategy

Capital Power is a growth-oriented, independent power producer that maintains a stable dividend and investment grade credit rating

Strategy remains unchanged and designed to create value throughout the business cycle

Our corporate strengths continue to be the pillars that support our strategy



2012 Accomplishments



Commission 292 MW from two wind projects on time in Q4 and under budget

- Quality Wind in BC, ~10% under budget
- Halkirk in AB, ~8% under budget

Rationalized fleet and sharpened focus

- Divested small hydro facilities

Announced major expansion plans in Alberta

- Signed an agreement for a 50% interest in the Shepard Energy Centre with ENMAX
- Plan to develop the Capital Power Energy Centre; natural gas facility (up to 900 MW)

Successfully implemented two very large systems

- Energy Trading Risk Management system – more sophisticated tool for our trading activities
- Enterprise Resource Planning system

2012 Performance versus targets

Normalized earnings per share



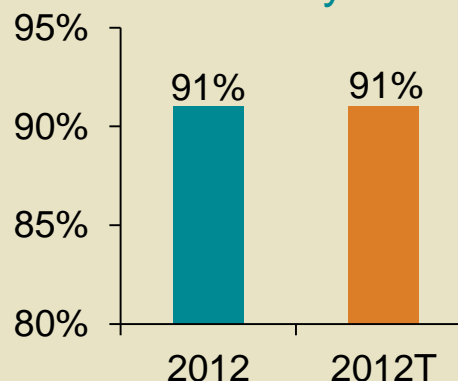
Funds from operations (\$M)



Cash flow per share



Plant availability



Normalized EPS below target while cash flow measures were within target ranges

Young and modern fleet

- Average weighted facility age of the current fleet is 12.5 years
- Continue to build on our history of utilizing leading technology



