
2011
Capital Power Corporation
CAPITAL POWER INVESTOR DAY
DECEMBER 8, 2011

Forward-looking information

Cautionary statement

Certain information in today's presentations and in responses to questions contain 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 slides at the end of the presentation and 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 presentations 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.

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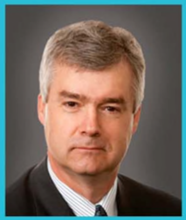
BRIAN VAASJO
PRESIDENT AND CEO

JIM OOSTERBAAN
SVP, OPERATIONS AND COMMODITY PORTFOLIO MANAGEMENT



DARCY TRUFYN
SVP, CONSTRUCTION AND ENGINEERING

BRYAN DENEVE
SVP, COMMERCIAL SERVICES

STUART LEE
SVP, FINANCE AND CFO

TODAY'S PRESENTERS

Investor Day agenda

8:30 – 8:35	**Introduction**	**Randy Mah**
8:35 – 8:55	**Delivering on our strategy**	**Brian Vaasjo**
8:55 – 9:25	**Enhancing operations**	**Jim Oosterbaan**
9:25 – 9:45	**Managing development projects**	**Darcy Trufyn**
9:45 – 10:15	**Business development update and industry trends**	**Bryan DeNeve**
10:15 – 10:30	**Break**	
10:30 – 10:55	**Market outlook and portfolio management**	**Jim Oosterbaan**
10:55 – 11:20	**Growing cash flows and shareholder value**	**Stuart Lee**
11:20 – 11:35	**Focused on the future / 2012 corporate priorities**	**Brian Vaasjo**
11:35 – 12:00	**Q&A session**	
12:00	**Lunch**	

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DELIVERING ON OUR STRATEGY
Capital Power's Corporate Strategy and Execution
BRIAN VAASJO
PRESIDENT AND CEO

Delivering on Capital Power's strategy

In 30 months, we've built a business based on the strategy set out at the IPO in June 2009

- Generally delivered or exceeded targets set out for the business in 2010 and on our expectations for 2011
- Since 2009 IPO, ~2,400 MW have been added or currently being developed, consistent with our focus

Capital Power's vision is to be one of North America's most respected, reliable, and competitive power generators. We develop, acquire and operate larger facilities, maintaining discipline on geography, technology, fuel type and accretion

Enhancing corporate strengths

Achievements since mid-2009 IPO include…

Financial strength with access to capital • Investment grade credit rating	**BBB credit rating, successful capital market financings**
Proven operating and construction history • High plant availability	**Average plant availability ≥90%. Completion of Keephills 3**
Young and modern fleet • Average plant age of ~12 years	**Average facility age has *decreased* from ~13 years at IPO**
Large, high quality generation portfolio • More than 3,300 MW	**Owned MW will have nearly doubled by 2014**

Best 50 Corporate Knights • 2011 Corporate Citizens

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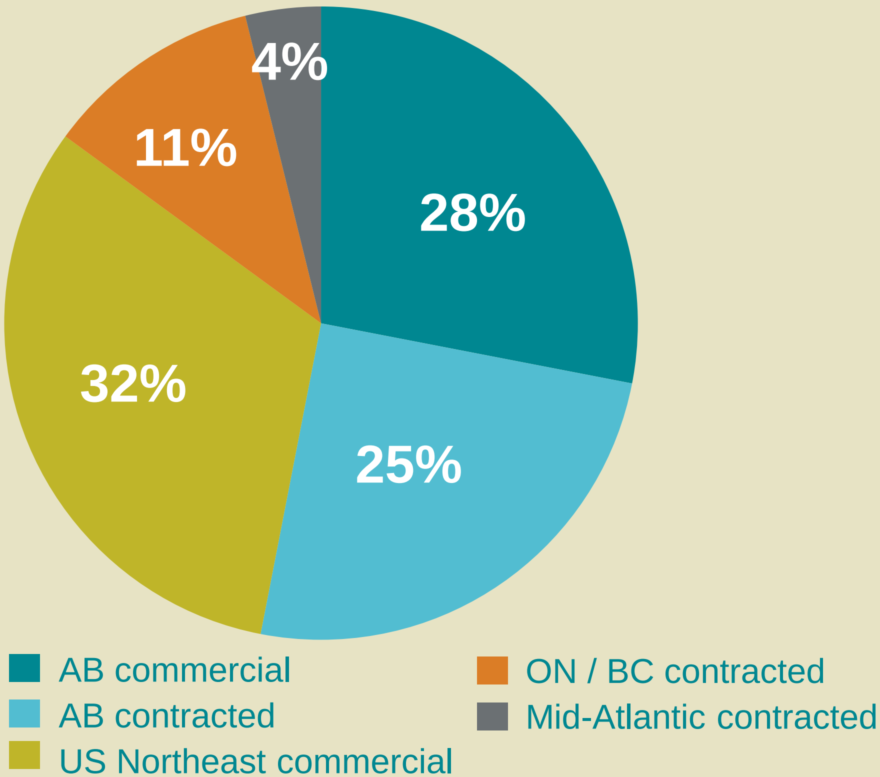
Large, high quality generation portfolio

