CANACCORD Genuity

2011 Growth Conference
Boston, MA

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August 9, 2011

Capital Power Corporation

Capital Power overview

- Canadian-based, growth-oriented independent power producer (IPP) operating in North America
- CPX added to Canada's headline index for equity markets (S&P/TSX Composite Index) in June, 2011
  - Market cap of ~$2.4B (fully diluted)(1)
- Business model:

(1) As of Jul 31/11

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Corporate strengths

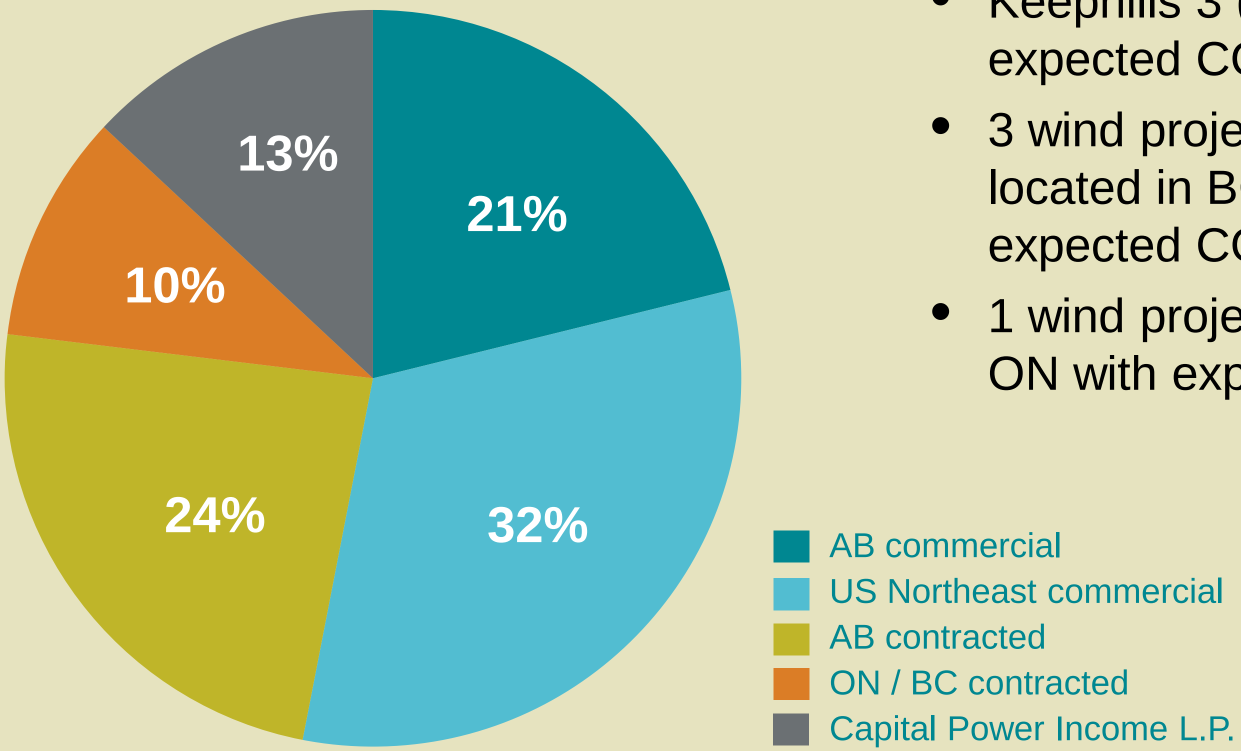
Goal: to triple size to 10,000 megawatts by 2020 on a consistently accretive basis

- Solid platform for sustainable growth
- Financial strength with access to capital
- Proven operating and construction history
- Young and modern fleet
- Large, high quality generation portfolio

Large, high quality generation portfolio

Interests in 34 facilities, nearly 4,900 MW(1)

Segmented owned capacity by MW(2)



- Additional facilities to come on line
  - Keephills 3 (247.5 MW) expected COD in Q3/11
  - 3 wind projects (397 MW) located in BC, AB, and ON with expected CODs in 2012
  - 1 wind project (90 MW net) in ON with expected COD in 2014

(1) Capacity owned and /or operated capacity; excludes Sundance PPA (371 MW)
(2) Owned capacity as of Aug 4/11 including pro-rata 29% ownership of CPILP; excludes Sundance PPA (371 MW)

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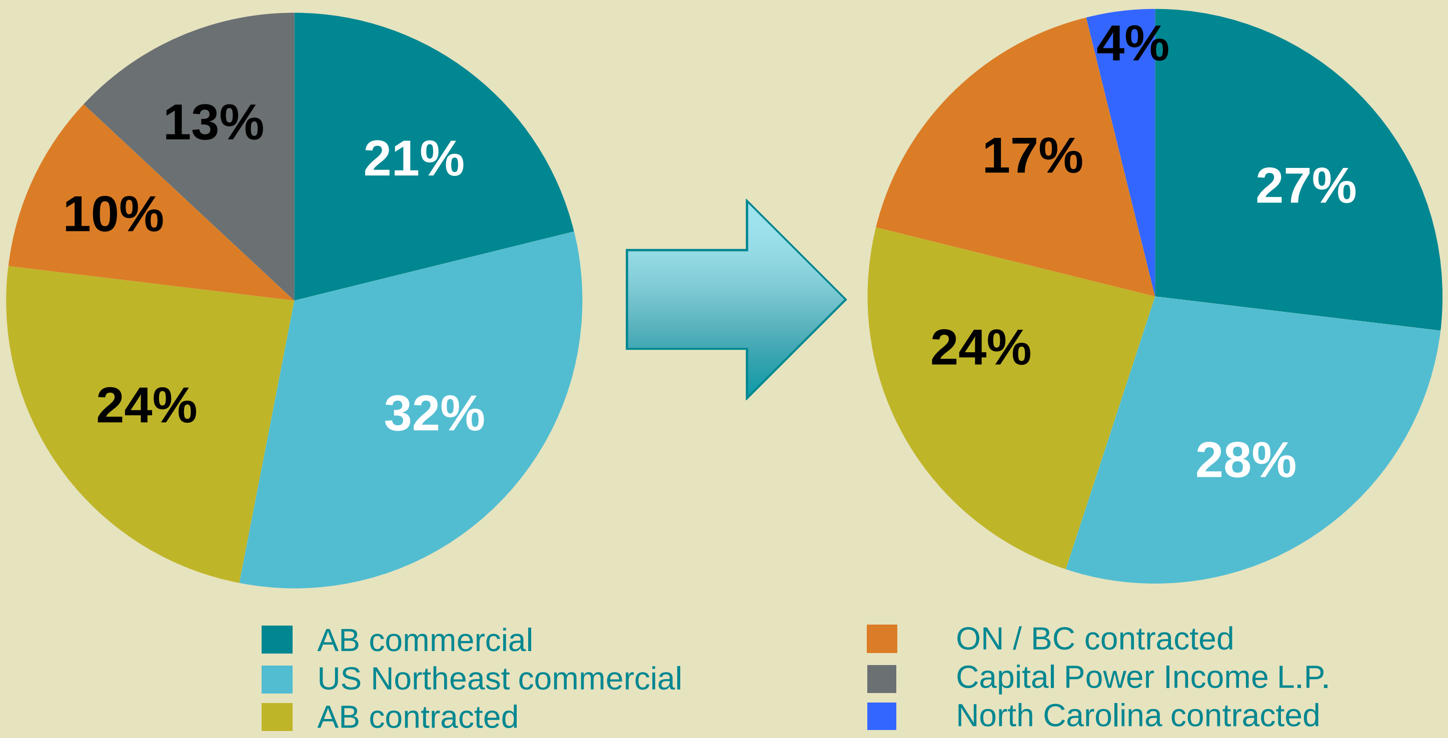
Expected segmented owned capacity

Current:
34 facilities (3,386 MW[1])
- 47% contracted

By 2014 year-end:
17 facilities (3,755 MW[2])
- 45% contracted



Contracted portion decreases slightly to 45% by Y/E 2014

(1) Owned capacity as of Aug 4/11 including pro-rata 29% ownership of CPILP; excludes Sundance PPA (371 MW)
(2) Owned capacity as of Aug 4/11 based on existing plants plus committed development projects and assuming divestiture of Capital Power Income L.P.

