Driving a Sustainable Future

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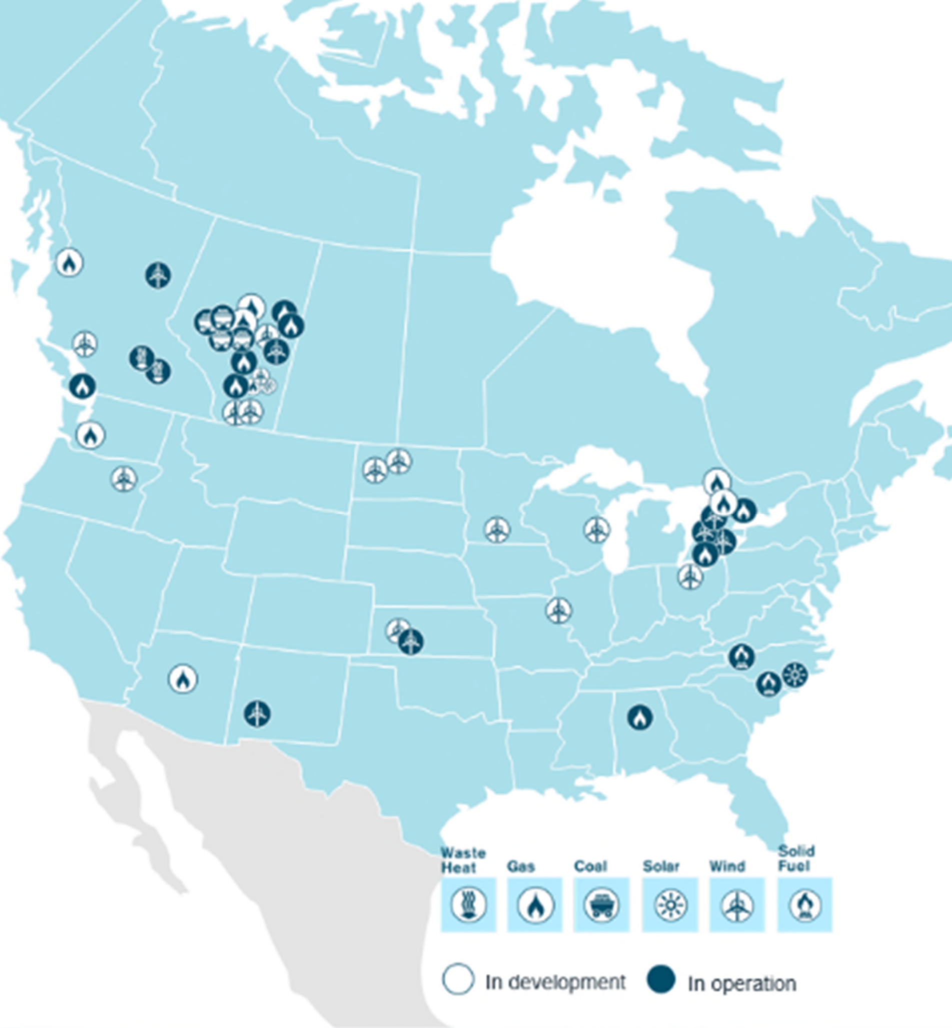
Investor Presentation
June 2018

Capital Power

capitalpower.com

Growth-oriented North American power producer

- 24 Facilities
- 4,500 MW
- 3 wind projects (450 MW) with long-term contracts proceeding
- Strong pipeline of additional contracted growth opportunities

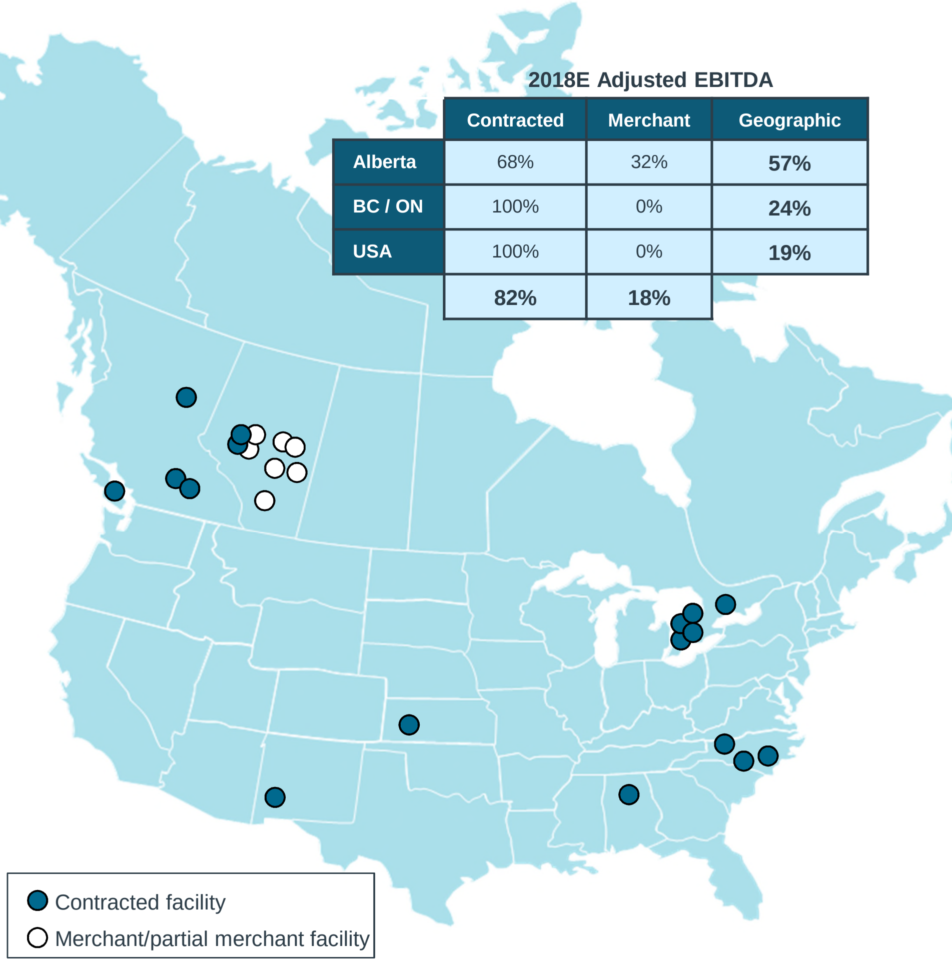


Investment highlights

- Targeting annual Total Shareholder Return of 13%
- Current dividend is supported by low payout ratio
- 7% dividend growth is supported by new contracted assets
- Power prices in Alberta have recovered
- New capacity market is expected to sustain Alberta power prices
- Transition continues to a generation fleet with lower carbon intensity

2018E Adjusted EBITDA

	Contracted	Merchant	Geographic
Alberta	68%	32%	**57%**
BC / ON	100%	0%	**24%**
USA	100%	0%	**19%**
	82%	**18%**	



