Capital Power Investor Day

Driving to a Sustainable Future

December 7, 2017

Capital Power

capitalpower.com

Forward-looking information

Cautionary statement

Certain information in today's presentations 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.

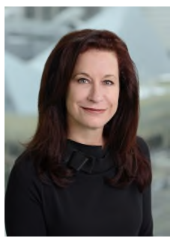
Please refer to the forward-looking information slides at the end of the presentation and in our disclosure documents filed with securities regulators on SEDAR, which contain additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, 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.

The forward-looking information contained in today's presentations is provided for the purpose of providing information about management's current expectations and plans relating to the future. Such information may not be appropriate for other purposes.

Executive leadership team

Brian Vaasjo
President & Chief Executive Officer

Jacquie Pylypiuk
VP Human Resources



Kate Chisholm
SVP Legal & External Relations

Darcy Trufyn
SVP Operations, Engineering & Construction

Bryan DeNeve
SVP Finance & Chief Financial Officer

Mark Zimmerman
SVP Corporate Development & Commercial Services

Agenda

Time	Topic	Presenter
9:00 am	Introduction	Randy Mah
	Executing on Strategy	Brian Vaasjo
	Delivering Growth in Cash Flows	Mark Zimmerman
	Excellence in Operations and Development	Darcy Trufyn
	Break	
	Optimizing Financial Strategy	Tony Scozzafava
	2018 Corporate Priorities	Brian Vaasjo
	Q&A session	
11:30 am	Lunch	

Executing on strategy

Brian Vaasjo

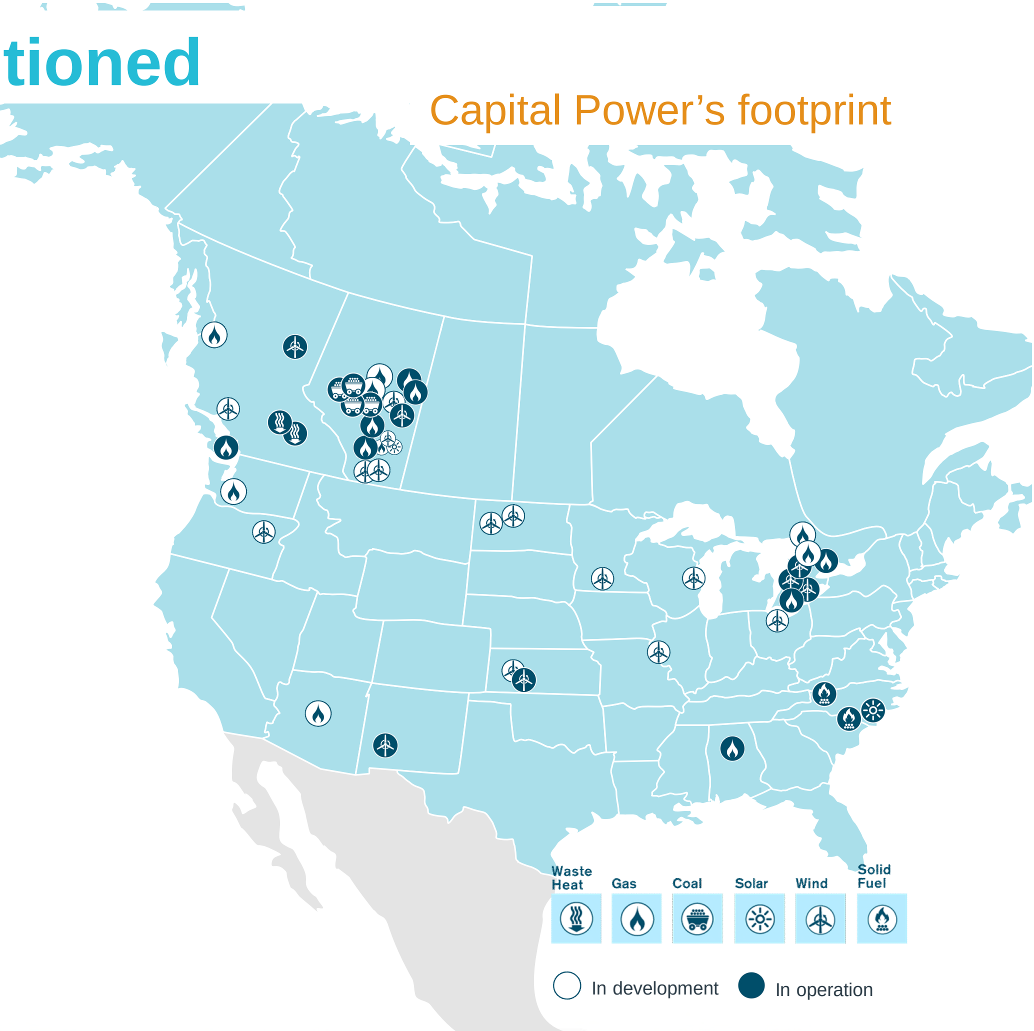
Capital Power

capitalpower.com

Capital Power is well-positioned

- **Company** – growth-oriented diversified North American power generator
- **Assets** – young and modern fleet of assets
- **Competencies** – proven operating, development, construction, and risk management expertise
- **Financial Strength** – strong contracted cash flow supports asset and dividend growth

Capital Power's footprint



Strategy

Provide investors with a strong total return

- Fixed income investors with the stability of maintaining credit ratings over the investment term
- Shareholders with a robust Total Shareholder Return
  - Minimum average annual AFFO per share growth of 7%
- Continue to maintain substantial upside to Alberta market
- Integral part of the value proposition is the reduction in business risk which benefits all investors through an expected reduction in dividend yield

Growth (new assets)

- Building and acquiring contracted natural gas and renewable assets in North America
- Growing our pipeline of development opportunities
- Reduce risk through geographic and fuel diversification

Strategy

Execute on strategies that continue outstanding operations while reducing our GHG costs and risk (existing assets)

- Successful completion of 5-year program of increasing availability while reducing costs and risk
- Management of risks and opportunities relating to carbon costs
  - GPS project completes first year of implementation with subsequent accelerated
  - Continue to actively develop and optimize carbon credits
  - Biofuel opportunities
- Total conversion of coal plants to natural gas
  - Anticipate decision point likely 2020 due to carbon and natural gas pricing
  - Superior availability and efficiency of our coal fleet will carry over following conversion to gas
  - Maximizing optionality of timing and fuel source
  - Federal coal to gas regulations likely extends facility life to almost 2040

Execution in 2017

Excellent existing operations

- Expect to achieve operating performance targets on our plants
- Operating cost in-line with target
- Bettered sustaining capex target
- Continued efforts on reducing carbon footprint
- Excellent realized Alberta power price

Substantial contracted growth and diversification

- Executed on renewables strategy
- Acquired five thermal assets
- Added nearly 1,300 MW to the fleet

Enhanced financial strength

- Raised ~$1.0 billion in gross proceeds from financing activities
- First year of annual off-coal compensation payments
- AFFO growth from contracted assets supported annual dividend growth guidance out to 2020

Executing on contracted growth

Added nearly 1,300 MW

- Acquired 3 contracted natural gas and 2 waste heat facilities
  - All are meeting the or beating the acquisition business case
- Completed the construction of Bloom Wind early and under budget

Announced and commenced construction for New Frontier Wind

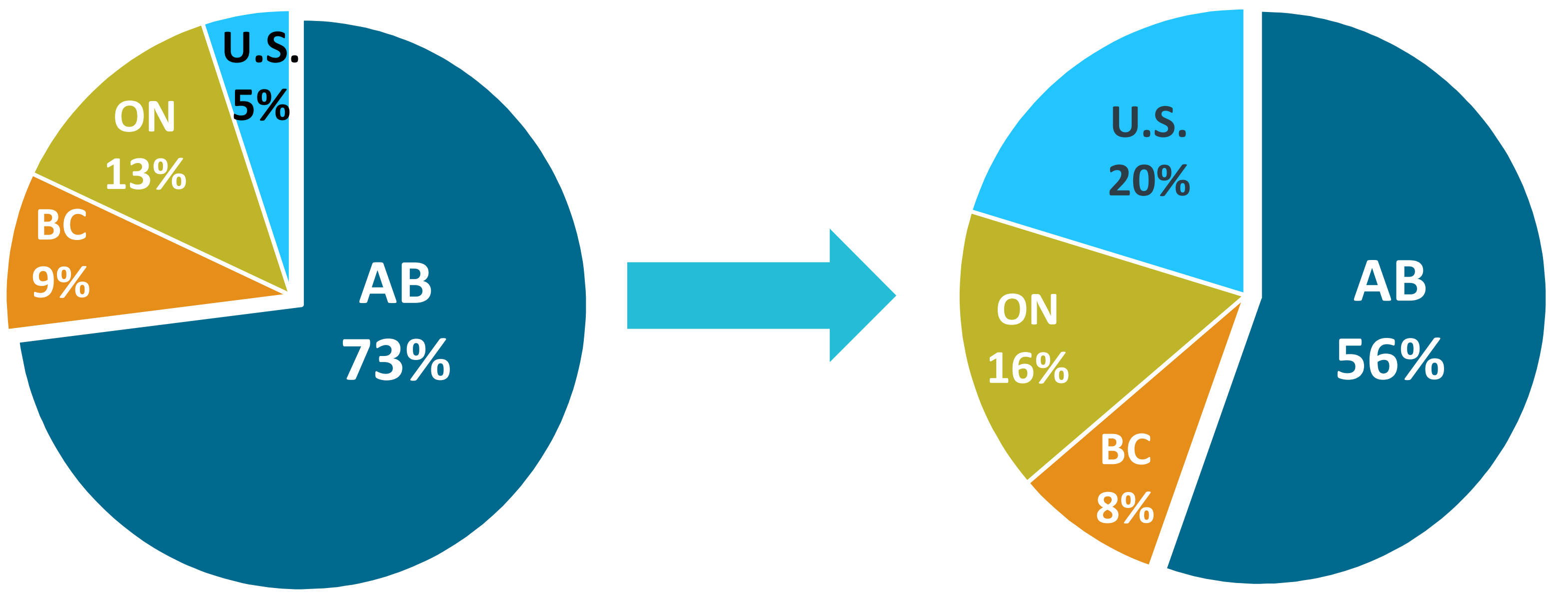
- 99 MW contracted project in North Dakota
- Commercial operations expected in December 2018

We expect to secure 2-4 additional wind farm developments by end of 2018

Geographic profile

Recent acquisitions and completion of Bloom Wind has increased geographic diversification

Breakdown based on Adjusted EBITDA:



2016[1]

2018 Estimate[1]

1) Percentage breakdown based on Adjusted EBITDA prior to Corporate and unrealized changes in fair value of commodity derivatives and emission credits.

Managing through market & regulatory uncertainty

Carbon price

- Alberta carbon price of $30/tonne in place January 1, 2018
- Government model shifts the profile of existing carbon credit value realization but maintains overall value to Capital Power
- Federal Government’s indication of $50/tonne carbon price by 2022
  - Review and assessment in 2020 that will provide clarity

Alberta capacity market design

- AESO-led market design process
  - Capital Power participating on 4 of 5 working groups
- Alberta Government provides key policy direction
- First auction in 2019 for delivery in mid-2021
- Clarity expected mid-2018

Outlook

- 2017 operating and financial results forecast to meet or exceed targets
- 2018
  - ~5% growth in AFFO; annualized growth partially offset by carbon tax
  - Clarity on Alberta capacity market
  - Expect to secure 350MW to 600MW of contracted renewable developments
- Longer-term
  - Clarity on Genesee units optionality
  - Actions to reduce GHG emissions (GPS)
  - 7% annual dividend growth guidance to 2020
  - Numerous contracted growth opportunities in Canada and the US
  - Increased geographic and fuel diversification

Solid contracted growth while reducing business risk positions for yield improvement

Delivering Growth in Cash Flows

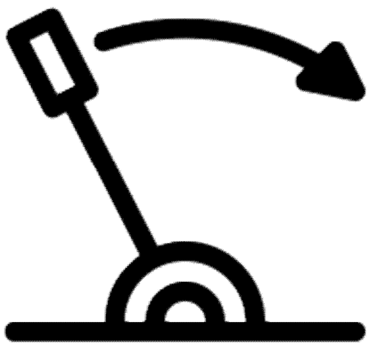
Mark Zimmerman

Capital Power

capitalpower.com

Pulling all levers

Growing cash flow



- Optimize existing assets
- Capitalize on capacity market
- Maximize commodity portfolio value
- Execute on development opportunities
- Acquire high quality assets

Where we have come from

Alberta context: risk declining

2015

Uncertainty	Event
↔	Shepard COD
↑	Oil price crashing
↑	Change in Alberta Government
↑	Climate Change Advisory Panel Initiated
↑	Climate Leadership Plan released

2016

Uncertainty	Event
↔	Oil price bottoms out
↓	CPC Terminates Role as SD C buyer
↔	Fort McMurray Wildfires
↑	AESO's Market Transition Recommendation Released
↓	CPC Coal Phase-out Agreement Reached
↓	CPC PPA Dispute Resolved

2017

Uncertainty	Event
↓	Capacity Market Transition Stakeholder Kick-off
↓	First REP competition Announced
↓	Sundance A retirement/mothball announcement
↓	Capacity Market Transition - Design working group initiated
↓	REP RFQ completed, RFP initiated
↓	Balancing Pool provides notice to terminate SD B and C PPAs

Expect to realize substantial Alberta upside

Evolving fundamentals

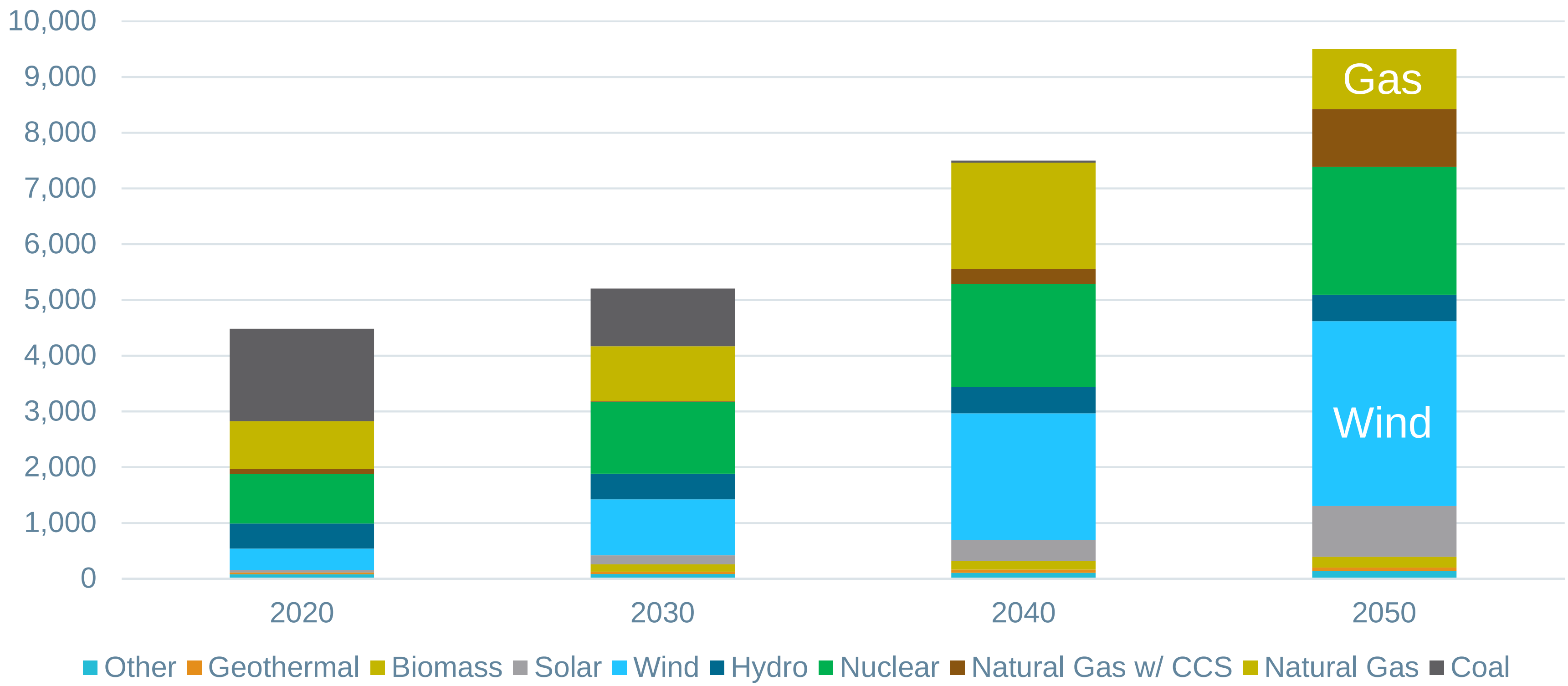
Ontario context: improving outlook for supply

Most relevant

	Short Term (0-2 years)		Medium Term (2-5 years)		Long Term (5+ years)	
Supply	Napanee Generating Station	↓	2+ GW of nuclear refurbishment starting	↑	3 GW of nuclear retired	↑
	Prospect of expanded HQ import deal	↓	4,600+ MW of intermittent wind and solar providing bulk supply	↑	2+ GW of gas contracts expiring	↑
	Darlington 2 refurbishment	↔	2,600+ MW of distribution-connected wind and solar	↑	4 GW of nuclear refurbished	↔
Demand	Flat to negative demand growth largely due to conservation and efficiency efforts	↓	Flat demand growth	↔	Flat demand growth turning to positive growth due to electrification efforts	↑

Ontario Energy Minister, Glenn Thibault (Nov 20, 2017): "…let me be clear, as Ontario continues to build upon our successful renewable integration initiatives, **dispatchable natural gas-fired generators** will continue to play an important role in balancing our system needs."

US forecast generation by fuel source



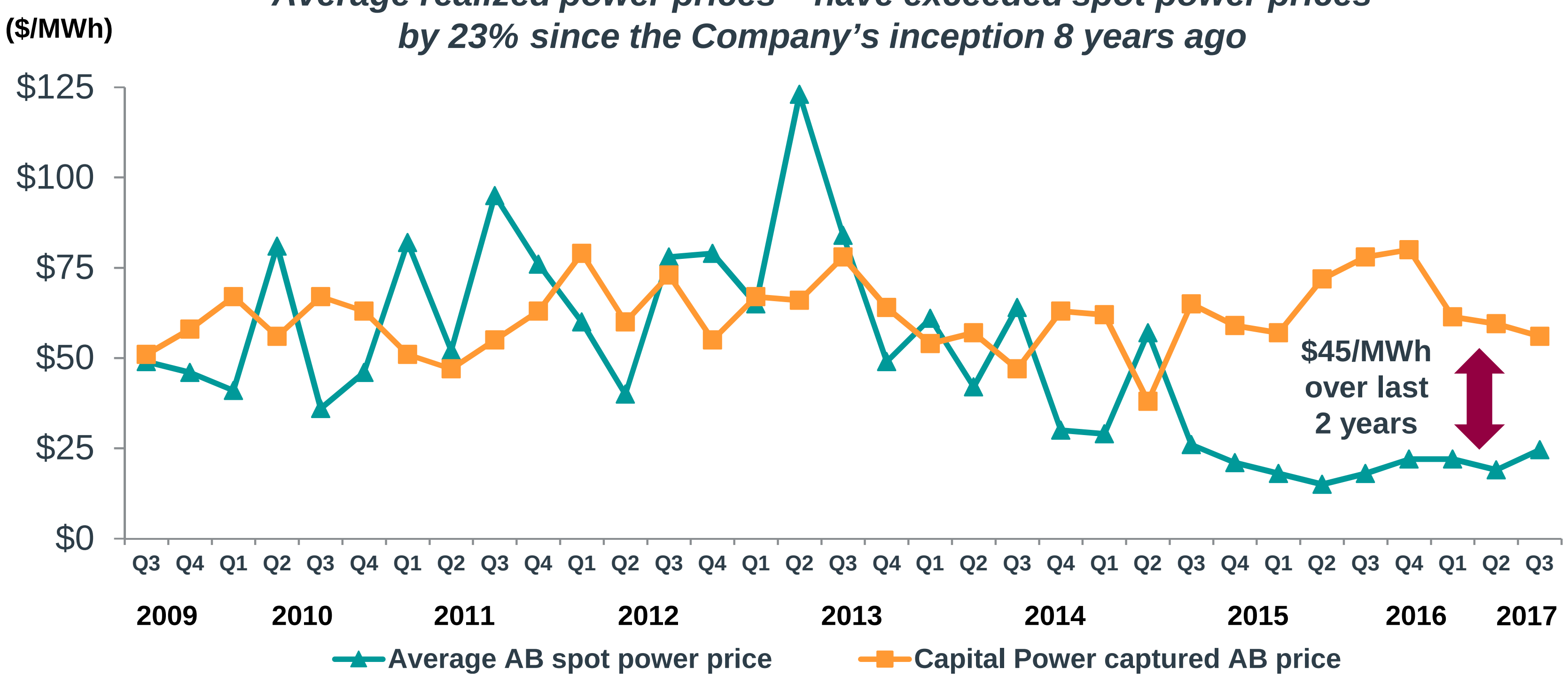
Wind generation expected to increase from 20% in 2020 to 47% of total generation in 2050

1) Source: DDPP

Maximizing the commodity portfolio

Creating incremental value through market expertise

Average realized power prices(1) have exceeded spot power prices by 23% since the Company's inception 8 years ago



1) Based on the Alberta baseload plants and the acquired Sundance PPA plus the uncontracted portion of Shepard Energy Centre baseload. Effective March 24, 2016, Sundance PPA is no longer a part of Capital Power's baseload generation due to termination of the Sundance PPA.