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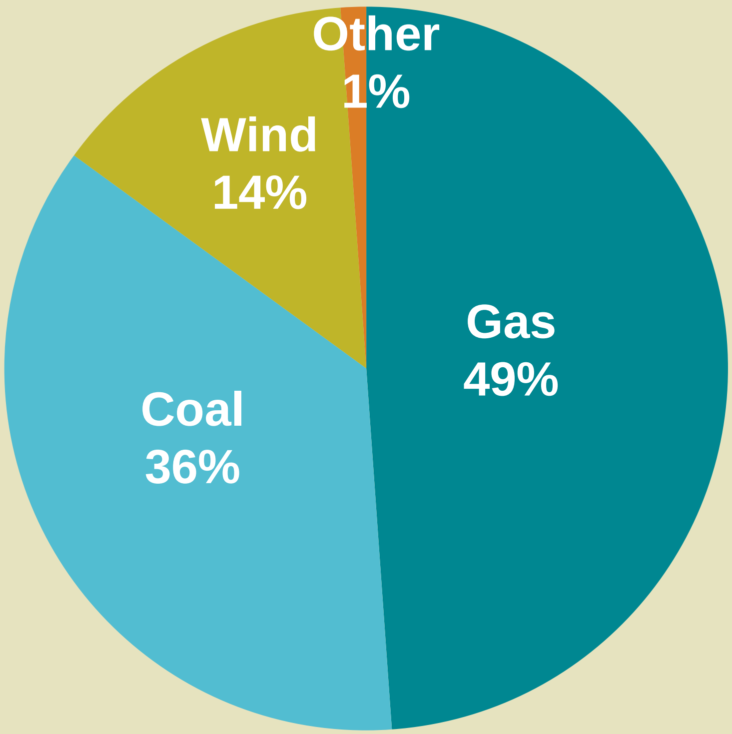
Technology focus

17 facilities (3,755 MW[1])

Segmented by owned capacity[1]

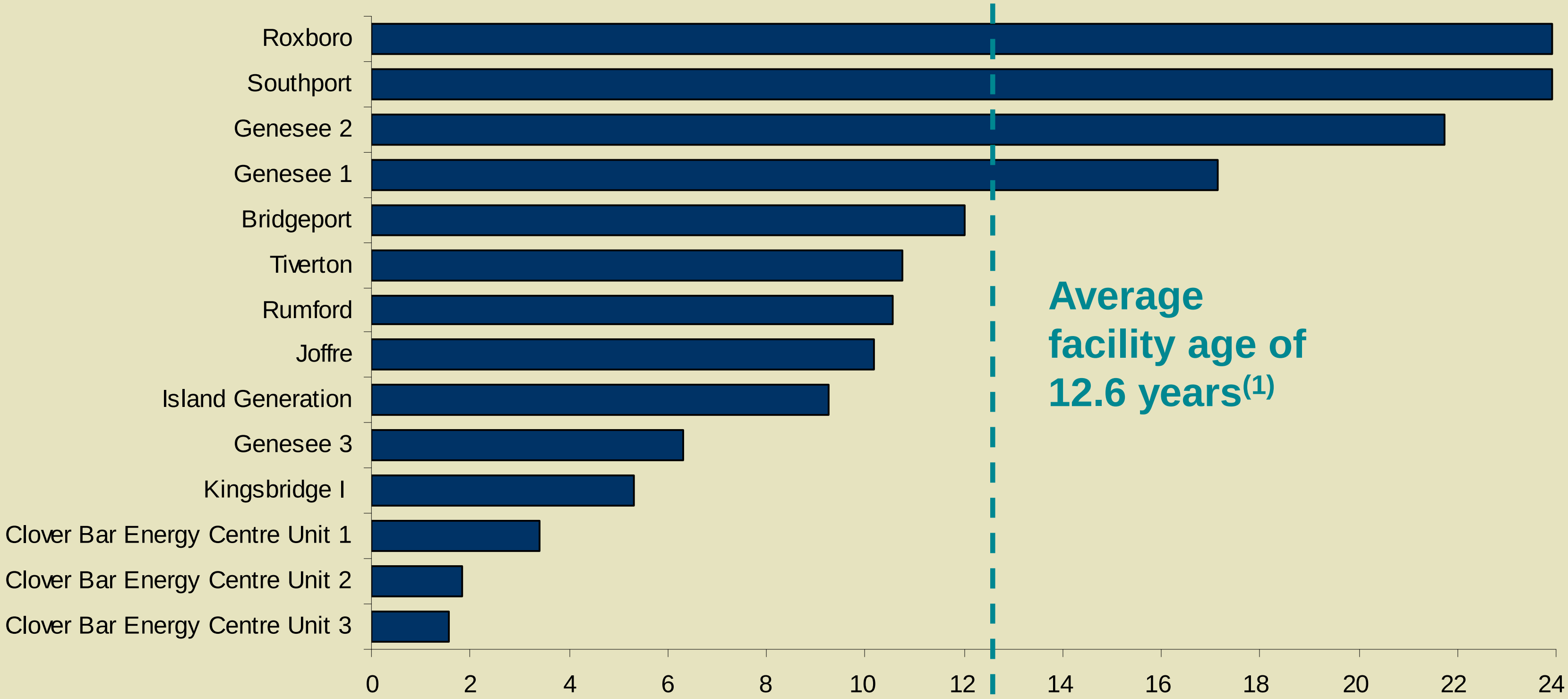


- Expected divestiture of Capital Power Income L.P. (TSX: CPA.UN) in Q4/11 would effectively focus Capital Power's portfolio on natural gas, coal and wind technologies
- Expected future growth from natural gas facilities (contracted & merchant) and renewables (contracted)
- Exploring solar development and acquisition projects in US Southwest market

(1) Owned capacity as of Aug 4/11 based on existing plants plus committed development projects and assuming divestiture of Capital Power Income L.P.

