Capital Power
Third Quarter 2015 Analyst Conference Call
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Conference Call Participants

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OPERATOR: Good day, ladies and gentlemen. Welcome to Capital Power's third quarter 2015 results conference call. At this time all participants are in listen-only mode. Following the presentation the conference call will be opened for questions. This conference call is being recorded today, Monday, October 26, 2015. I will now turn the call over to Randy Mah, Senior Manager Investor Relations. Please go ahead.

RANDY MAH: Good morning and thank you for joining us today to review Capital Power's third quarter 2015 results, which were released earlier this morning. The financial results and the presentation slides for this conference call are posted on our website at capitalpower.com. We will start the call with opening comments from Brian Vaasjo, President and CEO, and Bryan DeNeve, Senior Vice President and CFO. After our opening remarks we will open up the lines to take your questions.

Before we start, I would like to remind listeners that certain statements about future events made on this conference call are forward-looking in nature and are based on certain assumptions and analysis made by the company. Actual results may differ materially from the company's expectations due to various material risks and uncertainties associated with our business. Please refer to the cautionary statement on forward-looking information on Slide 2.

In today's presentation we will be referring to various non-GAAP financial measures, as noted on Slide 3. These measures are not defined financial measures according to GAAP, and do not have standardized meanings described by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. Reconciliations of these non-GAAP financial measures can be found in the Management's Discussion and Analysis for Q3 2015. I will now turn the call over to Brian Vaasjo for his remarks starting on Slide 4.

BRIAN VAASJO: Thanks Randy and good morning. I'll start off with a quick review of the highlights for the third quarter. We had a solid operating performance quarter with an average plant availability of 95%, reflecting the planned outage at Keephills 3. We reported normalized earnings per share of $0.33, which was ahead of our expectations and up 175%, compared to $0.12 in the third quarter of 2014.

Funds from Operations of $97 million was also better than expected and 17% higher than the $83 million for the same period a year ago. Based on the year-to-date results and outlook for the remainder of 2015, our forecast of Funds from Operations has improved. We expect 2015 FFO to improve from the low end of the $365 million to $415 million target range to the mid-point of the range.

I'm also pleased to announce that we have filled the vacant Senior Vice President of Corporate Development and Commercial Services position. Effective November 2, 2015 Mark Zimmerman will be joining the company in this role. Mark has more than 25 years of experience in the energy infrastructure and petroleum industries, with leadership roles focusing on finance, valuation, corporate strategy, business development, and mergers and acquisitions. His most recent position was Vice President, Corporate Development and Strategy at TransCanada Pipelines Ltd.

Turning to Slide 5, this slide summarizes the plant availability operating performance of our plants for the third quarter of 2015, compared to the same period a year ago. As mentioned, average plant availability in the third quarter was 95%, compared to 97% in the third quarter of 2014. This reflects a major scheduled outage that was completed at Keephills 3 that reduced its plant availability to 63%. As you can see, our operations are back to normal at the Shepard facility where the plant had 100% availability in the third quarter, an improvement from 73% availability in the second quarter, which was negatively impacted by a 28-day unplanned outage. I'll now turn the call over to Bryan DeNeve.

BRYAN DENEVE: Thanks, Brian. I'll discuss our financial results starting on Slide 6. As Brian highlighted, in the third quarter we reported normalized earnings per share of $0.33 and $97 million in Funds from Operations. Both of these numbers were higher than expected primarily due to strong portfolio optimization activities. The average Alberta power price was $26/MWh in the third quarter, compared to $64/MWh in the third quarter of 2014. Despite this 59% year-over-year decline, our trading desk captured 135% higher realized average price of $61/MWh versus the spot price at $26. The trading desk realized higher power prices by selling forward 100% of its commercial production, a portion of which was secured in June 2015 when forward rates increased temporarily.

Slide 7 presents our Alberta power market trading performance over time. You can see that over the past six years our trading desk has captured an average realized power price that is 24% higher, on average, compared to the spot power price. Not only do our portfolio optimization activities continue to create incremental value by capturing a higher realized Alberta power price than spot, they also help to manage our exposure to commodity risk and reduce volatility, as illustrated by the flat orange line on the chart in contrast to the more volatile spot power price shown by the blue line.