LMS100 peaking technology



Super-critical coal technology



Super-critical coal built in 2011

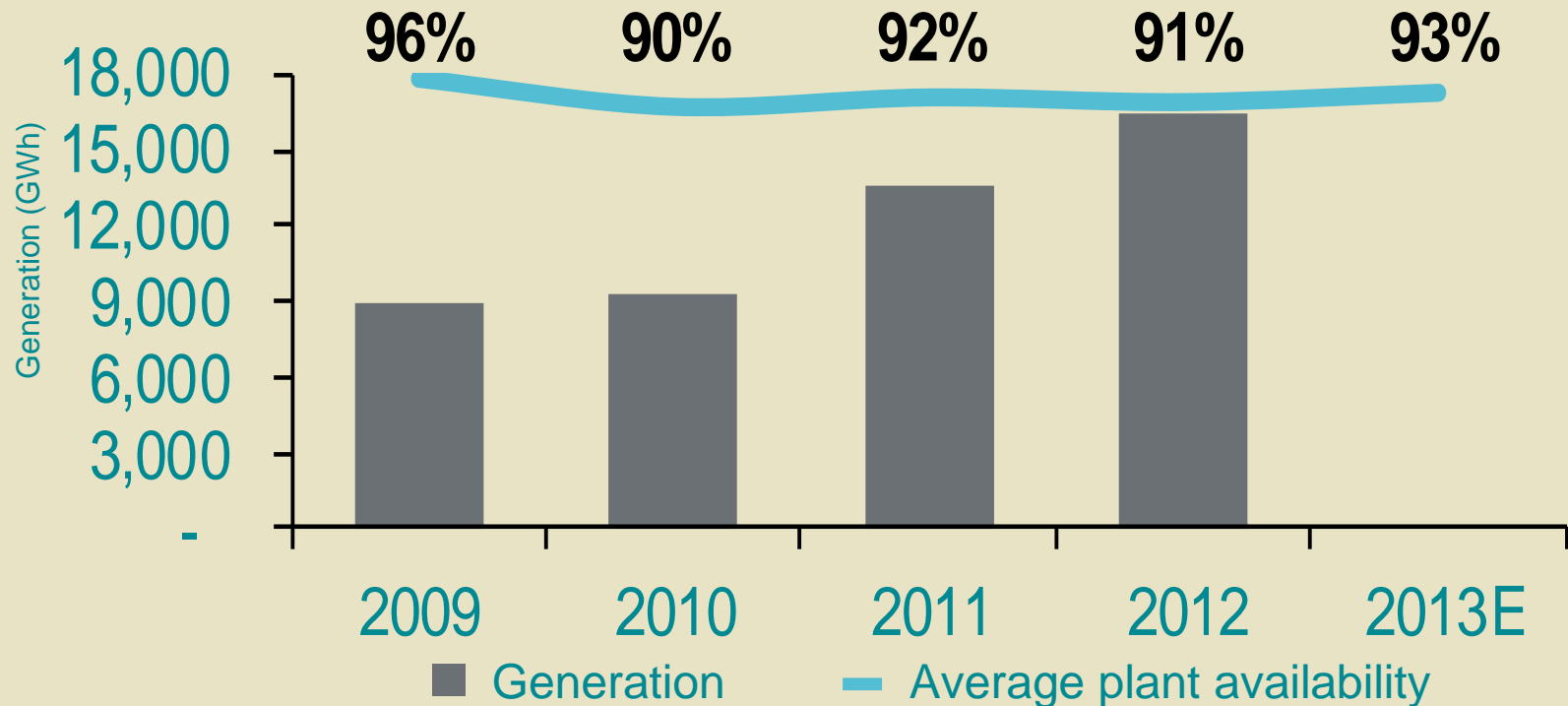


Modern wind technology

Proven operating excellence

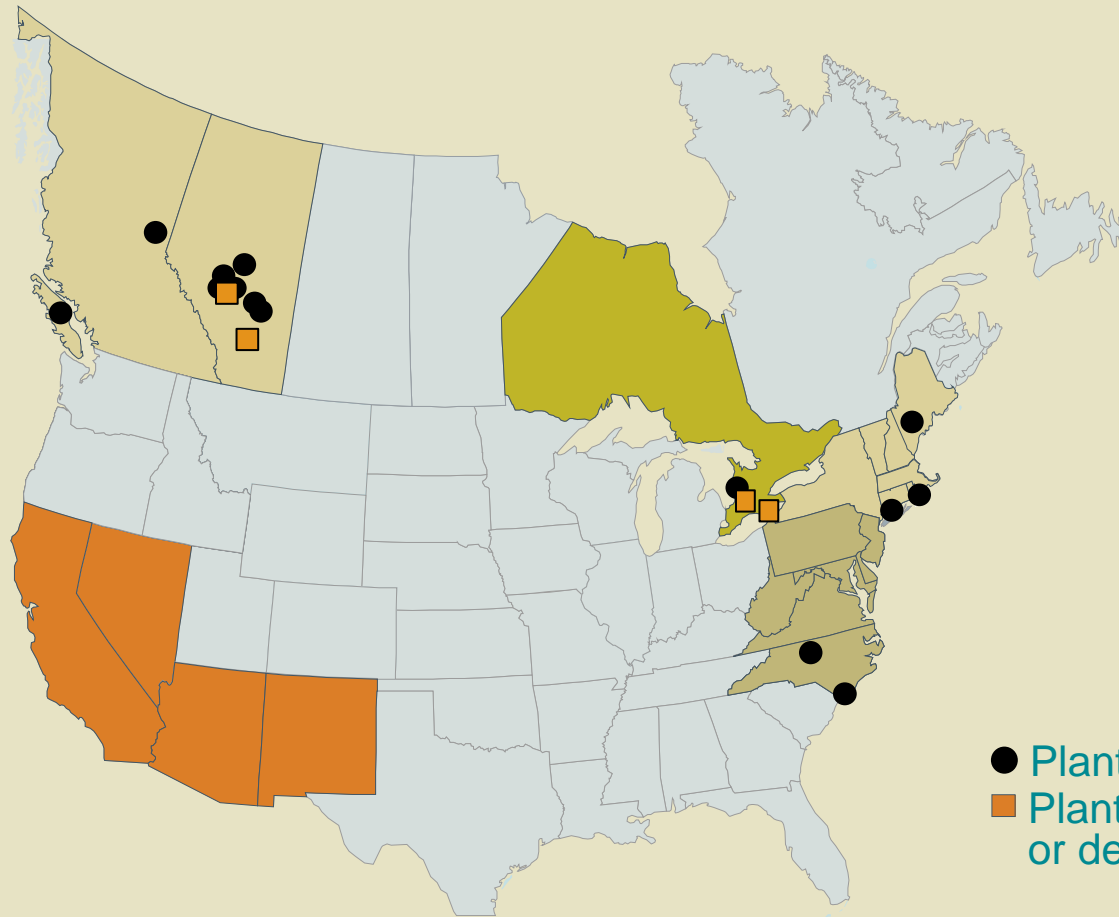
Operating availability consistently 90%+ over a growing fleet and production volumes