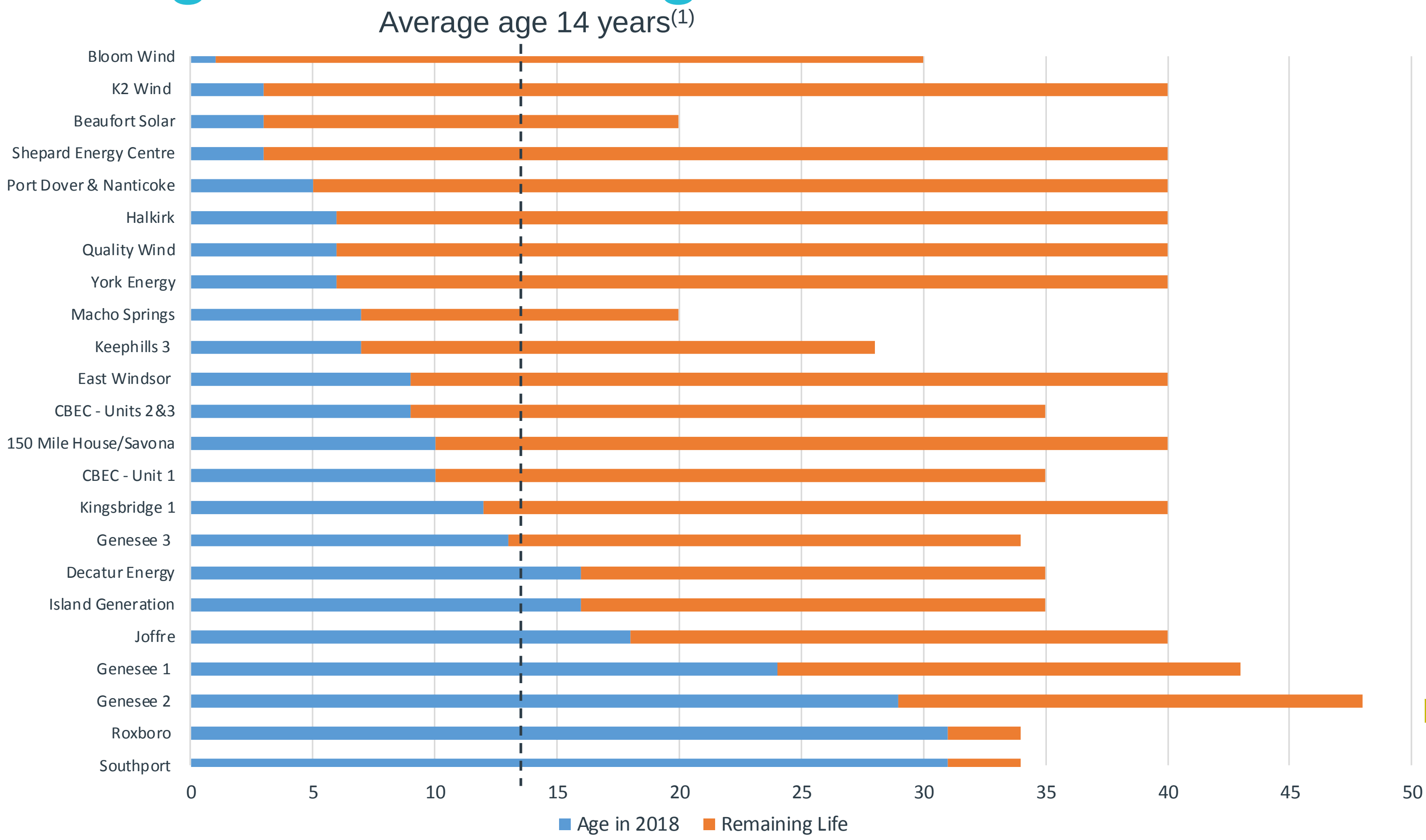
Discretionary cash flow supports dividend growth target(1)

$400M Capital → **$40M** EBITDA → **$29M(2)** AFFO → **7.7%** AFFO Growth/Share → **7%** 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 2018 target midpoint of $380M.
2) AFFO includes a reduction of $2M from expected maintenance CAPEX.

Young fleet with long asset lives

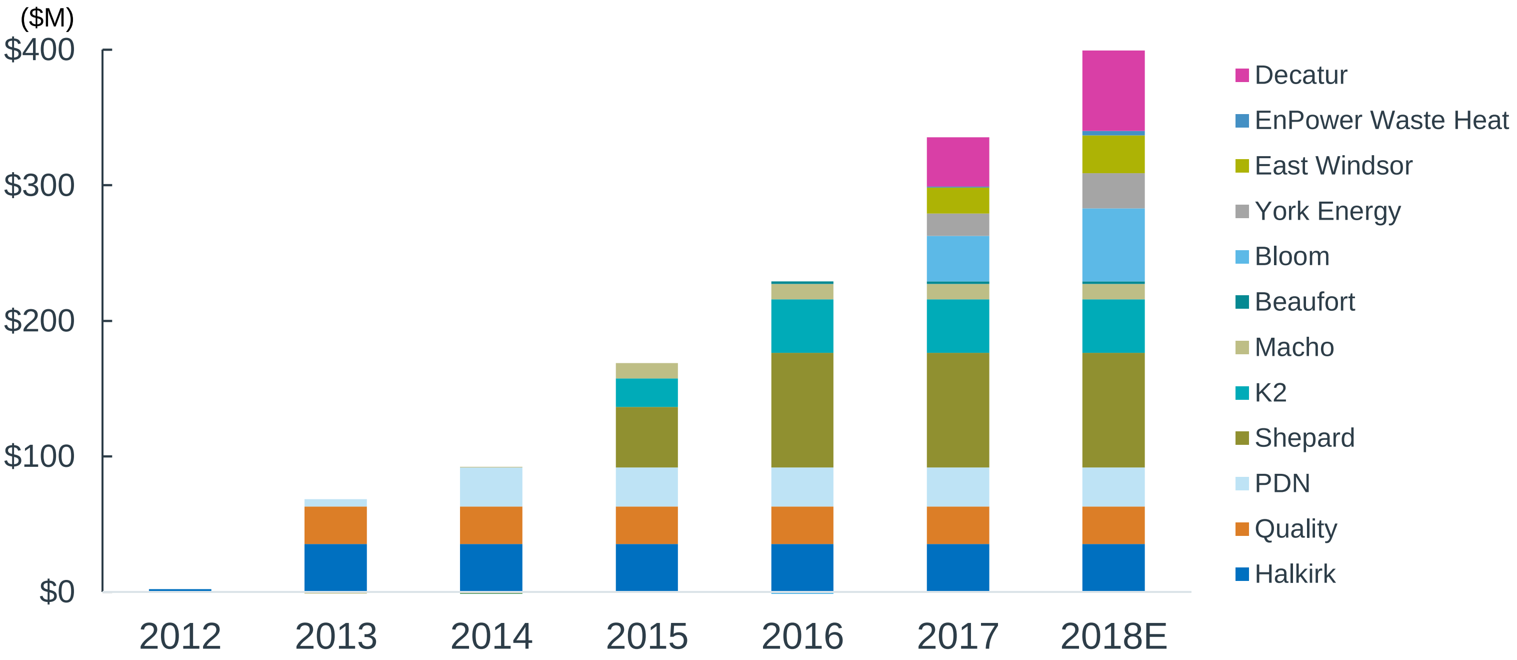


5-year average availability of 95%

Only 3% of existing generation portfolio is expected to retire in the next decade

1) Megawatt-weighted average

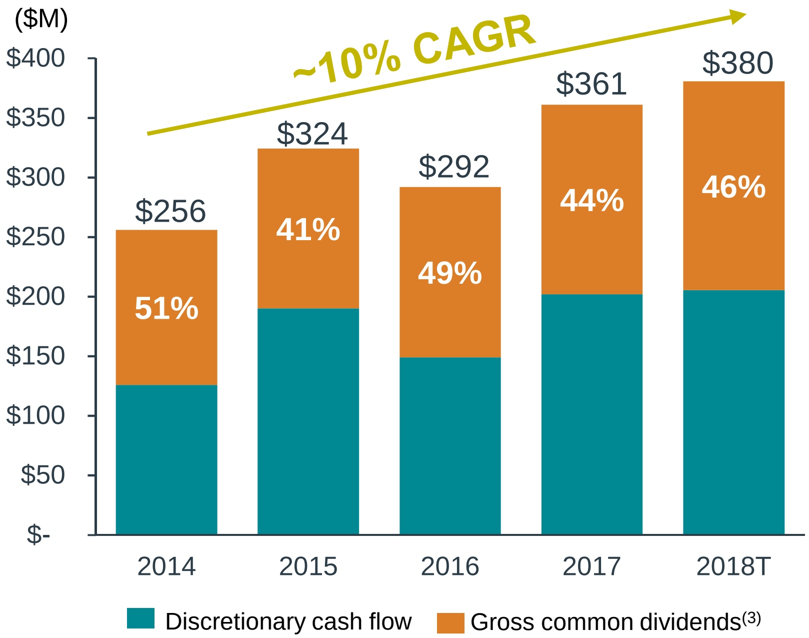
EBITDA growth from new assets has supported dividend growth(1-5)



