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.

Please refer to the forward-looking information sections 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 presentation 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.
Capital Power well-positioned for yield improvement

**Solid performance**
- Operational excellence
- Asset optimization
- Commodity management

**Strong growth**
- Achieved though 2017
- Positioned for additional growth

**Dividend guidance**
- 7% annual guidance through 2020
- Based on existing growth

**Declining risks**
- Asset portfolio
- Alberta market
- Coal (CO$_2$)
Execution in 2017

Excellent existing operations
- Expect to achieve performance targets on our plants
- Excellent realized Alberta power price
- Continued efforts on reducing carbon footprint

Substantial contracted growth and diversification
- Executed on renewables strategy
- Acquired five thermal assets
- Added nearly 1,300 MW to the fleet
- AFFO growth from contracted assets
- Contracted % of Adjusted EBITDA increases from 67% in 2016 to 81% in 2017
- Annual dividend growth guidance out to 2020
**Contracted EBITDA growth**

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.

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**Continue to build contracted cash flow profile**
Growing AFFO\(^{(1)}\) per share

Acquisitions & addition of Bloom Wind in 2017 strengthen AFFO per share in 2017-18

4-year CAGR of ~10% since 2014

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.
Common share dividend guidance

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 2017 annualized dividend based on year-end quarterly common shares dividend declared.
Geographic profile

Recent acquisitions & completion of Bloom Wind has increased geographic diversification

Breakdown based on Adjusted EBITDA

2016\(^{(1)}\)

- AB: 73%
- BC: 9%
- ON: 13%
- U.S.: 5%

2018 Estimate\(^{(1)}\)

- AB: 56%
- ON: 16%
- BC: 8%
- U.S.: 20%

1) Percentage breakdown based on Adjusted EBITDA prior to Corporate and unrealized changes in fair value of commodity derivatives and emission credits.
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
- Project capital cost US$145M$^{(1)}$
- Project commenced August 2017
- COD: December 2018

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1) Excludes interest during construction costs and developer fee.
Whitla Wind (phase I) awarded 20-year contract

- One of three selected by AESO in the 1st round of the Renewable Electricity Program (REP)
- REP 1 attracted global participation
- Awarded a 20-year contract for 201.6 MW
  - Price guaranteed subject to performance
  - Project capital costs of $315 to $325M
  - COD expected in Q4/19
  - Expected to generate Adjusted EBITDA of $27M and AFFO of $17M per year
- Whitla Wind site has capacity for 300 MW that would be developed in two phases
Path to 2018 AFFO target
Acquisitions drives 17% net AFFO growth

1) Represents midpoint of $305 - $345M original guidance range.
2) Represents midpoint of $360 - $400M guidance range.
Looking forward

2018
- Growth in AFFO partially offset by carbon tax
- Alberta market clarity and increasing prices
- Expect to secure another 1 to 3 contracted windfarm developments
- Potential for contracted acquisitions

Longer-term
- Actions to reduce GHG emissions by 11% (Genesee Performance Standard)
- Genesee units optionality on conversion to natural gas
- Numerous contracted growth opportunities in Canada & US
- Significant cashflow growth with increased geographic and fuel diversification
Greater geographic diversification
Geographic breakdown based on Adjusted EBITDA

2015

- AB: 74%
- BC: 11%
- U.S.: 6%

2017

- AB: 62%
- BC: 9%
- ON: 16%
- U.S.: 13%

2020(1)

- AB: 52%
- BC: 7%
- ON: 12%
- U.S.: 29%

1) Includes projected growth.
Greater fuel diversification
Generation type based on Adjusted EBITDA

2015
- Wind: 22%
- Gas: 20%
- Coal: 55%
- Other: 3%

2017
- Wind: 26%
- Gas: 30%
- Coal: 42%
- Other: 2%

2020(1)
- Wind: 26%
- Gas: 42%
- Coal: 30%
- Other: 2%

1) Includes projected growth.
Declining uncertainty in 2018

US Tax Reform
- Corporate tax rate reduced from 35% to 21%
- Base Erosion and Anti-Abuse (BEAT) provision

Alberta capacity market design
- AESO-led market design process
- First auction in 2019 for delivery in mid-2021
- Final design expected in mid-2018

Alberta power prices
- 3.6% demand growth (normalized for weather) in 2017
- Coal units going off line
- Average Alberta power forward prices in the mid-$50/MWh for 2018 & 2019
Attractive investment opportunity

2017: Met or exceeded expectations plus tremendous growth
2018: Strong operations, well positioned for Alberta power market upside

- Strong contracted growth
  - Two contracted windfarms underway
  - Expect to secure an additional 1-3 contracted windfarms
  - Robust pipeline for future development and acquisitions

- Reduced risk / strong diversification
  - Increasing contracted cashflow
  - Increasing geographic & fuel diversification
  - Clarity in the Alberta power market
  - Maximizing optionality & flexibility in coal to gas conversion
  - GPS and carbon credit inventory

**Yield compression because of strong cash flow growth and significant risk reduction while enjoying an annual 7% dividend growth**
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