CAPITAL POWER

Q1/15 Analyst Conference Call
April 27, 2015

Brian Vaasjo, President & CEO

Stuart Lee, SVP Finance & CFO

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 first quarter 2015 Management's Discussion and Analysis (MD&A) prepared as of April 23, 2015 which has been filed on SEDAR (www.sedar.com).

BEST 50 CORPORATE CITIZENS

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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 (FFO), (iii) normalized earnings attributable to common shareholders, and (iv) 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, therefore, are 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 prepared as of April 23, 2015 for the quarter ended March 31, 2015, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at capitalpower.com.

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Corporate updates

Shepard Energy Centre begins commercial operations

- In Mar/15, Shepard became fully operational and capable of generating over 800 MW of power to the Alberta grid
- Final construction costs not expected to exceed $854M, which includes an accrued performance bonus to the turbine manufacturer based on final facility performance measurements related to electrical output and heat rate
  - Higher performance measurements expected to improve the overall economics of the project and more than offset the additional capital costs from the performance bonus

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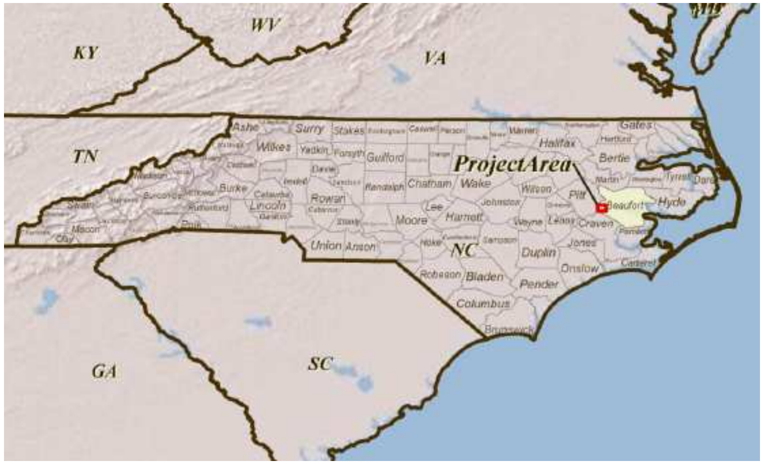
Corporate updates

Beaufort Solar

- Board has approved the 15 MW solar project in North Carolina, U.S.
- Fully contracted facility with a 15-year PPA with Duke Energy
- Commercial operations date (COD) targeted for Dec/15
- Sale leaseback structure; sell to tax equity investor at COD in exchange for lease payments



Capital Power's first solar project

Q1/15 Operating performance

Plant availability		Q1/15	Q1/14
Alberta commercial plants	Genesee 3	100%	96%
	Keephills 3	100%	100%
	Clover Bar	97%	97%
	Joffre	99%	100%
	Shepard	80%	N/A
	Halkirk	99%	96%
Alberta contracted plants	Genesee 1	98%	83%
	Genesee 2	100%	93%
Ontario and BC contracted plants	Island Generation	100%	100%
	Kingsbridge 1	97%	95%
	Port Dover & Nanticoke	99%	98%
	Quality Wind	98%	95%
U.S. contracted plants	Roxboro	97%	90%
	Southport	89%	99%
	Macho Springs	99%	N/A
	Average	**98%**	**94%**

- Strong operating performance across the fleet with average availability of 98% compared to 94% in Q1/14
- Minimal unplanned outages during the quarter and deferral of short-term planned outages to Q2/15

