CAPITAL POWER

Infrastructure Conference

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## Overview of Capital Power

### Independent power producer (IPP)
- Trading on TSX (CPX); ~$2.0B diluted market cap; attractive dividend yield of ~6.0%
- IPO in mid-2009 from spin-off of power generation assets from EPCOR
- EPCOR continues to sell down interest from 72% to 29%

### Straight-forward business model
- Contracted cash flow base
- Significant contracted and merchant investments in Alberta power market (the most attractive market in North America)
- Alberta merchant upside

### High-quality generation portfolio
- Young and modern fleet with current generation of more than 3,600 MW
- Average age of 12.5 years
- Current generation focused on natural gas, coal and wind

### Proven operating, construction and trading history
- 4-year average plant availability of 92%; targeting 93% for 2013
- Significant experience in construction and operation of thermal and renewable wind facilities
- Alberta trading reduces volatility and optimizes cash flow

### Growth initiatives
- Two Ontario wind projects (Port Dover & Nanticoke, K2 Wind)
- Two Alberta natural gas facilities (Shepard, Capital Power Energy Centre)
- Greenfield development pipeline
- No equity financing requirements

### Financial strength and strong cash flow generation
- Investment grade credit rating from S&P and DBRS
- 10% CAGR of discretionary cash flow from 2010-12
- Substantial discretionary cash flow
North American footprint

Ownership interest in 12 facilities with more than 2,500 MW\(^{(1)}\)

Alberta
1,943 MW of owned generation; future addition of Shepard and CPEC

BC
417 MW contracted generation

Ontario
- Two contracted wind facilities under development/construction
- 40 MW contracted wind facility

US Northeast
- Planned divestiture of 3 gas plants by 2013 year-end

Mid-Atlantic US
- Solid fuel assets with 10-year PPAs

(1) Based on MW owned capacity as of August 30/13; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW); assumes divestiture of three US Northeast assets (1,089 MW).
The best fleet in the fastest growing power market in North America

With investments in Shepard and CPEC facilities, Capital Power will own high-quality baseload, mid-merit, renewable and peaking generation in Alberta providing more flexibility than any other power portfolio in the province.

- Best peaking responsiveness
- Best coal fleet reliability
- Lowest environmental impact and lowest cost
- Most competitive natural gas combined cycle
Focus on contracted margins

- Sale of the US North East assets improves the Contracted operating margin relative to merchant operating margin
- A focus on merchant operations in Alberta will provide upside as the Alberta supply-demand balance tightens over the longer term

Contracted vs. Merchant mix

![Graph showing the comparison between Contracted and Merchant operating margins from 2013F to 2017F. The Contracted operating margin is represented by a blue line, while the Merchant operating margin is represented by an orange line. Over time, the Contracted margin fluctuates, whereas the Merchant margin remains relatively stable.]
Investments in contracted wind will generate significant incremental cash flow

- 487 MW of owned generation in four wind projects forecast to provide $150M - $155M in annual cash flow before financing
- Strong accretion of ~$0.90 - $0.95 in cash flow per share, and ~$0.35 - $0.40 in earnings per share
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