Growth capex since 2012 averages ~$500M(5) per annum

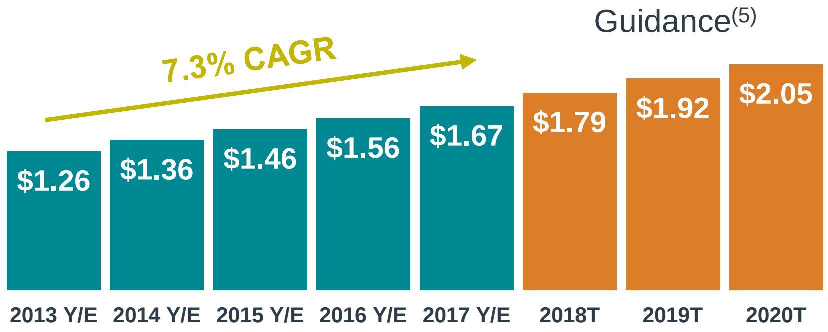
1) Margins have been averaged over the periods except in the year of commissioning/acquisition.
2) Capital Power's share of adjusted EBITDA for all assets. Adjusted EBITDA is a non-GAAP measure.
3) Bloom EBITDA has been adjusted for impacts of US tax reform legislation.
4) Includes both merchant and contracted components of Shepard and Halkirk. The merchant components include contributions from trading activity attributable to the plants' production.
5) Includes gross capex from tax-equity investments.

Historical AFFO[1,2] growth supports dividend growth target



Dividends

Annualized dividend per share[4]



5-year average AFFO payout ratio of 46% consistent with 45-55% target payout ratio

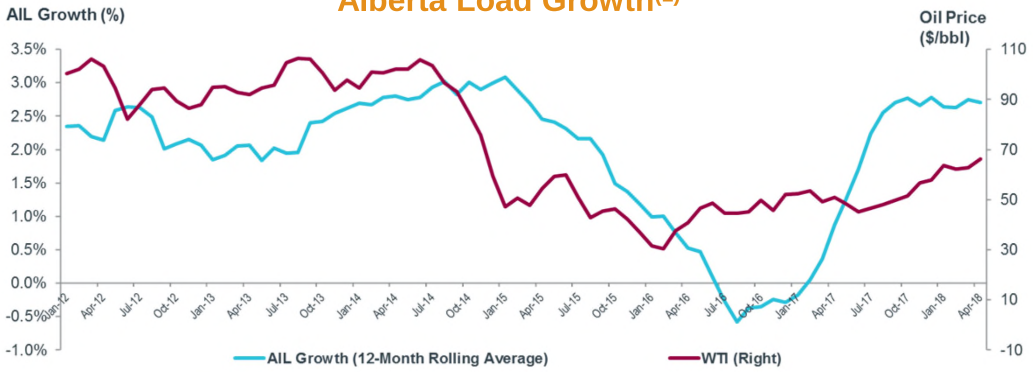
Dividend growth supported by

- Long-term contracts with MW-weighted average PPA term remaining of 9.3 years
- Relatively young fleet of assets with long lives
- ~$200M per year in discretionary cash flow supporting $400-$500M of growth capex per year
- Forecasted AFFO payout ratio below 50%

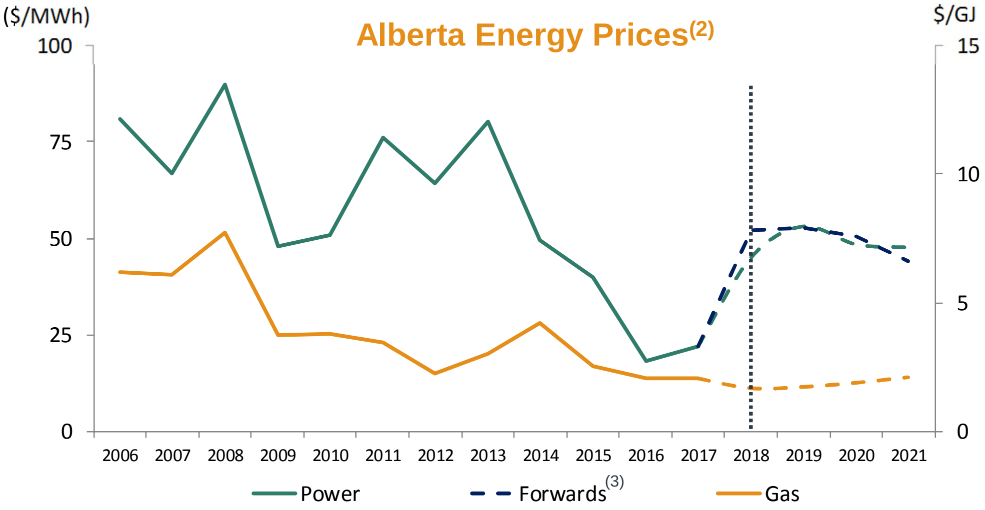
1) 2018 AFFO target represents the midpoint of $360M - $400M guidance range. AFFO is a non-GAAP financial measure.
2) Historical AFFO figures restated using Adjusted AFFO (2018 method).
3) Includes cash dividends, dividends retained under DRIP, and distributions to EPCOR.
4) 2013-2017 annualized dividend based on year-end quarterly common share dividend declared.
5) Subject to market conditions, economic outlook, cash flow forecast, and Board approval at the time.

Alberta power market has recovered

Alberta Load Growth[1]



Alberta Energy Prices[2]



- Alberta is experiencing strong demand growth
- Older coal fired units have started to retire
- Termination of 2000 MW of PPAs has facilitated commercial optimization

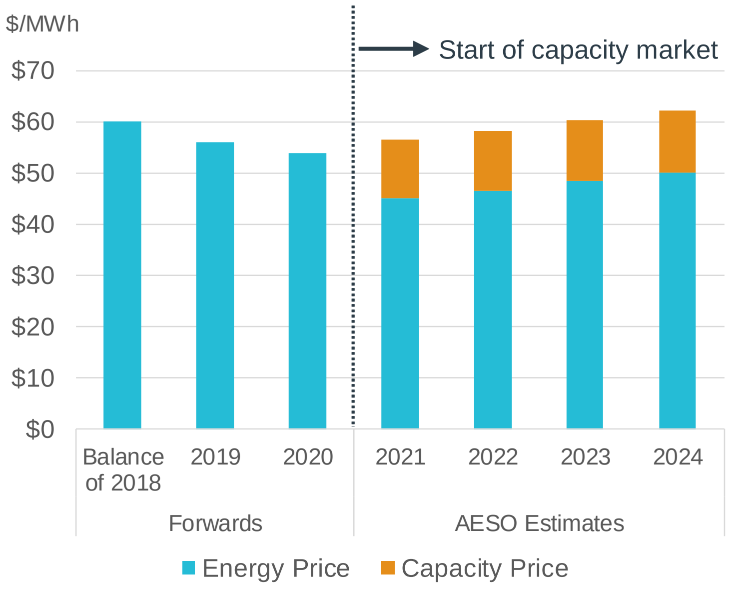
Step-change increase in power prices starting in 2018

1) Alberta Internal Load normalized for weather. Source: Capital Power, EIA.
2) Power and gas forecasts represent the average forecasts of leading 3rd party consulting firms as of May/18.
3) Forward prices as of May 2018.

