Annual Meeting of Shareholders
1:00 p.m., April 30, 2010
Agenda

1. Call to Order
   - Donald Lowry, Chairman
2. Introduction of Scrutineers
3. Notice of Meeting
4. Scrutineers’ Report on Attendance
5. Receipt of Consolidated Financial Statements
6. Election of Directors
7. Election of EPCOR Nominees
8. Introduction of Directors
9. Appointment of Auditors
10. Termination of Meeting

Following adjournment of the meeting, management’s year-in-review presentation will be delivered by President & CEO Brian Vaasjo. A question-and-answer session will follow, during which Shareholders present in person can pose questions to the Chairman and to management.
Today’s presenters and panelists

Donald Lowry
Chairman

Brian Vaasjo  President
& CEO

Stuart Lee
SVP, Finance & CFO

Kate Chisholm, QC
SVP, General Counsel and Corporate Secretary
Agenda

Introduction of Scrutineers
- Patricia Selby, Computershare
- Jason Welling, Computershare

Notice of Meeting
- Notice and the Management Proxy Circular and form of Proxy mailed April 1, 2010 to those who were shareholders at the close of business March 22, 2010
- Posted on www.capitalpower.com
- Affidavit of mailing on file

Scrutineers’ Report on Attendance

Receipt of Consolidated Financial Statements
- The Annual Report was mailed to shareholders who requested a copy, and is available on www.capitalpower.com and www.sedar.com
Election of Directors & Election of EPCOR Nominees

Common Shareholder Nominees
- Albrecht Bellstedt
- Brian Bentz
- Richard Cruickshank
- Brian MacNeill
- Brian Vaasjo
- William Bennett
- Philip Lachambre
- Janice Rennie

EPCOR Nominees
- Donald Lowry
- Robert Phillips
- Hugh Bolton
- Allister McPherson
Introduction of Directors
Agenda

Appointment of Auditors

- KPMG LLP

Adjournment

*Following adjournment of the meeting, management’s year-in-review presentation will be delivered by President & CEO Brian Vaasjo. A question-and-answer session will follow, during which Shareholders present in person can pose questions to the Chairman and to management.*
Generating long-term growth

Management’s Presentation to the Annual Meeting, April 30, 2010
Brian Vaasjo, President & CEO
Cautionary statement regarding forward-looking information

Certain information in this presentation and in oral answers 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.

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 is contained in the Company’s Management’s Discussion and Analysis (MD&A) of the 2009 Annual Report, which is filed on SEDAR and available at www.sedar.com
ANNUAL MEETING

Presentation overview

- Capital Power overview
- Corporate strategy
- Generating value
  - Operating performance
  - Financial performance
  - Growth initiatives
- 2010 priorities
Capital Power

- Growth-oriented North American power producer
- Permanently headquartered in Edmonton, Alberta
- Interests in 31 facilities across Canada and the US
- 3,500 MW generation capacity
- Develop, acquire and optimize power generation from a wide range of energy sources
Mission  Capital Power’s mission is the development, acquisition, construction, operation and optimization of power generation.

Goal  To triple size to 10,000 MW by 2020 on a progressively accretive basis.
Corporate Strategy

**VISION**

*One of North America's most respected, reliable and competitive power generators*

**BUSINESS STRATEGY**

- Competitively-priced producer
  - Contracted and merchant
  - Market focus
  - Technology focus
  - Portfolio management (networked hubs)

**FINANCIAL STRATEGY**

- Consistent access to low-cost capital
  - Contracted operating margin
  - Investment grade credit rating
  - Market-driven, consistent dividend

**RISK MANAGEMENT & RESOURCES**

**Proactive Protection of Business**

- Managed risk
- Safe workplace
- Regional & fuel diversification
- Desirable employer
Successfully launched Capital Power

- $500 million initial public offering July 2009
- First major IPO in Canada since late 2007
- Completed transition and creation of operating and corporate systems for the new company
- Tremendous efforts by Capital Power employees to execute transition
Strong operating performance