Operating performance



North American footprint & target markets

Ownership interest in 15 facilities with more than 3,600 MW⁽¹⁾



- 2 new contracted wind projects (195 MW) in Ontario; COD expected in Q4/13 and 2015
- 1,943 MW of owned generation in Alberta that will increase with the addition of Shepard and Capital Power Energy Centre

- Plants in operation
- Plants under construction or development

(1) Based on MW owned capacity as of Apr 26/13; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).

Contracted Ontario wind projects

Port Dover & Nanticoke

- 105 MW; near Port Dover & Nanticoke, Ontario
- Construction commenced Sep/12
- COD Q4/13



PD&N



Kingsbridge I

K2 Wind Ontario

- 270 MW (33% CPC ownership); in southern, Ontario
- Equal partnership with Samsung and Pattern Renewable Holdings
- Commercial operations targeted for 2015

Both projects have 20-year PPAs with Ontario Power Authority

Shepard Energy Centre

Excellent fit with our strategy and will strengthen our position in Alberta



Provides stable cash flows

- \$860M for 50% interest; 20-year tolling agreement with ENMAX
- Additional 25% contracted for 2015-17 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

Capital Power Energy Centre to be built to meet Alberta's power needs

Expands our market share in the attractive Alberta market

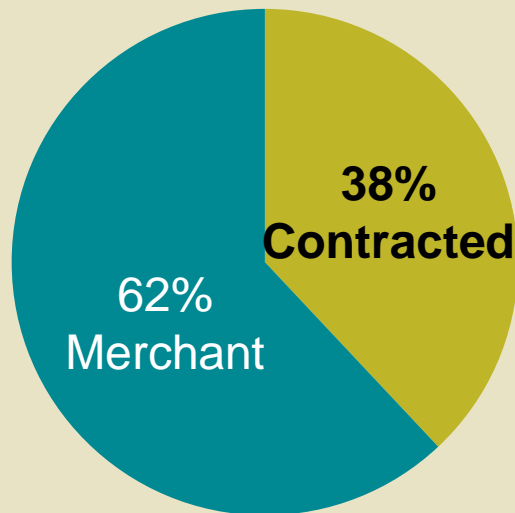
- Targeting COD in 2017-20 to meet additional supply projected to be required from economic growth and retirements of existing coal-fired facilities
- Capacity up to 900 MW
- Utilize latest gas turbine technology
- To be built on an attractive site near our Genesee facility west of Edmonton, that has existing infrastructure, utilities and close proximity to gas pipelines and transmission



Balanced portfolio of merchant and contracted cash flows

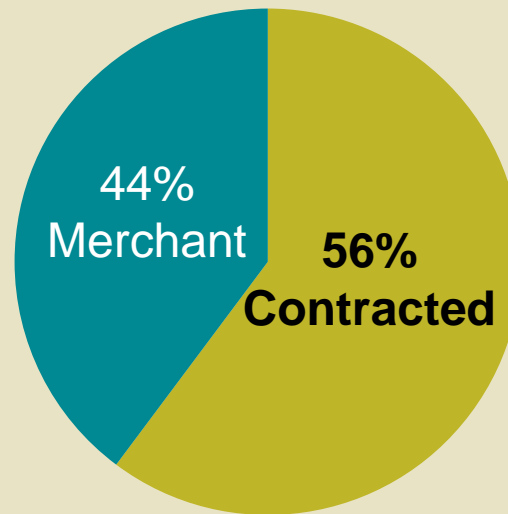
2012

- 38% of EBITDA⁽²⁾ (plant results) from contracted



2015 Forecast⁽¹⁾

- 56% of EBITDA (plant results) from contracted



Long-term contracts help stabilize cash flows, support dividend and improve access to capital