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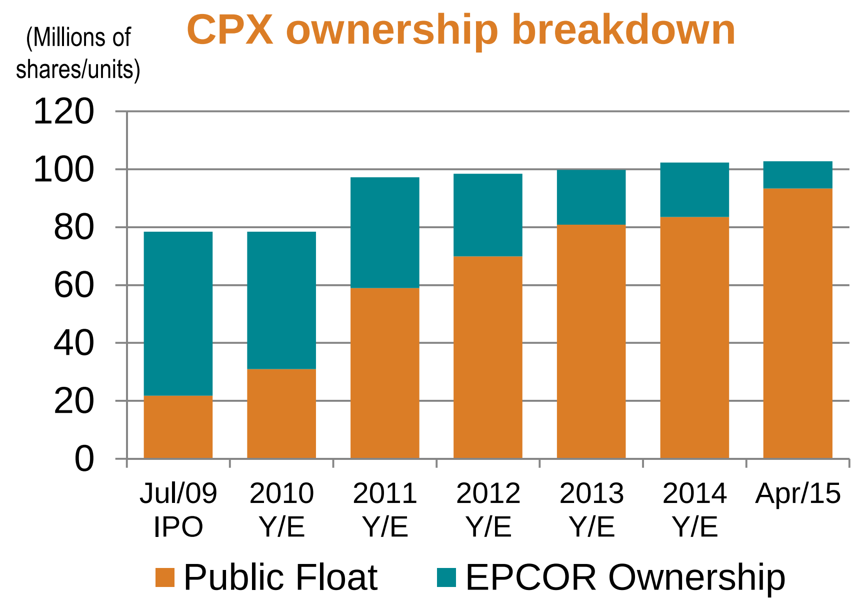
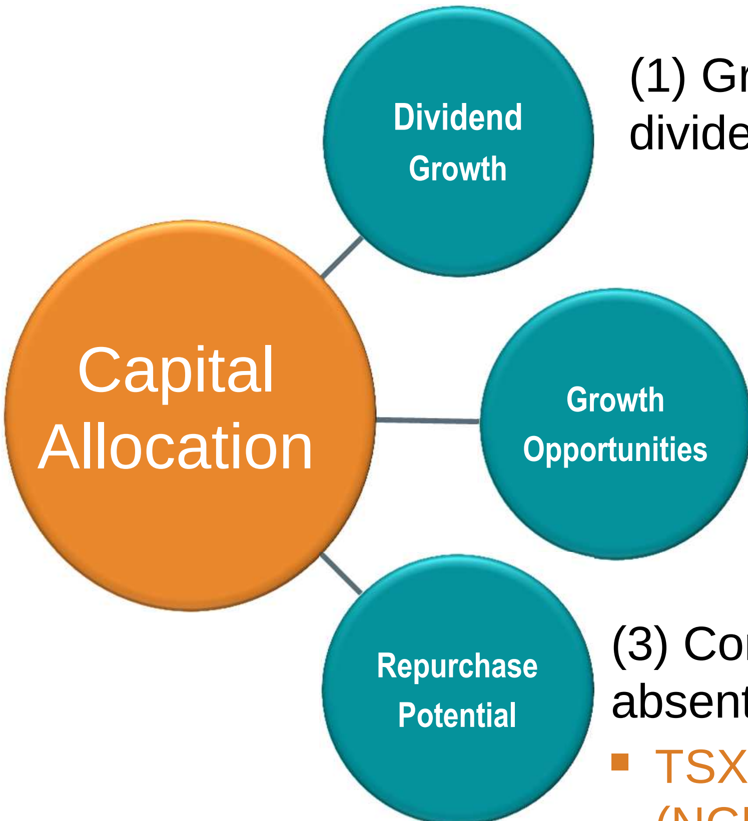
EPCOR ownership reduced

- Recent $225M Secondary Offering by EPCOR has reduced their ownership position in Capital Power L.P. (CPLP) to 9% from 18%. On Apr 2/15 closing date, EPCOR exchanged their remaining CPLP units to common shares.
- Registration Rights Agreement terminated – Capital Power no longer obligated to assist EPCOR in making a secondary offering under a prospectus
- EPCOR has advised it plans to eventually sell all or a substantial portion of its remaining interest subject to market conditions and requirements for capital
- CPLP structure being reviewed with the goal of simplifying the organizational structure and reporting, and reducing costs associated with CPLP (audit, legal, board, management and filing expenses)



Capital allocation



(1) Growing contracted cash flow base supports dividend growth

(2) Well positioned to fund or partially fund any new significant growth opportunities in the near term with discretionary cash flow

(3) Consider debt reduction or share buyback absent an acquisition or development project