- 94% average availability in second half of 2009 in line with management’s expectations; 96% in Q1/2010
- Completed a scheduled outage at Genesee
- Record generation year for Genesee

<table>
<thead>
<tr>
<th>Electricity Generation (GWh)</th>
<th>Q1 2010</th>
<th>Q4 2009</th>
<th>Q3 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta commercial plants</td>
<td>577</td>
<td>578</td>
<td>596</td>
</tr>
<tr>
<td>Alberta contracted plants</td>
<td>1,638</td>
<td>1,435</td>
<td>1,638</td>
</tr>
<tr>
<td>Ontario / BC contracted plants</td>
<td>46</td>
<td>61</td>
<td>72</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2,261</td>
<td>2,074</td>
<td>2,306</td>
</tr>
<tr>
<td>Capital Power Income L.P. plants</td>
<td>1,268</td>
<td>1,407</td>
<td>1,228</td>
</tr>
<tr>
<td>Total</td>
<td>3,529</td>
<td>3,481</td>
<td>3,534</td>
</tr>
</tbody>
</table>
## Financial highlights

($M, except earnings per share)  

<table>
<thead>
<tr>
<th></th>
<th>Q1/10</th>
<th>Q4/09</th>
<th>Q3/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$499</td>
<td>$497</td>
<td>$511</td>
</tr>
<tr>
<td>Gross margin</td>
<td>$216</td>
<td>$216</td>
<td>$218</td>
</tr>
<tr>
<td>Net income before non-controlling interests</td>
<td>$104</td>
<td>$39</td>
<td>$80</td>
</tr>
<tr>
<td>Net income</td>
<td>$13</td>
<td>$7</td>
<td>$14</td>
</tr>
<tr>
<td>Earnings per share (normalized)</td>
<td>$0.55</td>
<td>$0.18</td>
<td>$0.42</td>
</tr>
<tr>
<td>Funds from operations</td>
<td>$112</td>
<td>$71</td>
<td>$93</td>
</tr>
<tr>
<td>Funds from operations excluding non-controlling interests in CPILP</td>
<td>$87</td>
<td>$49</td>
<td>$70</td>
</tr>
</tbody>
</table>
Strong financial and development performance

- **Solid financial results despite tough market conditions**
  - Normalized EPS of $1.15 in first nine months (Q3/09 to Q1/10)
  - Q1/10 Funds From Operations excluding non-controlling interests in CPILP rise to $87 M from $49 M (Q4/09) and $70 M (Q3/09)

- **Generating significant discretionary cash flow net of dividend and maintenance capital; strong debt-to-total capitalization ratio**
  - $80 - $100 M in free cash flow (annualized 2009) despite market conditions, and in advance of cash flow from projects under construction
  - 32% debt-to-total capitalization ratio; 40-50% target

- **Development on track.** Wind projects in B.C. and Ontario selected for the award of long-term power contracts; Keephills 3 construction activity continues to meet milestones and is now 87% complete
Capturing value in a lower power price environment

- Alberta spot power prices trended downward through 2009 and early 2010
- Capital Power has consistently achieved a captured power price\(^{(1)}\) in excess of the spot market average
  - In Q1/2010, Capital Power’s captured price was $26/MWh higher than the average spot price, and $1/MWh higher than the price achieved in Q1/2009

\[\text{(1) Captured power price represents the price realized on the Company's Alberta commercial contracted sales and portfolio optimization activities.}\]
21% capacity growth from current projects

Over 700 MW of new capacity added or under development since IPO launch

New generation has an expected capital cost of $2 billion
## Capacity additions: project overview

