CAPITAL POWER

Q4/13 Analyst Conference Call
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Forward-looking information
Cautionary statement

Certain information in this presentation and in responses to questions 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 are disclosed on page 16 of this presentation and in the Company's 2013 Management's Discussion and Analysis (MD&A) dated February 28, 2014 which has been filed on SEDAR (www.sedar.com).

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Non-GAAP financial measures

The Company uses (i) earnings before finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or 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 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.

Reconciliations of these Non-GAAP financial measures are contained in the Company's Management's Discussion and Analysis dated February 28, 2014 for the year ended December 31, 2013 which is available under the Company's profile on SEDAR at www.SEDAR.com and on the Company's website at www.capitalpower.com.

Corporate updates

Completed sale of North East U.S. assets to Emera

- Transaction completed Nov/13 for net proceeds of $568M
- With the refocusing of merchant power business in Alberta and other corporate efficiencies, expect annual cost savings of $25M-$30M ($22M in G&A)

Port Dover & Nanticoke wind project begins commercial operations

- 105 MW wind project completed on time in Nov/13 with final construction costs ~$300M, 12% below its $340M budget
- Contracted cash flows from 20-year PPA with Ontario Power Authority

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Corporate updates (cont'd)

Partnering with ENMAX on Genesee 4 & 5 facilities

- In Dec/13, announced letter of intent with ENMAX to pursue joint arrangement agreements to develop, construct, own and operate the Genesee 4 & 5 facilities
- Definitive agreements with ENMAX on track for completion in Q1/14
- Up to 1,050 MW natural gas facility targeted for completion later in the decade to replace capacity from retirement of coal facilities

Settlement reached on Sundance force majeure claim and Index 9

- In Feb/14, reached a settlement with TransAlta on the Sundance Unit 6 force majeure claim of $39M relating to the Q3/11 transformer failure outage
- Claim was under arbitration while Capital Power entered into settlement negotiations with TransAlta
- Paid $20M (representing 52% interest in Sundance C PPA) in 2012 and recorded corresponding receivable
- Reduced the receivable amount to $10M in Q4/13, consistent with settlement agreement reached with TransAlta
- Settlement also resolved a 2012 dispute relating to Index 9 of Sundance PPA with immaterial consequences

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Q4/13 Operating performance

Plant availability		Q4/13	Q4/12
Alberta commercial plants	Genesee 3	98%	56%
	Keephills 3	99%	100%
	Clover Bar	91%	98%
	Joffre	85%	65%
	Halkirk	99%	95%
Alberta contracted plants	Genesee 1	100%	98%
	Genesee 2	95%	94%
Ontario and BC contracted plants	Island Generation	99%	100%
	Kingsbridge 1	94%	100%
	Port Dover & Nanticoke	95%	N/A
	Quality Wind	98%	99%
North East US commercial plants	Bridgeport	72%	85%
	Rumford	91%	84%
	Tiverton	83%	89%
North Carolina US contracted plants	Roxboro	98%	89%
	Southport	91%	90%
	Average	**93%**	**89%**

- Strong fleet availability of 93% in Q4/13
- Three contracted plant segments (AB, ON & BC, and North Carolina) averaged 93% to 98%
- AB commercial plants had 94% average availability
  - ~1 month maintenance outage at Clover Bar Unit 3 scheduled during low power price period (Sep 21-Oct 19)

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Financial review

Sale of New England assets

- With transaction finalized in Q4/13, received $568M in net proceeds
- Recorded a pre-tax gain of $76M on the sale primarily consisting of accumulated F/X translation gains

Number of small items impacting Q4/13 G&A expense

- ~$8M in corporate costs relating to numerous small items (ie. higher short-term incentives, business development costs for two development sites, additional restructuring costs, wind-up of Defined Benefit Pension Plan)

Significant items impacting quarterly year-over-year comparisons

- Q4/12 results impacted by:
  - A net pre-tax realized loss of $10M related to the Bridgeport heat rate option and actions taken to mitigate natural gas exposure
  - Significantly lower-than-normal wind at Quality Wind facility
  - Genesee 3 planned outage
- Q4/13 results impacted by:
  - Lower Northeast U.S. earnings due to sale of New England assets
  - Full quarter of contributions from Halkirk and Quality Wind and two months from Port Dover & Nanticoke wind facility