Alberta power market design change

Transition to a capacity market from energy-only market by 2021

Alberta Government Objectives

System Reliability

System stability as renewables are brought on under the Climate Leadership Plan

Investor Confidence

Opportunity for new and existing assets to receive a fair return of and on capital

Investment Signals

To strike a balance between decreasing revenue variability and sending appropriate price signals for investment

- **2017/18** – Stakeholder engagement to determine design
- **2018/19** – Incorporation of design in ISO rules, contracts, and/or legislation
- **2019** – Procurement begins, contracts awarded
- **2021** – First delivery

CPC is well positioned with a young, diversified, and efficient fleet

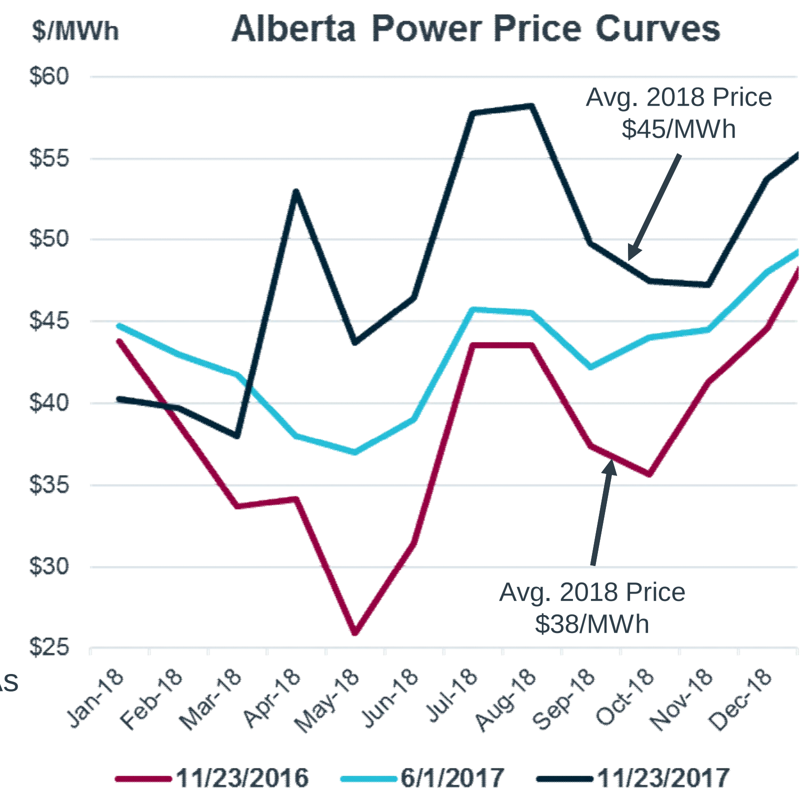
Increasing market visibility

Improving Alberta outlook

Nov-16

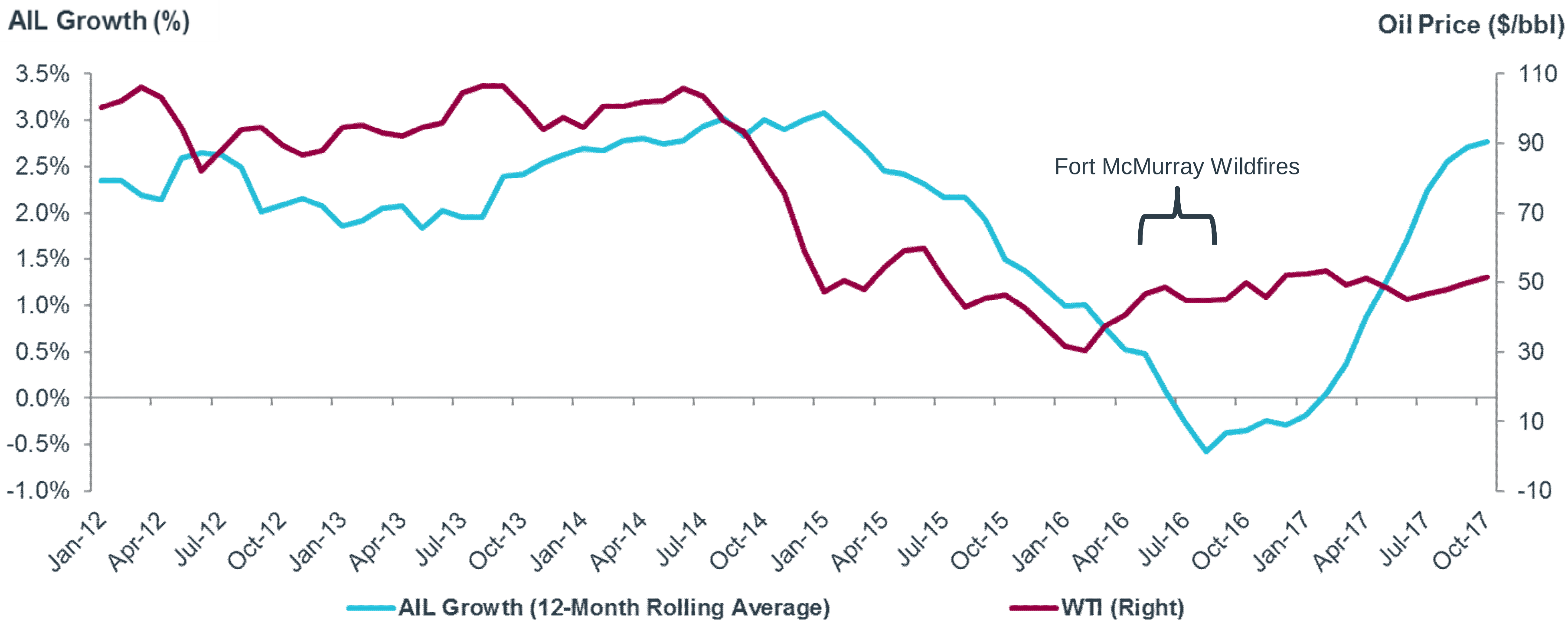
- CPC Coal Phase-out Agreement Reached
- CPC PPA Dispute Resolved
- Capacity Market Transition Stakeholder Kick-off
- First REP competition Announced
- Sundance A retirement/mothball announcement
- Capacity Market Transition - Design working group initiated
- REP RFQ completed, RFP initiated
- Balancing Pool provides notice to terminate SD B and C PPAs
- Keephills PPA termination assessment ordered

Nov-17



Alberta load growth[(1)]

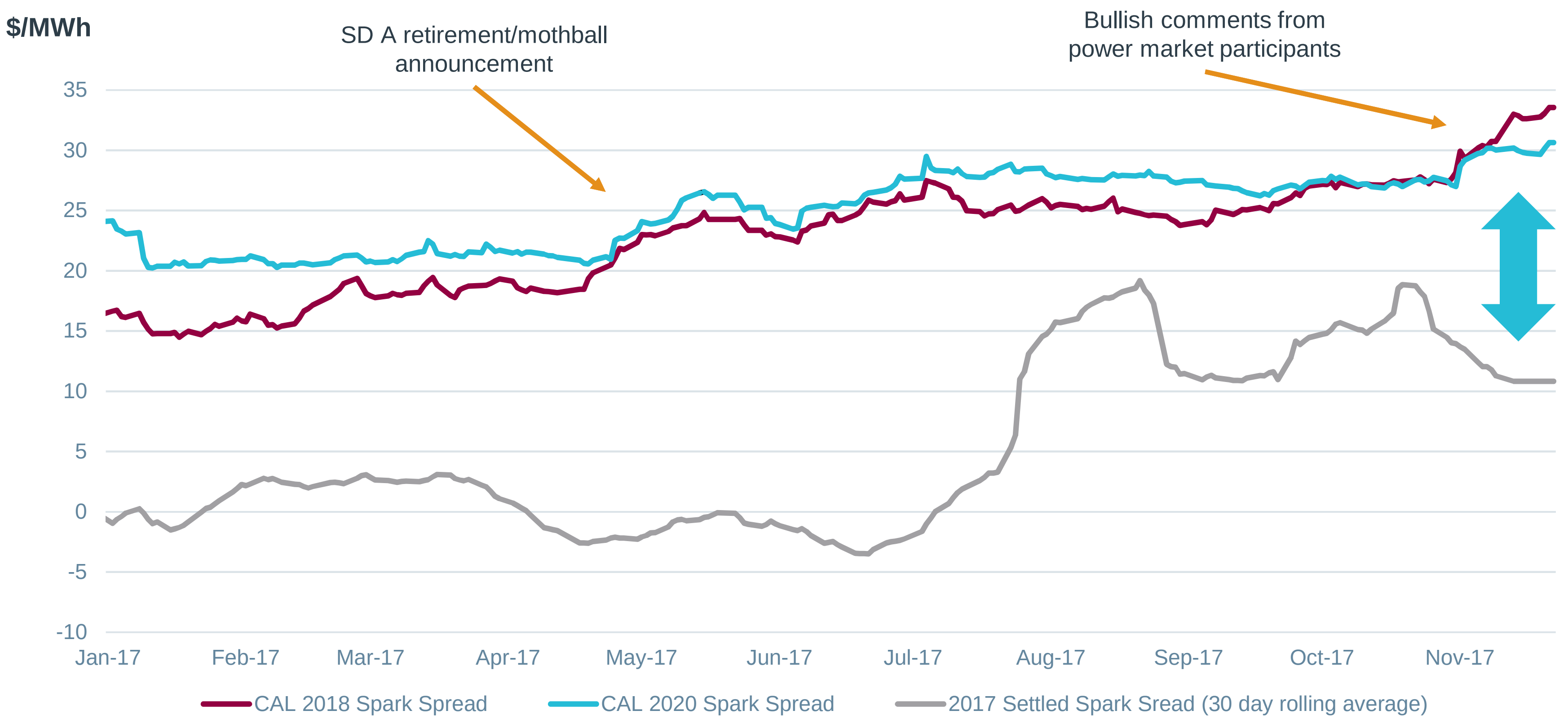
Fundamentals improving



(1) Alberta Internal Load normalized for weather
Source: CPC, EIA

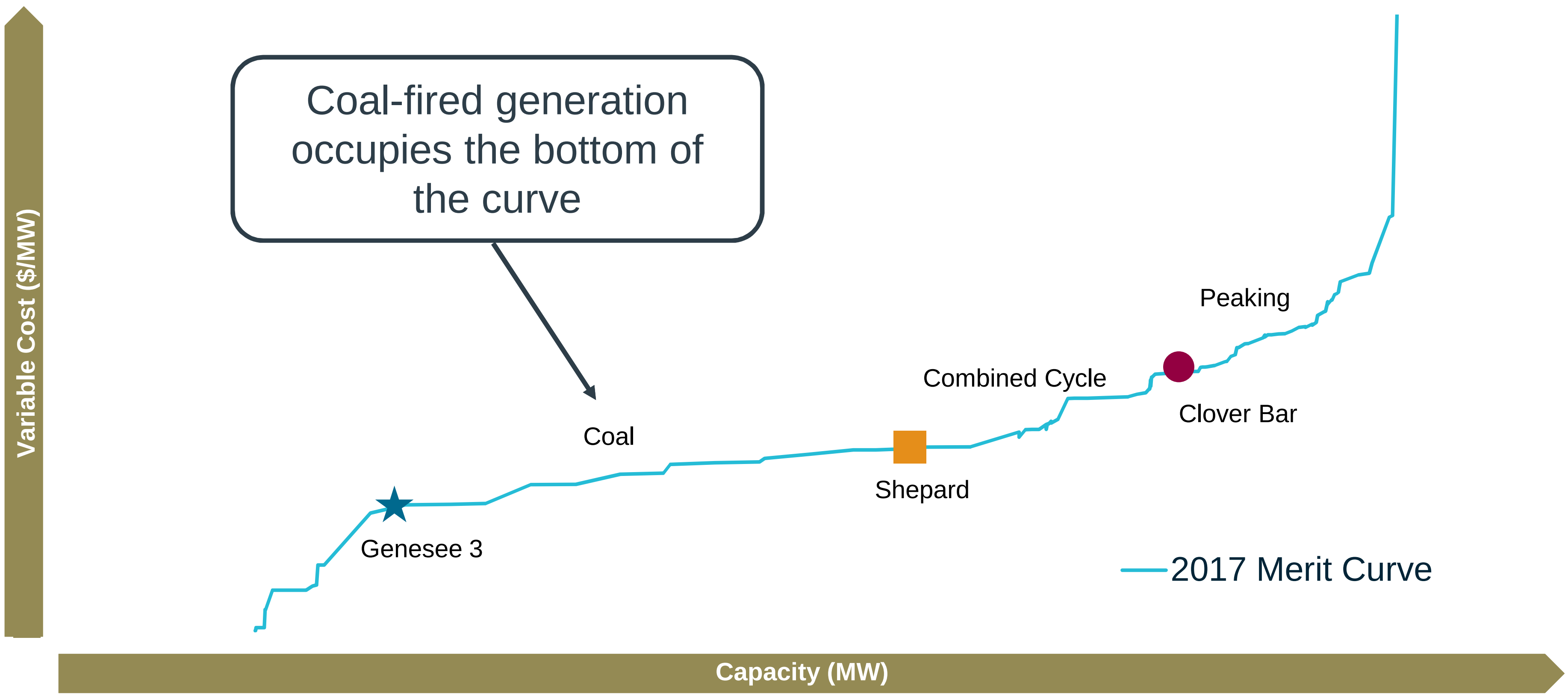
Spark spread forwards are trending higher