Modern fleet

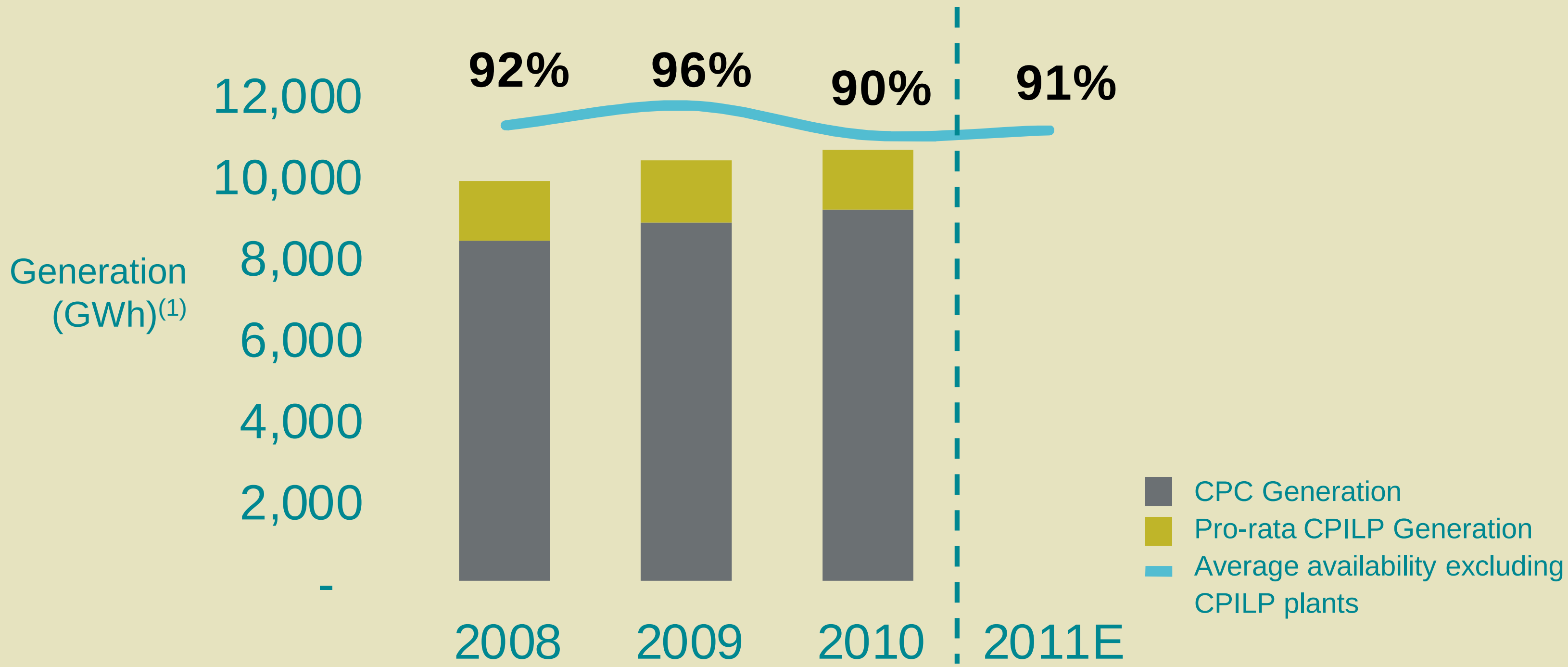
- Young fleet with 5 new projects (735 MW) scheduled to begin commercial operations in 2011, 2012 and 2014
- Coal-fired generating facilities, which have historically represented the majority of the portfolio, have useful lives of up to 45 years



(1) Average facility age weighted by owned capacity as of Jun 30/11 - based on existing plants plus committed development projects and assuming divestiture of Capital Power Income L.P.

Proven operating history

Historical operating performance



3-year average plant availability of 93%

(1) Proportionate CPILP generation ownership interest of 30.6% in 2008, 30.5% in 2009 and 29.6% in 2010

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Proven construction capability

- Foundation of proven capability and processes in construction
- Significant experience in the construction and operation of both thermal (coal, natural gas) and renewable (wind, biomass, small hydro) facilities
- Capital Power (predecessor EPCOR Utilities Inc.) led construction of 7 facilities (1,560 MW) including Genesee 3 and Keephills 3 in past 10 years
  - Genesee 3, one of the very few large construction projects built in Alberta over the last six years that was on time and on budget
  - Keephills 3 expected COD in Q3/11 with expected costs slightly higher than revised budget
- Have measured well in terms of construction costs and schedules despite an overheated Alberta market when large capital projects >$500M overran budgets by 40% or more
- Developing 4 wind projects (487 MW) located in BC, AB and ON with expected COD in 2012 and 2014

Financial strength and access to capital

- Investment grade minimum BBB credit rating to access debt markets
  - Current BBB credit rating from S&P and DBRS
  - Access to competitive cost of capital to fund growth
  - Significant differentiator from many U.S. IPPs
- Strong balance sheet
  - Debt-to-capitalization ratio(1) of 44%
  - Assets(1) of ~$4.5B with ~$1.7B of long-term debt(1)
  - CPLP has $1.2 B in credit facilities, of which ~$0.8B available
- Financial ratio targets
  - Minimum 20% FFO/Debt
  - Debt to Capitalization of 40% - 50%
- Stable dividend with growth over time

(1) All figures as of Jun 30/11. Capital Power Income L.P. accounted for on an equity basis.

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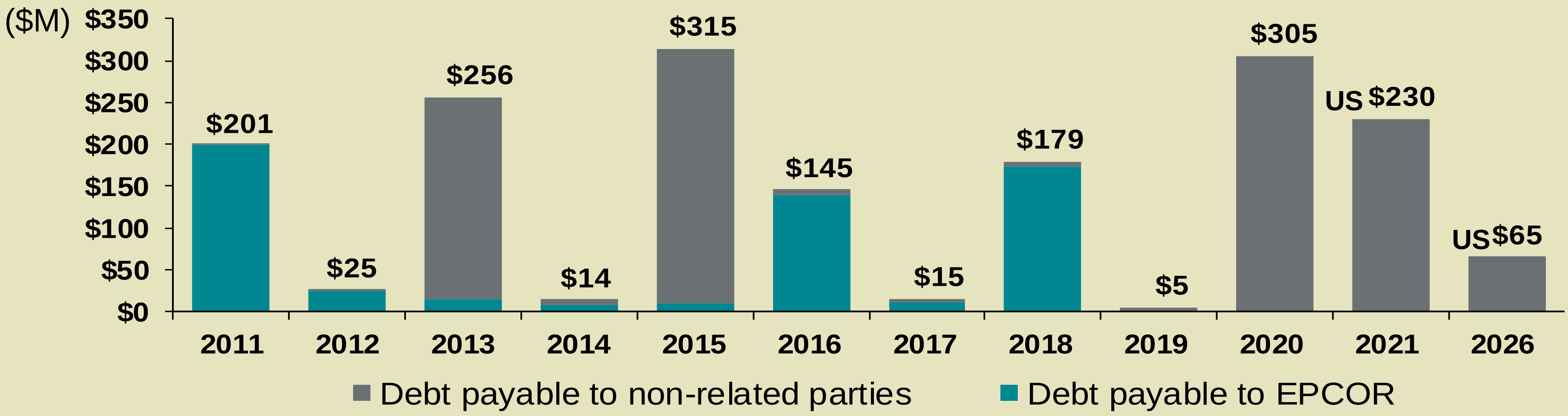
Successful capital markets financings

- For 2011 YTD, raised ~$1.1B in gross proceeds (44% equity / 56% debt) to fund growth
- Well spread-out debt maturities are supported by long asset lives

Debt maturity schedule(1)