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Financial performance – Q4/13

$M, except per share amounts	Q4/13	Q4/12	Change
Revenues	**$327**	$288	14%
Adjusted EBITDA (before mark-to-market)(1)	**$102**	$100	2%
Basic earnings per share	**$0.89**	$0.19	368%
Normalized earnings per share	**$0.35**	$0.23	52%
Funds from operations	**$109**	$83	31%
Cash flow per share	**$1.11**	$0.84	32%

New wind assets contributed to strong FFO year-over-year – a full quarter of operations from Quality Wind and Halkirk in 2013; and 2 months of operation from Port Dover & Nanticoke

(1) Before unrealized changes in fair value of commodity derivatives and Atlantic Power shares for Q4/13 and Q4/12 of $17M and $-27M, respectively.

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Financial performance – 2013

$M, except per share amounts	2013	2012	Change
Revenues	**$1,393**	$1,296	7%
Adjusted EBITDA (before mark-to-market)[1]	**$483**	$456	6%
Basic earnings per share	**$2.13**	$0.84	154%
Normalized earnings per share	**$1.69**	$1.29	31%
Funds from operations	**$419**	$381	10%
Cash flow per share	**$4.24**	$3.89	9%

Strong year-over-year results across all financial measures

(1) Before unrealized changes in fair value of commodity derivatives and Atlantic Power shares for 2013 and 2012 of $26M and -$15M, respectively.

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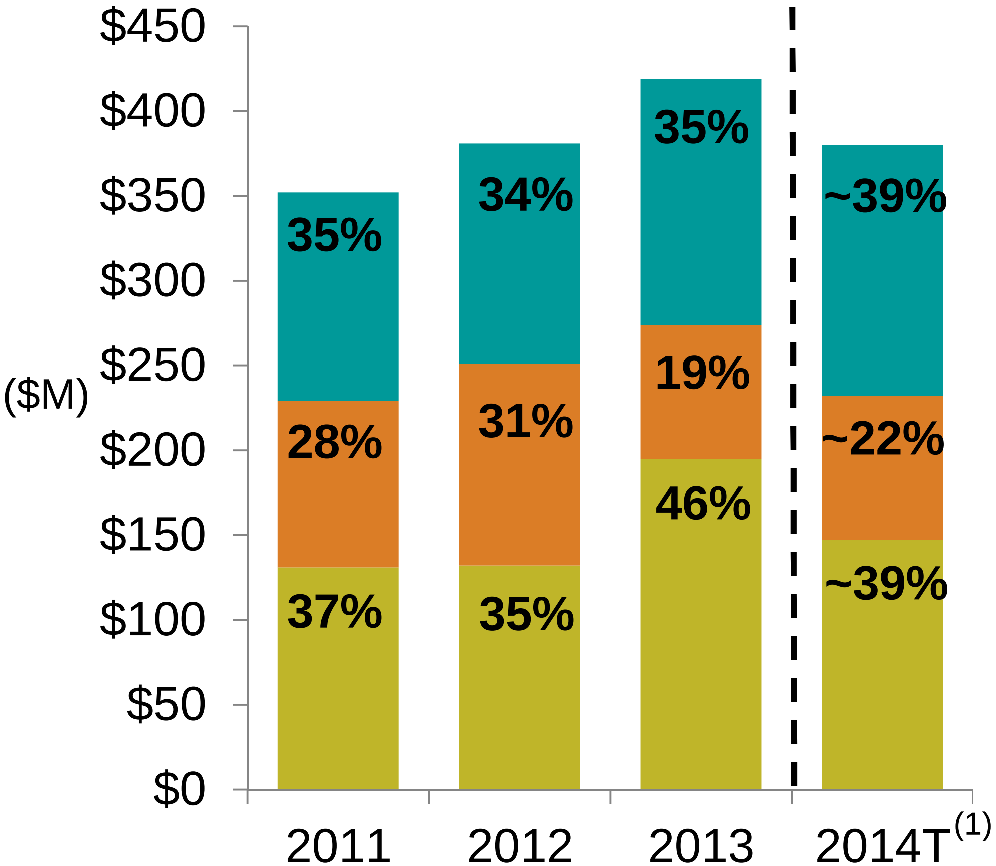
Continued strong cash flow generation

Funds from operations (FFO)



- 2014 FFO target range of $360M-$400M is lower than 2013 due to lower average AB power price forecast
- Generating significant discretionary cash flow(2) with 3-year average of 39% and similar expectation for 2014
- 2014 FFO expected to cover dividends, development projects, and sustaining capex for the year

(1) 2014 FFO target represents the mid-point of $360 million - $400 million guidance range.
(2) Discretionary cash flow is a non-GAAP financial measure, see page 3.