Improving outlook for gas generation



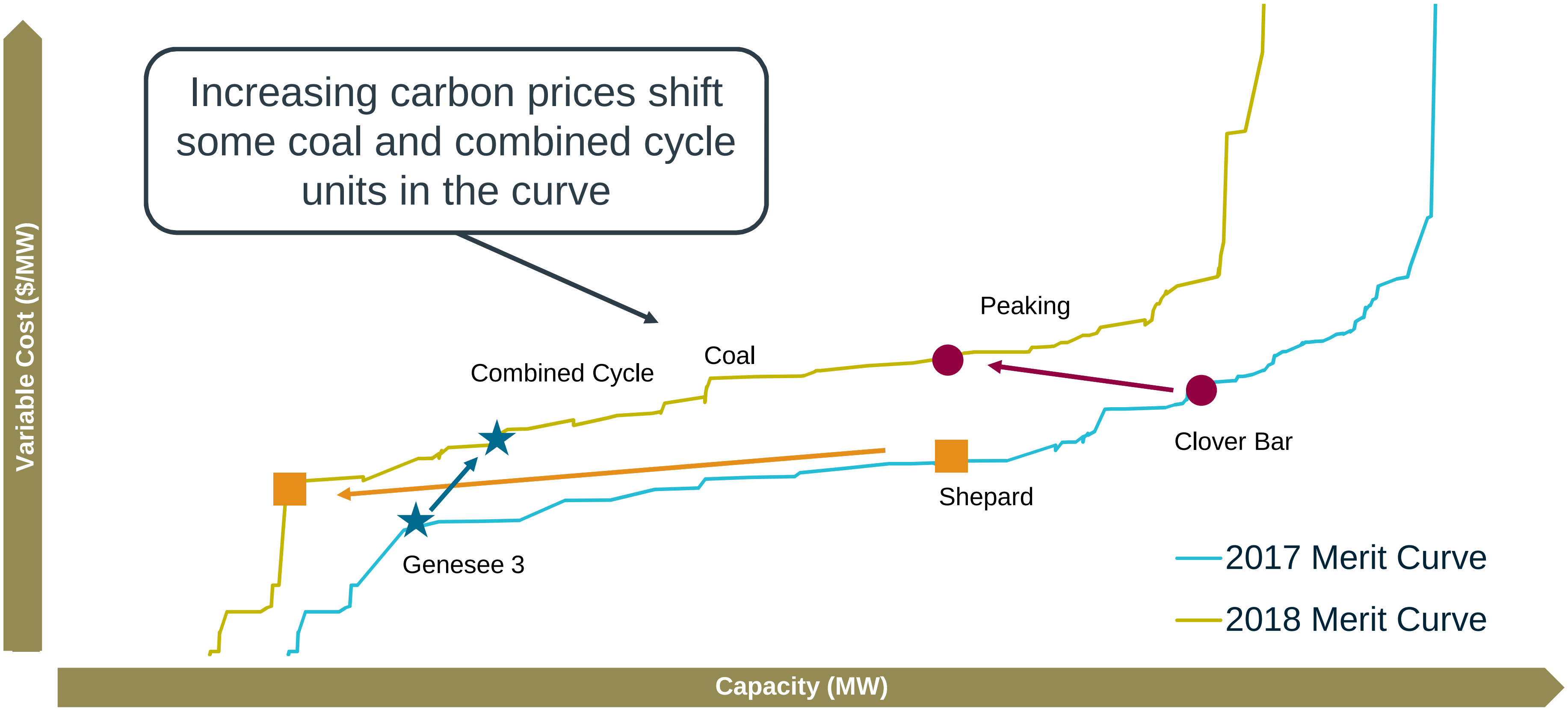
Position in Alberta

Competitive position in merit curve



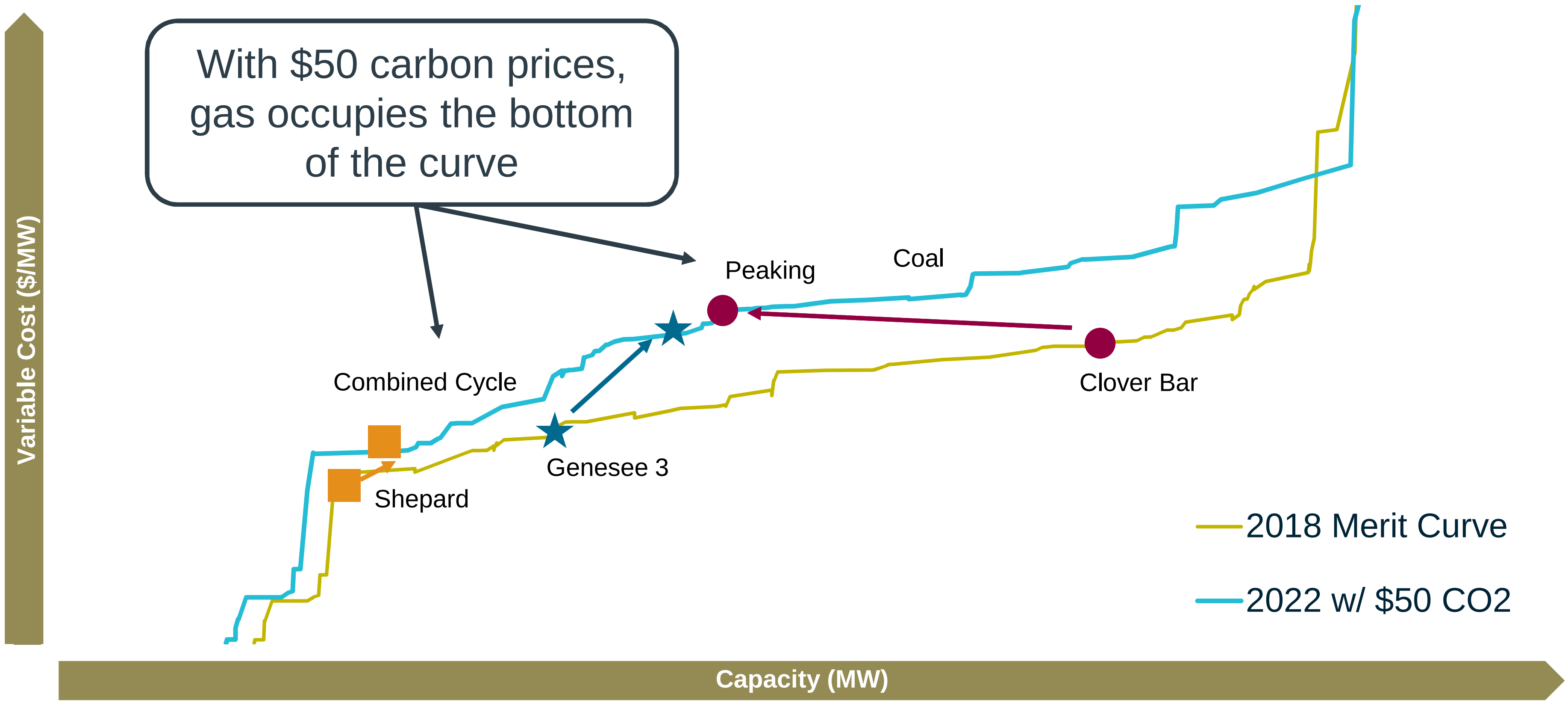
Position in Alberta

Competitive position in merit curve



Position in Alberta

Competitive position in merit curve



Optimizing existing assets

Unlocking potential incremental value

Alberta Assets

- Gas co-firing
- Biomass
- Full conversion

Ontario Assets

- Cost of fuel
- Transportation
- Wind dispatch

Island/Decatur

- Re-contracting efforts have commenced

US Wind

- Dispatch optimization
- Maintaining PTC

Canadian opportunity set

Significant investment required by 2030

Alberta

Coal phase-out
Junior developer consolidation
- >2,500 MW of capacity

Renewable Energy Program
- 5,000 MW opportunity

Gas-fired opportunities

British Columbia

Site C uncertainty
Development sites:
- 2x wind
- 1x gas

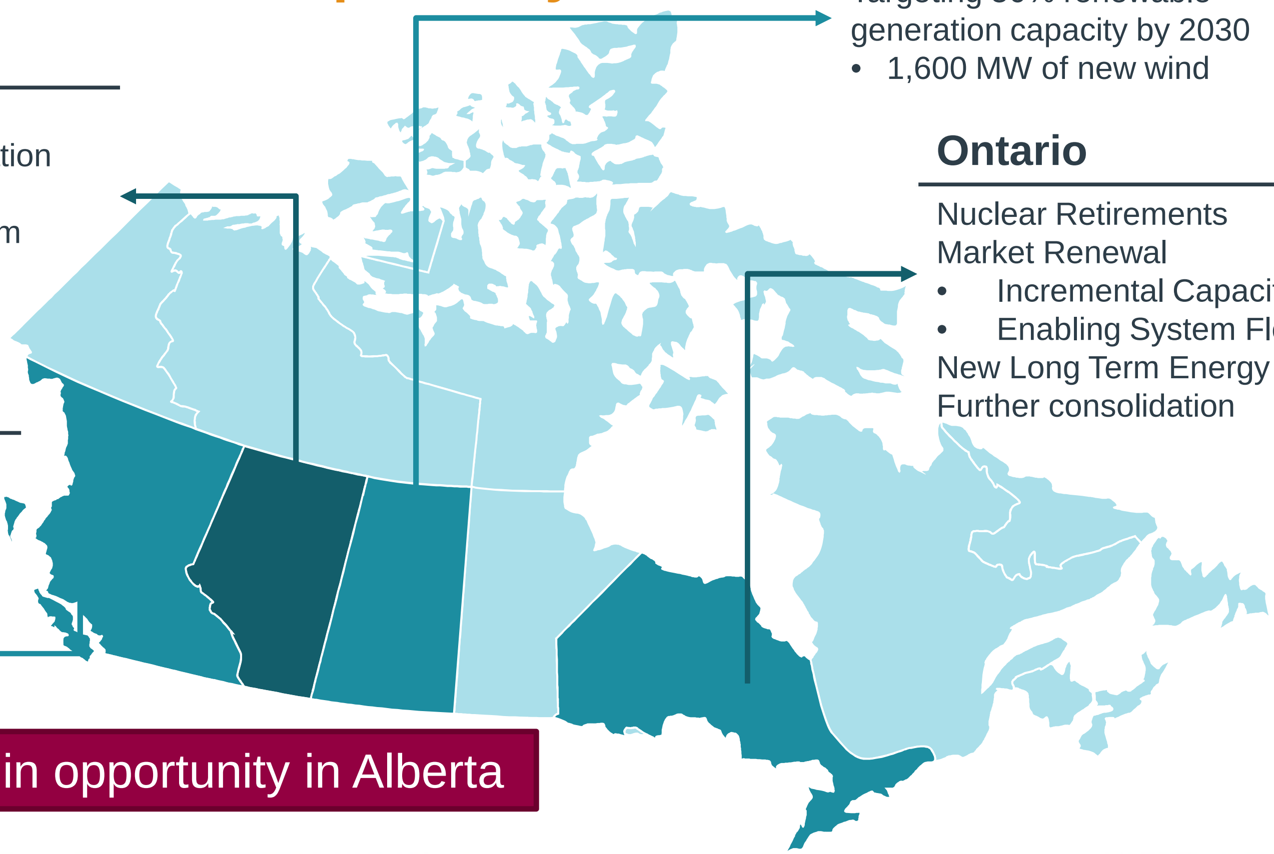
Saskatchewan

Targeting 50% renewable generation capacity by 2030
- 1,600 MW of new wind

Ontario

Nuclear Retirements
Market Renewal
- Incremental Capacity Auctions
- Enabling System Flexibility

New Long Term Energy Plan
Further consolidation



> $20 billion in opportunity in Alberta

Alberta strategic position
Wind development

Halkirk 2

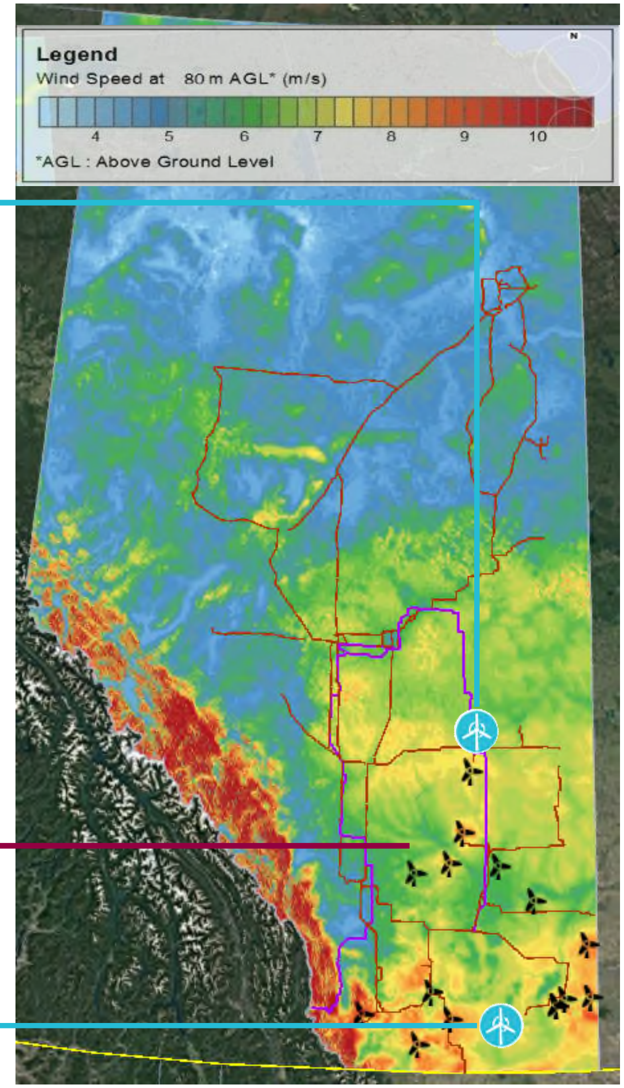
- 148 MW
- Next to existing facility
- 37%+ capacity factor
- Available transmission
- Locational advantage with wind diversity - high capture factor

Junior Portfolios

- > 2,500 MW of capacity
- > 20 opportunities
- Aggregation potential

Whitla 1&2

- 300 MW combined
- 38%+ capacity factor
- Available transmission
- Proximity to interconnection



Alberta strategic position

Thermal development

Genesee

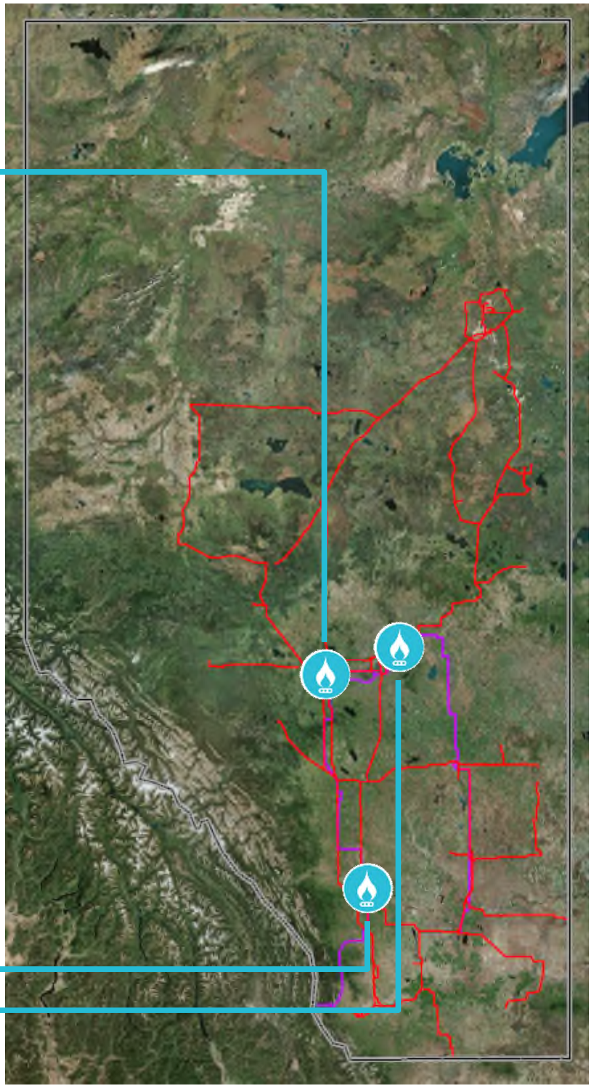
- Mitigate GHG volumes
- Life extension through CCS, conversion, repowering
- Opportunity to build NGCC (Genesee 4&5), peaking

Clover Bar

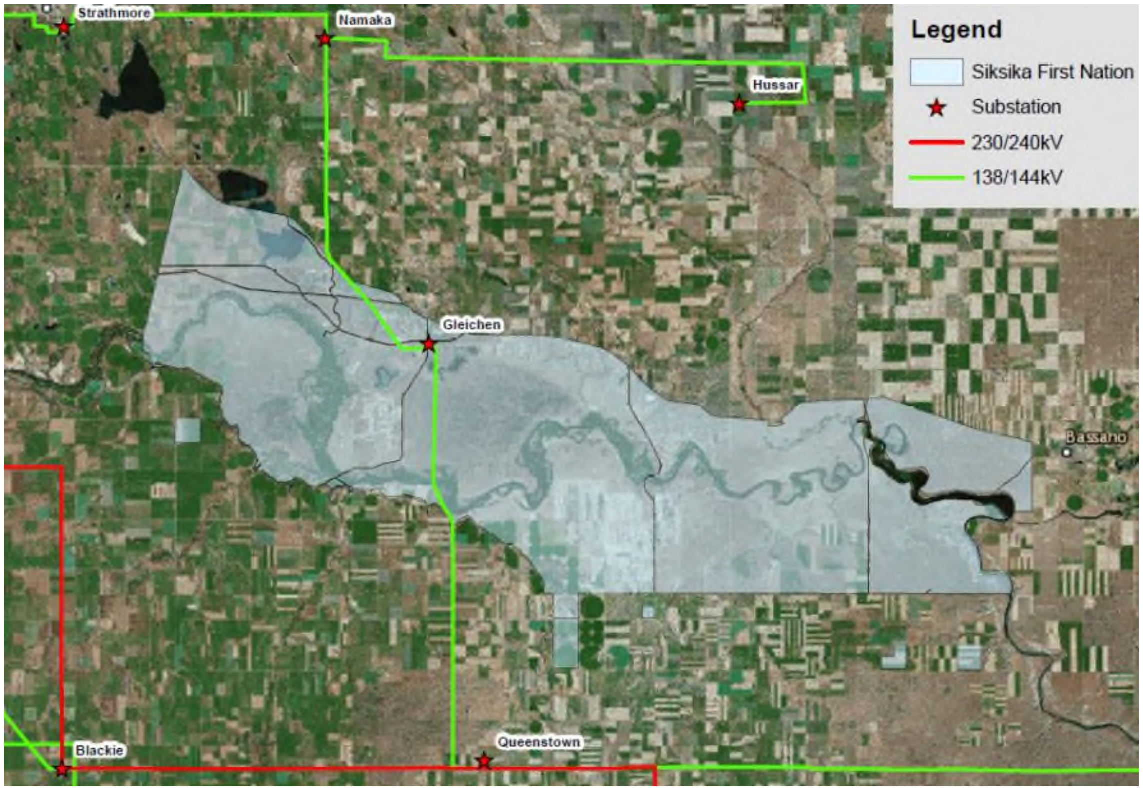
- Transmission infrastructure
- Water infrastructure
- Peaking opportunities
- Gas availability

Shepard

- Equal rights to further development with partner
- Peaking opportunities

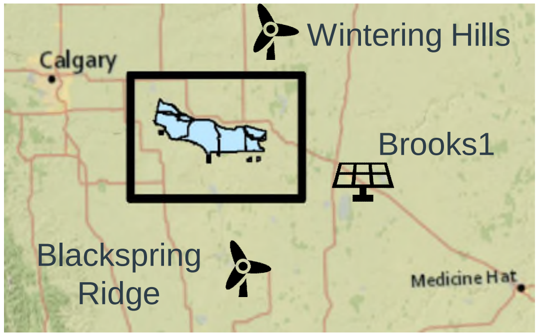


Alberta strategic position
Siksika Nation



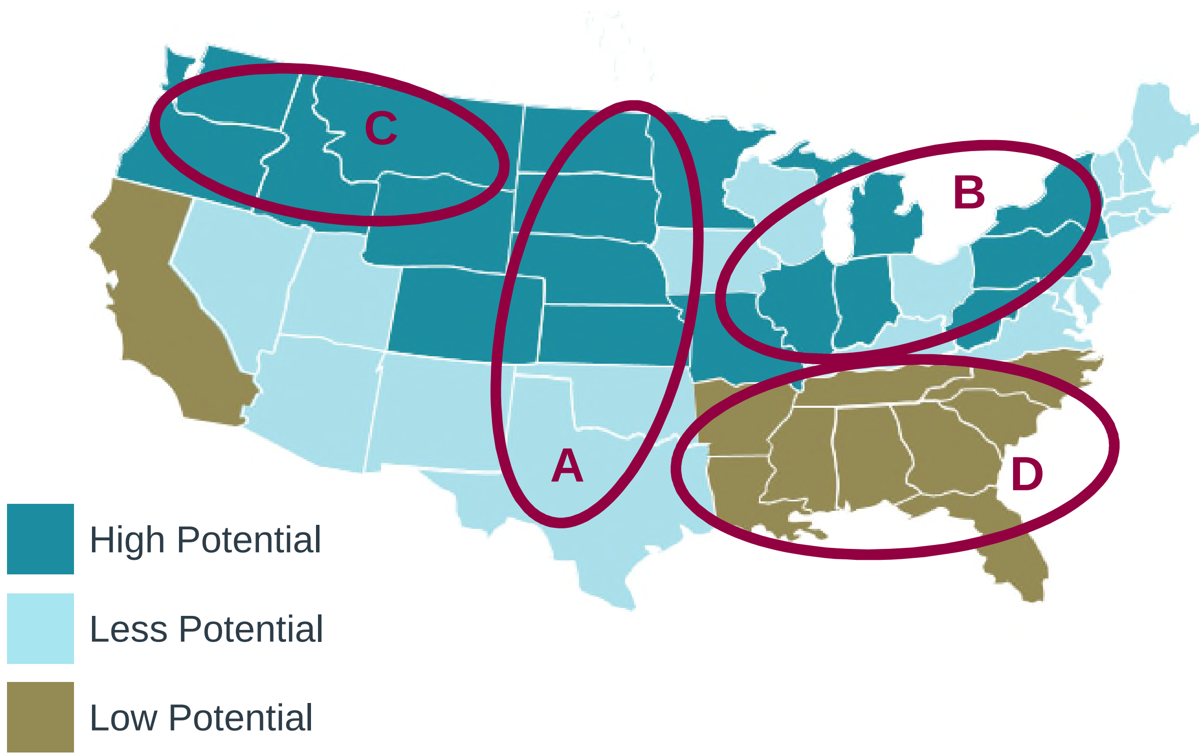
Siksika Nation

- Exclusive agreement to jointly develop new generation
- 172,000 acres of land
- Solar, wind, and gas project potential
- Attractive location
- Existing transmission and distribution infrastructure
- Ample water
- Potential for renewable attributes



US wind development opportunity

Significant opportunity in the near term



$100 billion Opportunity

- 52 GW[1] incremental capacity additions through 2022

Policy Drivers

- Renewable Portfolio Standards
- Renewable Tax Credits
- Tax Reform

Economic Drivers

- Low gas prices
- Declining renewables prices

(1) Source: EIA - 2017 “no CPP” Outlook

US wind position

Our approach

Nolin Hills

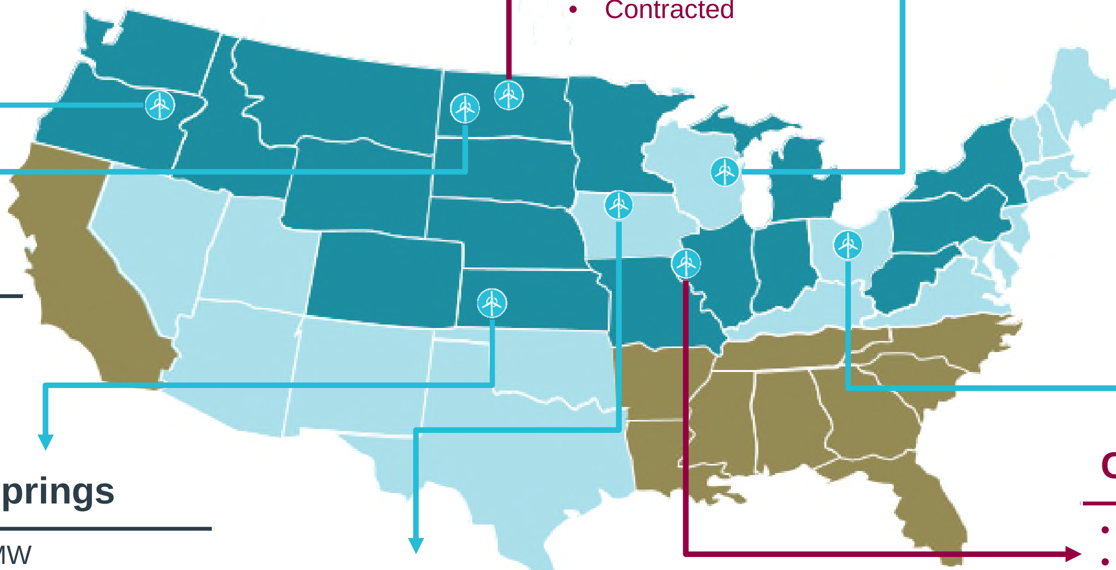
- 350 MW
- >6 m/s wind speed

New Frontier

- 99 MW
- >8 m/s wind speed
- MISO
- Executed GIA
- Contracted

Tisch Mills

- 100 MW
- >7 m/s wind speed
- MISO
- WI RPS
- Advanced DPP



Black Fork

- 100-180 MW
- >6 m/s wind speed
- PJM
- Executed GIA
- Permitted OH project

Garrison Butte

- 200 MW
- >8 m/s wind speed
- MISO or SPP

Salt Springs

- 200 MW
- >8 m/s wind speed
- SPP
- 30 mi north of Bloom Wind

Willow Creek

- 100-200 MW
- MISO

Cardinal Point

- 150 MW
- >7 m/s wind speed
- MISO
- IL RPS contracted
- Advanced DPP

Tactical transactions

Focus on high quality assets

Bloom Wind
$271 million USD
178 MW

- COD June 2017 on schedule and on budget
- 10 year fixed-price contract
- Optimization potential