(1) All figures as of June 30, 2011

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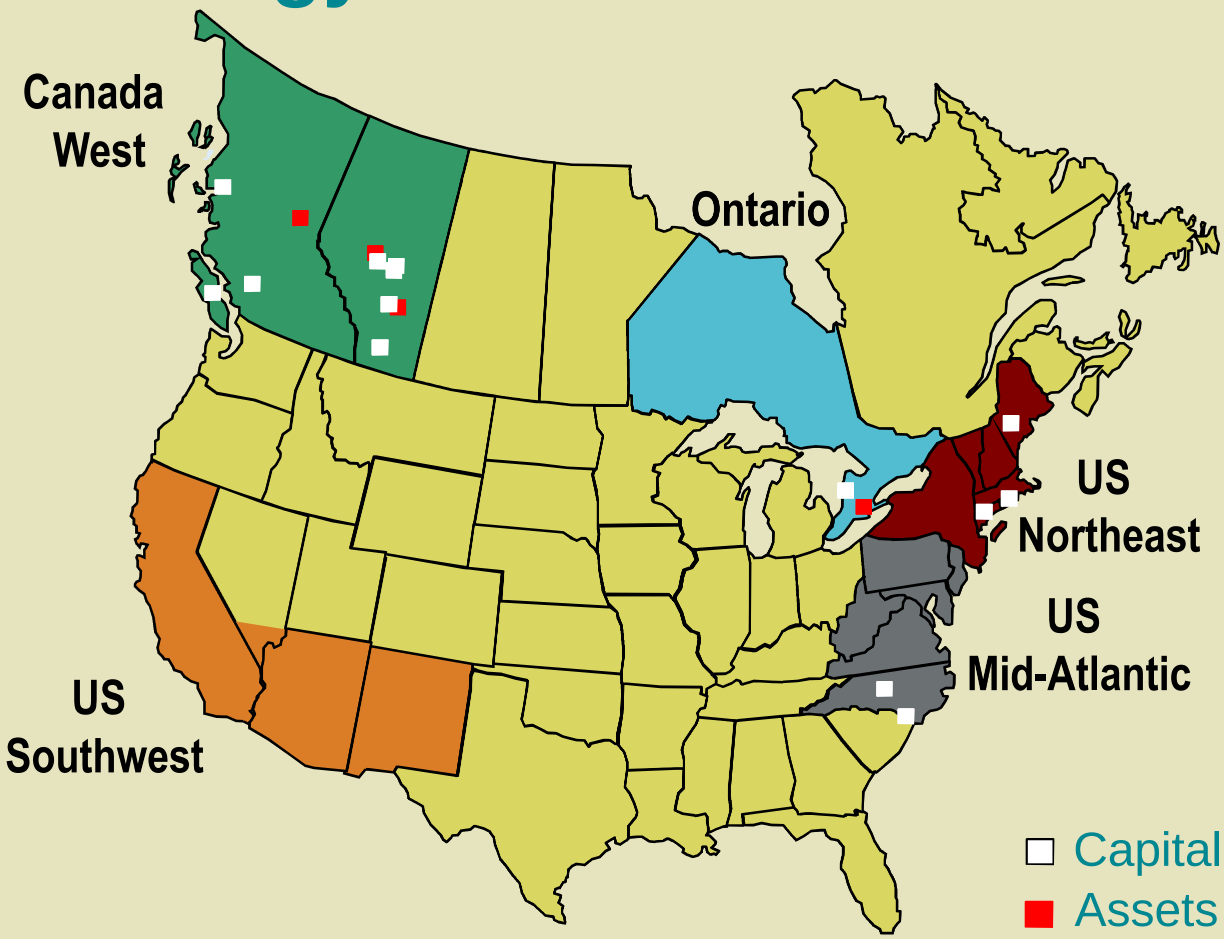
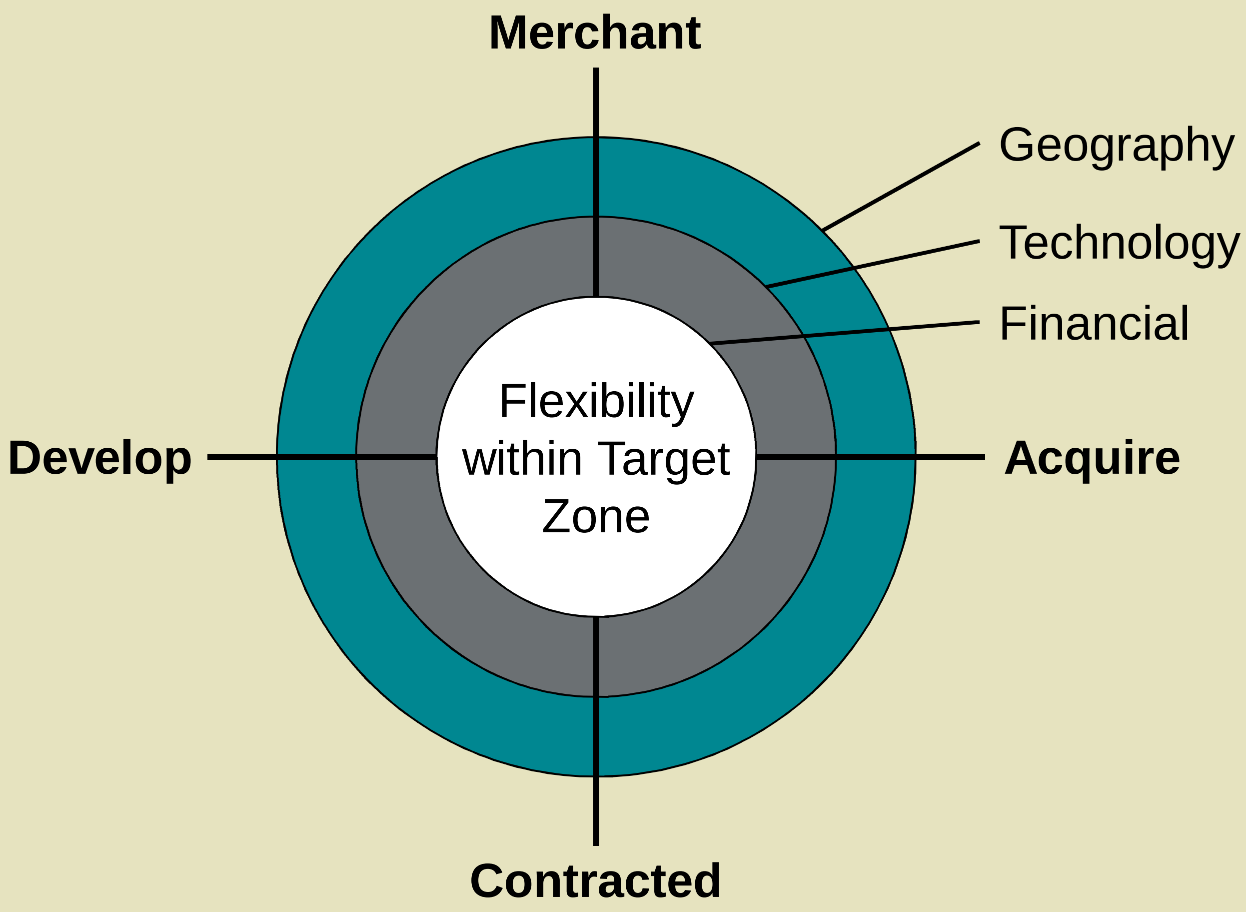
North American platform & growth strategy



- Significant growth through acquisitions and development
- Maintain discipline on:
  - Geography
  - Size
  - Fuel type
  - Economics