Interests in 15 facilities, more than 3,300 MW[(1)]

Segmented owned capacity by MW[(1)]



(1) Owned capacity as of Nov 7/11; excludes Sundance PPA (371 MW)

The evolution in Capital Power's generation fleet is consistent with the business strategy

- Increased average plant size from 60 MW to 220 MW following the CPILP divestiture
- Maintained merchant-contract balance, with 40% of capacity contracted
- Added capacity in target regions, while continuing to invest in the attractive AB power market (53% of CPC owned capacity is in AB)

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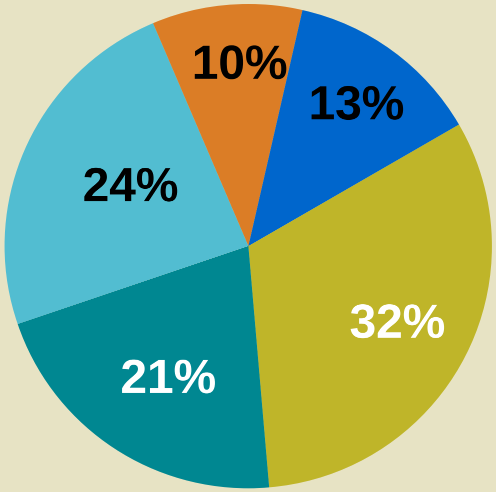
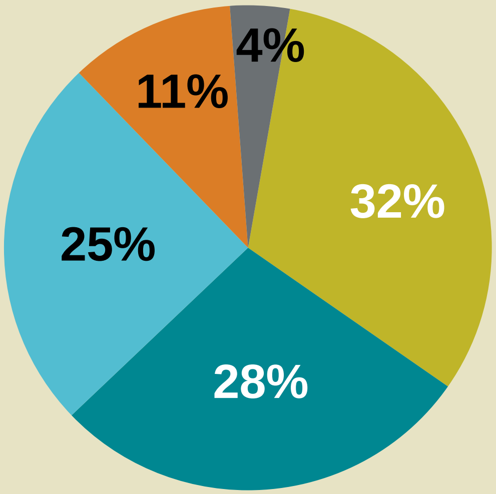
Disciplined evolution and growth[1]

Capital Power is moving to its goal of balancing merchant and contracted generation, while maintaining exposure to Alberta's merchant market

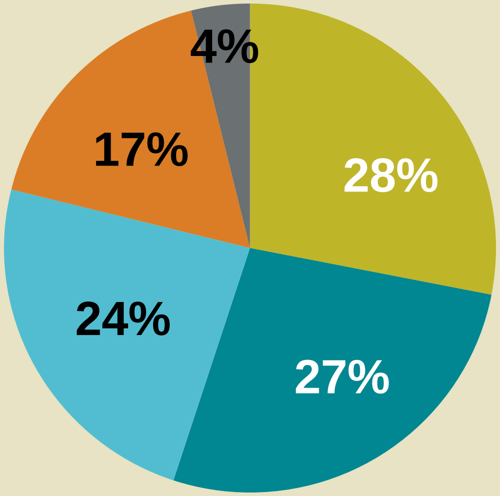
Prior to sale of CPILP
34 facilities (3,386 MW)
- 47% capacity contracted



Today - 2011
15 facilities (3,308 MW)
- 40% capacity contracted



Year-end 2014E
17 facilities (3,755 MW[2])
- 45% capacity contracted



AB commercial
AB contracted
US Northeast commercial
ON / BC contracted
Mid-Atlantic contracted
Capital Power Income L.P.