Capacity market design

- AESO released 2nd draft of Comprehensive Market Design (CMD2) in Apr/18
- Design continues to be constructive, indicating that existing and future assets will have an equal opportunity to earn a return on and of capital
- Have greater confidence the AB Government's commitment to treat new and existing assets equitably will be honored
- Key design elements such as participation, market mitigation, term length remain reasonable as expected
- AESO continues to be on-track to finalize its proposed market design for July 2018

AESO's forecast revenue for baseload facilities



AESO's forecast of $55-$65/MWh for the combined capacity and energy payments will allow existing and future assets an opportunity to earn a return on/of capital

CMD2 remains generally consistent with our view of a properly designed capacity market for Alberta and we are well-positioned under this market design

Opportunistic hedging strategy

Alberta commercial portfolio positions

(As of Mar 31, 2018)

	2019	2020
% Sold forward[1] (700 MWs of baseload)	46%	22%
Contracted prices[2] ($/MWh)	Low-$50	Low-$50

Current average forward prices[3] ($/MWh)	$56	$54

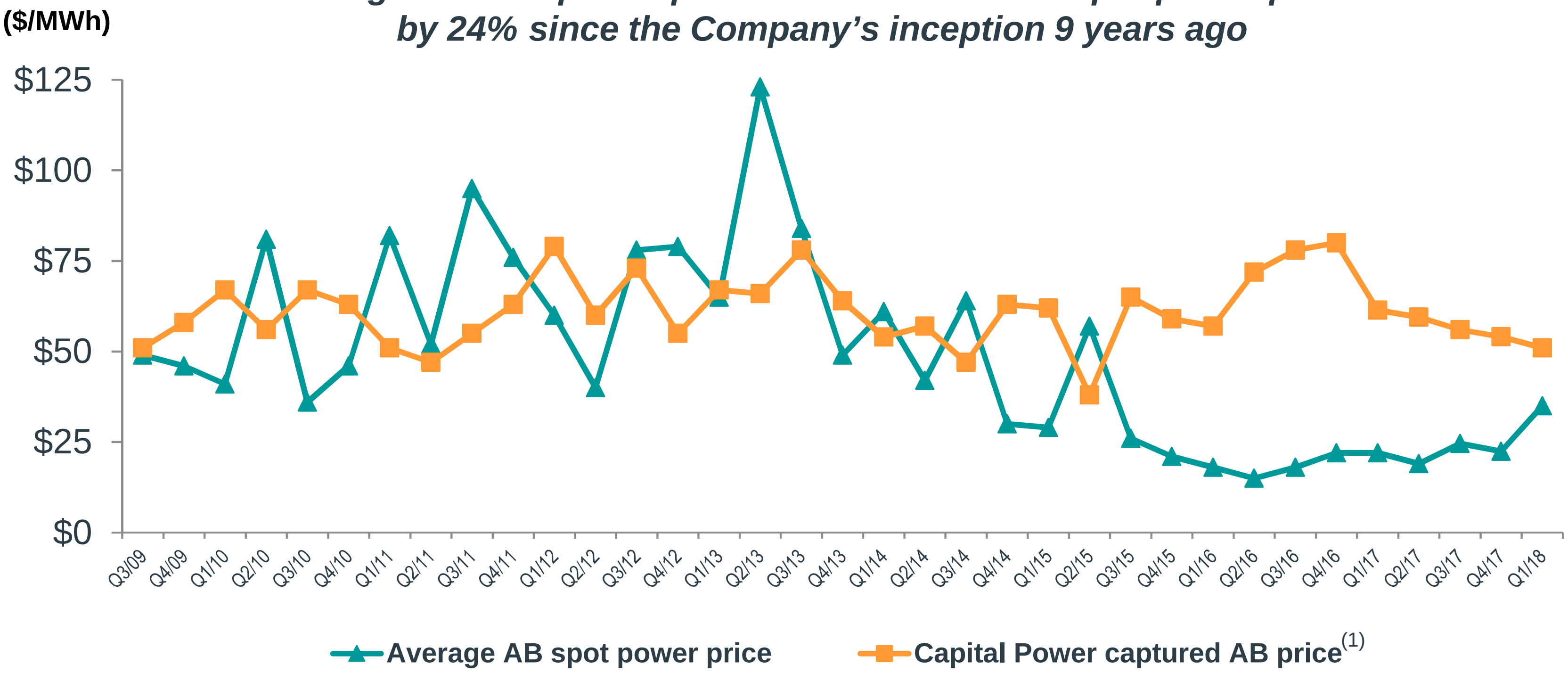
Unhedged baseload position plus nearly 500 MW (gas peaking, wind) available to capture upside from higher power prices & price volatility

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.
3) As of May 24, 2018.

Maximizing the commodity portfolio

Creating incremental value through market expertise

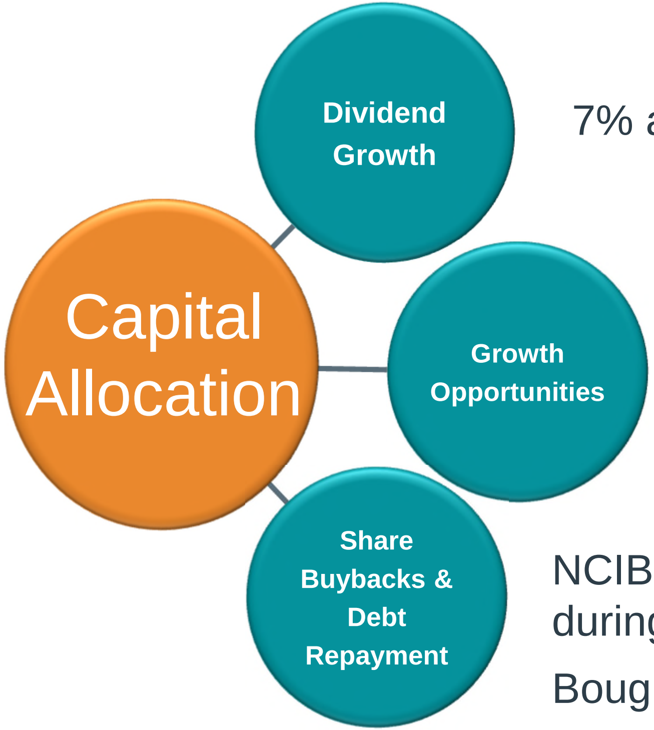
Average realized power prices[(1)] have exceeded spot power prices by 24% since the Company's inception 9 years ago



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.

Capital allocation

Prudent share buybacks and debt reduction to optimize capital utilization



7% annual dividend growth guidance to 2020

Generating $200M+ in discretionary cash flow which equates to $400-$500M in growth capex without a need to access equity markets

NCIB to purchase and cancel up to 9.3M common shares during the 1-year period ending Feb 20/19.

Bought back 713,100 shares in Q1/18 for $17M

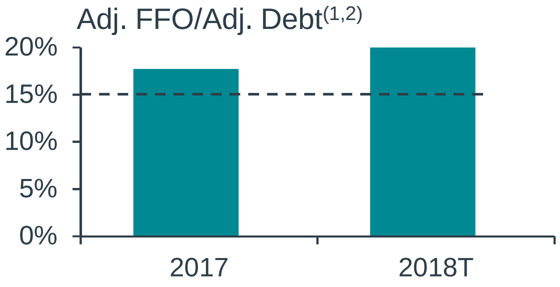
Financial strength

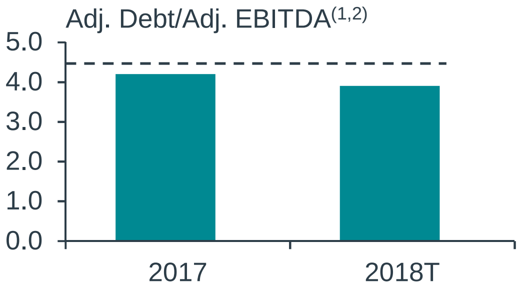
Strong balance sheet and investment grade credit rating