□ Capital Power facilities
■ Assets Under Construction

Investment strategy



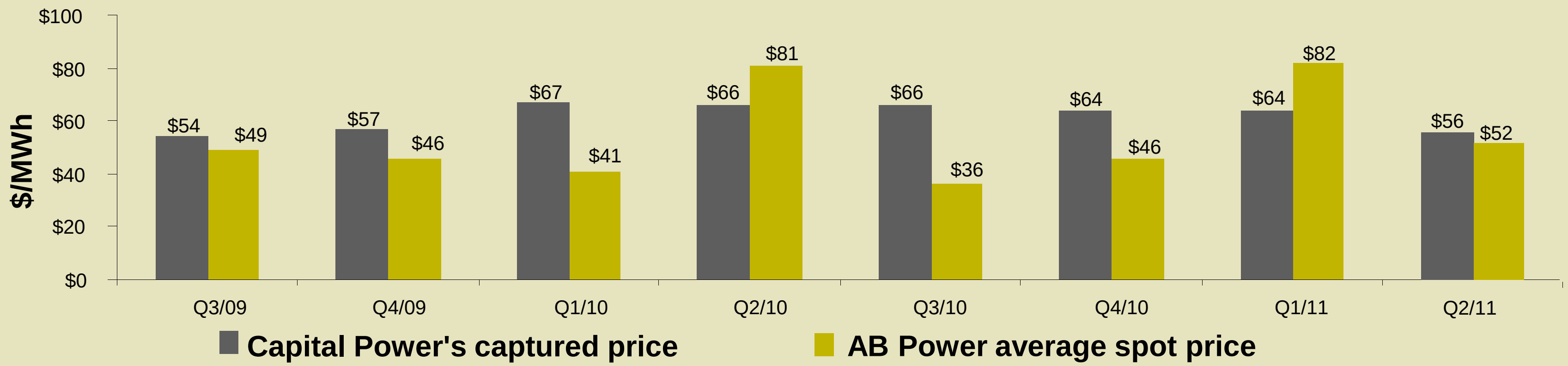
Growth from Alberta power market

- Alberta (AB) has a competitive wholesale energy and ancillary services market operated by the Alberta Electric System Operator (AESO); market has an installed generation capacity of ~13,000 MW
- No capacity market – power generators must recover all costs through revenue earned in AB's energy and ancilliary services market
- Entire province is a single zone where power prices are determined by the bid price of the incremental power generator (ie. one with the highest cost of generation) that is dispatched to balance demand and supply in real-time
- AB's economy expected to grow above national average rate due to the impact of continued oil sands development activities that is a fundamental driver to increasing power demand
- AESO estimates both peak and energy growth will increase on average at around 4.8% annually from 2012-16[1]

(1) AESO Future Demand and Energy Outlook, February 2010

Capturing upside from AB power prices

- Hedging positions based primarily on generation from Genesee 3 baseload coal plant, output from the Sundance PPA and includes Keephills 3 (COD expected in Q3/11)
- Actively trading (portfolio optimization) throughout various time periods to create incremental value to portfolio
- CPX's realized AB power price have on average exceeded spot power prices by ~$7.50/MWh over the past 2 years through forward contract sales and power trading activities



Achieved realized prices above spot prices in 6 out of the last 8 quarters

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Alberta portfolio hedged position

- Hedged positions as of Jun 30/11

Jul - Dec 2011	2012	2013
Hedged positions (% hedged)		
~80%	~35%	~17%
Average hedged prices		
Low-$60/MWh	Mid-$60/MWh	Mid-$60/MWh

- Sensitivity analysis to a $10/MWh change in Alberta power prices
  - H2 2011: +/- $5M to operating margin
  - 2012: +/- $40M to operating margin
  - 2013: +/- $60M to operating margin

Large unhedged positions in 2012-13 to capture upside from rising power prices

2011 Growth announcements

	Acquisitions		
	Rumford	**Tiverton**	**Bridgeport**
Location	Rumford, Maine	Tiverton, Rhode Island	Bridgeport, Connecticut
Fuel Type	Natural Gas	Natural Gas	Natural Gas
Size	270 MW (Winter Capacity)	279 MW (Winter Capacity)	520 MW
Costs	~US$315M		~US$355M
COD	2000	2000	1999



Acquisition of Halkirk Wind

- Announced 100% acquisition of the Halkirk Wind LP from Greengate Power Corporation in Jun/11
- 150 MW wind development project located east of Red Deer, AB
- 20-year fixed-price agreement with Pacific Gas & Electric Company for the purchase of Renewable Energy Certificates (RECs) representing ~40% to 45% of total revenues
- Total capital cost expected to be $357M, including acquisition costs ($33M)
- Commercial operation expected in H2-12

Halkirk is a hybrid opportunity that combines a base of contracted revenue from a creditworthy counterparty with the upside of Alberta's merchant power market

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Development of K2 Wind Ontario

- Capital Power, Samsung Renewable Energy Inc., and Pattern Renewable Holdings Canada announced a limited partnership agreement on Aug 3/11 for the development, construction and operation of K2 Wind Ontario
  - Equal economic interest in the project by three partners
- 270 MW wind development project located in southwestern Ontario near CPC's Kingsbridge I facility
- 20-year PPA with Ontario Power Authority for $135/MWh
- Expected capital cost of $750M - $900M
- Construction expected to begin in 2013 with commercial operation in 2014

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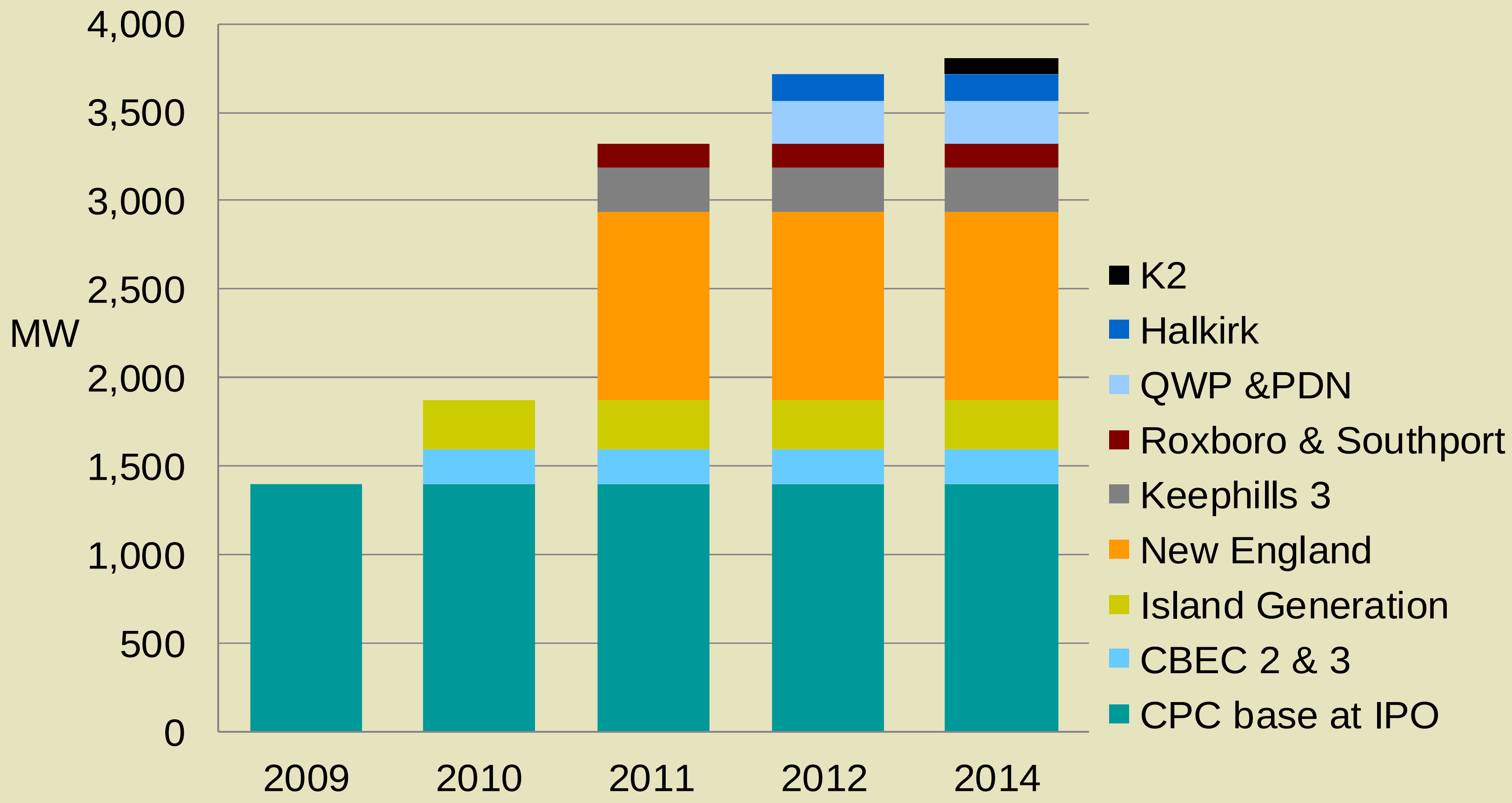
Capital Power's growth[1]

Since 2009 IPO, ~2,400 MW (173% increase) have been added or currently being developed



(1) Based on MW capacity owned and/or operated plus committed projects, and excludes interests in Capital Power Income L.P.