Turning to Slide 8, I'll review our third quarter financial results compared to the third quarter of 2014. Revenues were $469 million, up 89% from Q3 2014, primarily due to the unrealized changes in fair value of commodity derivatives and emission credits, and strong portfolio optimization results. Adjusted EBITDA, before unrealized changes in fair values, was $120 million – up 41% from the third quarter of 2014. All plant segments reported higher adjusted EBITDA year-over-year, led by a 47% increase from the Alberta Commercial Plants and Sundance PPA segment. Normalized earnings per share of $0.33, increased 175%, compared to $0.12 a year ago. Funds from Operations of $97 million were ahead of expectations and up 17% year-over-year.

Turning to Slide 9, I'll quickly cover our third quarter year-to-date results, compared to the same period in 2014. Overall, the year-to-date results show year-over-year improvement across all financial measures. Revenues was $910 million, up 14% year-over-year, primarily due to strong portfolio optimization results. Adjusted EBITDA, before unrealized changes in fair values, was $329 million, up 16% from a year ago, primarily due to higher contributions from the Alberta Commercial Plants and Sundance PPA segment. Normalized earnings per share were $0.73 on a year-to-date basis in 2015, up 43% compared to $0.51 a year ago. We generated $275 million in Funds from Operations on a year-to-date basis, which is 6% higher than last year.

I'll conclude my comments with our financial outlook on Slide 10. Our original 2015 FFO guidance was based on an average Alberta power price of $44.00, compared to an actual power price of $37.00 in the first nine months of 2015. As mentioned, the strong performance of our trading desk has offset the weakness in Alberta prices. Accordingly, our latest forecast shows an improvement in our 2015 FFO expectations to the mid-point of our guidance range, from the lower end of the range. With respect to a provincial climate change announcement, we remain actively engaged in the consultation process and we expect the Alberta government to announce a long-term climate change strategy prior to the Climate Change conference in Paris in early December. I will now turn the call back to Brian Vaasjo.

BRIAN VAASJO: Thanks Bryan. I'll conclude with an update on our targets and corporate priorities. The charts on Slide 11 show our year-to-date operational and financial results versus the 2015 annual targets. After nine months, our average plant availability was 94% and we remain on track to achieve the 94% target for 2015. Our year-to-date sustaining CAPEX was $50 million versus the $65 million annual target. Nine months plant operating and maintenance expenses are $143 million versus the $180 to $200 million annual target. Finally, we have generated $275 million in Funds from Operations through nine months and expect to be at the mid-point of the $365 to $415 million annual range. Overall, we are on track to meet our 2015 annual operational and financial targets.

Turning to Slide 12, we have two development and construction targets in 2015 relating to the K2 Wind project in Ontario and Genesee 4 & 5 here in Alberta. The K2 Wind project was completed on time and on budget in the second quarter. For Genesee 4 & 5, our goal is to transition to the construction phase this year. We are on progressing with site preparation at the Genesee site. For 2015, the total CAPEX spend for Genesee 4 is expected to be approximately $14 million, where our joint venture partner, Enmax and us would equally share in the costs. I will now turn the call back over to Randy.

RANDY MAH: Thanks Brian. Matthew, we're ready to start the Question and Answer session.

<u>QUESTION AND ANSWER SESSION</u>

OPERATOR: All right, perfect. So, ladies and gentlemen, if you do have any questions please go ahead and press '01' on your telephone keypad. Perhaps we'll give everyone a few moments here to queue up. So it's '01' now if you've got any questions. And we do have quite a few people that have queued up. First question coming from Linda Ezergailis of TD Securities. Please go ahead, Linda.

LINDA EZERGAILIS: Thank you. Congratulations on a strong quarter. And just a quick question on restructuring. Can you comment on what sort of ongoing cost savings you might realize from that and if you expect to do more cost savings prospectively, either through your supply chains or other means, or if you're kind of done for now?

BRIAN VAASJO: Good morning, Linda. The restructuring charge is part of an overall program that the impacts of which, including cost savings around lower staff levels, increasing efficiencies of our plants, and also some other initiatives from the cost management side, we are actually intending on bundling together and speak at our Investor Day as to the overall impact of the combination of these initiatives.

LINDA EZERGAILIS: Ok.

BRIAN VAASJO: But there is more than just the restructuring charge.

LINDA EZERGAILIS: Ok, that's helpful. I look forward to hearing that. And then, can you comment on the nature of the unplanned outage at your Clover Bar Unit 2? And whether there was anything systemic thing there or just what happened?