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

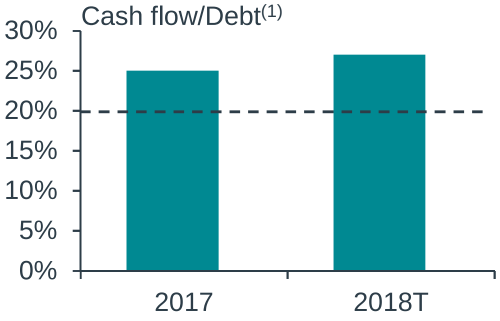
- Strong liquidity from cash flow from operations and $1B of committed credit facilities
- Well capitalized with capacity for leverage

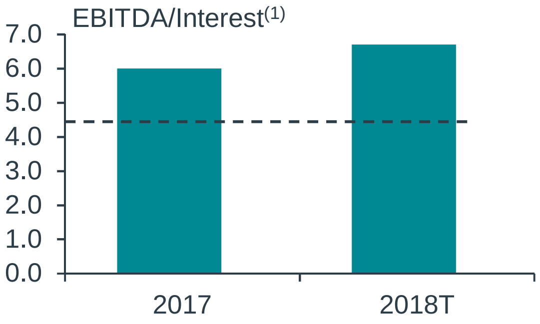
Within S&P financial criteria for investment grade rating





Within DBRS financial criteria for current rating

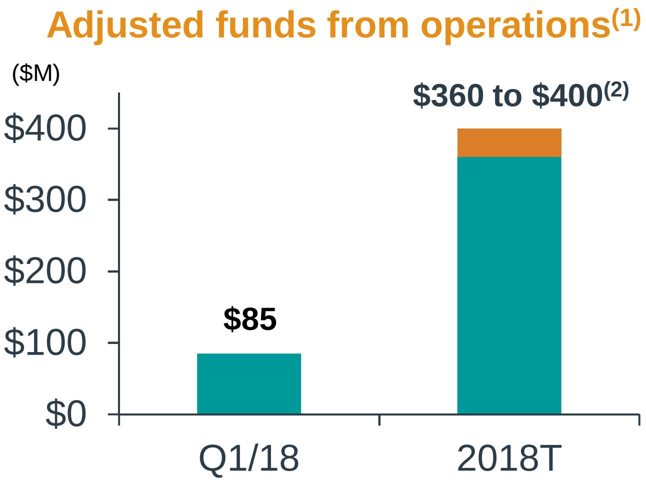


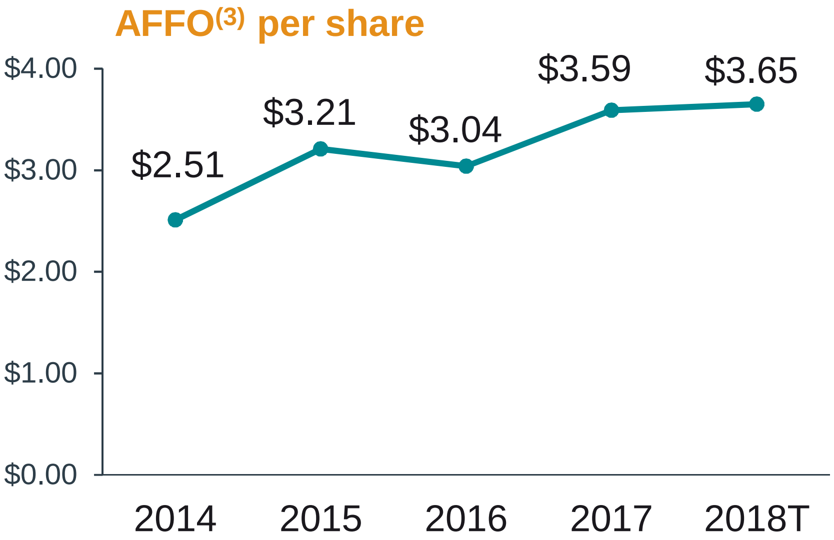


Committed to maintaining investment grade

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

2018 Financial target





2018 AFFO expected to be above the midpoint of the guidance range

Expect ~10% CAGR for AFFO/share from 2014 to 2018

1) 2017 Adjusted FFO is calculated under the current method and 2018T Adjusted FFO is calculated under the 2018 method.
2) 2018 key assumptions include: $49/MWh average Alberta power price and approximately $2/GJ AECO natural gas. Excludes any impacts from $500M of committed capital for growth.
3) 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).

Current projects under construction/development

2018 — 2019 — 2020 — 2021

New Frontier Wind
(North Dakota)
- 99 MW
- 12-year PPA
- $182M
- COD in Dec 2018

Whitla Wind
(Alberta)
- 201.6 MW (Phase 1)
- 20-year PPA
- $315-$325M
- COD in Q4, 2019

Cardinal Point Wind
(Illinois)
- 150 MW
- 12-year PPA
- $289-$301M
- COD in March 2020

450 MWs of long-term contracted wind facilities added to the fleet over the next 2 years

Canadian opportunity set

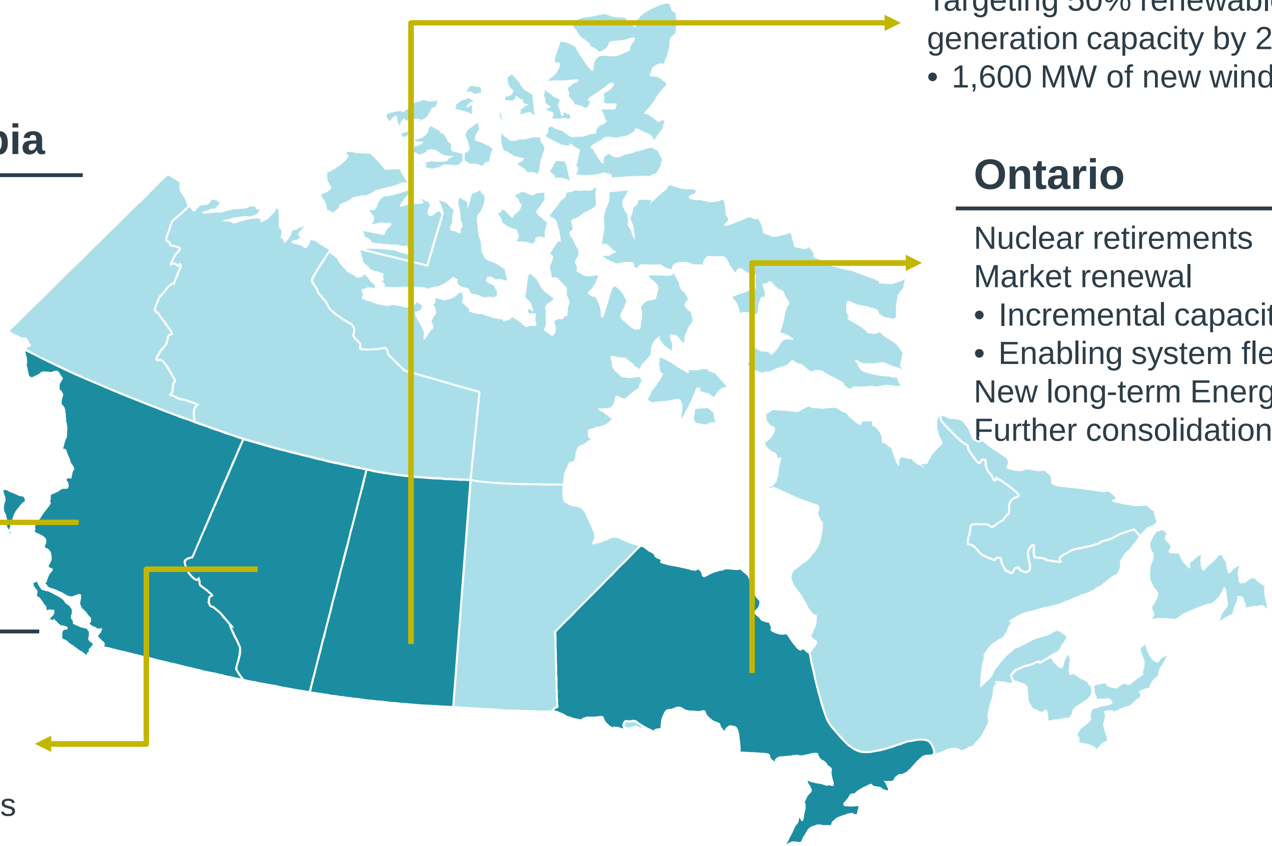
Significant investment required by 2030

British Columbia

Development sites:
- 2x wind
- 1x gas

Alberta

- Coal phase-out
- Renewable Electricity Program (5,000 MW opportunity)
- Gas-fired opportunities