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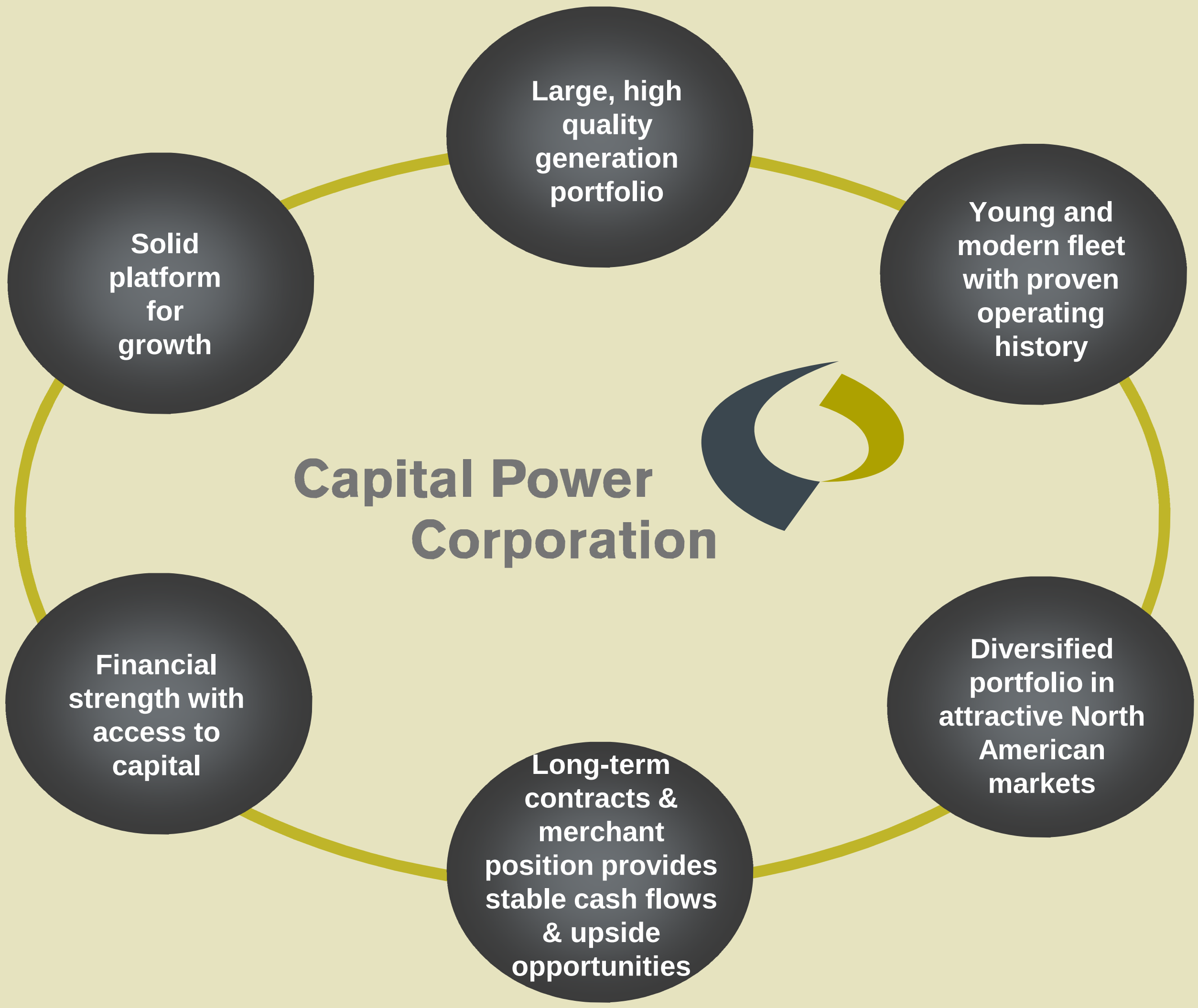
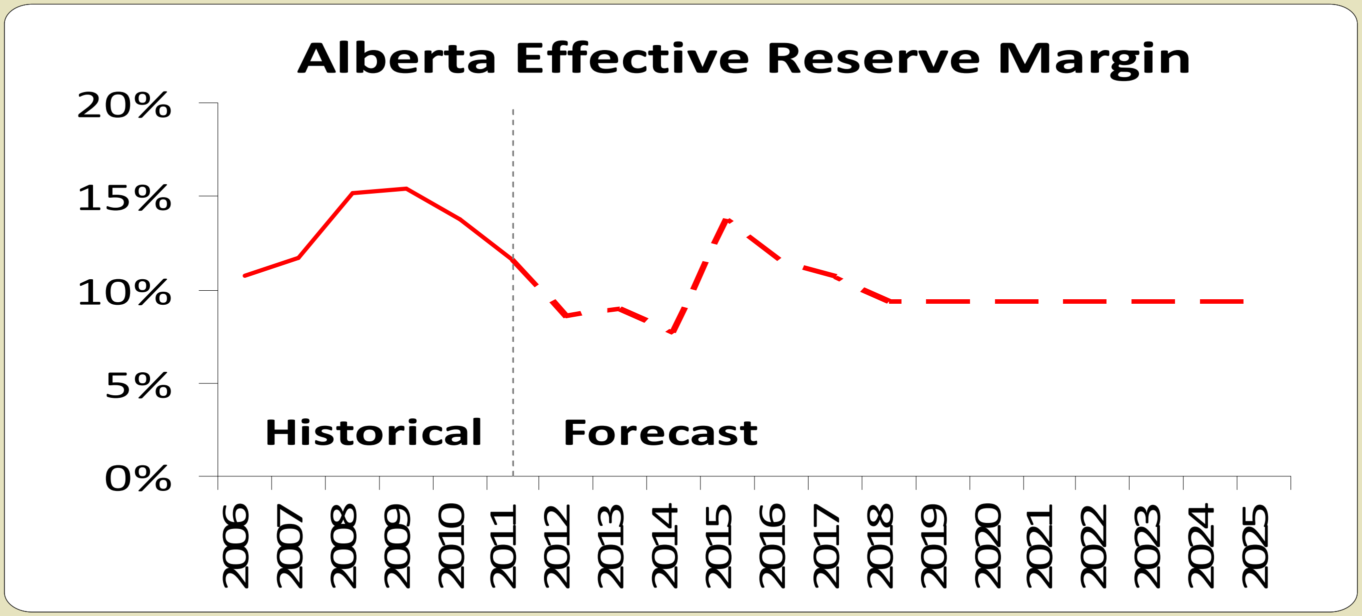
Investment highlights summary



AB reserve margin forecast

- Supply-demand balance (reserve margin) expected to be tight until Shepard (800 MW) COD in 2015, and then gradually tighten through the early 2020s
  - Bringing significant upside to power prices in AB market
- When AB net reserve margin falls below 10%, new generation will typically be economic
- Significant opportunities in the late decade or early 2020s for developers of generation as coal unit retirements kick in