(1) Based on MW owned capacity
(2) Based on existing plants plus committed development projects and assuming divestiture of small hydro facilities

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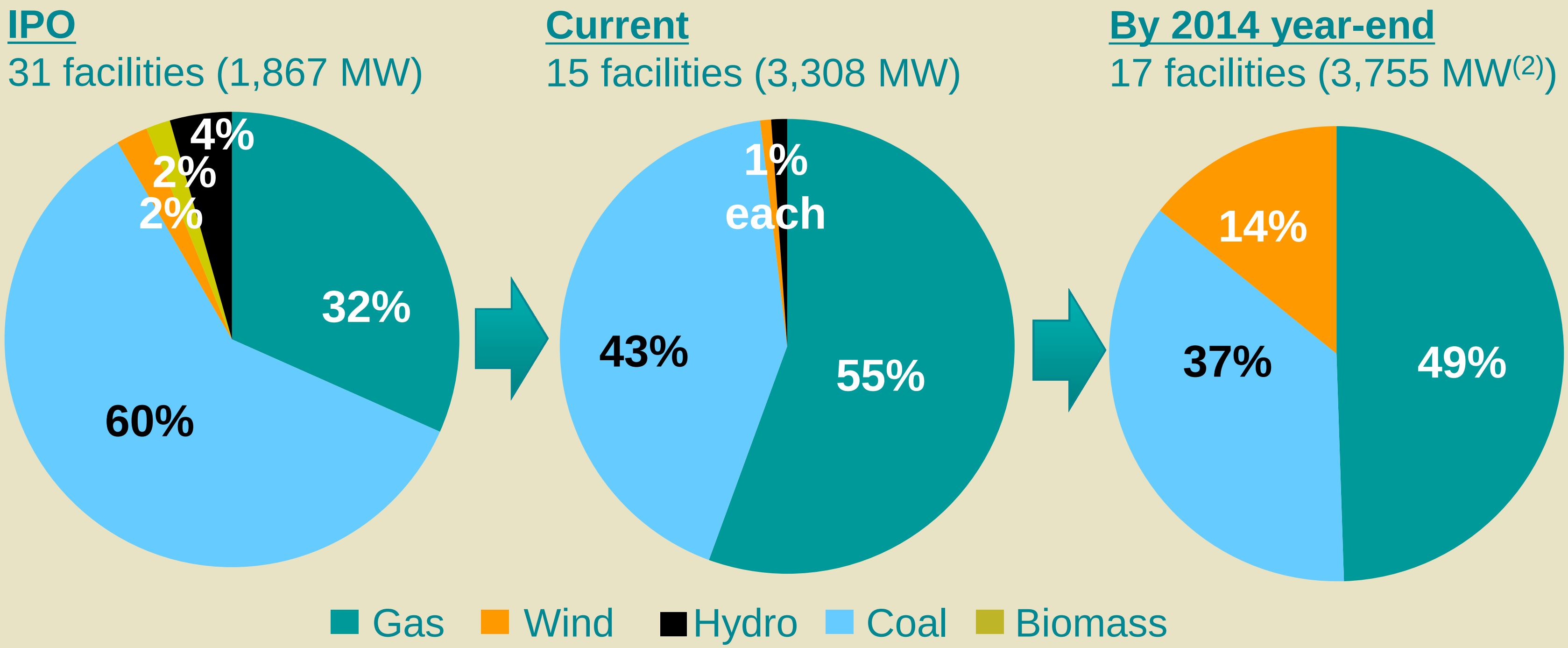
Sharpening fuel and technology focus(1)

Capital Power's operations and growth are focused on four fuel sources: natural gas, coal, wind and solar



- Projects in development will increase owned wind capacity to 14% by 2014
- Near-term divestiture of three small hydro plants (53 MW total) on track with one completed in Nov/11

(1) Based on MW owned capacity
(2) Based on existing plants plus committed development projects and assuming divestiture of small hydro facilities