BRIAN VAASJO: So, what was happening is we were having an unplanned outage associated with some of the problems that we had encountered from a blade perspective. And while in there, there was some processes that…and again, from a GE perspective, it didn't quite go right and it resulted in a much longer outage than we had anticipated. But as it sits today, the unit is running fine. No other problems or issues.

LINDA EZERGAILIS: Ok, that's helpful. And just one final clean-up question. You mentioned in your submission to the Leach Panel that critical investment commitment decisions need to be made in the next six to nine months. Do you think that any, sort of, policy direction or strategy communicated over, I guess, before the end of the year will be enough to make major investment decisions or would you want more crystallization of the details in order to really make substantial commitments to the market, to the Alberta market?

BRIAN VAASJO: Certainly the greater levels of detail that are provided by the government this year would be very, very helpful in making that decision, either to go forward or not to go forward. Our hope – and we've been communicating with the government as to the types of information we think are necessary for us to make a fully informed decision. Undoubtedly, at that point in time there will be some detail still to be worked out, just given the nature and complexity of the issues, but we're hopeful there is enough information that would provide us with the comfort, again, to either go forward or not.

LINDA EZERGAILIS: Great. Thank you.

OPERATOR: All right. Our next question comes from Paul Lechem of CIBC. Please go ahead, Paul.

PAUL LECHEM: Thank you. Good morning. Just, maybe, some follow-on questions around where you might see the power market going in Alberta? And, in your discussions with the government, have you had any…or, has the government had any thoughts about changes in the market design itself to support the changes that they want, plus the investments needed down the road? Do you have any sense of any upcoming changes to the market design?

BRIAN VAASJO: So, just in terms of the feedback from the government, there are certainly elements that can have significant impacts on market design, such as the way renewables are increased. Renewables are brought into the market can have significant implications. Don't necessary drive towards specific design but towards specific impact. So the government is very aware of those elements and the impact of different decisions that might have on the market itself.

But, in terms of market design, we've heard a pretty consistent message that the government has a strong preference for maintaining the existing market design. And it's been a pretty consistent message.

PAUL LECHEM: Ok, so you haven't heard any commentary around moving to a capacity market or any substantive changes to the actual design?

BRIAN VAASJO: There's a number of industry participants and others who have made comments about potentially changing market design. Again, all I can say is, what we've heard from the government, again, is a pretty consistent message that they would very much like to move forward on the existing market design.

PAUL LECHEM: Ok. If the commentary from the government in the next month is supportive of investment going forward, what would your spend be on Genesee 4 in 2016?

BRIAN VAASJO: We don't have that entirely finalized. As you can anticipate, we're going through our budget process and fine-tuning those numbers. But, it is somewhere in the magnitude of about $100 million.

PAUL LECHEM: $100?

BRIAN VAASJO: Yes.

PAUL LECHEM: Ok. Last question – Beaufort Solar project – you expect to complete that, I think, this year? Is there anything else in the queue in the US that you can see moving actually into construction over the course of the next year?

BRIAN VAASJO: So we do have the Bloom Wind project, which we have—which we're active in our PPA processes right now. And we're also looking at various potential bi-lateral contracts to move that project forward. If we are successful over the next month or so, potentially two months, we would expect that wind farm to be complete by the end of next year.

PAUL LECHEM: And what would the CAPEX be for that?

BRIAN VAASJO: It would…a lot of that would depend on structuring but somewhere in the order of $350 million.

PAUL LECHEM: Canadian or US?

BRYAN DENEVE: That would be US.

PAUL LECHEM: All right, great. Thank you very much Brian.

OPERATOR: Our next question comes from Ben Pham of BMO Capital Markets. Please go ahead, Ben.

BEN PHAM: Ok. Thanks, good morning everybody. I just want to go back on the Climate Change policy that you expect, everyone is expecting to come out. And, as you think about your own submissions and even some other submissions that have come in from your competitors in the marketplace; I mean, how do you guys think about, just, the realistic outcomes that can…how this thing all plays out in the end? Just in terms of probability? And, also, just how you guys are managing those different outcomes too, on a go-forward basis, right now?

BRIAN VAASJO: So, obviously, Ben, we are looking at the whole range of outcomes and implications, both in the short, medium, and long-term and trying to understand the impacts of those. For example, things like earlier plant closures help power prices and so on in the shorter term. So there's a lot of nuances around not only the…I'll call it the 'discrete' decision but also the combination of decisions and what it means for Capital Power, what it means for the Alberta power market and, obviously, things like, what does it do in terms of emissions objectives, et cetera, for the government. So we're looking at the full range of alternatives quite actively.