Source: Internal forecast

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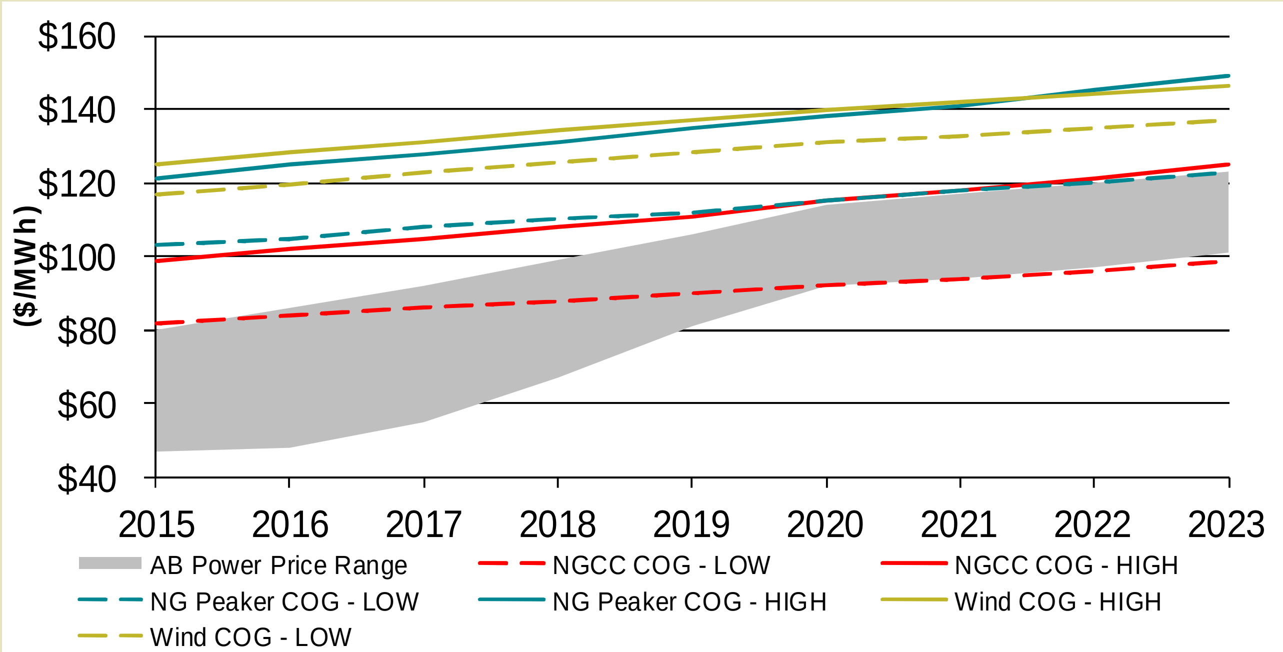
AB cost of generation (COG)

- Sustained higher power prices are required to incent new builds
- Current market fairly well-supplied, significantly tighter now due to shutdown of Sundance 1 & 2 & COD of Keephills 3



Source: Internal forecast

- After Shepard COD in 2015, additional generation not economic until the very late decade or early 2020s
- New generation likely to be baseload NGCC to replace retiring coal units
- Wind development not economic in AB without RECs
- If Capital Stock Turnover proceeds, market likely to be relatively balanced through the 2020s as coal plant retirements balanced by NGCC additions

Appendix

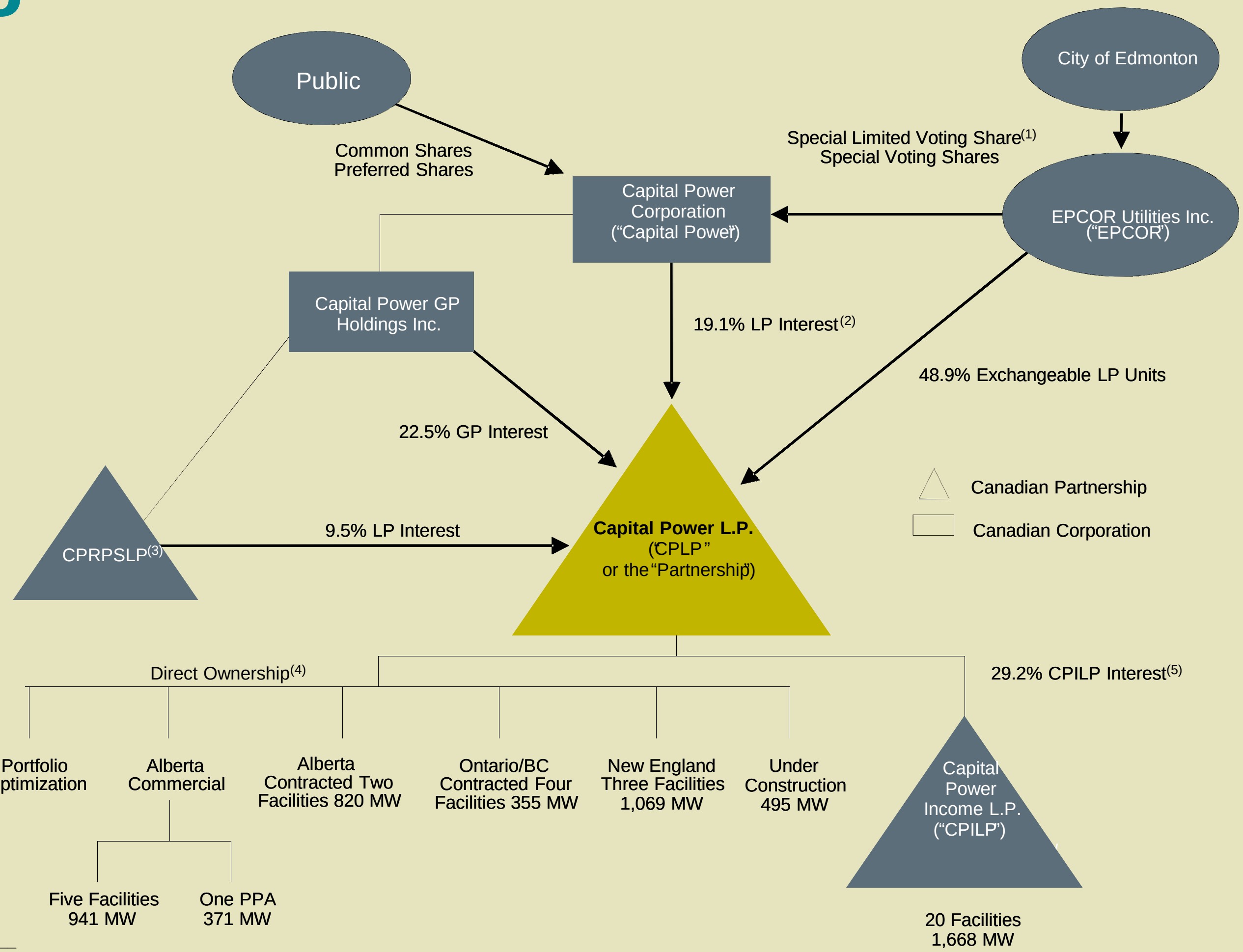
AB power market (new builds/retirements)

- New builds/retirements (major projects of 100+ MW) over the next 5 years based on internal assumptions

Project	Capacity (MW)	Developer	Type	COD year
Halkirk	150	Capital Power	Wind	2012
Blackspring Ridge I Wind	300	Greengate Power Corp	Wind	2013
Bonnybrook	177	Enmax	Cogeneration	2013
Shepard Energy Centre	800	Enmax	Combined cycle	2015

Facility	Capacity (MW)	Owner	Type	Retirement year
Sundance 1	280	TransAlta	Coal steam	2011
Sundance 2	280	TransAlta	Coal steam	2011