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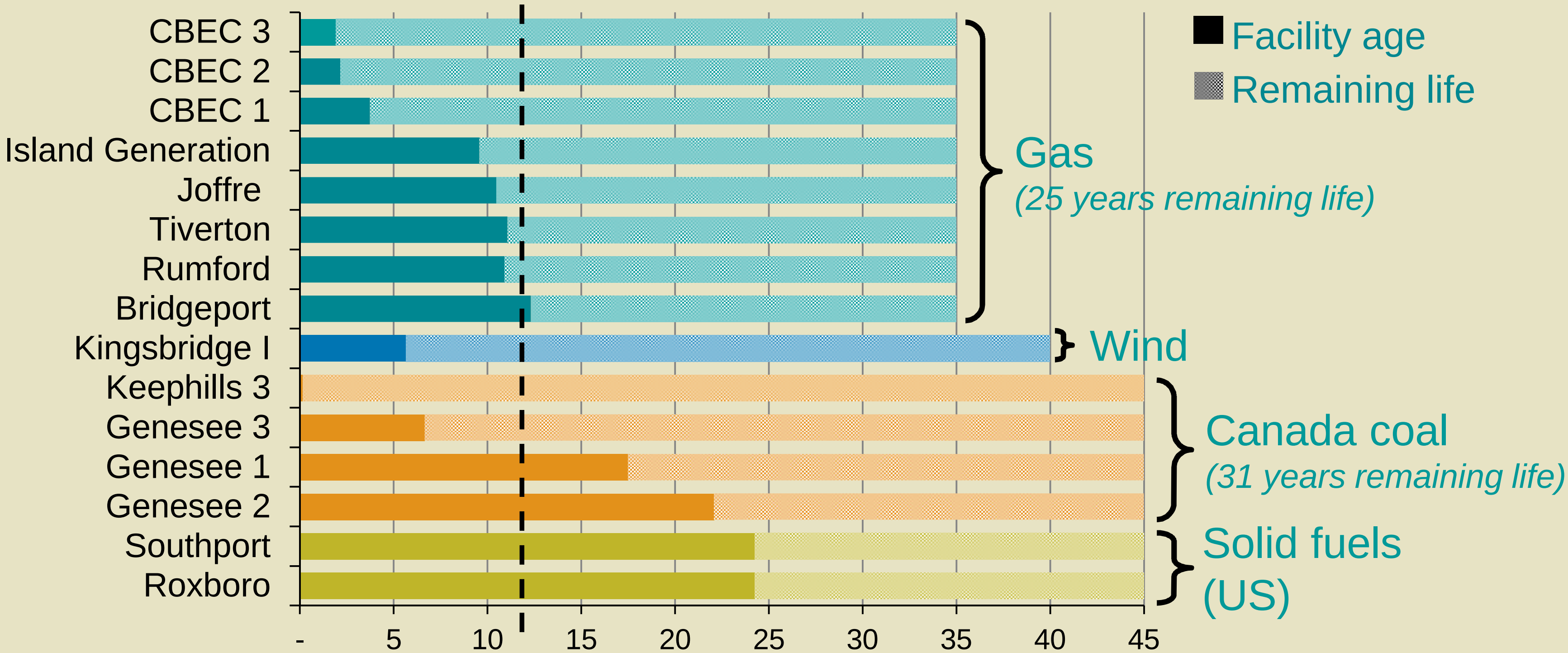
Modern fleet

In the 2.5 years since the IPO, Capital Power's average fleet age has become younger due to development and acquisition

- Average weighted facility age of the current fleet is 11.9 years(1)
- 4 new projects (487 MW) begin commercial operations in 2012 - 2014



(1) Average facility age and remaining life weighted by owned capacity as of Nov 6/11 - based on existing assets and assuming divestiture of hydro facilities

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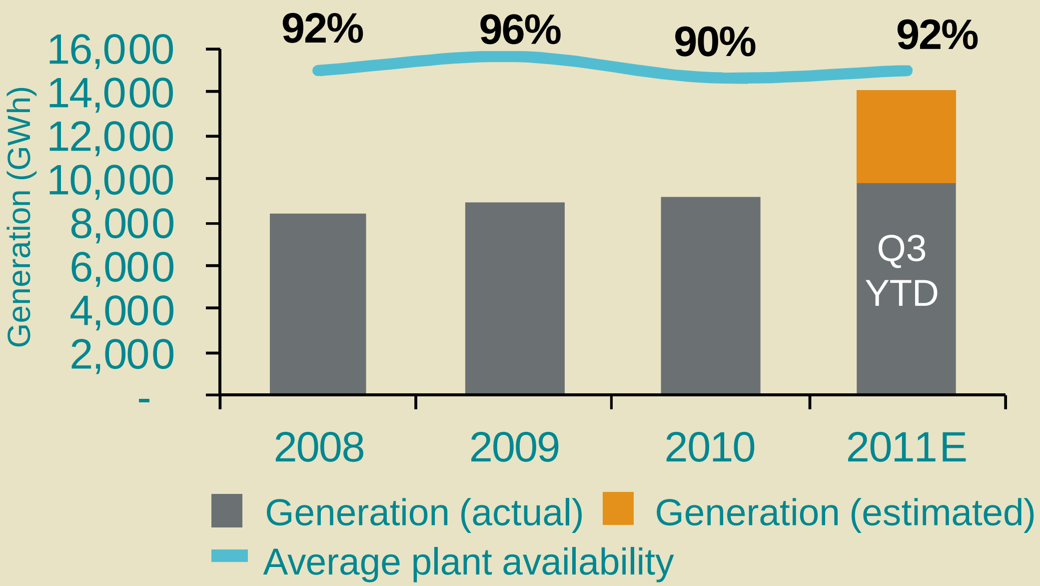
Proven operating excellence