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

Alberta growth opportunities

$20B+ opportunity (5000 MWs of renewables to be built by the next decade)

Renewable Electricity Program

Round 2 (300 MW)

Minimum Indigenous equity component (i.e. ownership stake in the project or land use agreement between the company and the community)

Round 3 (400 MW)

Similar to round 1

Halkirk 2

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

Whitla Wind 2

- ~100 MW
- Built next to Whitla Wind (201.6 MW) with COD in Q4/19
- Full project is on 33,000 acres, located in the County of Forty Mile

Siksika Nation

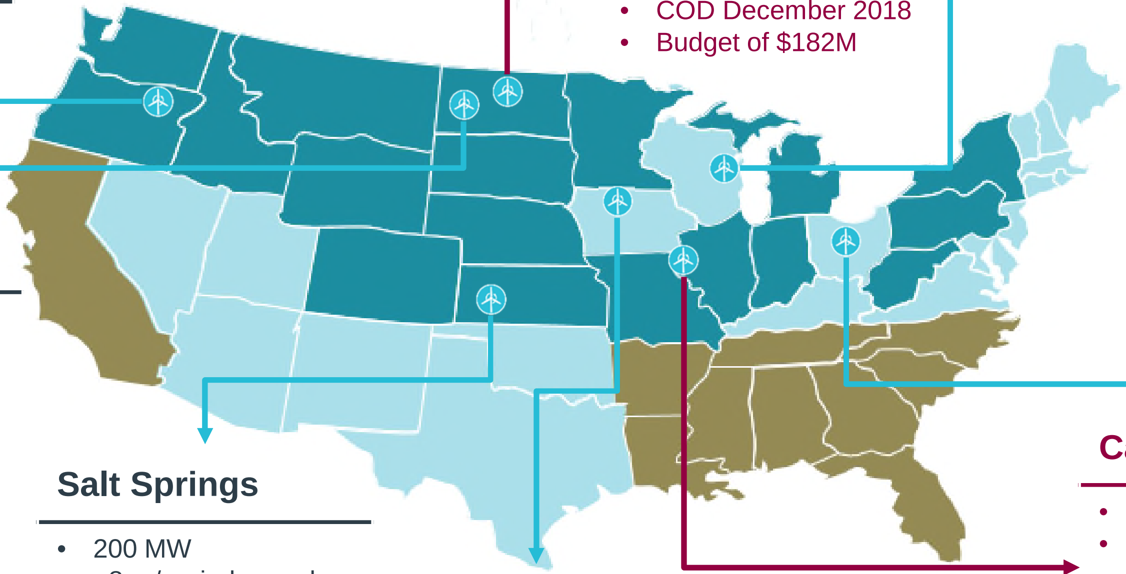
- Exclusive agreement to jointly develop new generation
- 172,000 acres of land
- Solar, wind & gas opportunities
- Attractive location

Junior Portfolios

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

Capital Power well-positioned to bid on both competitions with its Halkirk 2 and Whitla Wind 2 projects

US wind development opportunities



New Frontier

- 99 MW
- MISO
- 12-year fixed price contract for 87% of the facility's output
- COD December 2018
- Budget of $182M

Tisch Mills

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

Nolin Hills

- 350 MW
- >6 m/s wind speed

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

Cardinal Point

- 150 MW
- 12-year fixed price contract for 85% of the facility's output
- 15-year REC contracts
- COD March 2020
- Budget of $289M-$301M

Junior development sites

- Throughout the U.S.
- Acquisition of sites

Salt Springs

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

Willow Creek

- 100-200 MW
- MISO

Strategies to reduce GHG emissions

- Reducing carbon emissions at existing facilities
- Building renewables
- Exploring Carbon Capture & Storage and carbon utilization
  - Equity investment in C2CNT, a company applying an innovative technology to capture and transform carbon dioxide into a useful and high-value product called carbon nanotubes
  - Carbon nanotubes are conductive, stronger than steel, and lighter than aluminum and have been used in bullet-proof and taser-proof suits, towards carbon composites in jet airliners, and as a lighter-weight alternative to metals for use in industrial structural materials
- Utilizing inventory of carbon offsets in Alberta to reduce carbon costs

Genesee generation station

Industry leader through the carbon transition

- Highest availability for Alberta coal plants (95% average 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

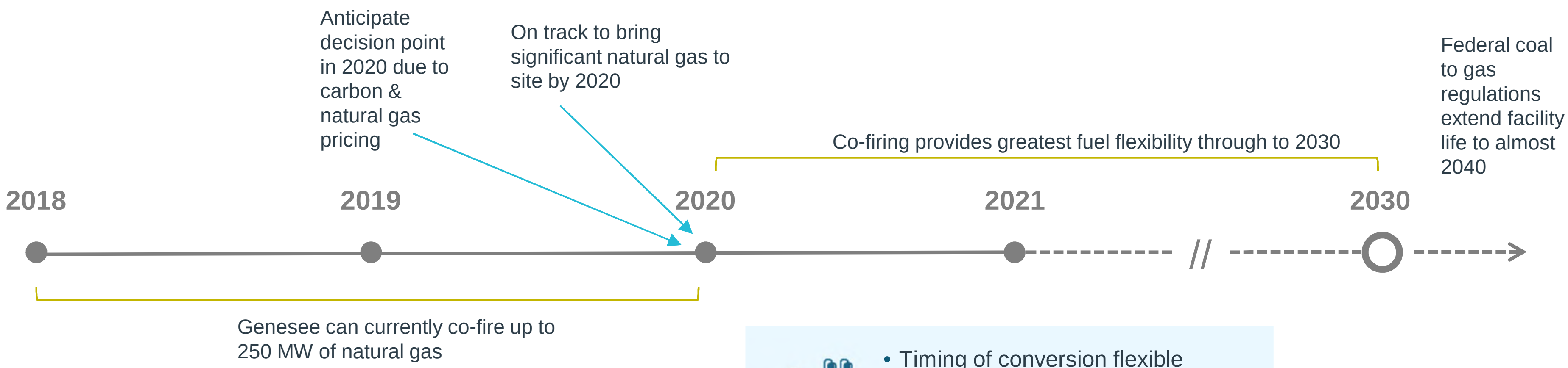
Transition

- World-leading, unique carbon reduction program – Genesee Performance Standard (GPS)
- Program targets an 11% reduction in GHG emissions
- Staged approach for coal to gas conversion and dual fuel firing
- Bio-fuel substitution strategy
- $50M capital investment; $35M per year annual savings beyond 2021

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

Coal-to-gas conversion transition plan

Optimal operational flexibility for Genesee units



- Timing of conversion flexible
- 9 months or less conversion period
- Outage of 2 months per unit
- Capital cost of $30M-$35M per unit

Superior availability and efficiency of coal fleet will carry over as converted natural gas units

Sustainability and growth of dividend

Dividend yield

Dividend yield expected to return to a 5% to 6% range with the removal of the Alberta uncertainty