Organizational Structure



(1) *EPCOR Utilities Inc. indirectly holds 47.416 million Special Voting Shares of Capital Power, the one Special Limited Voting Share of Capital Power, and the one Special Limited Voting Share of the general partner of CPLP.*
(2) *Interest held through Capital Power LP Holdings Inc., a wholly-owned subsidiary of Capital Power.*
(3) *CP Regional Power Services Limited Partnership.*
(4) *Stated capacity represents owned and / or operated capacity.*
(5) *CPLP has a 49% voting interest and a 100% economic interest in CPI Investments Inc., a holding company that owns approximately 29.2% of the limited partnership units of CPILP and 100% of the shares of the general partner of CPILP. EPCOR Utilities Inc. owns the other 51% voting interest in CPI Investments Inc. CPILP facilities are managed and operated by indirect subsidiaries of Capital Power.*

Summary of assets

	Genesee 1	Genesee 2	Genesee 3	Joffre	Clover Bar Energy Centre	Taylor Coulee Chute	Clover Bar Landfill
	Alberta Contracted		Alberta Commercial Plants				
Electric Capacity	410 MW	410 MW	495 MW	480 MW	243 MW	13 MW	4.8 MW
% owned / operated	100 / 100	100 / 100	50 / 100	40 / 0	100 / 100	50 / 0	100 / 100
Location	Warburg, Alberta	Warburg, Alberta	Warburg, Alberta	Joffre, Alberta	Edmonton, Alberta	Near Lethbridge, Alberta	Edmonton, Alberta
Fuel	Coal	Coal	Coal	Natural gas	Natural gas	Hydro	Landfill gas
Commercial Operations	1994	1989	2005	2000	Unit 1 - 2008 Unit 2&3 - 2009	2000	2005
PPA Expiry	2020	2020	Merchant	Merchant	Merchant	Merchant	Merchant

Summary of assets (cont'd)

	Kingsbridge 1	Miller Creek	Brown Lake	Island Generation	Tiverton	Rumford	Bridgeport
	Ontario & British Columbia Contracted				US Northeast Commercial		
Electric Capacity	40 MW	33 MW	7 MW	275 MW	279 MW	270 MW	520 MW
% owned / operated	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100
Location	Goderich, Ontario	Pemberton, BC	Near Prince Rupert, BC	Campbell River, BC	Tiverton, Rhode Island	Rumford, Maine	Bridgeport, Conneticut
Fuel	Wind	Hydro	Hydro	Natural gas	Natural gas	Natural gas	Natural gas
Commercial Operations	2006, 2001	2003	1996	2002	2000	2000	1999
PPA Expiry	2026 / 2027	2023, extendible to 2033 at BCH's option	2016	2022	Merchant	Merchant	Merchant

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Forward-looking information

Certain information in this presentation is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial performance, events or strategies. When used in this context, words such as will, anticipate, believe, plan, intend, target, and expect or similar words suggest future outcomes. Forward-looking information in this presentation includes, among other things, information relating to: (i) expectations that the divestiture of Capital Power's interest in CPILP (the "Sale") and the acquisition by Capital Power of CPILP's Roxboro and Southport plants in North Carolina (the "Acquisition") will close in the fourth quarter of 2011; (ii) expectations regarding the consideration received by Capital Power pursuant to the Acquisition agreement; (iii) expectations that proceeds of the Sale will be used to fund CPC's growth; (iv) expectations regarding the timing of commercial operation of the Halkirk Wind Project; (v) expectations regarding the after-tax unlevered rate of return of the Halkirk Wind Project and its impact on earnings per share; (vi) expectations regarding the Halkirk Wind Project's sources of revenue (including expectations regarding the sale of Renewable Energy Credits); (vii) expectations that the Company will meet its target of 10,000 MW of generation capacity by 2020; (viii) expectations that growth will continue to be accretive to earnings per share and shareholder value; (ix) expectations that future growth will come primarily from natural gas and contracted renewables; (x) expectations regarding the Company's divestiture of its small hydro plants and the timing thereof; (xi) expectations related to investment, or non-investment, by Capital Power in hydro, biomass or solar projects; (xii) expectations regarding the development of networked hubs in the Company's target markets, and the acquisition or development of new assets in the U.S. North East; (xiii) expectations that Capital Power will pursue only contracted assets in the U.S. South West and Mid-Atlantic markets, in the near term, and in the Pacific Northwest and Saskatchewan; (xiv) expectations regarding the creation of additional capacity for merchant growth as a result of the development of contracted opportunities; (xv) expectations that the Company's strategy and updated development and acquisition criteria will result in an expanded scope of opportunities for contracted assets and optimize merchant asset growth; (xvi) expectations regarding the capital costs and financing for K2; (xvii) expectations regarding the timing of construction and commercial operation for K2; (xviii) expectations regarding the economic interests of the partners at the commencement of commercial operation; (xix) expectations regarding the contribution of each of the partners to the partnership; and (xx) expectations regarding the roles of each partner in the development of K2.

These statements are based on certain assumptions and analyses made by Capital Power in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. The material factors and assumptions used to develop these forward-looking statements include, but are not limited to: (i) the operation of the Capital Power's facilities; (ii) power plant availability and dispatch, including Sundance which is subject to an acquired PPA; (iii) Capital Power's financial position and credit facilities and sources of funding; (iv) Capital Power's assessment of commodity and power markets, including future power prices and reserve margins; (v) Capital Power's assessment of the markets and regulatory environments in which it operates; (vi) weather; (vii) availability and cost of labour and management resources; (viii) performance of contractors and suppliers; (ix) availability and cost of financing; (x) foreign exchange rates; (xi) management's analysis of applicable tax legislation; (xii) currently applicable and proposed tax laws will not change and will be implemented; (xiii) currently applicable and proposed environmental regulations will be implemented; (xiv) counterparties will perform their obligations; (xv) renewal and terms of PPAs; (xvi) ability to successfully integrate and realize benefits of its acquisitions, including the

Forward-looking information (cont'd)

acquisition of the North Carolina assets and the Halkirk Wind Project; (xvii) ability to implement strategic initiatives which will yield the expected benefits; (xviii) ability to obtain necessary regulatory approvals for development projects; (xix) the Company's assessment of capital markets, common share ownership distribution, and ability to complete future share and debt offerings; (xx) locations of projects and the areas of which they will be developed, including the availability and use of certain optioned lands; (xxi) costs of construction and development; (xxii) current risk management strategies including hedges will be in place; and (xxiii) the receipt of all required regulatory approvals and the satisfaction of all other conditions precedent to the closing of the Sale and Acquisition.

Whether actual results, performance or achievements will conform to Capital Power'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 Capital Power's expectations. Such risks and uncertainties include, but are not limited to, risks and uncertainties relating to: (i) operation of Capital Power's facilities; (ii) power plant availability and performance, including unplanned plant outages at facilities of other market participants; (iii) unanticipated maintenance and other expenditures; (iv) availability and price of energy commodities; (v) electricity load settlement; (vi) regulatory and government decisions including changes to environmental, financial reporting and tax legislation; (vii) weather and economic conditions; (viii) competitive pressures; (ix) construction; (x) availability and cost of financing; (xi) foreign exchange; (xii) availability and cost of labour, equipment and management resources; (xiii) performance of counterparties, partners, contractors and suppliers in fulfilling their obligations to Capital Power; (xiv) developments in the North American capital markets; (xv) compliance with financial covenants; (xvi) ability to successfully realize the benefits of acquisitions and investments; (xvii) the tax attributes of and implications of any acquisitions; (xviii) ability to secure new contracts and terms of such contracts; (xix) the failure to receive any required regulatory approvals in connection with the Sale or the Acquisition or the failure to satisfy any other condition to the Sale or the Acquisition; and (xx) the failure of Capital Power to realize expected benefits from the Sale and Acquisition. If any such risks actually occur, they could materially adversely affect Capital Power's business, financial condition or results of operations. In that case the trading price of the Company's common shares could decline, perhaps materially.

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