Capital Power has maintained high operating availability over a growing fleet and production volumes

Historical and Estimated Operating Performance



- 4-year average plant availability of 93%
- Canadian Electricity Association President's Award of Excellence for top-quartile safety performance

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Financial strength and access to capital

Capital Power's investment grade BBB credit rating and strong balance sheet has facilitated ongoing access to debt markets

- Current BBB credit rating from S&P and DBRS is a significant differentiator from many U.S. IPPs
- $900M in debt issues since IPO; at ~36%, debt to capitalization ratio remains below long-term target zone

Public float growth has enhanced liquidity and equity market access

- 2.7x increase in volume of CPX public float shares; trading volume doubled from 2010 to 2011
- ~$1.0B raised in equity markets since IPO; public float now 61% of ownership
- Inclusion in S&P/TSX Composite Index, and broadening base of institutional investors

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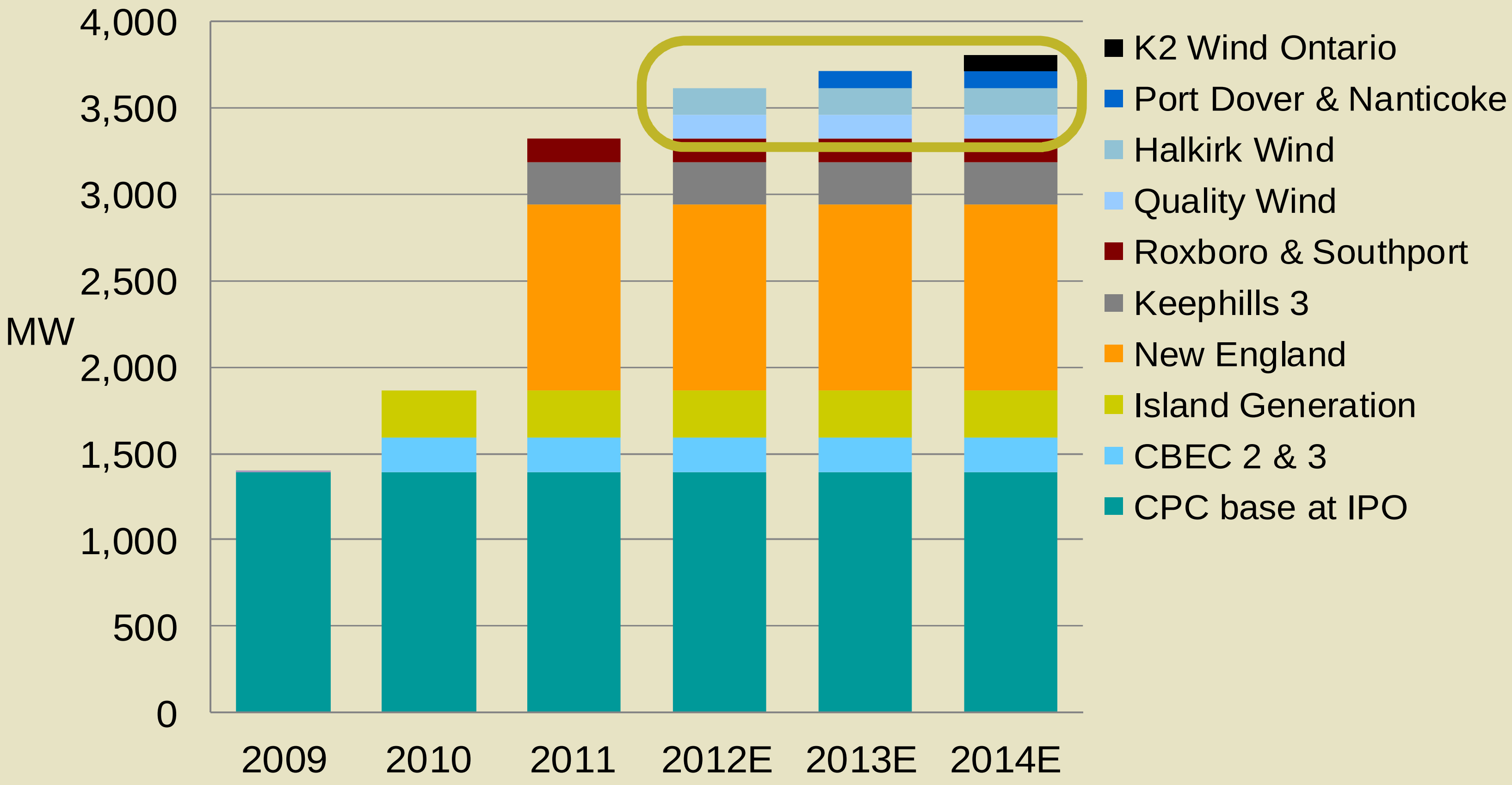
Capital Power's growth(1)