BEN PHAM: Ok. Maybe I can just go here to your guidance change and there's a swing there to the positive. And I'm just curious…most of those hedges were layered on in June and you talked about this in the last quarter. And you guided towards some sort of potential net positive but you didn't change your guidance last quarter. So was there anything else that came out of the quarter that provided you greater confidence, and you guys looked at the numbers and just giving you guys greater confidence in raising your guidance?

BRYAN DENEVE: I think, in addition too, we had layered on those additional hedges, as we mentioned, but we also had very strong availability from the fleet in Q3, which locked in additional value. And also, as we've moved through Q3, we've continued to firm up our position in Q4 of this year, which has also firmed up our expectations and been able to revise the guidance.

BEN PHAM: Ok. Great, thanks for taking my questions.

OPERATOR: The next question comes from Andrew Kuske of Credit Suisse. Please go ahead, Andrew.

ANDREW KUSKE: Thank you, good morning. I guess my question is to a Bryan, whether it's with an 'I' or with an 'Y'. Could you just give us some context on customer conversations you're having right now? Because, obviously there's a lot changing in the Alberta power market and there's quite a bit of uncertainty. So how has that affected customer behavior on locking in long-term contracts or even contemplating power delivery in '16, '17, and beyond?

BRYAN DENEVE: So, we've certainly seen some reduction in terms of activity on the retail side of the market. So, what we're hearing from customers is some of them are waiting on the sidelines until some of the policy decisions are made. So, certainly we would expect that activity to start to ramp up after the clarity starts to come forward.

ANDREW KUSKE: Ok, that's helpful. So, are you expecting, when you get into 2016, a bit more of a ramp up in the book? I mean, typically, the way you ladder in things, you're usually open in a longer-term basis, and open in the nearterm if you think prices are officially depressed. But do you anticipate your retailers coming back and then industrials, and that, maybe, have some flexibility ramping in later into the books, as there is greater clarity?

BRYAN DENEVE: Yes, yes. We would see that activity increase in Q1 and looking at, again, some industrial and large commercial customers that have been waiting for that additional clarity – we would see their activity increase to lock in over the next three to five years.

ANDREW KUSKE: And just within that…and I know you typically don't talk about pricing dynamics. And, obviously, you have uncertainty surrounding some of the coal facilities that creates a lot of variability in the pricing. But is the expectation from industrials is really more 'wait and see' and that's why they have been, sort of, standing on the sidelines?

BRYAN DENEVE: I believe so, yes.

ANDREW KUSKE: Ok. Just on demand in the market. Demand continues to move positively. Do you see any real derailing of that? Or are we still seeing it steadily chugging along, even in a pretty lackluster commodity market?

BRYAN DENEVE: Well, certainly, we're watching this very closely. Year-to-date we see a weather normalized growth in Alberta of 1.5% through the end of Q3 of this year. As we project forward, there is uncertainty, of course, around 2016 and how the prolonged lower oil price will manifest itself in terms of load growth. But our view is that if we look over the next three to five years we would expect that load growth to be in that 2 to 2.5% range per year.

ANDREW KUSKE: Ok. That's very helpful. Thank you.

OPERATOR: Our next question come from Rob Hope of Macquarie. Please go ahead, Rob.

ROB HOPE: Good morning. Just a question on the Alberta Climate Change Panel. If the recommendations do come in that are overly punitive, what recourse would you expect to pursue?

BRIAN VAASJO: I think a lot of that depends on what the nature and type of decision is. We would carefully weigh all of our alternatives in terms of action and at that time come to a conclusion. But, we would be looking at the full range of what actions are available to us.

ROB HOPE: So…consultation through legal means, I would assume?

BRIAN VAASJO: Potentially.

ROB HOPE: All right. Maybe just broader – in terms of capital allocation in this environment, we saw you buy back some additional shares this quarter. What would the thinking there be? Is there is uncertainty regarding investments on Bloom, acquisitions, as well as at G4 and that you see that as the best use of your capital to be repurchasing shares?

BRYAN DENEVE: Yes. So, at this time we've looked at our free cash flow that we've had available and, until some of those growth projects in the US start to crystallize, we've been utilizing those funds to buy back shares, as you mentioned. And, earlier in the year, we actually bought back some of the debt. So we're looking at doing that in a balanced way. But, certainly, our priority as we move forward is on the growth side. So, as we see Bloom start to move forward and, potentially some of the other projects in our Element portfolio, that will be the priority for free cash flow.