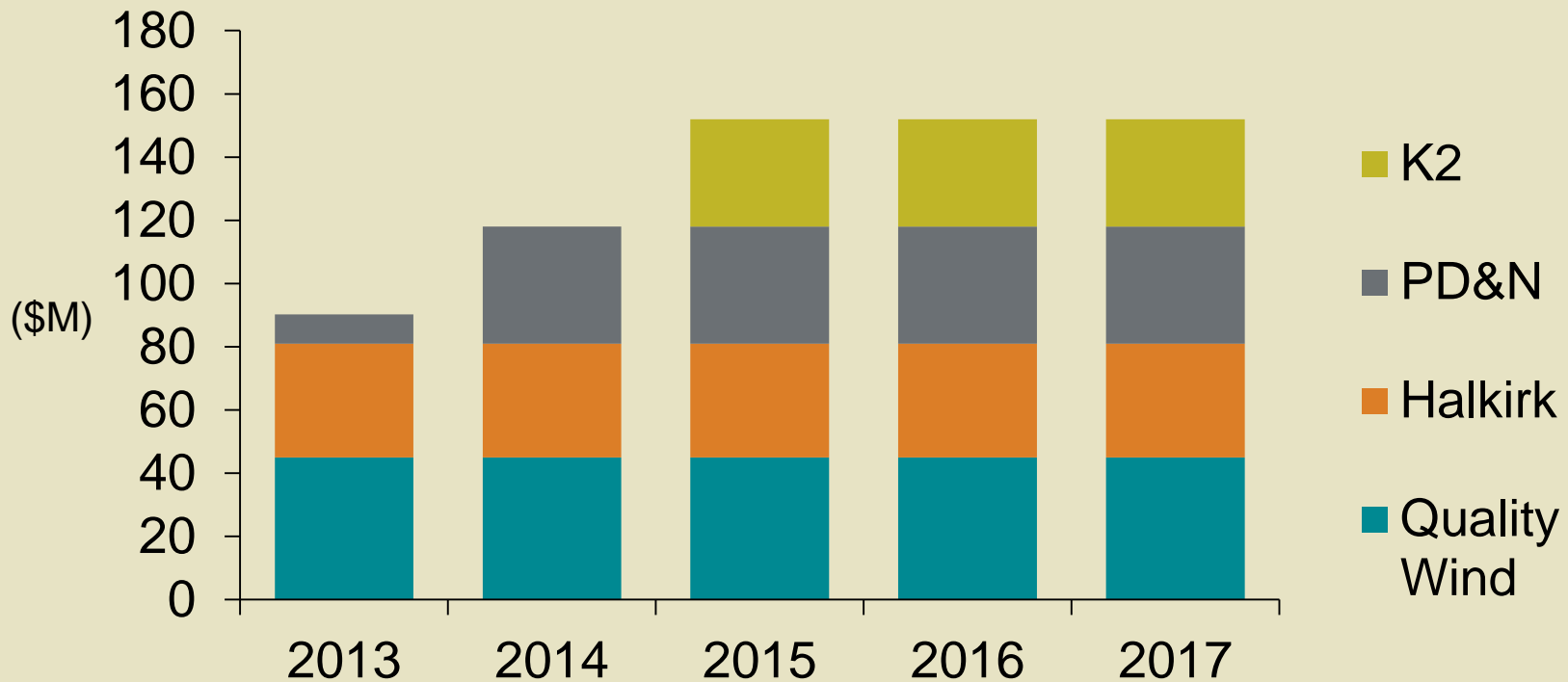
(1) Based on existing plants plus committed development projects.

(2) EBITDA is a Non-GAAP financial measure.