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2014 Financial outlook

Expect FFO in 2014 to be lower than 2013 based on an average Alberta power price forecast of $57/MWh for 2014

- Expect lower realized prices on unhedged position, profitability from Clover Bar peaking facility, and incentive revenues from Genesee 1 & 2
- Partially offset by a full year of earnings from Port Dover & Nanticoke and higher plant availability target of 95%
- Alberta portfolio hedged positions for AB baseload plants and acquired Sundance PPA (% sold forward)

	2014	**2015**	**2016**
Percentage sold forward	100%	78%	30%
Average contracted prices[1] ($/MWh)	Mid-$50	Mid-$50	Mid-$50
Forward prices ($/MWh) (as of Dec 31/13)	$53	$49	$50

(1) The forecast average contracted prices may differ significantly from the future average realized prices as the hedged and unhedged positions have a varying mix of differently priced blocks of power. This impact is accentuated in 2014 which includes one contract-for-differences for 300 MW for the full year that is sold forward for peak periods only.

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2013 Performance & 2014 targets

Operational targets

	2013 Target	Results	2014 Target
Plant availability average	≥ 93%	93%	≥ 95%
Sustaining capex	≤ $105M	$79M(1)	$85M
Maintenance & operating expenses	$225M - $245M(2)	$192M(2)	$165M - $185M

1) Certain sustaining capex incurred for Northeast US assets near the time of the sale were transferred to Emera as part of sales transaction.

2) Certain maintenance & operating expenses in 2013 Target were subsequently reclassified and reported as energy purchases and fuel. Adjusting for these reclassifications, maintenance & operating expense target would have been $190M - $210M.

Solid 2013 operational performance

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2013 Performance & 2014 targets (cont'd)

Development and construction targets

	2013 Target	Results	2014 Target
Port Dover & Nanticoke Wind	Continue on budget $340M, Q4/13 target COD	Achieved COD in Nov/13 with final costs estimated at ~$300M	-
K2 Ontario Wind	Environmental approvals received in 2013	Environmental approvals received in Jul/13	Commence construction & complete project financing
Shepard Energy Centre	Continue on budget of $860M	On track with revised budget of $821M	Complete construction with COD in early 2015
Genesee 4 & 5			Continue on track for Q1/15 permitting approval

Continue building on strong track record for successful development projects

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2013 Performance & 2014 target (cont'd)

Financial targets

	2013 Target (based on \$58/MWh AB power price)	Results (actual AB power price of \$80/MWh)	2014 Target (based on \$57/MWh AB power price)
Normalized EPS	\$1.20 - \$1.40	\$1.69	-
Funds from operations	\$385M - \$415M	\$419M	\$360M - \$400M
Cash flow per share	\$3.80 - \$4.20	\$4.24	-

Exceeded all 2013 financial targets primarily due to a higher-than-forecast average Alberta power price

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QUESTIONS?
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Forward-looking information

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 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 in this presentation includes information with respect to: (i) expectations related to future revenues, expenses, earnings and funds from operations, (ii) expectations regarding the future pricing of electricity and market fundamentals in existing and target markets, (iii) expectations related to the Company's future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions, (iv) expectations regarding the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings, (v) expectations regarding future growth and emerging opportunities in the Company's target markets including the focus on certain technologies, (vi) expectations regarding the timing of, funding of, and costs for existing, planned and potential development projects and acquisitions, (vii) expectations regarding plant availability, (viii) expectations regarding the refocusing of the Company's merchant power business, 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 2013 MD&A dated February 28, 2014.

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 for further discussion of these and other risks in the Company's 2013 MD&A dated February 28, 2014.

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.

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