Growth-oriented North American power producer

- 4,500 MWs of owned capacity transitioning to lower carbon intensity
- Highly-contracted portfolio
- History of dividend growth with 7% annual growth guidance out to 2020
- Strong pipeline of contracted growth opportunities
- Committed to investment grade credit rating
Growth strategy

• Strong renewable pipeline including 1,200 MW of U.S. wind development
• Potential natural gas acquisitions
• $500M - $1.0B average growth per year supporting dividend growth
• Expect one additional wind project in 2018; two in 2019
Current projects under construction/development

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 in less than 2 years
Acquisition of Arlington Valley

- Executed agreement on Sept 5/18 to acquire 580 MW contracted gas facility in Arizona for US$300M
- Financing of the transaction through credit facilities followed by permanent debt financing; closing expected in Q4/18
- Strategic benefits:
  - **Key addition to U.S. growth plans** – well-positioned asset in the attractive Desert Southwest (DSW) power market
  - **Immediate accretion** – 5-year average accretion of $0.22 (6%) on AFFO/share and $0.03 (2%) to EPS
  - **Strengthens contracted cash flow profile** – contracted until 2025 with high probability of re-contracting (above average load growth & supply retirements, multiple potential off-takers). Pursuing additional contracts for the output generated in the non-summer toll months.

*Arlington is a low risk, long term cash generating investment providing an important platform for potential further growth in the Desert Southwest*
EBITDA growth from new assets has supported dividend growth \(^{(1-5)}\)

\[\text{Growth capex since 2012 averages ~} \$500M^{(5)} \text{ per annum}\]

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.
AFFO\(^{(1,2)}\) growth supports annual dividend increases

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

Dividends

Annualized dividend per share\(^{(4)}\)

Dividend growth supported by

- Growth capital invested at hurdle rates that supports 7% dividend growth
- ~$200M per year in discretionary cash flow supporting $400-$500M of growth capex per year

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) 2013-2018 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

- Robust outlook for power prices
- Demand growth of 3-4%
- Reasonable capacity market design
Alberta power market has recovered

- Alberta is experiencing strong demand growth
- New summer peak record of 11,099 MW on Jul 17/18
- Older coal fired units have started to retire
- Termination of 2000 MW of PPAs has facilitated commercial optimization

Capital Power has the best fleet of assets in the province to capture value

1) Alberta Internal Load normalized for weather. Source: Capital Power, EIA.
Capacity market design

- AESO has finalized its proposed market design
- Design is constructive and provides an equal opportunity for existing and new assets to earn a return on and of capital
- Key design elements such as participation, market mitigation, term length are reasonable as expected
- Next steps:
  - Additional consultation on technical details and finalization of remaining design elements
  - Translation of design into formal rules for submission to Alberta Utilities Commission for approval

**Final design is consistent with our view of a properly designed capacity market for Alberta and we are well-positioned under this market design**
Recent S&P report reaffirms investment grade credit rating

- BBB- / Stable outlook (S&P report - Aug 27/18)
- Stable outlook is based on the following:
  - Capital Power will maintain long-term, high-quality contracted cash flows that make up two thirds of EBITDA following the expiry of the Genesee 1 & 2 PPAs at the end of 2020
  - Capital Power will maintain power contracts with creditworthy counterparties with average contract length of about 10 years
  - Capital Power will maintain its AFFO-to-debt ratio above 17%
Sustainability and dividend growth

Dividend yield

Dividend yield has returned to historic 5-6% range with more clarity on the Alberta power market.

Alberta Government announces Climate Leadership Plan

Coal compensation announced

Long-term average of 6%

Alberta election
<table>
<thead>
<tr>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation technology (1)</td>
<td>Generation technology (1)</td>
</tr>
<tr>
<td>42% gas and renewables</td>
<td>58% gas and renewables</td>
</tr>
<tr>
<td>Contracted capacity (1)</td>
<td>Contracted capacity (1)</td>
</tr>
<tr>
<td>66% Contracted</td>
<td>82% Contracted</td>
</tr>
<tr>
<td>North American footprint (1)</td>
<td>North American footprint (1)</td>
</tr>
<tr>
<td>74% Alberta</td>
<td>57% Alberta</td>
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</tbody>
</table>

1) Based on Adjusted EBITDA excluding G&A expenses

- **A strong past, a stronger future**
- **Decreasing risk and growing cash flows**

**AFFO PER SHARE CAGR**
- ~10% 2014-2018

**DIVIDEND GROWTH**
- 7%

**PAYOUT RATIO TARGET**
- 45-55%

**GROWTH**
- 450 MW under development

**PAYOUT GROWTH**
- 7%
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Common Shares
- TSX Symbol: CPX
- S&P/TSX Index Inclusions: Composite, SmallCap, Capped Utilities
- Shares Outstanding: 103 million
- Market Cap: $2.8 billion
- Average Daily Trading Volume: 404,000 shares