<table>
<thead>
<tr>
<th>Type</th>
<th>Clover Bar Units 2 &amp; 3</th>
<th>Keephills 3 (1)</th>
<th>Port Dover &amp; Nanticoke Wind</th>
<th>Quality Wind</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Natural Gas Simple Cycle</td>
<td>Supercritical coal</td>
<td>Wind</td>
<td>Wind</td>
</tr>
<tr>
<td>Gross Capacity (megawatts)</td>
<td>243</td>
<td>247.5</td>
<td>105</td>
<td>142</td>
</tr>
<tr>
<td>Actual or Expected Capital Cost (C$M)</td>
<td>$263</td>
<td>$955</td>
<td>$340</td>
<td>$455</td>
</tr>
<tr>
<td>Actual or Expected Operation</td>
<td>Q3 &amp; Q4 2009</td>
<td>Q2 2011</td>
<td>Q4 2012</td>
<td>Q2 2013</td>
</tr>
<tr>
<td>Market</td>
<td>Alberta</td>
<td>Alberta</td>
<td>Ontario</td>
<td>British Columbia</td>
</tr>
<tr>
<td>Revenue Type</td>
<td>Merchant peaking unit</td>
<td>Merchant baseload unit</td>
<td>20-year contract</td>
<td>25-year contract</td>
</tr>
<tr>
<td>Status</td>
<td>Completed $21M below estimate</td>
<td>87% complete as of Q1/10</td>
<td>Selected for contract award; in permitting</td>
<td>Contract awarded; in permitting</td>
</tr>
</tbody>
</table>

(1) Equal partnership with TransAlta Corporation. Megawatts and estimated cost represents Capital Power’s portion.
Enhancing portfolio management

Investing in new Capital Power facilities

Clover Bar Energy Centre

- Significant ability to manage portfolio
- Powers up to full load in 10 minutes
- Flexibility to respond to sudden changes in price
- Provides upside on power price increases, and protects downside on plant outages
Adding baseload merchant generation
*Investing in new facilities*

**Keephills 3**

- Continued construction on 495 MW plant, jointly owned with TransAlta
- Cleanest, most advanced coal plant in Canada, online Q2/2011
- By 2015 could be one of first commercial-scale power plants in world to capture CO2 through the Pioneer Project
- Total project cost: $1.9B (Capital Power 50% portion = $955M)
Quality Wind project

- 142 MW project selected by BC Hydro for Energy Purchase Agreement
- 79 turbines near Tumbler Ridge, B.C.
- Energy generated sold under 25-year EPA with BC Hydro
- Excellent fit with strategy: balance between contracted & merchant generation
- Commercial operation expected to commence no later than spring 2013
- Subject to regulatory approvals
Looking Ahead - growth

**Port Dover/Nanticoke wind project**

- Selected for the award of a 20-year contract through the Ontario Power Authority
- 105 MW project with an expected cost of $340 million
- COD Q4 2012
- Contracted price for power - $135 MWh escalated by inflation
- Construction of project subject to regulatory approvals

- Site covers Ontario counties of Norfolk & Haldimand
- Strong, stable wind resource
Commercializing next generation technologies

*Front End Engineering Design*

**Integrated Gasification Combined Cycle**

- FEED Study complete and findings delivered
- Blueprint for development of next generation technology
- Combination of IGCC and CO2 capture & storage on commercial scale not used anywhere else in the world
- Facility design that could reduce CO2 emissions by 85-90%
- NOx, SOx, Particulate Matter, & SO2 reduced by 99% compared to coal-fired plant
Investing in our people, and in Edmonton

Local Benefits
- 40 new jobs created in Edmonton since the IPO
- More than 400 Edmonton-based employees

Commitment to Corporate Responsibility
- Corporate Responsibility Report to be published Q3/2010

Community Investment
- Three-year partnership with the Art Gallery of Alberta the first major new community investment by Capital Power
- Three-year funding for STARS Air Ambulance in recognition of our commitment to health and safety
- Support for the Honda Edmonton Indy, as part of our commitment to enhancing Edmonton’s international profile
2010 Corporate priorities

Deliver total shareholder return greater than the average of peer group

Operational Targets
• Plant availability of ≥ 94%
• Sustaining CapEx of $60M

Construction & Development
• CPC share of Keephills 3 project costs ≤ $955M with completion by Q2/11
• Commit at least $500M to capital opportunities that meet or exceed our target rate of return

Financial
• 2010 EPS expected to be roughly in line with 2009 (annualized) EPS
• Refinance $245M of existing debt due in 2010

Investor Relations
• Robust investor relations program with commitment to enhanced disclosure transparency