New Frontier
Long-term contract
99 MW

- 12-year fixed price contract with an investment grade counterparty
- COD December 2018

Ontario Thermal[1]
$515 million
294 MW

- Highly operable units
- Young assets with 13 years of contract with AA counterparty

Decatur
$448 million USD
795 MW

- Contracted through 2022
- High probability of re-contracting
- Strong regional fundamentals

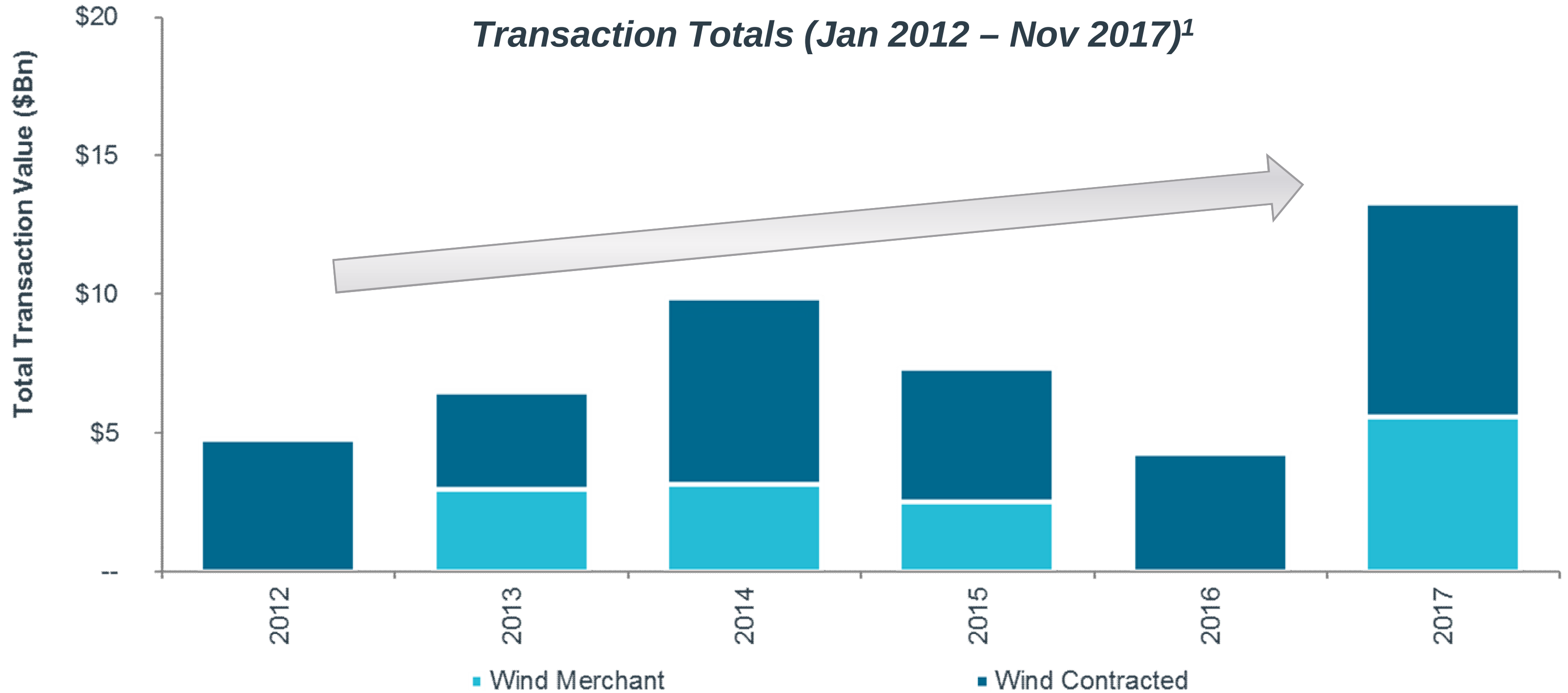
1) Included 2 x 5 MW waste heat facilities in BC

Precedent wind transactions

North American M&A Opportunity

Key Attributes

- Mid-life contracts
- Pipeline of development projects
- Optimization opportunities
- Repowering opportunities



1. Source: S&P Global Market Intelligence; SNL Energy Data and various Investment Banks

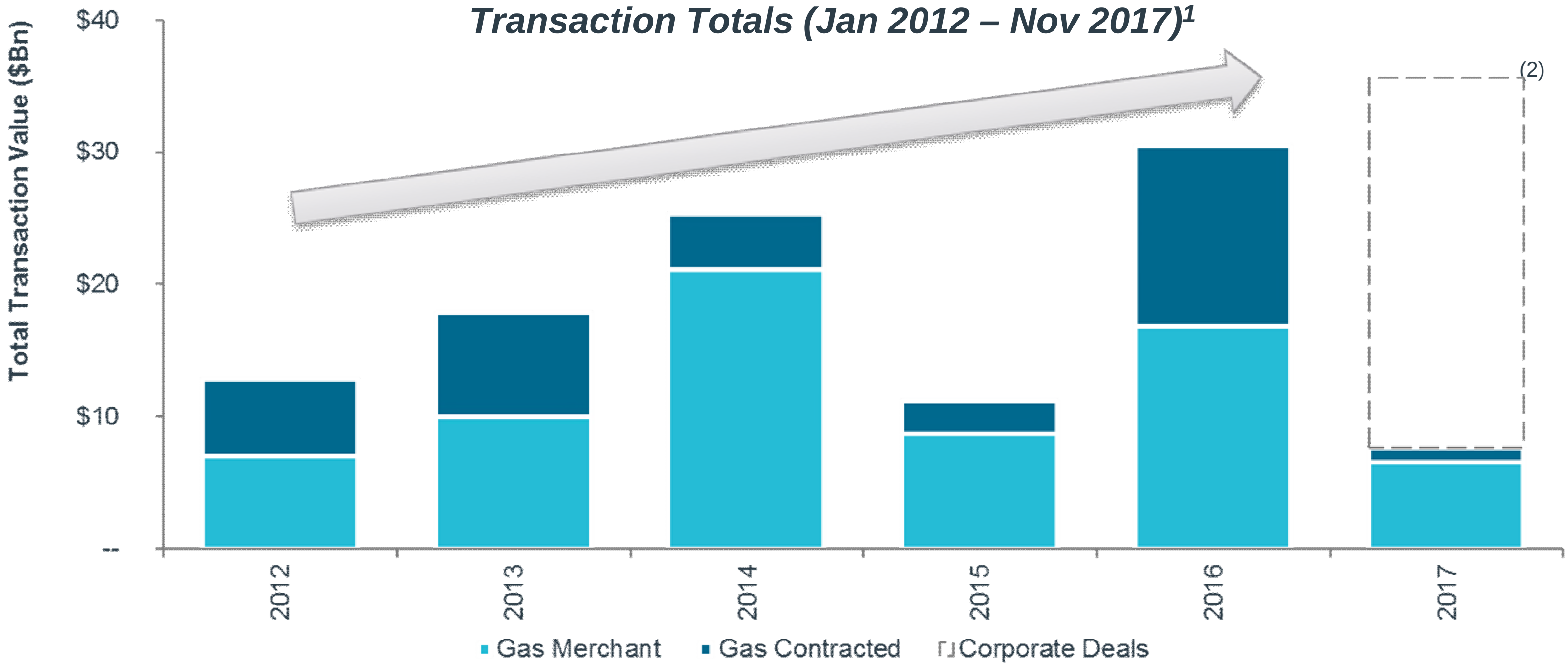
Precedent gas-fired transactions

North American M&A opportunity

Key Attributes

- Mid-life contracts
- Optimization opportunities
- Strong regional fundamentals
- High re-contracting probability

Transaction Totals (Jan 2012 – Nov 2017)[1]

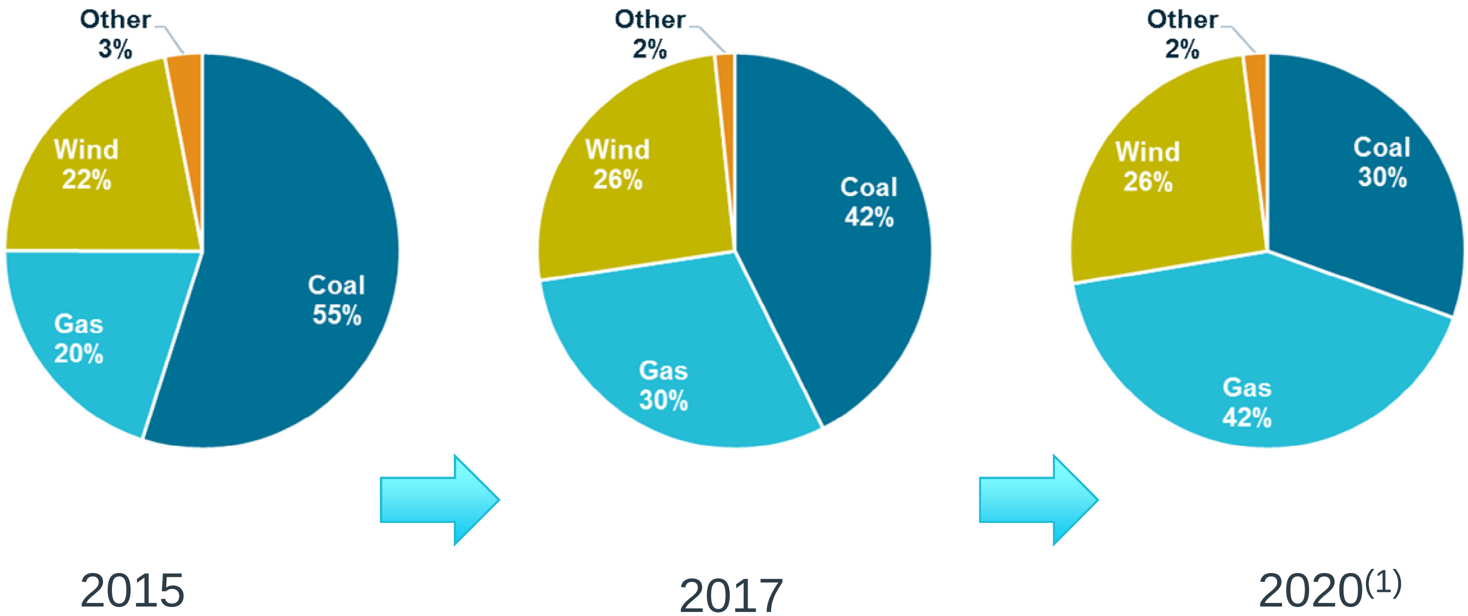


1. Source: S&P Global Market Intelligence; SNL Energy Data and various Investment Banks
2. Dashed bar represents total transaction values associated with Calpine acquisition by investor consortium, Dynegy acquisition by Vistra Energy and Algonquin Power & Utilities 25% investment in Atlantica Yield.

Fuel diversification

Strategically evolving profile

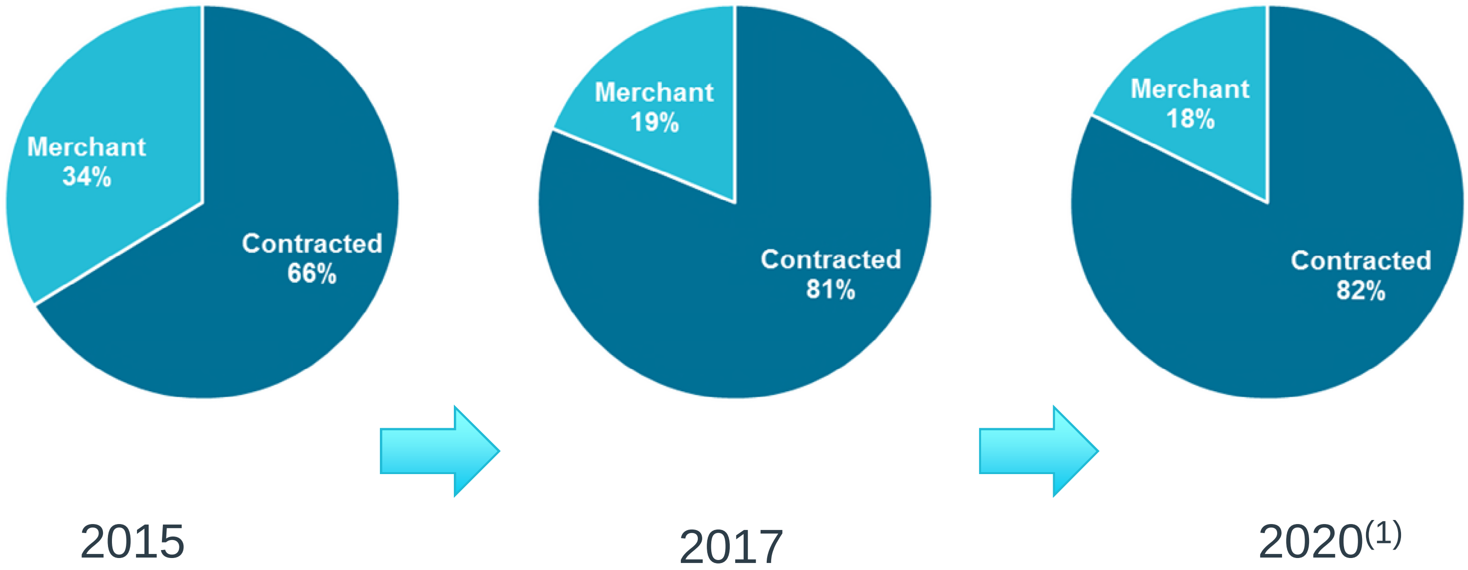
- Generation type based on Adjusted EBITDA:



1) Includes projected growth.

Greater visibility
Strategically evolving profile

- Merchant-contracted mix based on Adjusted EBITDA:

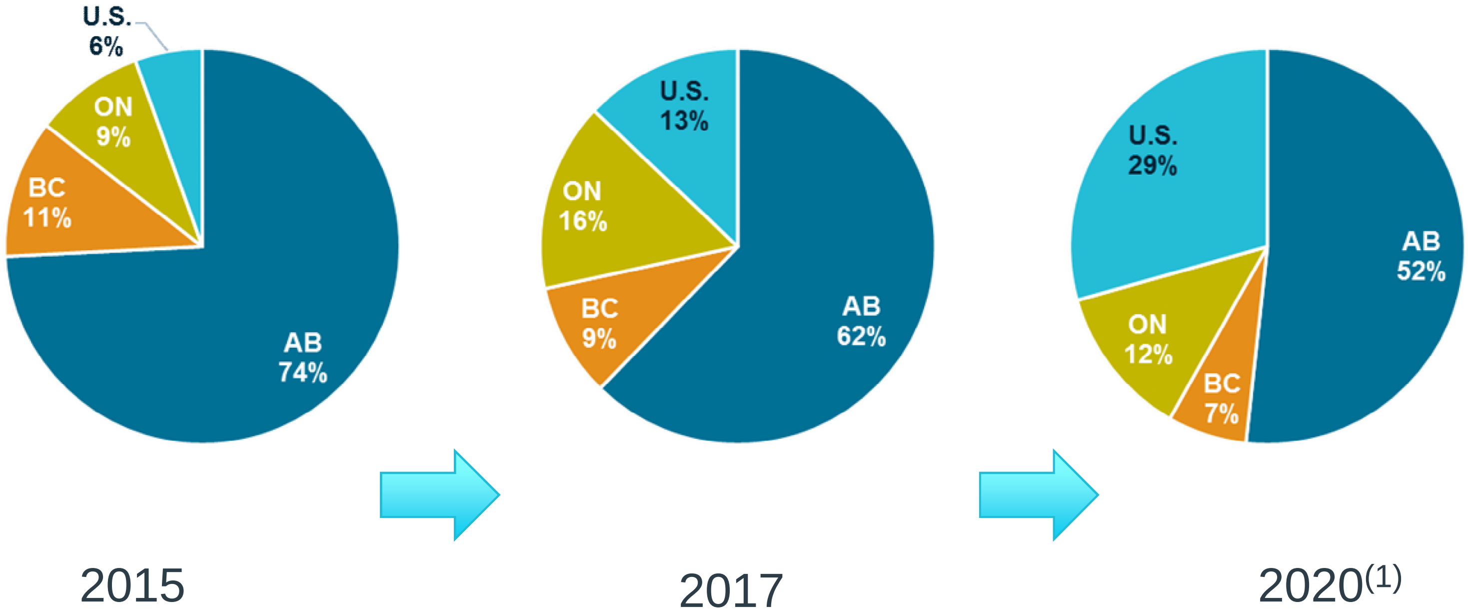


1) Includes projected growth.

More geographic diversity

Strategically evolving profile

- Geographic breakdown based on Adjusted EBITDA:



1) Includes projected growth.

Strategically evolving profile

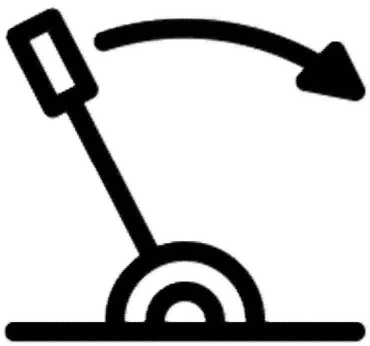
Decreasing risk and growing cash flows

Generation technology	Contracted capacity	North American footprint	
42% gas and renewables	**66%** Contracted	**74%** Alberta	2015
56% gas and renewables	**81%** Contracted	**62%** Alberta	2017
68% gas and renewables	**82%** Contracted	**52%** Alberta	2020(1)
Fuel diversification	Greater visibility	Geographic diversification	

1) Includes projected growth.