487 MW of committed projects will increase contracted cash flows in 2012-2014



(1) Based on MW capacity owned and/or operated plus committed projects.

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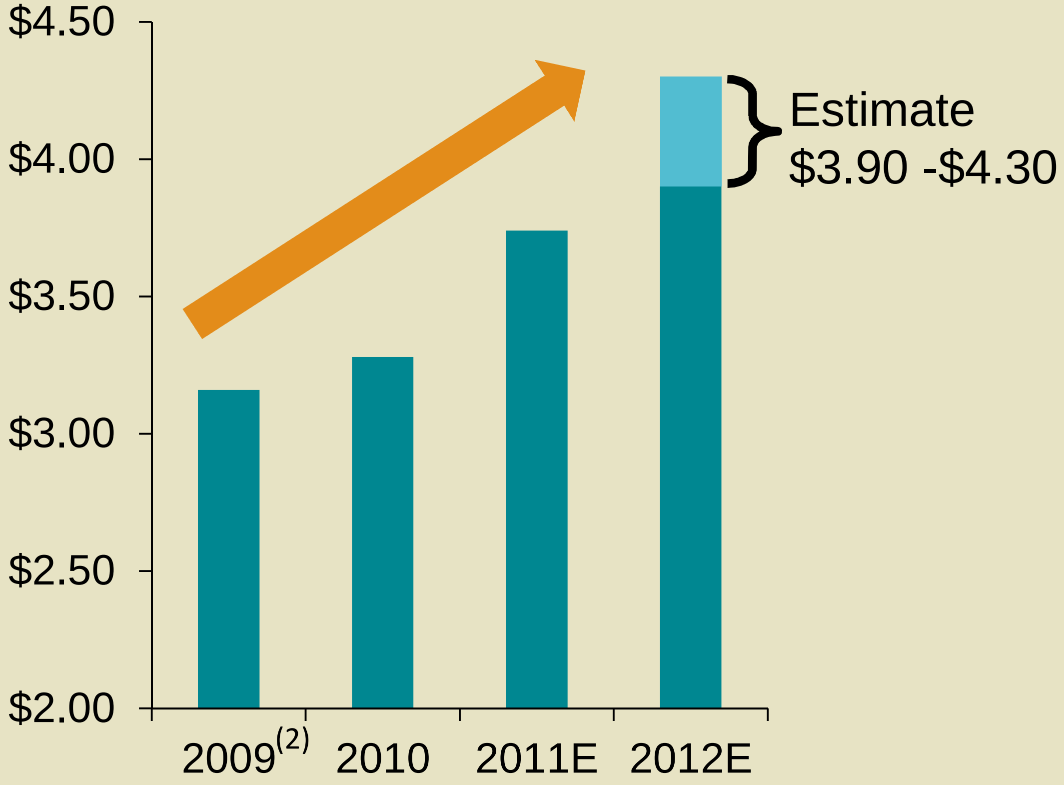
Substantial and growing cash flows

Cash flow per share is visible, substantial and growing

Cash flow per share[1, 2]



- Keephills 3 will start generating full year cash flows in 2012
- Wind projects will add substantial cash flows through 2012-14 when completed

(1) Cash flow per share is a non-IFRS measure. See Non-IFRS Financial Measures, p 121-124
(2) 2009 results annualized results have been prepared in accordance with previous CGAAP

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2011 accomplishments

Strong operations safety and production performance

- Safety performance on-track to exceed award-winning 2010 performance
- Estimate year-end availability at 92% with several units at or near 100% availability

Commissioned and delivered Keephills 3

- Canada's most technologically-advanced coal-fired plant was constructed with one of the best safety records in the industry