Strong financial performance of 4 wind projects

- Wind projects are forecast to provide \$150M - \$155M of annual cash flow before financing
- Cash flows from new wind projects offset much of the reduced cash flows from lower power prices through to 2016

Forecast cash flow from wind projects

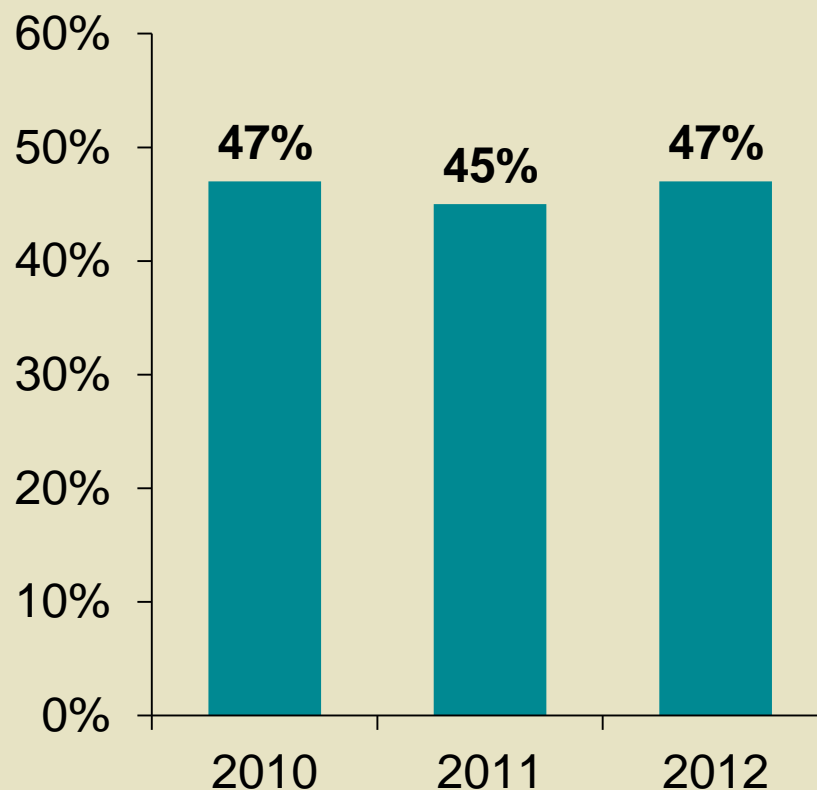


Strong cash flow supports stability of dividend

Cash flow per share



Dividend payout ratio⁽¹⁾

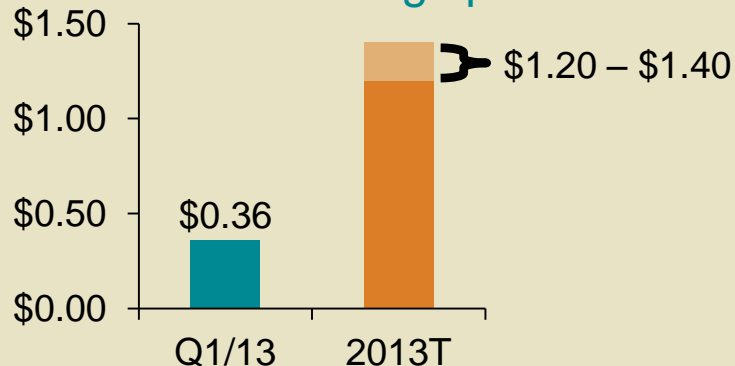


(1) Calculated as dividends per common share divided by adjusted funds from operations (AFFO) per share. AFFO is defined as funds from operations excluding CPILP less sustaining capital expenditures.