Delivering cash flow growth

Key takeaways



Improving outlook for Alberta

Significant North American opportunity

Pulling all levers

Maximize commodity portfolio value
Capitalize on capacity market
Optimize existing assets
Execute development opportunities
Acquire high quality assets

Excellence in Operations & Development

Darcy Trufyn

Maximizing asset value in 2017

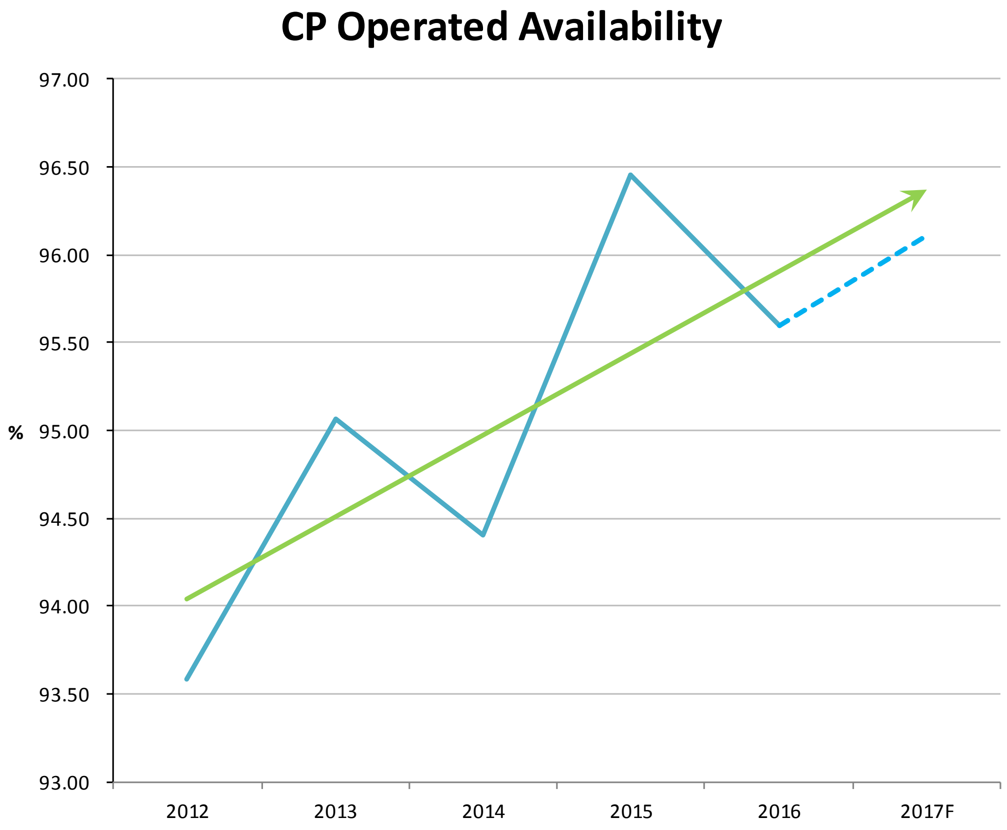
Sustained excellence in operations

- On-going focus on efficiency and reliability to improve performance and availability. End of very successful 5-year program
  - Move to opportunistic approach
  - Optimization driven by facility specific asset management plans.
- Continued industry-leading Health, Safety, Environment (HSE) performance
- Completing first year of Genesee Performance Standard (GPS) program to reduce carbon emissions

Operated facilities 2017 availability[1] of 96% and total fleet 95%

1) Availability to November 30, 2017

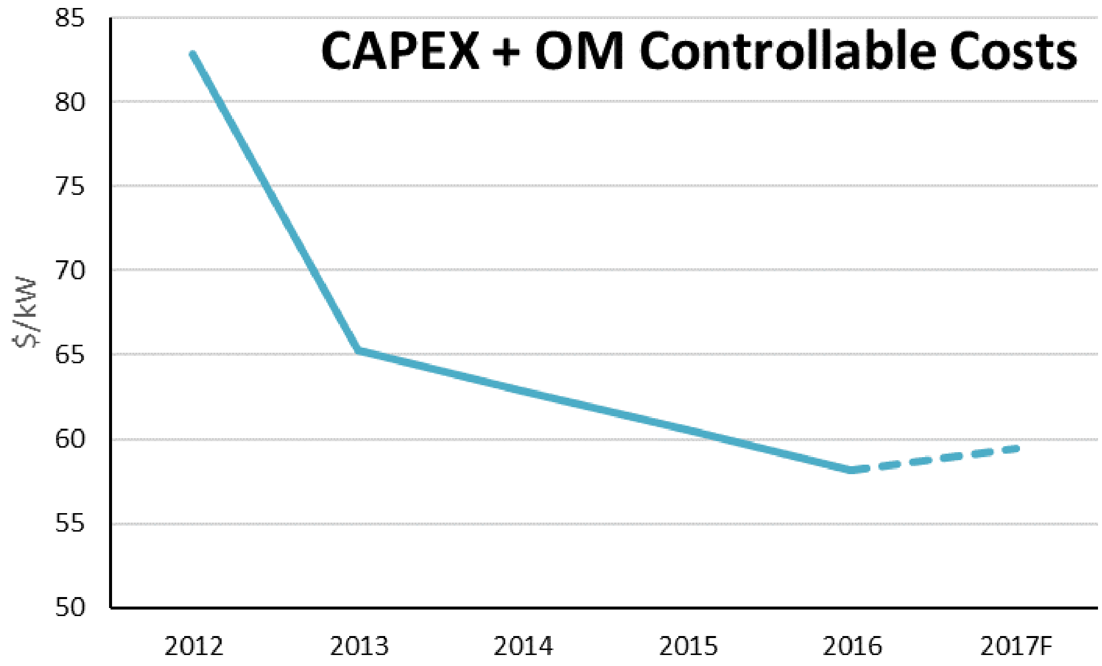
Maximizing fleet performance



Industry-leading performance

1) Excludes 2017 acquired assets.

Cost – bending the curve



Completion of Bloom Wind project

Continued excellence in new project development

- 178 MW project in Kansas
- Began commercial operations on June 1/17
- Completed one month ahead of schedule with construction costs below budget
- 54 Vestas V117 3.3 MW turbines
- Location with exceptional wind regime; capacity factor greater than 50% expected

Bloom Wind highlights Capital Power's ability to successfully develop and build renewable projects across North America

New Frontier Wind project

Development of company’s next U.S. wind farm underway

- Location: McHenry County, North Dakota
- 99 MW capacity using 29 V126-3.45 MW Vestas Turbines
- 45% wind capacity factor expected
- Project commenced August 2017
- COD: December 2018
- Budget: US$145M(1)

New Frontier Wind Farm will be Capital Power’s next successful wind development

1) Excludes interest during construction costs and developer fee.

Wind farm optimization

Development

- Technology improvements
- Lower OEM costs
- Standardization
- Plant arrangements
- Scope certainty/lessons learned
- Market share

Focused approach to lowest $/MWh

Wind farm optimization

Operation and maintenance

- Turbine improvements
- Maintenance enhancements
- Commercial
- Spares
- Critical mass

Numerous initiatives underway to enhance wind assets

2017 asset additions

Growing our natural gas and renewables generation

Plant	MCR	COD	Location	Ownership	Technology
East Windsor Cogeneration	84 MW	2009	East Windsor, ON	100%	Gas-fired cogeneration
York Energy Center	400 MW	2012	Newmarket, ON	50%	Simple Cycle Gas
150 Mile House	5 MW	2008	150 Mile House, BC	100%	Waste Heat
Savona	5 MW	2008	Savona, BC	100%	Waste Heat
Bloom	178 MW	2017	Ford Co, KS	100%	Wind
Decatur	795 MW	2002	Decatur, AL	100%	Combined Cycle

Executing on growth – 6 new contracted assets added in 2017

2017 asset acquisitions

Growing our natural gas and renewable generation

- All acquired assets successfully integrated into the company
- Planned outages performed on all acquired assets in 2017
- Integration highlighted the thermal plants (East Windsor, York Energy and Decatur) have been operated and maintained to CP standards
- Opportunities for future optimization
- Positive HSE culture

All acquired assets are in equal to or better physical condition than expected

Genesee Generation Station

Industry leader through the carbon transition

Advantages

- Highest availability for Alberta coal plants (96.3% over last 3 years)
- Lowest fuel cost from mine mouth operation
- Youngest units (21 years average) in Alberta
- Excellent maintenance history and focused reliability program
- Transition to natural gas maintains these advantages

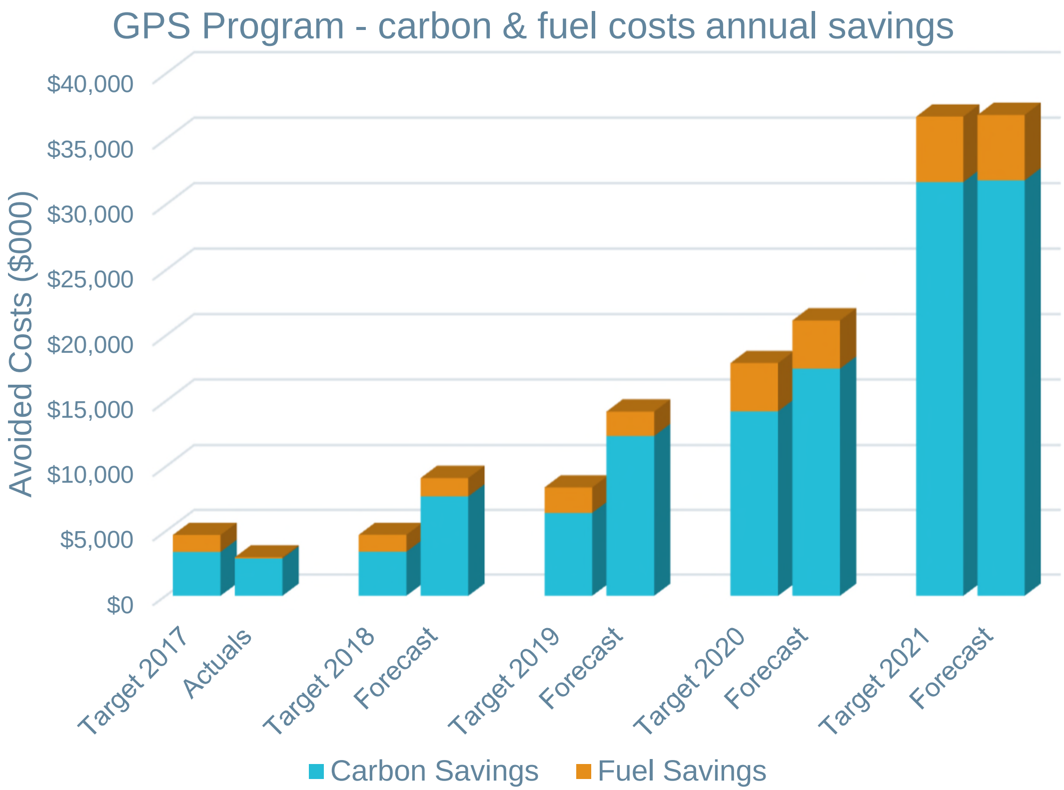
Transition

- World-leading, unique carbon reduction program (GPS)
- Staged approach for coal to gas conversion and dual fuel firing
- Bio-fuel substitution strategy

Genesee is well positioned to maintain its role as an industry leading generation facility

Genesee Performance Strategy savings

Program reduces fuel & carbon compliance costs(1)

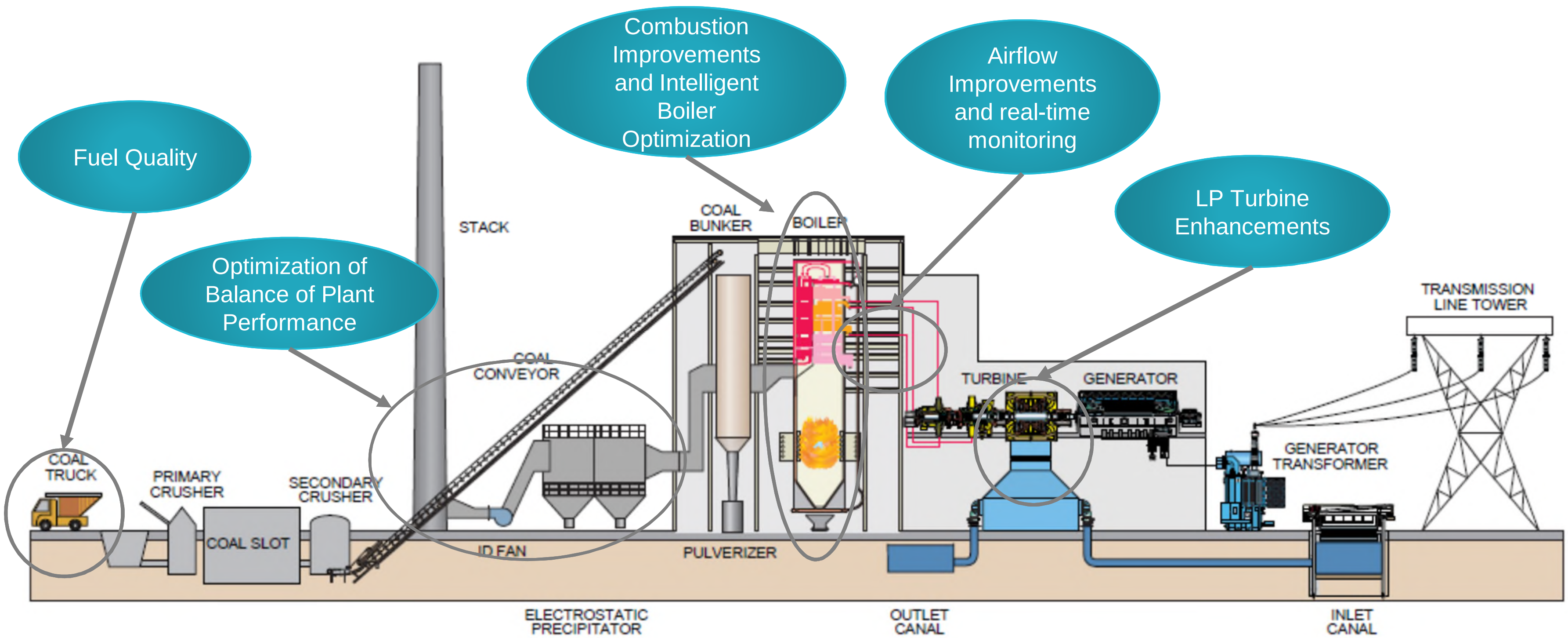


- Program targets an 11% reduction in GHG emissions
- $50M forecasted capital investment accelerated resulting in greater savings earlier in program
- Beyond 2021, savings maintained at $35M/year

1) Assumes a $30/tonne carbon compliance cost and baseload operation

Genesee Performance Standard (GPS)

Carbon footprint reduction roadmap



Turbine enhancement – low pressure rotor

Increasing plant efficiency with state-of-the-art LP rotors

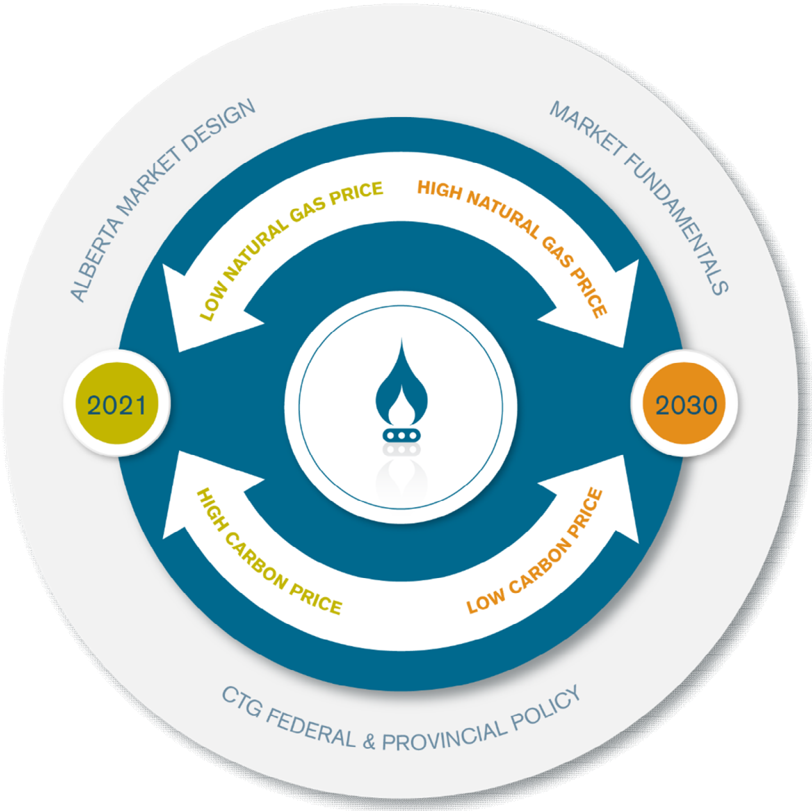
- Replacing existing LP rotors on Genesee units 1&2 with high efficiency rotors (L-0 40 inch blades)
- Implementation schedule
  - Unit 1: 2019 planned outage
  - Unit 2: 2020 planned outage
- Costs
  - Unit 1: $14.4M
  - Unit 2: $14.4M

"GE has been pleased to collaborate with Capital Power over the past two years by developing and providing digital and hardware solutions that are assisting Capital Power to be a world leader in carbon reduction from coal plants."

- Elyse Allan (President & CEO, GE Canada)

Coal-to-Gas conversion

Optimal operational flexibility



- Co-firing provides greatest fuel flexibility through to 2030
- Timing of conversion flexible
- Targeting execution period of 9 months or less
- Capital cost per unit of \$25M to \$50M
- Outage of 2 months per unit
- Reviewing strategies for transition
- Developing gas strategies with JV partner

Transition CTG approach

- Genesee currently can co-fire up to 250MW of natural gas
- Low natural gas prices have us co-firing opportunistically
- Reviewing our ability to enhance natural gas utilization during planned outages starting with Genesee 2 this spring
- On track to bring significant natural gas to site by 2020

Leadership in solid fuel innovation

Refining a potential bioenergy option

- Experimental co-firing of sawdust, bark and processed biowaste was successfully performed in 2016-17
- Biomass co-firing could reduce carbon footprint from Genesee and also address growing bio-waste challenges in Alberta
- Co-firing could entail several technologies including direct injection and prepared fuels
- Initiatives supported by partial funding from Alberta Innovates and Emissions Reduction Alberta

Key takeaways

- Sustained excellence in operations
- New assets meet or exceeds expectations
- Continued success on new developments
- World leading carbon reduction program (GPS)
- Flexibility in transition from coal to natural gas



Optimizing Financial Strategy

Tony Scozzafava

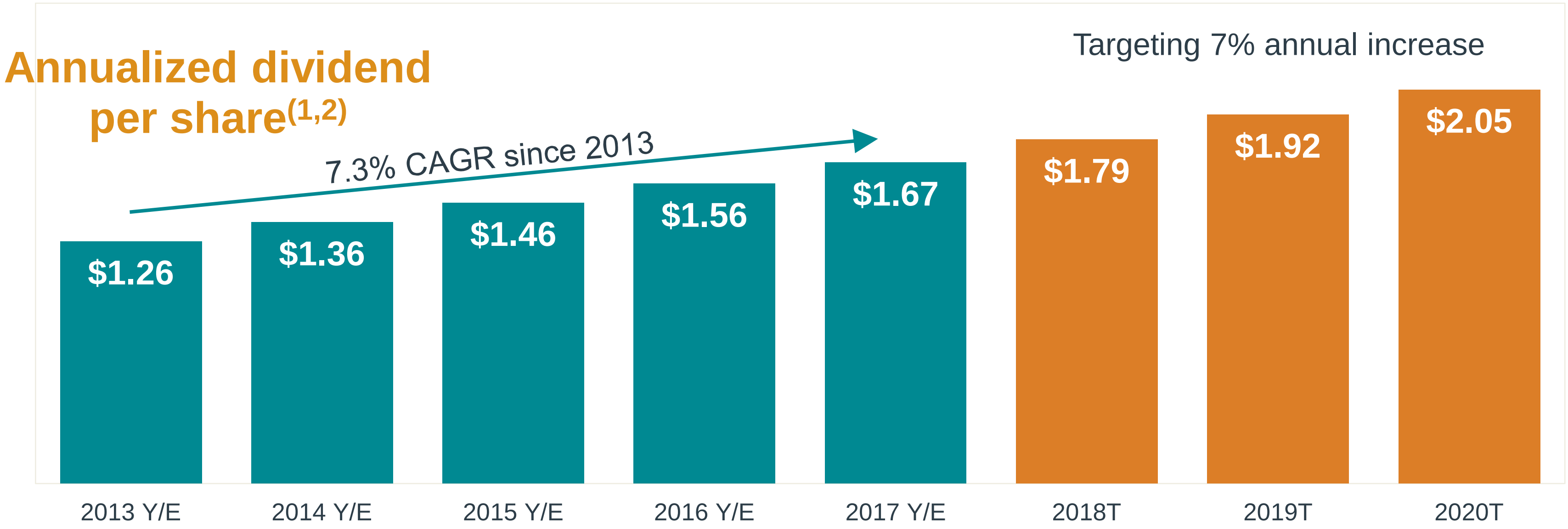
Capital Power

capitalpower.com

Overview of financial strategy

Ensure 7% annual dividend growth	▪ Annual 7% dividend growth within AFFO payout ratio of 45 to 55% ▪ Provide stability through contracted cash flow profile
Maintain investment grade credit rating	▪ Maintain and improve competitive cost of capital ▪ Ensure strong access to capital markets ▪ Provides stability to the dividend
Manage financing risk	▪ Properly laddered debt maturities ▪ Effective management of interest rate, foreign exchange and counterparty risk
Ensure economic discipline in growth	▪ Adherence to target return expectation ▪ Accretive to AFFO per share