A strong past, a stronger future

Decreasing risk and growing cash flows

	Generation technology[1]	Contracted capacity[1]	North American footprint[1]
2015	**42%** gas and renewables	**66%** Contracted	**74%** Alberta
2018	**58%** gas and renewables	**82%** Contracted	**57%** Alberta
	Renewables growth	**Greater visibility**	**Geographic diversification**

AFFO PER SHARE CAGR
~10%
2014-2018

DIVIDEND GROWTH
7%

PAYOUT RATIO TARGET
45-55%

GROWTH
450 MW
under development

Meeting or exceeding 2018 annual targets

1) Based on Adjusted EBITDA excluding G&A expenses

Appendices

Alberta's coal fleet

Retirements under federal / provincial regulations and conversion to gas

Facility	AESO max capacity (MW)	Age in 2018 (yrs)	End of coal life (CLP)[1]	Current Status	Coal to gas conversion Expectation	PPA status
Battle River 3	149	49	2019	Online	ATCO announced CtG by 2020	Merchant
Sundance 1	288	48	2019	Decommissioned end of 2017		PPA expired end of 2017
H.R. Milner	144	46	2019	Return from mothball end of May 2018		Merchant
Sundance 2	288	45	2019	Mothballed		PPA expired end of 2017
Battle River 4	155	43	2025	Online	ATCO announced CtG by 2020	Merchant
Sundance 3	368	42	2026	Mothballed Apr/18 (up to 2 yrs)	TA announced CtG 2021-22	Returned to TA in Apr/18
Sundance 4	406	41	2027	To be mothballed Apr/19 (up to 2 yrs)	TA announced CtG 2021-22	Returned to TA in Apr/18
Sundance 5	406	40	2028	Mothballed Apr/18 (up to 1 yr)	TA announced CtG 2021-22	Returned to TA in Apr/18
Sundance 6	401	38	2029	Online	TA announced CtG 2021-22	Returned to TA in Apr/18
Battle River 5	385	37	2029	Online	ATCO announced CtG by 2020	Returns to ATCO Sep/18
Keephills 1	395	35	2029	Online	TA announced CtG 2021-22	Balancing Pool; Dec/20 expiry
Keephills 2	395	34	2029	Online	TA announced CtG 2021-22	Balancing Pool; Dec/20 expiry
Sheerness 1	400	32	2030	Online	ATCO announced CtG by 2020	Balancing Pool; Dec/20 expiry
Genesee 2	**400**	**29**	**2030**	Online		Balancing Pool; Dec/20 expiry
Sheerness 2	390	28	2030	Online	ATCO announced CtG by 2020	Balancing Pool; Dec/20 expiry
Genesee 1	**400**	**24**	**2030**	Online		Balancing Pool; Dec/20 expiry
Genesee 3[2]	**466**	**13**	**2030**	Online		Merchant
Keephills 3[2]	**463**	**7**	**2030**	Online		Merchant

1) Current coal regulations under Climate Leadership Plan (Alberta).
2) Capital Power and TransAlta Corporation are 50% owners on Genesee 3 and Keephills 3.

Cash flow and financing outlook

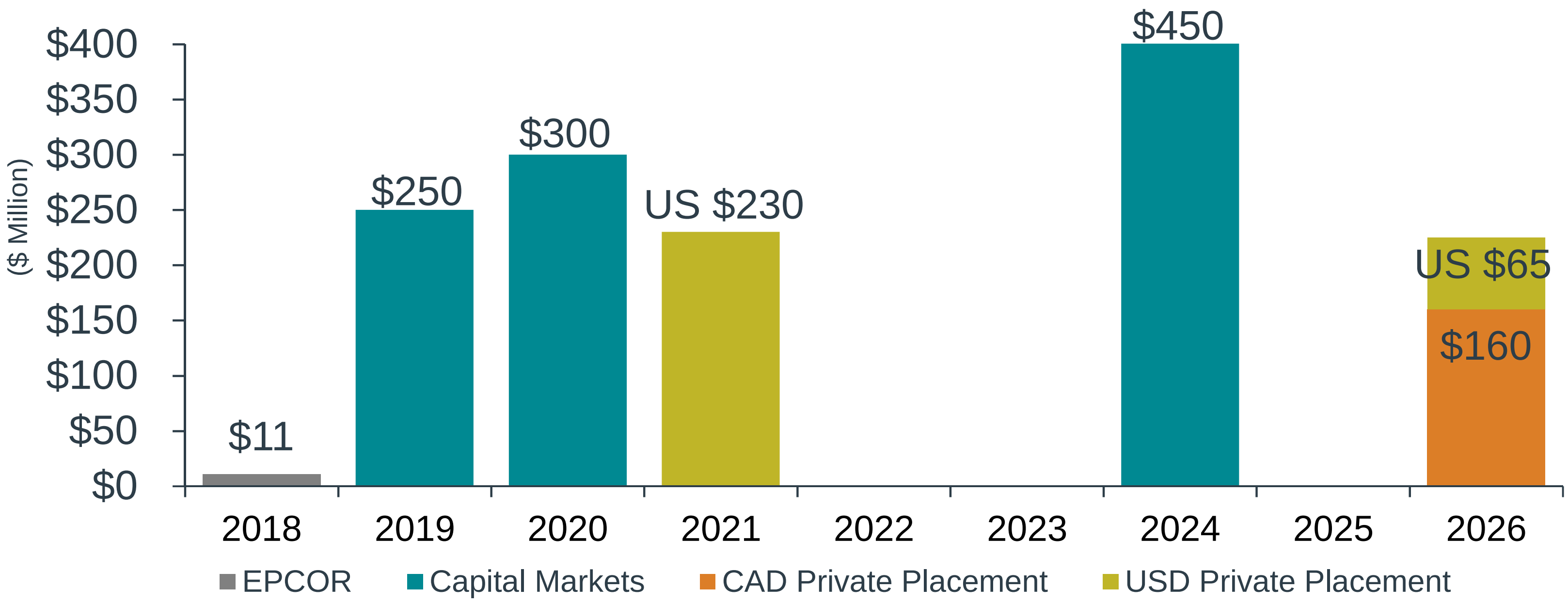
Sufficient funding for current growth projects

Sources of cash flow	2018T ($M)
Funds from operations[(1)] + coal compensation	$505
Estimated proceeds from tax-equity debt (New Frontier Wind)	$125
	$630
Uses of cash flow	
Dividends (common & preferred shares)	($215)
Development capex[(2)]	($260)
Debt repayment[(3)]	($155)
Share repurchases	($20)
Genesee Performance Standard[(4)]	($15)
Sustaining and maintenance capex	($90)
	($755)
Deficit to be funded by credit facility draws	**($125)**

1) Funds from operations (FFO) is a is a non-GAAP financial measure.
2) Includes spend on New Frontier, Cardinal Point and Whitla Wind, as well as minor spend on other projects.
3) Excludes debt repayments to tax equity investor & equity accounted investment debt repayments and net of gains on swap settlements.
4) Genesee Performance Standard (GPS) is a program to reduce CO_2 and improve coal plant efficiency. Total program costs of ~$50M.

Debt maturity schedule[1]

~$1B in committed credit facilities renewed with 5-year tenor maturing 2022, of which approximately $900M is available[1]



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

1) Debt amounts as of March 31, 2018 excludes non recourse debt, credit facility debt, and tax-equity financing. Amount available on credit facilities as of March 31, 2018.