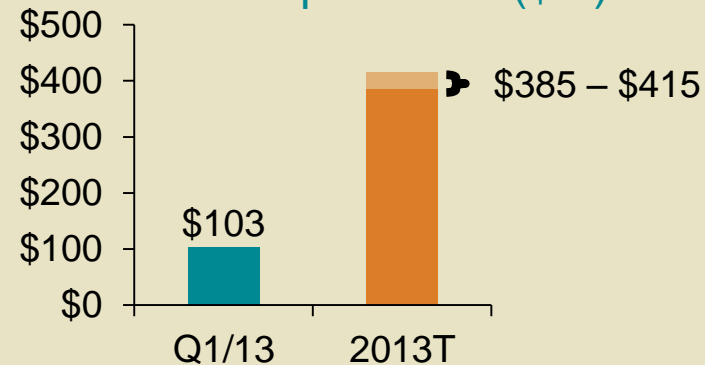
Q1/13 Results

Financial and operational targets

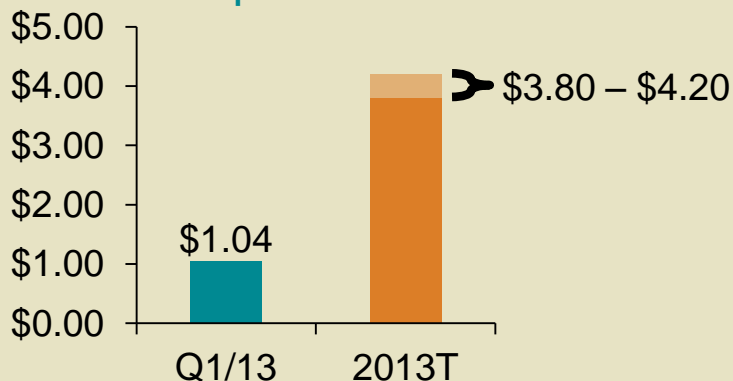
Normalized earnings per share



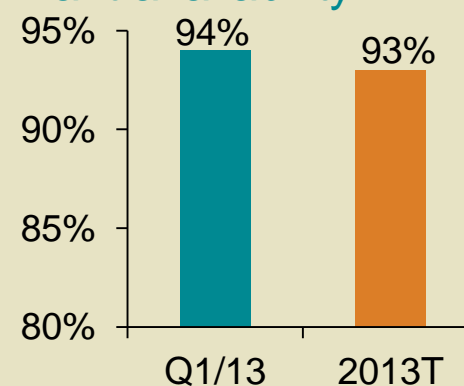
Funds from operations (\$M)




Cash flow per share



Plant availability



Optimizing today for tomorrow



Capital Power continues executing on a disciplined growth strategy that is generating significant and growing cash flow from operations.

Supported by our strong operations, quality assets and the strength of our financial position, we continue to invest in the future while paying an attractive dividend to investors.

Capital Power video:

“Strengthening our assets;
positioning for the future”



{ QUESTIONS?





Non-GAAP financial measures

The Company uses (i) earnings before finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange losses, and gains on disposals (adjusted EBITDA), (ii) funds from operations, (iii) cash flow per share, (iv) discretionary cash flow, (v) normalized earnings attributable to common shareholders, and (vi) normalized earnings per share as financial performance measures. These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP, and are therefore unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to operating 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 presentation is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial and operating performance, events or strategies. Forward-looking information or statements included in this presentation are provided to inform the Company's shareholders and potential investors about management's assessment of Capital Power's future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this MD&A 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 in this presentation includes information with respect to: (i) expectations related to future earnings and funds from operations, (ii) expectations regarding the future pricing of electricity and market fundamentals in existing and target markets, (iii) expectations regarding fuel supply and pricing, (iv) expectations related to the Company's future cash requirements including interest and principal repayments, capital expenditures and dividends, (v) expectations for the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings, (vi) expectations regarding future growth and emerging opportunities in the Company's target markets including the focus on certain technologies, (vii) expectations regarding the timing of, funding of, and costs for existing, planned and potential development projects and acquisitions, (viii) expectations regarding plant availability, and (ix) expectations regarding capital expenditures for plant maintenance and other.

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 relate to: (i) electricity and other energy prices, (ii) performance, (iii) business prospects and opportunities including expected growth and capital projects, (iv) status of and impact of policy, legislation and regulations, (v) effective tax rates, and (vi) other matters discussed under the Performance Overview and Outlook sections of the Company's first quarter 2013 MD&A dated April 25, 2013.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results and experience to differ materially from the Company's expectations. Such material risks and uncertainties are: (i) changes in electricity prices in markets in which the Company operates, (ii) changes in energy commodity market prices and use of derivatives, (iii) regulatory and political environments including changes to environmental, financial reporting and tax legislation, (iv) power plant availability and performance including maintenance expenditures, (v) ability to fund current and future capital and working capital needs, (vi) acquisitions and developments including timing and costs of regulatory approvals and construction, (vii) changes in market prices and availability of fuel, and (viii) changes in general economic and competitive conditions. See Risks and Risk Management in the Company's December 31, 2012 annual MD&A for further discussion of these and other risks.

Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. 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.