ROB HOPE: Thank you.

OPERATOR: All right. So, the last question at this point comes from Robert Kwan of RBC Capital Markets. Please go ahead, Robert.

ROBERT KWAN: Good morning. If I can just come back to just what you are expecting here on climate changes – more so, just the release from the government. Have you heard anything specific that leads you to feel that the government is going to announce…it sounds like a more formal strategy, I guess? A little bit of what we are hearing is that there's an expectation the government is just going to release a few options, or up to five options, on the path forward.

BRIAN VAASJO: So, maybe, Robert, just as a point of clarification – I think the issuing of options was from the Leach Panel to the government. And we expect that to be not public and, in fact, we expect until a decision is made we don't expect to know what those options are. So, from that point, what we do expect is the government to be releasing some minimum framework that would describe their direction and, hopefully, some specifics around climate change and what the various initiatives are. Because it's certainly has something to do with oil sands and certainly something to do with the electricity sector but, in addition to that, our understanding is it's going to cover a number of other elements as well. Again, not the Leach Panel but some of these other things are going to be involved as well.

So it will be fairly complex and we've encouraged the government to provide as much specificity as they can, at the earliest moment. So, hopefully there will be enough that we can fully assess the impact of the direction that the government is going.

ROBERT KWAN: Got it. Thanks, Brian. And, I guess, just on that then – has the government indicated that there will be, or…kind of, what are you basing your thought that there will be enough, in terms of a framework, rather than…it's a pretty quick turnaround from the release of the Leach Report, then to Paris, for the government to have something more concrete on the path forward. So is that just, kind of, your hope or have they indicated that their intention is to have enough details out there for people to start making decisions off of that?

BRIAN VAASJO: Well, there's the Leach Report that comes out, but also at the same time, the bureaucracy in the government is working very hard, in terms of understanding and knowing what the various ranges of alternatives are. The elected officials have started to be getting briefed; not necessarily on specific initiatives or approaches but in terms of generally on the file. We are very hopeful that there will be enough information provided early this year, and maybe with a little bit more detail early next year, that we can make some business decisions and it will bring a significant amount of certainty to the power market in Alberta.

ROBERT KWAN: Got it. Ok. Just somewhat related – you'd mentioned that the strong indications you've heard repeatedly from the government that it's their preference not to change the market design. I was just wondering, is that with respect to a direct change in the market design or does that include indirect impacts, such as an introduction of a RPS or governments entering into contracting that effectively changes the design itself?

BRIAN VAASJO: Robert, the way we look at it is there are certainly approaches to RPS standards in that whole framework that drives fundamental changes in the market design and the degree to which people may want to or be willing to invest in that perspective. But there are, also, market-friendly approaches that can basically leave the market design and the price signals and everything else in the market continuing to be robust and predictable and circumstances where companies like ours may continue to be willing to invest in gas. Because that's one of the significant components that's out there, of course, is that they need gas, natural gas builds, as well so they need a healthy merchant market for that to occur.

ROBERT KWAN: Ok. Sorry, can you give specific examples of what market-friendly changes might be?

BRIAN VAASJO: There's a number of different kinds of market-friendly ones. So, for example, RPS standards are very much focused on…say, for example, I'll just take our proposal, which had two market-friendly approaches. One is to create basically market prices that would drive the build of renewables; so a RPS standard would be notional. It wouldn't be something that the government is issuing RFPs for. The other approach that we put in was to actually have 50% of the retirement energy from coal plants replaced by renewables. And they could come through a bidding process, a typical RPS process, and our analysis says that that actually doesn't negatively impact on the market, the price signals, the prudency around building natural gas into that market.

ROBERT KWAN: Ok, great.

BRIAN VAASJO: Those are…

ROBERT KWAN: Sorry, Brian.

BRIAN VAASJO: Those are just two examples of market-friendly approaches.

ROBERT KWAN: Great. If I can finish with one question on the quarter? Just in the Alberta contracted segment, I was just wondering if there was anything unusual during the quarter? I guess, Q1/15 – very high availability, so similar to this quarter, but—and actually slightly higher power prices with the incentives, but the EBITDA was about $10 million lower so I am just wondering was that an unusual quarter or was this an unusual quarter?

BRYAN DENEVE: So, you're comparing this quarter, Q3 2015, to Q3 2014?