- TSX has approved Normal Course Issuer Bid (NCIB) to purchase up to 5 million common shares over a 1-year period ending Apr 6/16
- Suspended Dividend Re-investment Plan effective with Q2/15 dividend

Q1/15 Financial review

- Generated $108M of FFO in Q1/15 in-line with expectations
- Normalized EPS of $0.32 benefited from higher captured prices from portfolio trading activities that were offset by lower settled prices for the AB Commercial plants and 1-month delay from March to April on the effective date for Shepard's Energy Services Agreement (ESA)
- Despite a 52% decline in average AB power prices in Q1 YOY, hedging program captured a 103% higher realized average power price versus spot price

Portfolio optimization	Q1/15	Q1/14
AB spot power price average (MW/h)	**$29**	$61
Realized power price[1] (MW/h)	**$59**	$58
% realized above spot power price	**103%**	-5%

(1) Realized power price is the average price realized on the Company's commercial contracted sales and portfolio optimization activities in Alberta.

Financial performance – Q1/15

$M, except per share amounts	Q1/15	Q1/14	Change
Revenues	**$358**	$308	16%
Adjusted EBITDA (before mark-to-market)(1)	**$116**	$106	9%
Basic earnings per share	**$0.41**	$0.33	24%
Normalized earnings per share	**$0.32**	$0.32	-
Funds from operations	**$108**	$92	17%

Positive year-over-year financial results despite weak Alberta power prices

(1) Before unrealized changes in fair value of commodity derivatives and emission credits of $31M and $7M for Q1/15 and Q1/14, respectively.

Financial outlook

- 2015 Alberta power forwards are currently in the low-$30/MWh range, which is lower than our original forecast assumption of $44/MWh
- At the beginning of the year, Alberta baseload position for 2015 was significantly hedged in the mid-$50/MWh
- No change to revised FFO guidance; expect 2015 FFO in the lower end of $365M to $415M guidance range
- Company's financial strength is based on the foundation of strong contracted cash flow which is not significantly impacted by changing Alberta power prices – remain confident in our credit rating and dividend growth outlook

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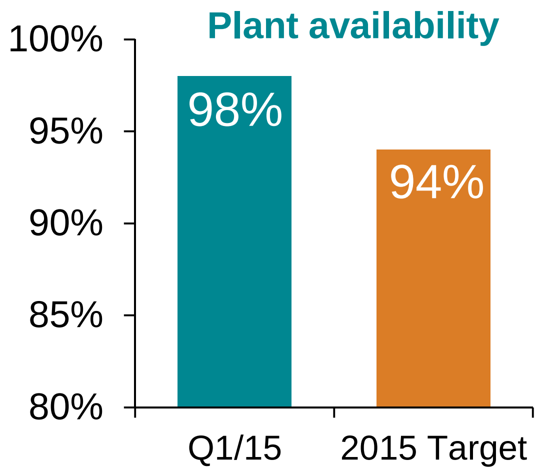
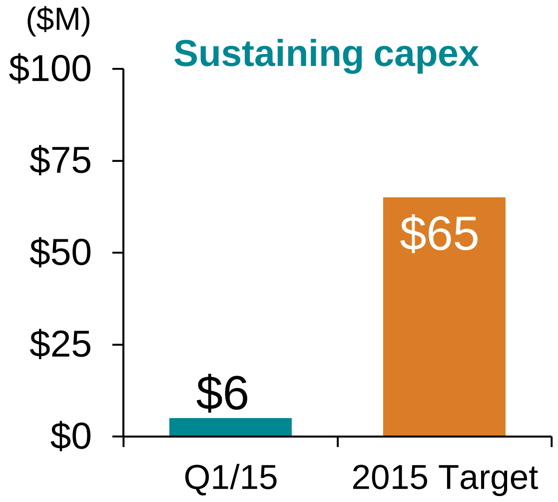
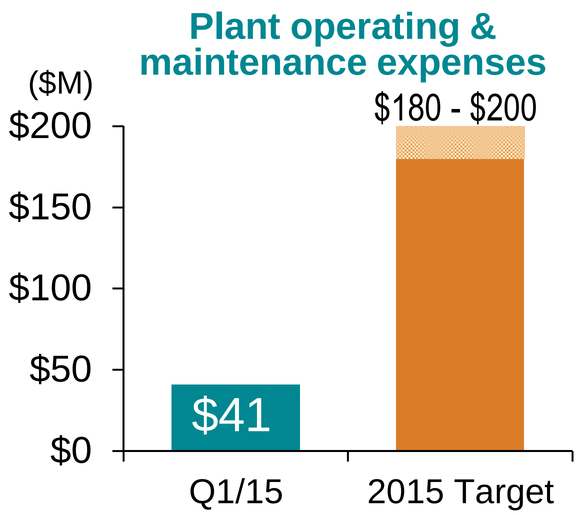
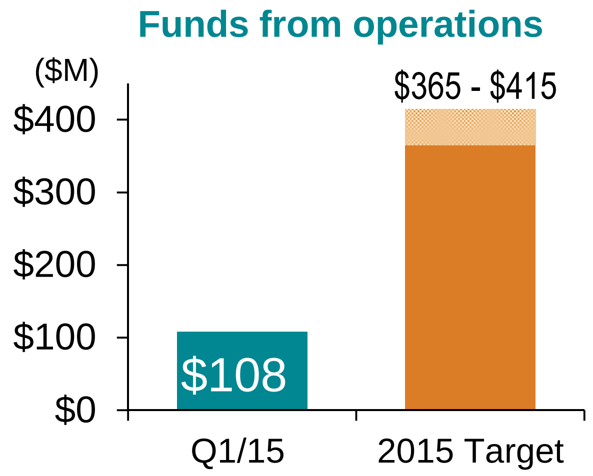
Q1/15 Performance and 2015 targets