Common share dividend guidance



Targeting annual 7% dividend growth to the end of 2020

Target annual AFFO payout ratio of 45-55%

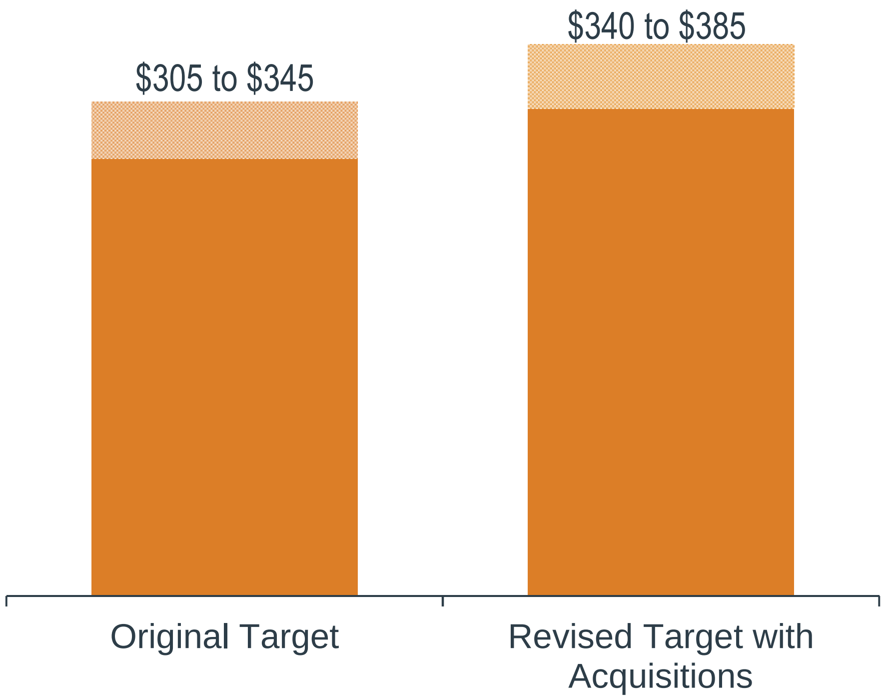
Well positioned to deliver consistent annual dividend growth

1) Subject to market conditions, economic outlook, cash flow forecast, and Board approval at the time.
2) 2013 to 2016 annualized dividend based on year-end quarterly common shares dividend declared. 2017 annualized dividend based on expected year-end.

2017 AFFO guidance

- 2017 results remain on track
- AFFO expected near the mid-point of a $340M to $385M target range

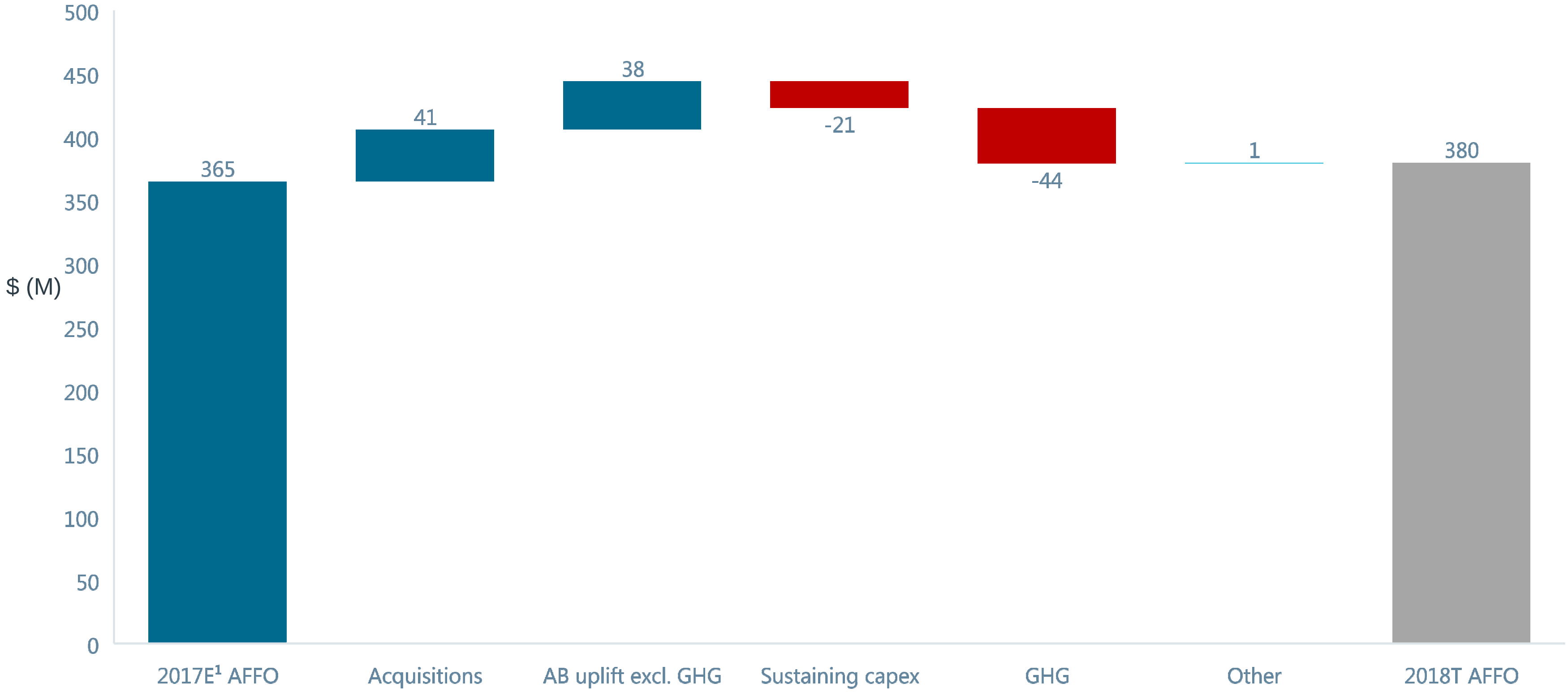
AFFO ($M)



1) Adjusted funds from operations (AFFO) is a non-GAAP financial measure. See pages 89-90.

AFFO guidance for 2018

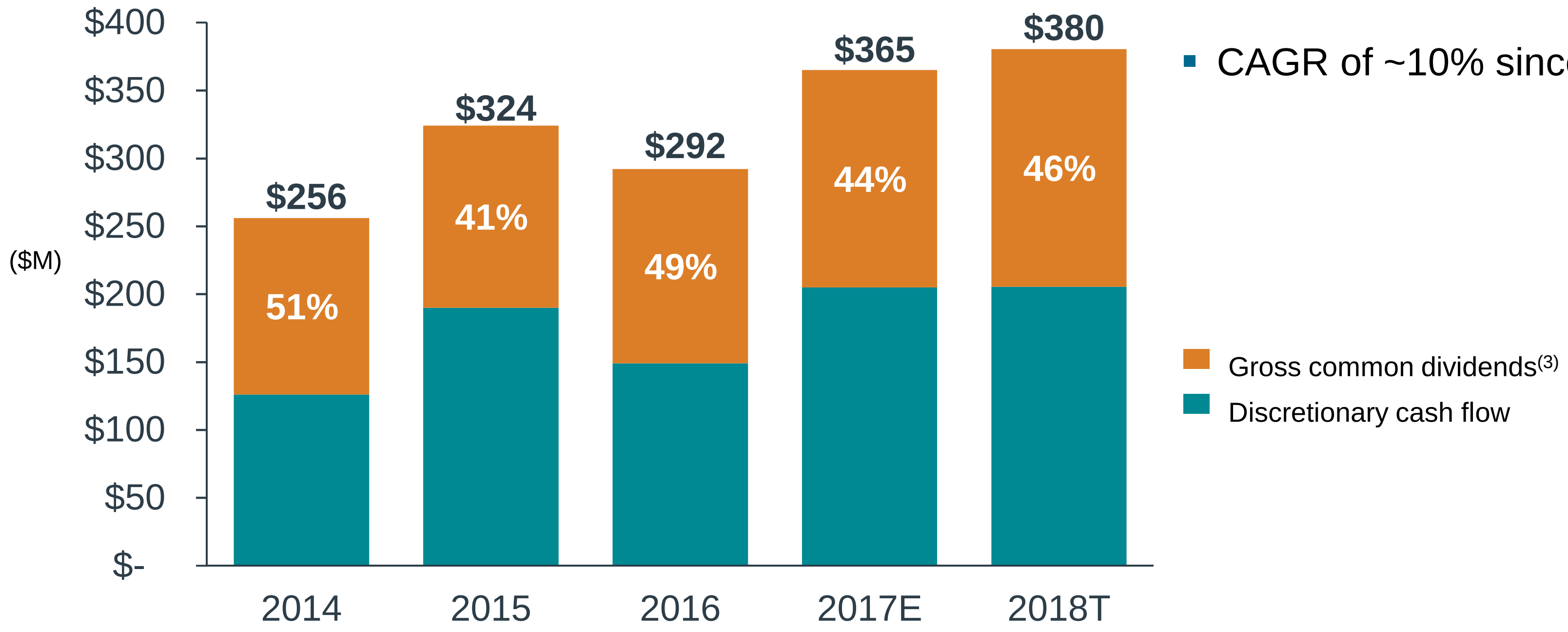
Full year of AFFO from acquisitions offsets GHG compliance headwinds



1) 2017 AFFO restated using Adjusted AFFO (2018 method). See Non-GAAP measures on pages 89-90.

AFFO[1,2] continues to support dividend growth

Cash available for common share dividends and growth



- CAGR of ~10% since 2014

Average 5-year AFFO payout ratio is 46%

1) 2018 AFFO target represents the mid-point of $360M - $400M guidance range. AFFO is a non-GAAP financial measure. See pages 89-90.
2) Historical AFFO figures restated using Adjusted AFFO (2018 method).
3) Includes cash dividends, dividends retained under DRIP, and distributions to EPCOR.

Discretionary cash flow supports dividend growth target[(1)]

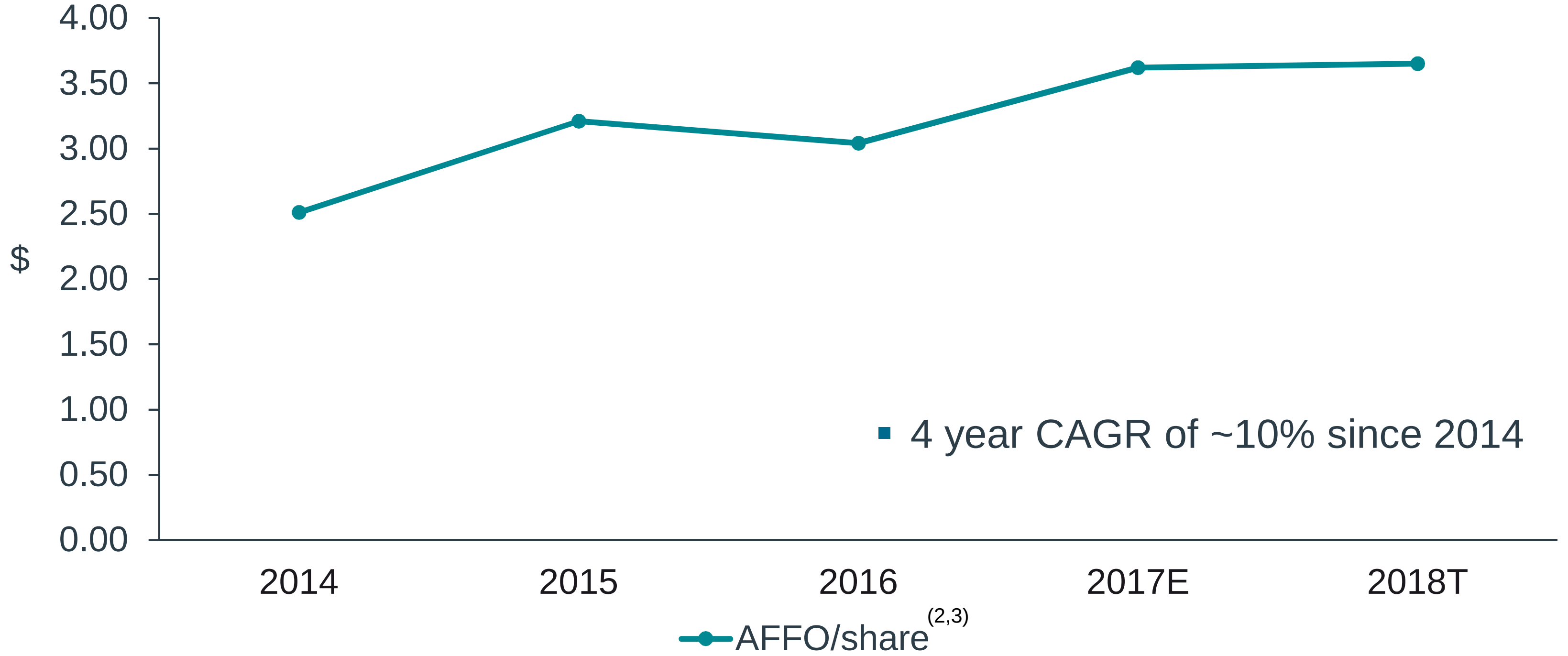
$400M	$40M	$29M[(2)]	7.7%	7%
Capital	EBITDA	AFFO	AFFO Growth/Share	Dividend Growth

AFFO growth from discretionary cash flow covers 7% annual dividend growth without dilution to existing shareholders

1) Assumes a 10x EBITDA multiple and a capital structure of 50% DCF, and 50% debt issued at 4.5%. AFFO growth is compared to a 2018 target of $375M.
2) AFFO includes a reduction of $2M from expected maintenance CAPEX.

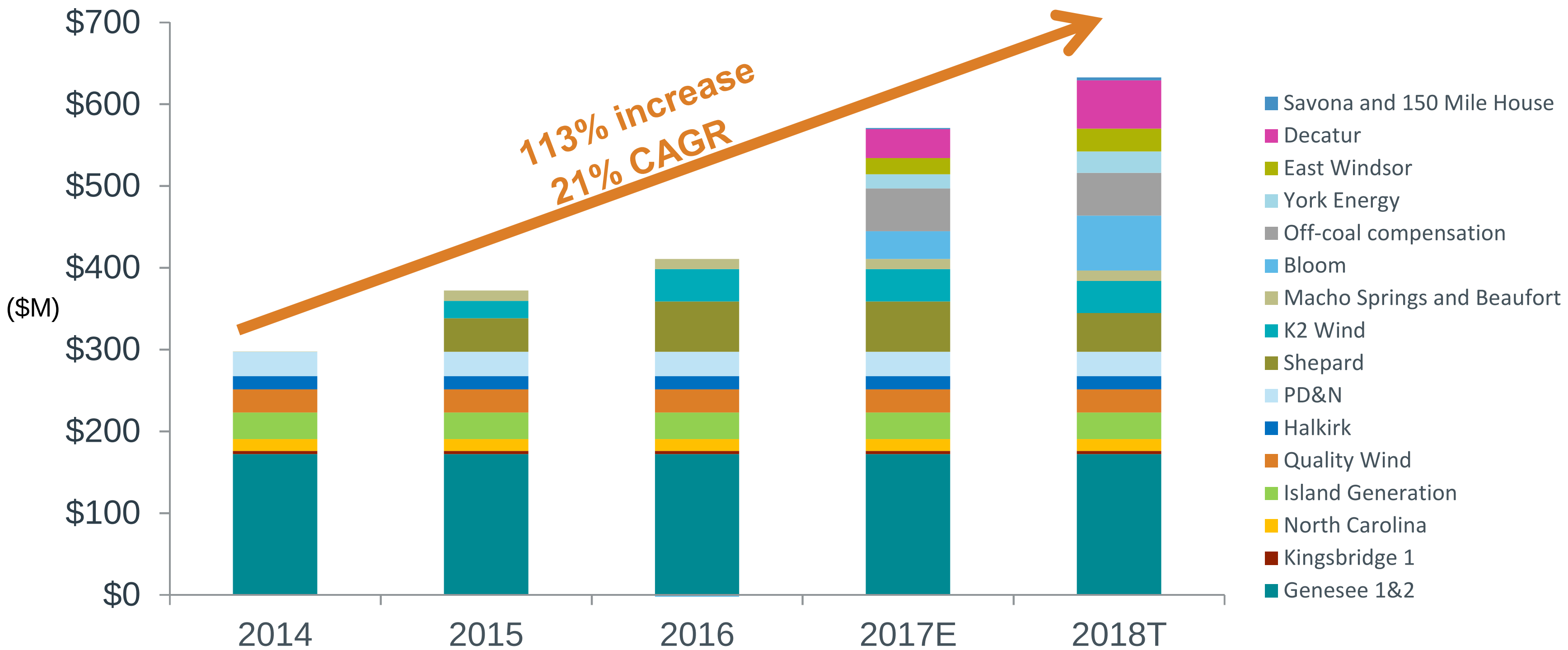
Growing AFFO[(1)]/share

Acquisitions and addition of Bloom in 2017 strengthen AFFO per share in 2017/2018



1) Represents Adjusted FFO (2018 method), less the portion allocated to the non-controlling interest (calculated consistent with the proportion of income and distributions allocated to the non-controlling interest in each period). Commencing in 2016, there is no longer a non-controlling interest, therefore, for 2016 onward this metric reflects adjusted FFO (2018 method).
2) Adjusted FFO (2018 method) per share attributable to common shareholders
3) Adjusted funds from operations (AFFO)/share is a non-GAAP financial measure. See pages 89-90.