Effectively managed risk and added incremental value

- Minimized plant outage durations for CBEC through participation in GE lease engine program for LMS100s
- Completed and received approval for Genesee 3 optimization; authorized net capacity now 466 MW

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2011 accomplishments (cont'd)

Aligned Capital Power's fleet with the business strategy

- Divestiture of CPILP rationalized the fleet and sharpened focus
- Launched presence in US Northeast market with the acquisition and integration of 3 natural gas plants (1,069 MW total) in New England
- Committed to accretive developments that help maintain contract-merchant mix
  - Acquired 100% of the 150 MW Halkirk Wind development project in AB
  - Finalized partnership for the development, construction and operation of K2 Wind Ontario
  - Finalized long-term PPAs for Southport and Roxboro and acquired those facilities

Demonstrated ability to access capital markets and increase trading liquidity

- Average daily trading volumes double 2010 levels, backed by 2.7x increase in public float shares as EPCOR reduces its interest and CPC raises equity

Delivering on strategy

Capital Power has delivered on the strategy set out at IPO, and is well positioned for the future

- Continued operational excellence
  - High plant availability averaging 93% in past 4 years and top-quartile safety record
- Maintained contracted/merchant balance and investment grade credit rating
- Generally delivered or exceeded targets set out for the business in 2010 and on our expectations for 2011
- Disciplined execution on strategy and growth
  - Rationalized the fleet with a greater fuel and technology focus, larger facilities, fewer markets, and reduced fleet age
  - Focused on accretive growth opportunities in specific target markets
  - Remained disciplined in the evaluation process. Acquisitions must fit our investment criteria. We will not make an acquisition that jeopardizes our investment grade credit rating

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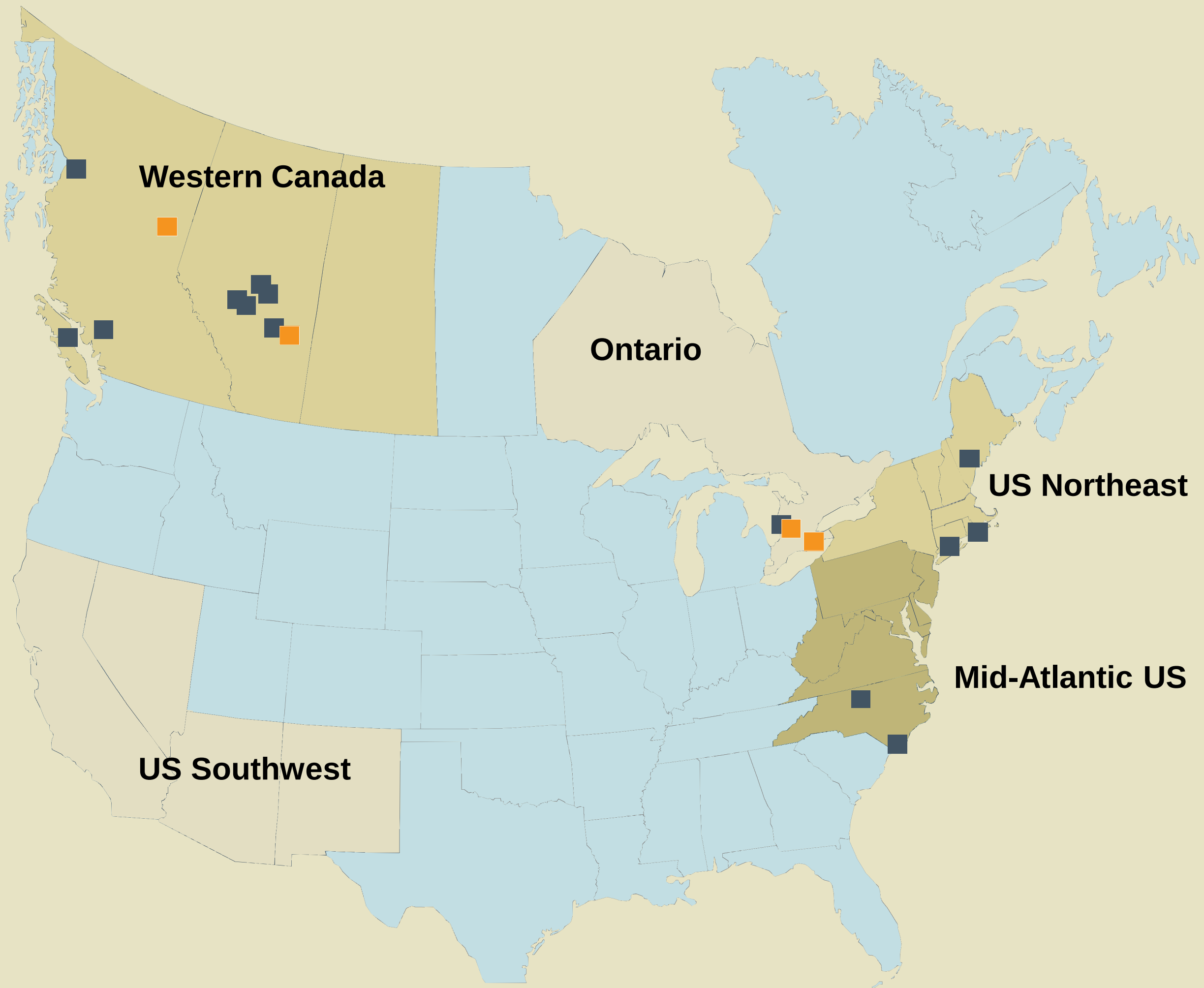
ENHANCING OPERATIONS