ROBERT KWAN: No, Q1 2015.

BRYAN DENEVE: Oh.

ROBERT KWAN: So, very high availability quarter, similar pricing environment but quite a bit different EBITDA.

BRYAN DENEVE: Back in Q1 2015.

ROBERT KWAN: Yes.

BRYAN DENEVE: Yes. One of the things that has occurred is we reached settlement with the Balancing Pool on replacement indices under the power purchase arrangement. So, the indices determine compensation on the capital invested in those facilities. So the replacement indices that has been put in place is favourable for us for Genesee 1 and 2, so those benefits are showing up in Q2 onwards for those facilities.

ROBERT KWAN: Ok, so this is now, kind of, for lack of a better term, a 'run-rate' under the new index but there's no, kind of, catch up booked during the quarter. Is that correct?

BRYAN DENEVE: Not in Q3, no.

ROBERT KWAN: Ok, perfect. Thank you.

OPERATOR: Our next question comes from Jeremy Rosenfield of Industrial Alliance. Please go ahead, Jeremy.

JEREMY ROSENFIELD: Great, thanks. Good morning. Just a follow-up on the Alberta contracted segment. Was the coal cost also an issue that was factored into the difference in the EBITDA there?

BRYAN DENEVE: Yes, actually, I'm glad you raised that, Jeremy. That would be the other factor is we've continued to see declines in the coal costs at Genesee 3 and Genesee 1 and 2, as well as seeing some of that start to curve at Keephills 3, through our joint ventures there.

JEREMY ROSENFIELD: I was wondering if you could just break it out? I don't know if you have the number in front of you but just in terms of notionally that versus the other number you described earlier, relation to the indices?

BRYAN DENEVE: Yes, on a go-forward basis I would say the coal, the savings on the coal side, is probably about two-thirds of it.

JEREMY ROSENFIELD: Ok. That helps. The other question that I had really just relates to your hedging strategy going forward. Looking beyond 2016, looking to 2017…about 30% hedged right now. Is the strategy just to maintain a, sort of, low-level of hedges given where prices are, I think, in the market right now and seek to hedge up if there is change in the overall market this December? Is that, sort of the way you're thinking out to 2017 or it will be part of a more comprehensive strategy? Just curious how you're thinking about that?

BRYAN DENEVE: So basically we look forward into 2017. We have a very detailed view of, fundamental view of what spot prices we expect in 2017 and we look at how that compares relative to where forwards are. And really, that's the primary driver that determines how much we lock in 2017, subject to the amount of liquidity in the market. So, typically what happens is as we get closer to 2017, we'll see liquidity around 2017 improve and that provides an opportunity to lock in increasing percentages at more favourable pricing.

JEREMY ROSENFIELD: Ok. And, just from a pricing perspective, previously you've been $50 range, which had been targeted, but is that still a realistic, sort of, pricing target as you look forward or has your expectation for what you think you can get when locking in hedges, is that changed?

BRYAN DENEVE: It's dynamic, as information becomes available in the market in terms of what we're seeing with new generation announcements - of course, the climate change discussions. We have a view that the market design will continue to function as it has, so that's a constant as we move forward.

As I mentioned earlier, we have sort of a 2 to 2.5% expectation around load growth so prices in the $50 range is still a reasonable expectation.

JEREMY ROSENFIELD: Ok. And, just, in terms of guidance – I'm assuming when you have your Investor Day later this year, you'll introduce guidance for 2016 but when you think about setting that, when you think about the high level of contracting, where you are right now, how much real variability is still, let's say, in the 2016 numbers at this point?

BRYAN DENEVE: So, we'll certainly provide a lot more detail around that at Investor Day in December. Now, our baseload production is, for the most part, hedged in 2016 but certainly we see opportunities in terms of our peaking generation capability, which is off CBEC as well as off of the Joffre facility, as well as potential upside on our Halkirk Wind project – are all elements that will start to firm up as we move towards and into 2016.

JEREMY ROSENFIELD: All right, thanks.

OPERATOR: So there are no other questions at this time.

RANDY MAH: Ok, thanks Matthew. We hope you can enjoy…oh, sorry, we hope you can join us for our annual Investor Day event that will take place on December 3rd in Toronto. More details will be announced shortly. Thanks again for joining us today and for your interest in Capital Power. Have a good day everyone.

OPERATOR: Ladies and gentlemen, this concludes Capital Power's third quarter 2015 conference call. Thank you for your participation and have a great day.

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