Operational and financial targets









On-track to meet 2015 targets

2015 Development & construction targets

On-time, on-budget and safe development of committed projects

K2 Wind (Ontario)

- Complete construction for COD in mid-2015

Genesee 4&5 (Alberta)

- Transition from development to construction

Executive rotation

- As part of Capital Power's ongoing executive development, the Board of Directors have approved the rotation of Stuart Lee and Bryan DeNeve
- Executive rotation effective May 1, 2015

Stuart Lee
Senior VP, Finance &
Chief Financial Officer

Bryan DeNeve
Senior VP, Corporate
Development & Commercial
Services

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QUESTIONS?
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Forward-looking information

Forward-looking information or statements included in this presentation and in responses to questions 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 includes expectations regarding:

- future revenues, expenses, earnings and funds from operations,
- the future pricing of electricity and market fundamentals in existing and target markets,
- the Company's future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions,
- the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings,
- future growth and emerging opportunities in the Company's target markets including the focus on certain technologies,
- the timing of, funding of, and costs for existing, planned and potential development projects and acquisitions
- plant availability and planned outages, and
- 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, expected future developments, and other factors it believes are appropriate. The material factors and assumptions used to develop these forward-looking statements relate to:

- electricity and other energy prices,
- performance,
- business prospects and opportunities including expected growth and capital projects,
- status of and impact of policy, legislation and regulations,
- effective tax rates, and
- other matters discussed under the Performance Overview and Outlook and Targets for 2015 sections in the Company's Q1/15 Management's Discussion & Analysis (MD&A).

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:

- changes in electricity prices in markets in which the Company operates,
- changes in energy commodity market prices and use of derivatives,
- regulatory and political environments including changes to environmental, financial reporting and tax legislation,
- power plant availability and performance including maintenance of equipment,
- ability to fund current and future capital and working capital needs,
- acquisitions and developments including timing and costs of regulatory approvals and construction,
- changes in market prices and availability of fuel, and
- changes in general economic and competitive conditions.

See Risks and Risk Management in the Q1/15 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.

Investor Relations Contact

Randy Mah
Senior Manager
(780) 392-5305
rmah@capitalpower.com

<u>Head Office</u>
10th Floor
10423 – 101 Street NW
Edmonton, AB T5H 0E9
www.capitalpower.com