Summary of assets

	Alberta Contracted		Alberta Commercial						
	Genesee 1	Genesee 2	Genesee 3	Keephills 3	Joffre	Clover Bar Energy Centre	Clover Bar Landfill	Halkirk	Shepard Energy Centre
Capacity	430 MW	430 MW	516 MW	516 MW	480 MW	243 MW	5 MW	150 MW	800 MW
% owned / operated	100 / 100	100 / 100	50 / 100	50 / 0	40 / 0	100 / 100	100 / 100	100 / 100	50% / 0%
Location	Warburg	Warburg	Warburg	Wabamun	Joffre	Edmonton	Edmonto n	Halkirk	Calgary
Fuel & equipment	Coal (50% ownership of coal mine)	Coal (50% ownership of coal mine)	Coal (50% ownership of coal mine)	Coal	Natural gas (Combined cycle cogeneration)	Natural gas (Two 100 MW GE LMS100 turbines; 43 MW GE LM6000)	Landfill gas	Vestas wind turbines	Natural gas (Combined cycle; two Mitsubishi G-Class natural gas turbines; steam turbine)
Commercial Operations	1994	1989	2005	2011	2000	Unit 1 in 2008; units 2&3 in 2009	2005	2012	2015
PPA Expiry	2020	2020	Merchant	Merchant	Primarily merchant with some revenues under contract	Merchant	Merchant	Large portion of total revenues from 20-year REC sale agreement / Merchant	20-year tolling agreement on 50% of Capital Power's output

Summary of assets

	Ontario & British Columbia Contracted								
	Island Generation	**Quality Wind**	**Savona**	**150 Mile House**	**Port Dover & Nanticoke**	**Kingsbridge 1**	**K2 Wind**	**York Energy**	**East Windsor**
Capacity	275 MW	142 MW	5 MW	5 MW	105 MW	40 MW	270 MW	400 MW	84 MW
% owned / operated	100 / 100	100 / 100	100 / 0	100 / 0	100 / 100	100 / 100	33.3% owned	50 / 100	100 / 100
Location	Campbell River, BC	Tumbler Ridge, BC	BC	BC	Counties of Norfolk and Haldimand, Ontario	Goderich, Ontario	Ashfield-Colborne-Wawanosh, Ontario	Township of King, Ontario	Windsor, Ontario
Fuel & equipment	Natural gas (Combined cycle - Alstom GT24B gas turbine & Alstom steam turbine)	Vestas wind turbines	Waste Heat	Waste Heat	Vestas wind turbines	Vestas wind turbines	Siemens wind turbines	Natural gas (Simple cycle; two Siemens SGT6-5000F combustion turbine generators)	Natural gas (Cogeneration; two GE LM 6000PD turbines)
Commercial Operations	2002	2012	2008	2008	2013	2006, 2001	2015	2012	2009
PPA Expiry	2022	2037	2028	2028	2033	2026 / 2027	2035	2032	2029

Summary of assets

	U.S. Contracted					
	Roxboro	**Southport**	**Macho Springs**	**Beaufort Solar**	**Decatur**	**Bloom Wind**
Capacity	46 MW	88 MW	50 MW	15 MW	795 MW	178 MW
% owned / operated	100 / 100	100 / 100	100 / 100	100 (sale & leaseback) / 100	100 / 100	100 / 100
Location	Roxboro, North Carolina	Southport, North Carolina	Luna County, New Mexico	Beaufort County, North Carolina	Decatur, Alabama	Ford and Clark Counties, Kansas
Fuel & equipment	Mixture of wood residuals, tire-derived fuel and coal	Mixture of wood residuals, tire-derived fuel and coal	Vestas wind turbines	Solar	Natural gas (Combined cycle; 3X1 CCGT Siemens 501FD2 combustion turbines)	Vestas wind turbines
Commercial Operations	1987	1987	2011	2015	2002	2017
PPA Expiry	2021	2021	2031	2030	2022	2027

Projects under development/construction

	Alberta Commercial	Alberta Contracted		U.S. Contracted	
	Genesee 4&5	**Halkirk 2**	**Whitla Wind (Phase I)**	**New Frontier Wind**	**Cardinal Point Wind**
Capacity	Up to 1,060 MW	150 MW	201.6 MW	99 MW	150 MW
% owned / operated	50 / 100	100 / 100	100 / 100	100 / 100	100 / 100
Location	Warburg	Halkirk	Medicine Hat	McHenry County, North Dakota	McDonough / Warren Counties, Illinois
Fuel & equipment	Combined-cycle natural gas (Mitsubishi J-Class natural gas turbine technology)	Wind	Wind	Wind (technology to be determined)	Wind (technology to be determined)
Commercial Operations	To be determined	To be determined	Q4 2019	December 2018	March 2020
PPA Expiry	8-year tolling arrangement with ENMAX for 50% of Capital Power's share of the output.		20-year contract-for-differences structured contract	12-year fixed price contract	12-year fixed price contract
Expected Capital Cost	$1.4B for total project (excluding interest during construction and refundable transmission system contribution payments)		$315M to $325M	$182M	$289M to $301M

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 and depreciation expense from its joint venture interests, and gains or losses on disposals (adjusted EBITDA), (ii) adjusted funds from operations, (iii) adjusted funds from operations per share (iv) normalized earnings attributable to common shareholders, and (v) normalized earnings per share as financial performance measures.

These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable to shareholders of the Company, net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, these measures are provided to complement GAAP measures in the analysis of the Company’s results of operations from management’s perspective.

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.

Adjusted funds from operations (AFFO) and AFFO per share

The Company uses AFFO 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 made several adjustments to its adjusted funds from operations measure to better reflect the purpose of the measure. These changes included 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.
- 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.

Non-GAAP financial measures (cont'd)

Adjusted funds from operations represents net cash flows from operating activities adjusted to include net finance expense and current income tax expense and exclude changes in operating working capital and distributions received from the Company's joint venture interests. Net finance expense and current income tax expense 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 distributions are calculated after the effect of joint venture debt payments, which are not considered operating activities. 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 excludes 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.

Commencing with the quarter ended March 31, 2018, the Company began presenting adjusted funds from operations per share. This metric is determined by applying adjusted funds from operations to the weighted average number of common shares used in the calculation of basic, diluted and normalized earnings per share.

Normalized earnings attributable to common shareholders and normalized earnings per share

The Company uses normalized earnings attributable to common shareholders and normalized earnings per share to measure performance by period on a comparable basis. Normalized earnings per share is based on earnings (loss) used in the calculation of basic earnings (loss) per share according to GAAP and adjusted for items that are not reflective of performance in the period such as unrealized fair value changes, impairment charges, unusual tax adjustments, gains and losses on disposal of assets or unusual contracts, and foreign exchange gain or loss on the revaluation of U.S. dollar denominated debt. The adjustments, shown net of tax, consist of unrealized fair value changes on financial instruments that are not necessarily indicative of future actual realized gains or losses, non-recurring gains or losses, or gains or losses reflecting corporate structure decisions.

Forward-looking information

Forward-looking information or statements included in this presentation are provided to inform the Company's shareholders and potential investors about management's assessment of Capital Power's future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this presentation is generally identified by words such as will, anticipate, believe, plan, intend, target, and expect or similar words that suggest future outcomes.

Material forward-looking information 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 the New Frontier Wind project, phase 1 of the Whitla Wind project and the Cardinal Point Wind project),
- facility availability and planned outages,
- capital expenditures for facility maintenance and other (sustaining capital, future growth projects),
- the impact of the transition to a capacity market on the Company's future growth projects including the Genesee 4 and 5 project,
- expectations around the Line Loss Rule Proceeding including timing of retrospective loss factors being finalized, participation in applicable appeal processes, and potential impacts to the Company, 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. The material factors and assumptions used to develop these forward-looking statements relate to:

- electricity, other energy and carbon prices,
- performance,
- business prospects and opportunities including expected growth and capital projects,
- status of and impact of policy, legislation and regulations,
- effective tax rates, and
- other matters discussed under the Performance Overview and Outlook sections.

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, and
- changes in general economic and competitive conditions.

See Risks and Risk Management in the Company's December 31, 2017 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.

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Common Shares

- TSX symbol: CPX
- S&P/TSX Index Inclusions: Composite, SmallCap, Capped Utilities
- Shares Outstanding: 103.3 million
- Market Cap: $2.6 billion
- Average Daily Trading Volume: 440,000 shares