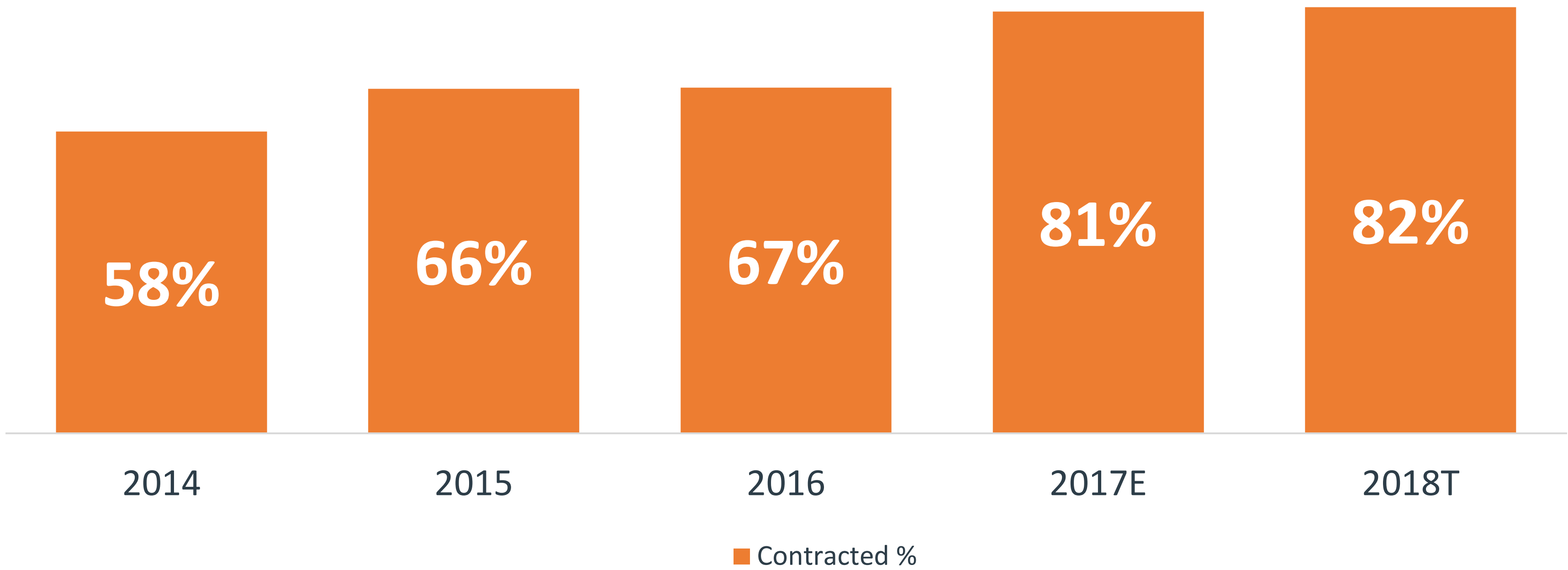
Contracted EBITDA growth exceeds AFFO growth(1-5)



Continue to build contracted cash flow profile

1) Margins have been averaged over the periods except in the year of commissioning/acquisition.
2) Only includes contracted portions of Halkirk and Shepard plants. Shepard contracted portion adjusted in 2018 for toll step-down.
3) Capital Power's share of adjusted EBITDA for all assets.
4) Includes off-coal compensation.
5) Adjusted funds from operations (AFFO) is a non-GAAP financial measure. See pages 89-90.

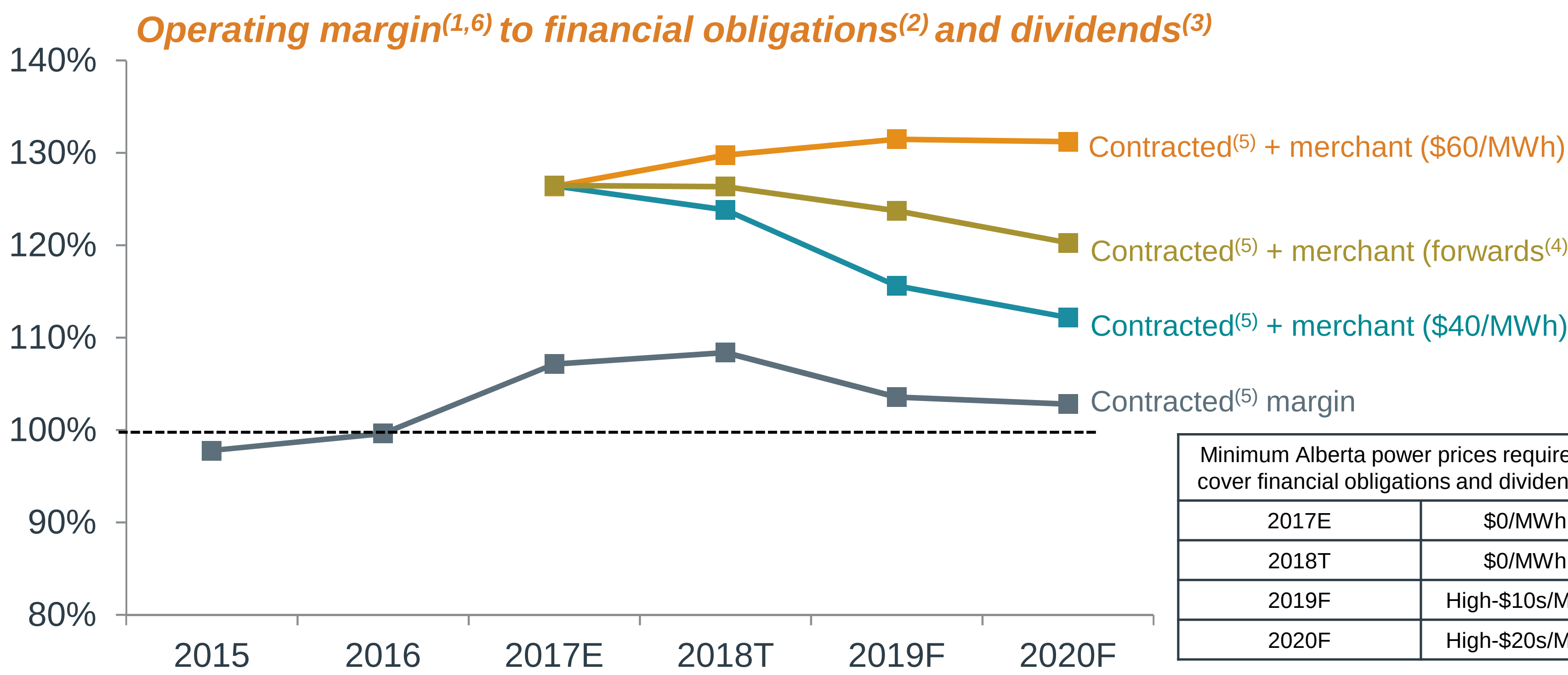
Merchant-contracted mix[1,2,3]



Adjusted EBITDA increasingly derived from contracted assets

1) Adjusted EBITDA includes off-coal compensation and excludes corporate costs.
2) Only includes contracted portions of Halkirk and Shepard plants.
3) Capital Power's share of adjusted EBITDA for all assets.

Financial obligations covered by contracted cash flow



Minimum Alberta power prices required to cover financial obligations and dividends[3]	
2017E	$0/MWh
2018T	$0/MWh
2019F	High-$10s/MWh
2020F	High-$20s/MWh

1) Merchant margin is calculated using $40/MWh and $60/MWh and is based on hedged position as at November 30, 2017.
2) Based on existing plants plus committed development projects. Financial obligations include interest payments (including interest during construction), sustaining contracted capital expenditures, project & tax-equity debt repayments, cash tax payable, and general & administration expenses.
3) Dividends include common and preferred dividends, including preferred dividend tax. Assumes consistent common dividend growth in 2018-2020.
4) Forwards as of November 30, 2017
5) Includes off-coal compensation.
6) Includes finance lease principal payments.

New CCI Regulation replaces SGER in 2018

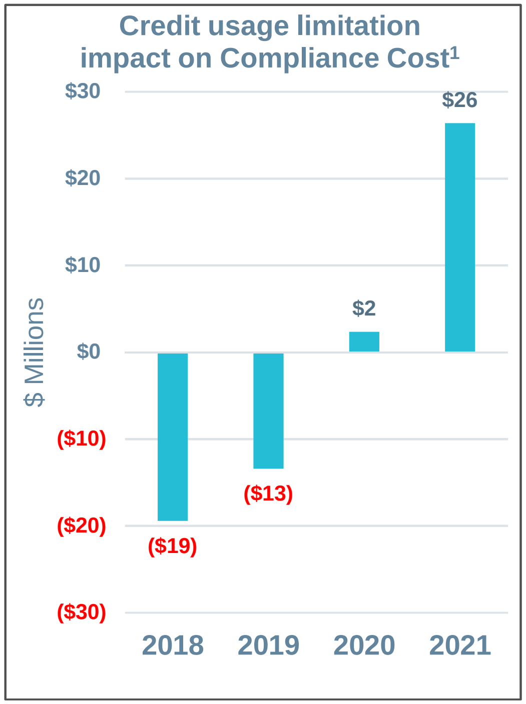
Electricity sector output based allocation set at 0.37MT CO2e / MWh

- Increases compliance target from 20% to ~60% for coal fired units
- Reduces compliance for gas fired units
- Net impact: 2018 compliance cost increases ~$42M relative to 2017

Introduction of limitations on Offset/EPC Credit usage to meet compliance

- Increases compliance cost by $19M in 2018 relative to no limitations
- ~Neutral impact over four years

Quarterly compliance for facilities that emit more than 1MT CO2e per year



1) Assuming $30/TCO2e Tech Fund Price and current Credit inventory.

Cash flow and financing outlook

Sufficient funding for current growth projects

Sources of cash flow	2018T ($M)
Funds from operations(3) + coal compensation	$505
Estimated proceeds from tax-equity debt (New Frontier Wind)	$125
	$630
Uses of cash flow	
Dividends (common & preferred shares)	($215)
New Frontier Wind capex	($170)
Debt repayment(1)	($155)
Genesee Performance Standard(2)	($15)
Sustaining and maintenance capex	($85)
	($640)
Deficit to be funded by credit facility draws	**$(10)**

1) Excludes debt repayments to tax equity investor & equity accounted investment debt repayments and net of gains on swap settlements.
2) Genesee Performance Standard (GPS) is a program to reduce CO2 and improve coal plant efficiency. Total program costs of ~$50M.
3) Funds from operations (FFO) is a is a non-GAAP financial measure. See pages 89-90.

AB commercial portfolio positions

Current Position	2018	2019	2020
% baseload generation sold forward[(1)]	81%	42%	25%
Contracted prices[(2)] ($/MWh)	High-$40	Low-$50	Low-$50
Avg. forward prices ($/MWh)	$49	$50	$49
EBITDA sensitivity to a $5/MWh change in spot prices[(3)] ($M)	$10M	$23M	$27M

Despite high % contracted of the 700MW baseload position in 2018, 340 MW of peaking gas facilities and 150 MW of wind available to capture price volatility

1) Based on the Alberta baseload plants plus a portion of Joffre and the uncontracted portion of Shepard.
2) Forecasted average contracted prices may differ significantly from future average realized prices as future realized prices are driven by a combination of previously contracted prices and settled prices. Forwards as of November 30, 2017
3) Includes both baseload and non baseload positions

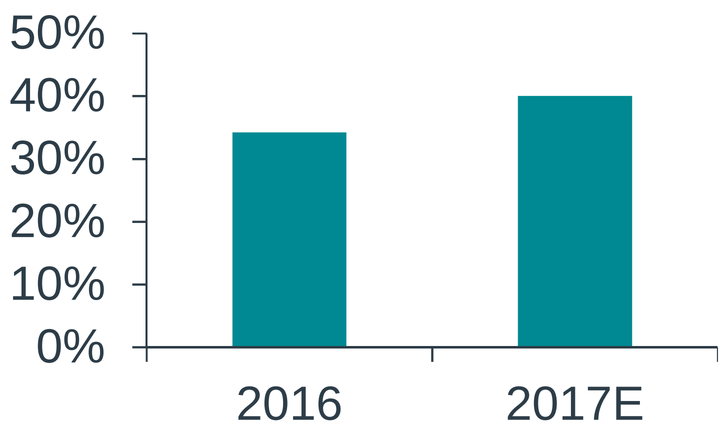
Financial strength

Strong balance sheet and investment grade credit rating

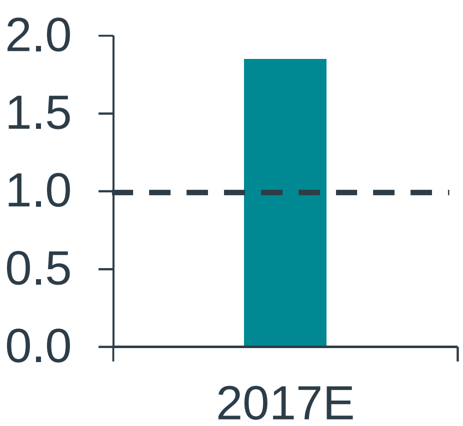
- Investment grade credit ratings by S&P and DBRS
- Continued to be well capitalized with capacity for leverage

Agency	Ratings	Outlook
S&P	BBB- / P-3	Stable
DBRS	BBB(low) / Pfd-3 (low)	Stable

Debt to total capitalization



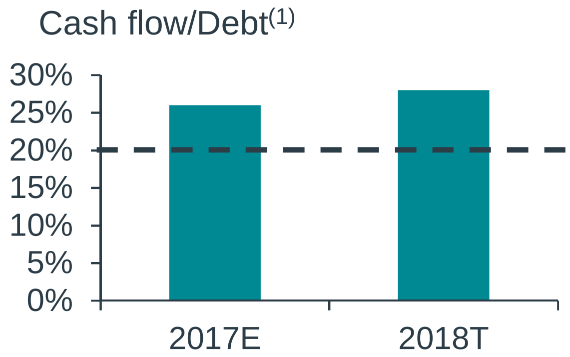
Corporate Liquidity[1]

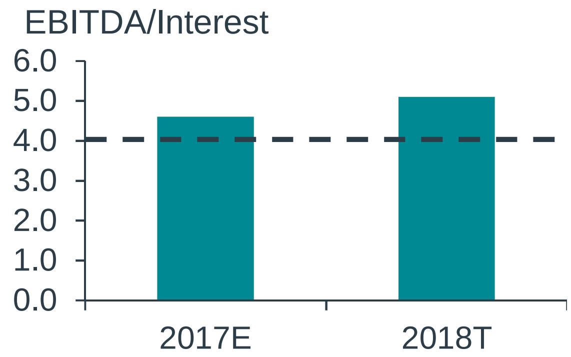


Capital Power is committed to maintaining investment grade

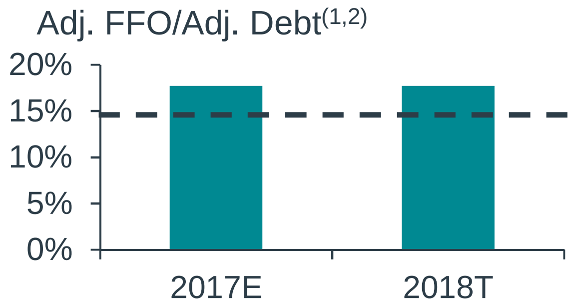
Credit metrics

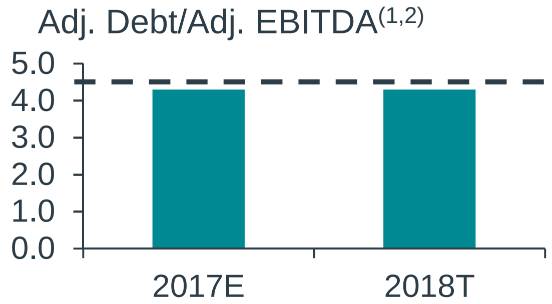
Within DBRS financial criteria for current rating





Within S&P financial criteria for investment grade rating



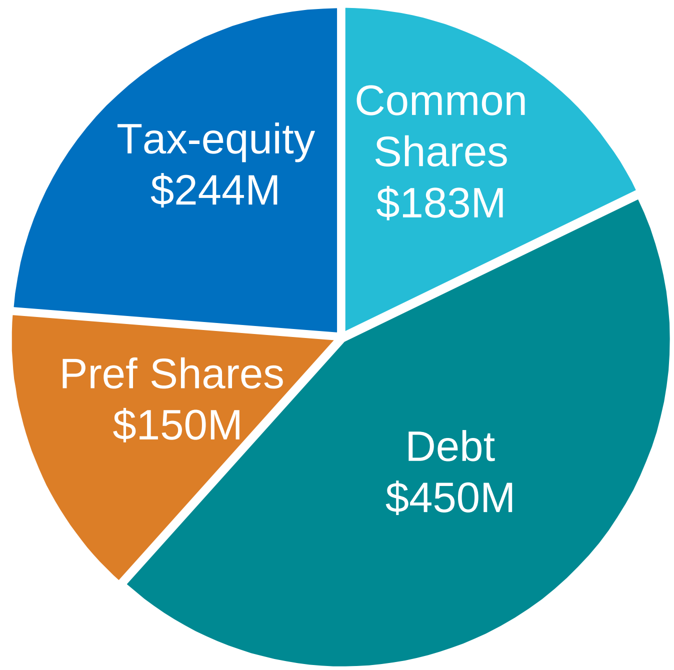


1) Cash flow and adjusted EBITDA amounts include coal compensation in 2017.
2) Based on S&P's weighted average ratings methodology.

Financing growth in 2017

- Raised ~$1.0B in gross proceeds from recent financings in 2017 to fund growth
- $244M from tax-equity investor for Bloom Wind (Jun)
- $183M common share issuance used to partially finance the Decatur Energy acquisition (Jun)
- $150M in preferred shares (Aug)
  - Cumulative Minimum Rate Reset with a 5.75% yield
- $450M medium term note (Sep)
  - 7-year term at 4.284%

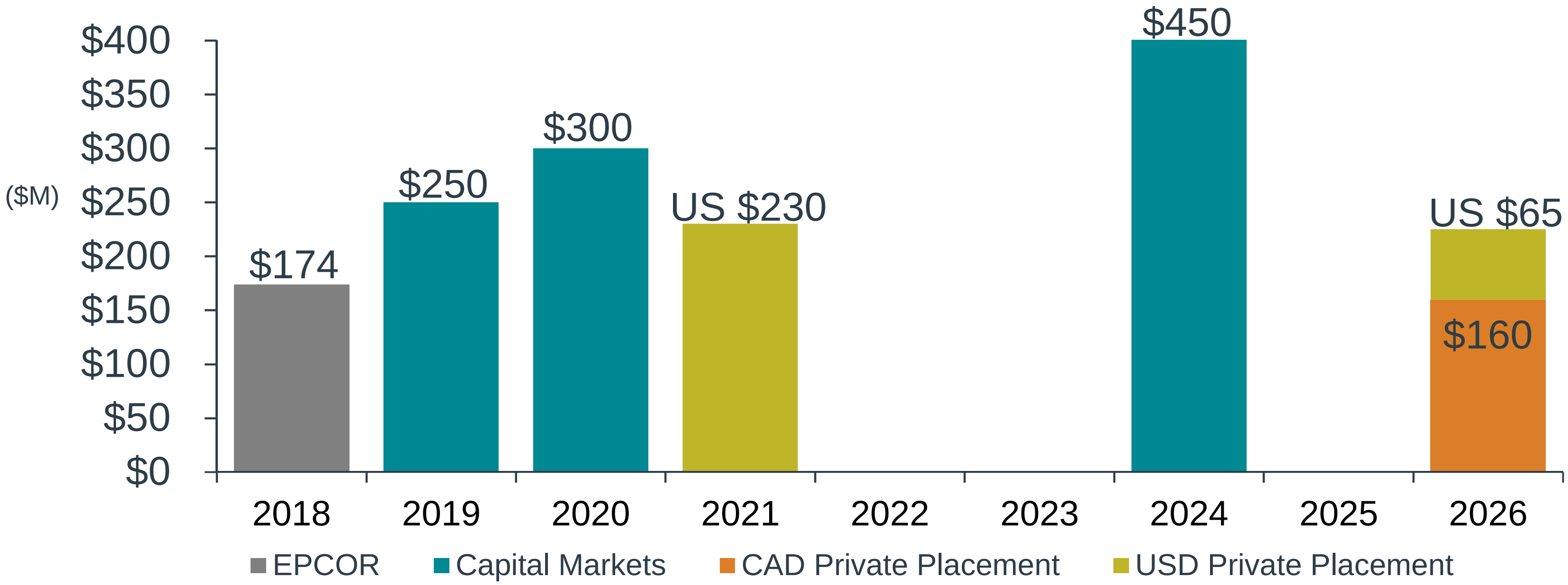
~$1 billion raised in capital



Committed to maintaining investment grade credit ratings while strengthening financing capabilities to fund growth

Debt maturity schedule[1]

~$1B in committed credit facilities renewed with 5-year tenor maturing 2022, of which virtually all is available[1]



Well spread-out debt maturities are supported by long asset lives

1) Debt amounts as of November 30, 2017 excludes non recourse debt, credit facility debt, and tax-equity financing. Amount available on credit facilities as of November 30, 2017.

US tax reform

- General expectation is that PTC's would not directly be changed looking at the Senate bill at this time
- Senate bill contains Base Erosion and Anti-Abuse (BEAT) provision and retains Alternative Minimum Tax (AMT) at 20% rate which could erode tax equity market
  - Expect the BEAT provision to survive in some form, but expect AMT to either be repealed or altered to reduce impact

Tax guidance[1]

US[2]

- Net Operating Losses (NOLs) currently being used to shelter federal taxes
- State taxes of ~$1M per year
- Do not expect to be cash taxable until the latter part of the next decade

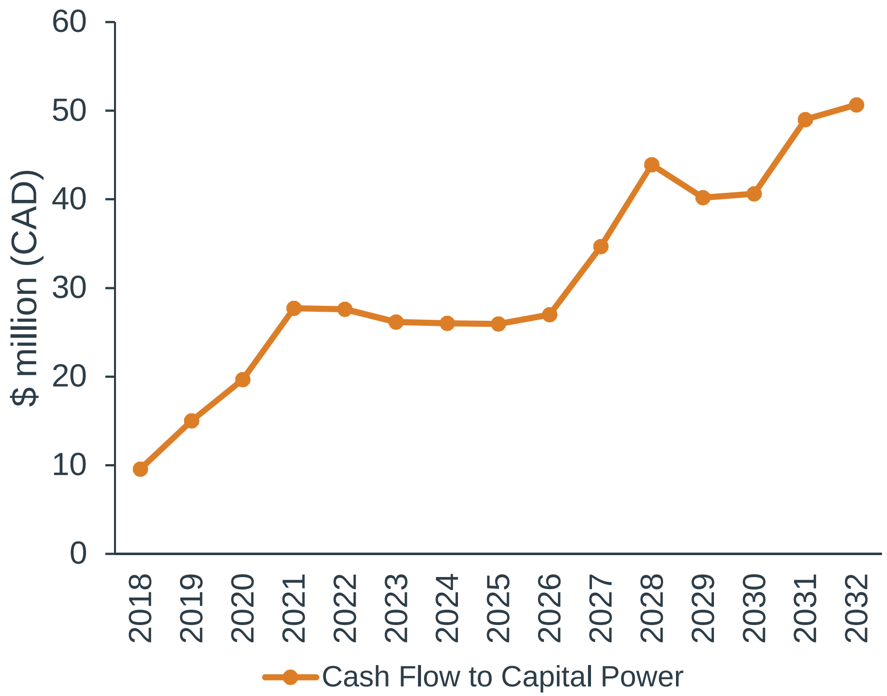
Canada

- Canadian corporate tax rate is currently 27%
- Cash taxes less than $1M per year (excluding Part V1.1 tax) for 2017-2019 due to non-capital loss carryforwards and high rate tax pools from wind projects
- Income taxes reflect preferred shares (Part V1.1) taxes of ~$16 - $20M annually
- Expect to be cash taxable in 2020
  - 2020 activity will generate annual current income tax expense resulting in cash tax payments starting in Feb 2021; date would be extended if there are renewable builds

1) Based on a no growth case.
2) Assumes current tax legislation.

US Wind projects

Combined US Wind projects[1,2] cash flow



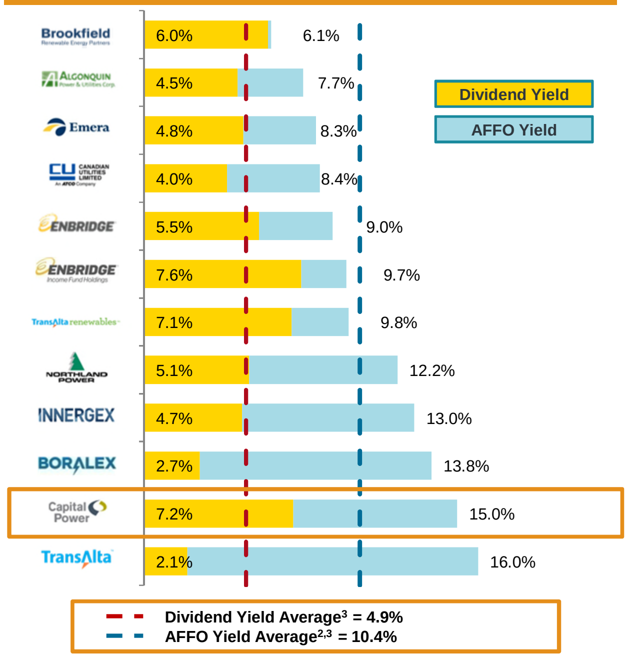
- Starting in 2027 as PTC's start to expire and tax equity investments convert to non-controlling interests (NCI)
- Material increase in cash flows starting in 2027 as lower contracted cash flows are replaced by higher merchant cash flows

1) US Wind includes Bloom Wind, New Frontier, and Cardinal Point.
2) Assume current tax legislation.

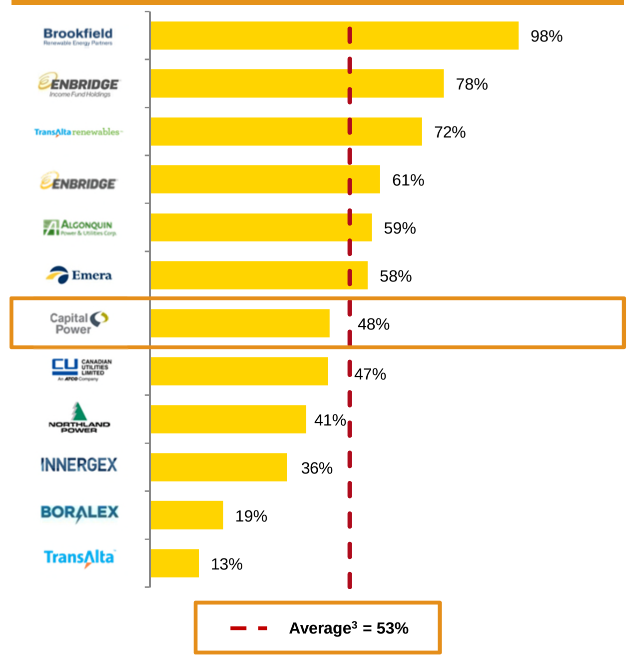
Attractive yields relative to peers

Capital Power's AFFO payout ratio is conservative

2018E Dividend & AFFO Yield[1,2]



2018E AFFO Payout Ratio[1,2]

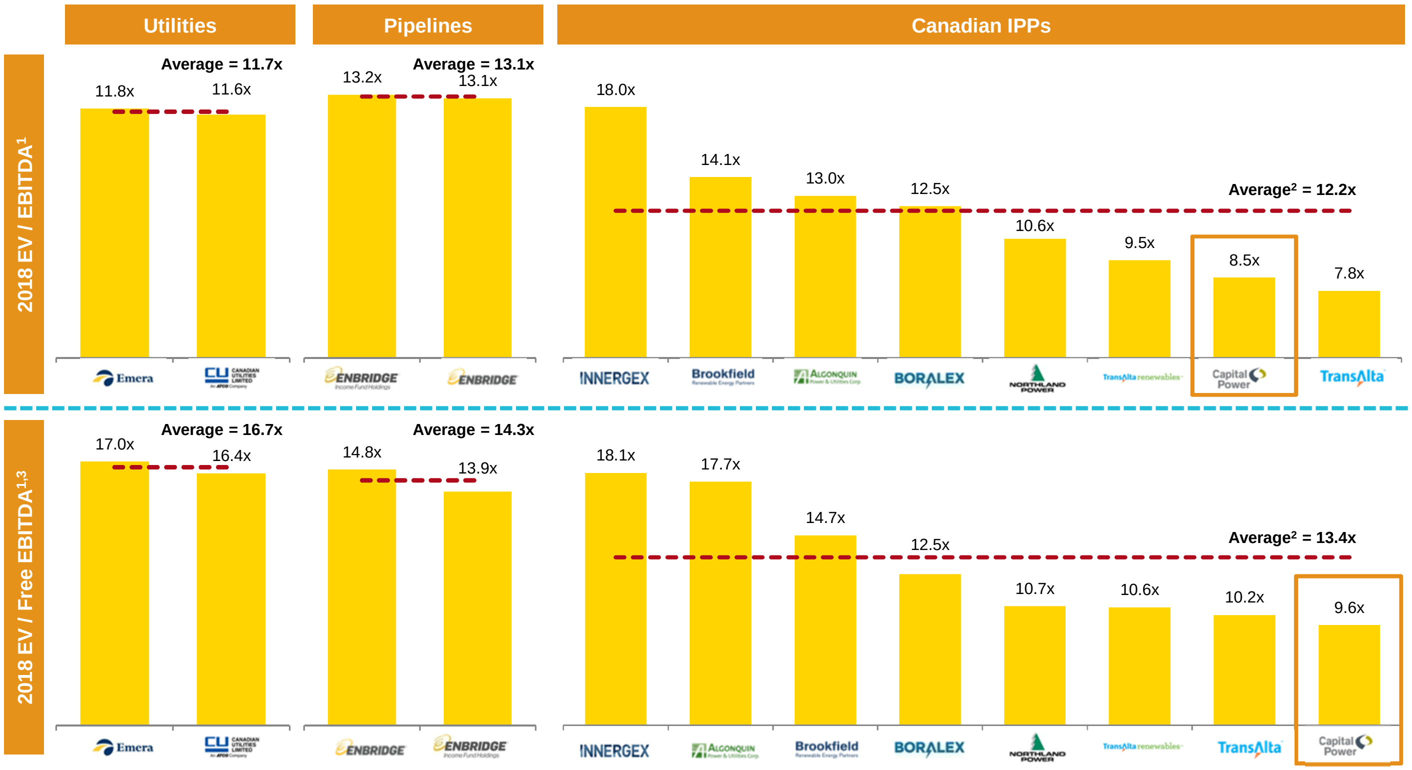


[1] Source: FactSet as at December 1, 2017 and with assistance of CIBC World Markets Inc.

[2] Based on consensus analyst estimates. Adjusted funds from operations ("AFFO") calculated as cash flow from operations before working capital less maintenance capex and preferred dividends.

[3] Averages exclude Capital Power.

Trading at a discount to peers on EV/EBITDA



1 Source: CIBC estimates, Company disclosure, FactSet as at December 1, 2017; TEV reflects fully funded TEV and includes capital to generate incremental EBITDA.
2 Average excludes Capital Power.
3 Free EBITDA = EBITDA less maintenance capital expenditures.

Key takeaways

- Growing dividend supported by AFFO growth
- Financial obligations and dividends covered by contracted cash flow
- Financial capacity to fund growth
- Access to capital remains strong
- In addition to hedges on 700 MW of baseload generation, have ability to capture upside from higher Alberta power prices or price volatility from 340 MW of peaking gas and 150 MW of wind
- Share price growth expected to be driven by 7% dividend growth and yield compression as Alberta uncertainty continues to subside, increase contracted cash flow, risk reduction and diversification

2018 Corporate Priorities

Brian Vaasjo

2018 Operational targets

Deliver strong operational performance from a young, well-maintained generation fleet

95%	**Capacity-weighted plant availability**
$85M	**Maintenance capital** (plant maintenance capital, and sustaining capital expenditures)
$230M to $250M	**Plant operating and maintenance expenses**

2018 Development & construction targets

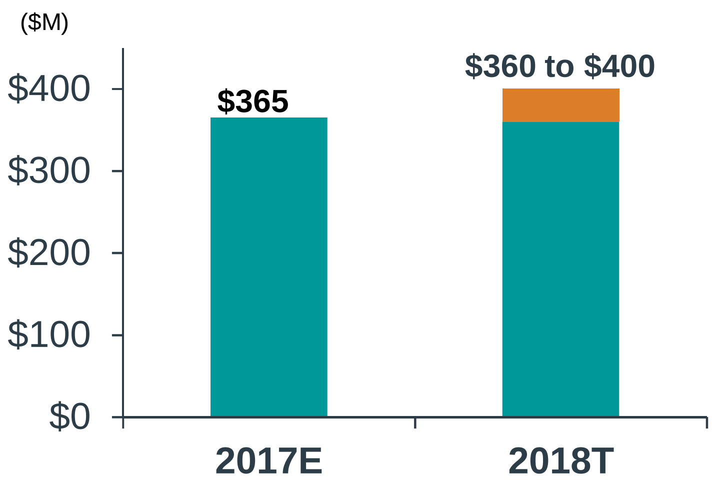
Enhance value for shareholders by delivering accretive growth

- Complete New Frontier Wind on time and on budget
- Committed capital of $500 million for contracted growth
- Expect 2-4 wind farms in progress

2018 Financial target

Financial target

Adjusted funds from operations[1]



2018 key assumptions

- Commodity price assumptions
  - $49/MWh average AB power price
  - ~$2/GJ AECO natural gas
- 81% of AB Commercial portfolio sold forward at high-$40/MWh
- Excludes any impacts from $500M of committed capital for growth
- Expected Adjusted EBITDA (excluding mark-to-market) of $675M

1) See Non-GAAP measures on pages 89-90.

Attractive investment opportunity: Driving to a sustainable future

2017: Met or exceeded targets with tremendous growth

2018: Operationally strong, well positioned for Alberta upside, significant growth

- Great assets
  - Capacity market favorable to coal and natural gas conversion
  - Maximizing optionality and flexibility in coal to gas conversion
- Strong growth
  - Expect to secure 2-4 contracted wind developments
  - Robust pipeline for future development and growth
  - Development competencies drive competitiveness
- Reduced risk / strong diversification
  - GPS and carbon credit inventory
  - Geographic and fuel source diversification

Yield reduction through lower & diversified risk combined with strong cash flow growth

Non-GAAP financial measures

The Company uses (i) earnings before net finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, finance expense from its joint venture interests, and gains or losses on disposals (adjusted EBITDA), (ii) adjusted funds from operations, (iii) normalized earnings attributable to common shareholders, and (iv) normalized earnings per share as financial performance measures. For periods prior to 2017, the Company used funds from operations.

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 adjusted EBITDA to net income (loss) and funds from operations and adjusted funds from operations to net cash flows from operating activities are contained in the Company's quarterly and annual Management's Discussion and Analysis documents available under the Company's profile on SEDAR at www.SEDAR.com and on the Company's website at capitalpower.com.

Adjusted EBITDA

Capital Power uses adjusted EBITDA to measure the operating performance of facilities and categories of facilities from period to period. Management believes that a measure of facility operating performance is more meaningful if results not related to facility operations such as impairments, foreign exchange gains or losses and gains or losses on disposals are excluded from the adjusted EBITDA measure.

Commencing with the Company's March 31, 2016 quarter-end, the reported adjusted EBITDA measure was changed to include Capital Power's share of adjusted EBITDA from its joint venture interests. All comparative adjusted EBITDA amounts for quarters prior to those ended on March 31, 2016 were revised to conform with this change.

Adjusted funds from operations

The Company uses adjusted funds from operations as a measure of the Company's ability to generate cash from its current operating activities to fund growth capital expenditures, debt repayments and common share dividends to the Company's shareholders. Commencing with the Company's March 31, 2018 quarter-end, the Company will be adjusting its adjusted funds from operations measure to better reflect the purpose of the measure. These changes include the following:

- The reduction for sustaining capital expenditures historically included costs associated with the Company's Genesee performance standard project. These costs have been considered further and given that the intent of this project is to improve efficiency of the facility, management considers these costs to be growth in nature, and hence they should not be considered sustaining capital expenditures that would be deducted in the adjusted funds from operations measure.
- In prior periods, there has been an addback included for Part VI.1 preferred dividend tax impacts which effectively contemplated the associated tax deduction related to preferred share dividends that reduced current tax payable. Upon further consideration, since that deduction offsets the cash tax payable related to Part VI.1 preferred dividend taxes, the cash effects of the preferred dividend tax impacts should offset. The remaining impact to adjusted funds from operations should therefore be the current income tax expense without any adjustment pertaining to preferred dividend tax impacts.

Non-GAAP financial measures (cont'd)

- Historically, the impacts of tax equity financing structures on adjusted funds from operations have been insignificant. With the commencement of commercial operations of Bloom Wind in 2017, management has revisited the flow of these operations through the adjusted funds from operations metric. Similar to the treatment of joint venture interests, the treatment of assets under tax equity financing structures has been adjusted to reflect the Company's share of the adjusted funds from operations of these assets within consolidated adjusted funds from operations. To give effect to this change, the deduction for net finance expense now excludes non-cash implicit interest expense pertaining to tax equity financing structures. However, a deduction is made to remove the tax equity project investors' respective shares of the adjusted funds from operations of the assets under tax equity financing structures, as determined by their shares of the distributable cash of the respective operations.

Comparative figures have been restated to reflect the above refinements to the adjusted funds from operations metric.

Adjusted funds from operations represents net cash flows from operating activities adjusted to include net finance expenses and current income tax expenses and exclude changes in operating working capital and distributions received from the Company's joint venture interests. Net finance expenses and current income tax expenses are included as the timing of cash receipts and payments of interest and income taxes and the resulting cash basis amounts are not comparable from period to period. Changes in operating working capital are excluded from adjusted funds from operations as the timing of cash receipts and payments also affects the period-to-period comparability. Distributions received from the Company's joint venture interests are excluded as the distribution is calculated after the effect of joint venture debt payments, which are not considered an operating activity. Adjusted funds from operations is reduced by the tax equity financing project investors' shares of adjusted funds from operations associated with assets under tax equity financing structures to ensure that only the Company's share is reflected in the overall metric. Adjusted funds from operations also exclude the impact of fair value changes in certain unsettled derivative financial instruments that are charged or credited to the Company's bank margin account held with a specific exchange counterparty. Adjusted funds from operations is reduced by sustaining capital expenditures and preferred share dividends and adjusted to include the Company's share of the adjusted funds from operations of its joint venture interests and cash from coal compensation that will be received annually.

Funds from operations

For periods prior to 2017, Capital Power used funds from operations as a measure of the Company's ability to generate cash from its current operating activities to fund capital expenditures, debt repayments, dividends to the Company's shareholders and distributions to non-controlling interests. Funds from operations were net cash flows from operating activities adjusted to include finance and current income tax expenses and exclude changes in operating working capital. They also excluded the impact of fair value changes in certain unsettled derivative financial instruments that were charged or credited to the Company's bank margin account held with a specific exchange counterparty. The Company included interest and current income tax expenses excluding Part VI.1 tax recorded during those periods rather than interest and income taxes paid. The timing of cash receipts and payments of interest and income taxes and the resulting cash basis amounts are not comparable from period to period. The timing of cash receipts and payments also affects the period-to-period comparability of changes in operating working capital which were also excluded from funds from operations.

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 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 adjusted funds from operations,
- the future pricing of electricity and market fundamentals in existing and target markets,
- future dividend growth,
- 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 (including New Frontier Wind),
- facility availability and planned outages,
- capital expenditures for facility maintenance and other (sustaining capital, future growth projects),
- the impact of environmental regulations on the Company, its businesses, accounting policies, and emissions compliance costs,
- the impact of the transition to a capacity market on the Company's future growth projects including the Genesee 4 and 5 project,
- expectations pertaining to the financial impacts of the acquisition of the Veresen thermal facilities, including expected impacts to adjusted funds from operations and adjusted EBITDA,
- expectations pertaining to the amendment of the Genesee Coal Mine Joint Venture Agreement regarding reduction to Capital Power's cost of coal and expected enhancements to the Company's net income, adjusted EBITDA, net cash flows from operating activities and adjusted funds from operations,
- expectations pertaining to the acquisition of Decatur Energy regarding: (i) financial impacts including expected impacts to adjusted funds from operations and adjusted EBITDA, and (ii) re-contracting of the facility, and
- impacts of future IFRS standards and amendments.

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 including its review of purchased businesses and assets. 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,
- other matters discussed under the Performance Overview and Outlook, and
- anticipated performance of the acquired Veresen thermal facilities and Decatur Energy.

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, market structure and tax legislation,
- generation facility 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,
- ability to realize the anticipated benefits of the acquisitions,
- limitations inherent in the Company's review of purchased business and assets, and
- changes in general economic and competitive conditions.

See Risks and Risk Management in the Company's December 31, 2016 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 specified approval date. 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

10423 101 Street NW
10th Floor
Edmonton, Alberta
Canada, T5H 0E9
www.capitalpower.com