Capital Power's Facilities and Operating Performance

JIM OOSTERBAAN
SENIOR VICE PRESIDENT, OPERATIONS AND COMMODITY PORTFOLIO MANAGEMENT

Plants in Operation in Target Markets



- CPILP Divesture
  - Focuses technology base. Eliminates smaller, older plants
  - Reduces cost to manage
- Keephills 3
  - Supercritical coal
  - Synergy with G3
- New England
  - Efficient, young assets
- North Carolina
  - 10 Year PPA
  - Familiar Assets

■ Plants in operation ■ Plants under construction or development

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ENHANCING OPERATIONS

Priority - Focus on continuous improvement

Focus on delivering sustained high-performance

Safer operations	• 'World-class safety' initiative
Enhance/Maintain availability	• Fleet-wide reliability program • Application of technology and analytics
Competitive maintenance costs	• Internal expertise matches fleet technology and fuel type; fleet-wide sharing of best practices
Incremental value creation	• Plant level targets focus on delivering additional revenue and cost reductions from the fleet
Risk mitigation	• Further application of technology and analytics • Training and staff development • Benchmarking

Fleet performance

Focus on safe, low-cost, high-availability operations from Capital Power's modern, young fleet

	TRIF[1]			Maintenance Costs[2]			Availability		
	3 Year Rolling Average	2012 Target	2013 Target	2011	2012	2013	2011	2012	2013
CDN Plants	1.95	1.76	1.58	$ 66	$ 78	$ 81	92%	93%	95%
US Plants	2.25	2.03	1.82	$ 24	$ 37	$ 45	91%	88%	89%
Total Fleet	2.05	1.84	1.66	**$ 90**	**$ 115**	**$ 126**	**92%**	**91%**	**93%**

Safety focus: zero lost-time injuries by 2015

Maintenance focus: top-decile cost performance by 2015

Major outages cyclic

Availability focus: sustained high and improved fleet-wide availability

(1) Total Recordable Incident Frequency (TRIF) shown is last 3 year average and estimates for 2012 and 2013
(2) Maintenance costs and availability shown are based on 2011 Forecast including G3 outage

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Capital Power's reliable AB coal assets

CPC's AB coal facilities outperform other AB coal facilities

Coal unit	Last outage	Days since last outage
Unit 1	Nov 23/11	1
Unit 2	Nov 15/11	9
Unit 3	Aug 7/11	108
G1	**Apr 19/11**	**218**
G2	**May 29/11**	**177**
G3	**Nov 11/11**	**-**
Unit 4	Oct 25/11	30
Unit 5	Oct 9/11	46
Unit 6	Oct 9/11	46
Unit 7	Nov 5/11	19
Unit 8	Nov 24/11	-
Unit 9	Nov 24/11	-
Unit 10	Nov 9/11	15
Unit 11	Nov 2/11	22
SD5	Nov 22/11	2
SD6	Nov 24/11	0
Unit 12	Oct 3/11	51
Unit 13	Nov 3/11	21

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ENHANCING OPERATIONS

Contracted Alberta operations

Genesee 1 (390 MW net, COD 1994)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	97.4%	3,289	0	
2011 to Q3	91.1%	2,272	$15.0M	Planned outage (22 days)
2010	99.6%	3,288	0	
2009	93.0%	3,064	$10.3M	Planned outage (18 days)

Genesee 2 (400 MW net, COD 1989)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	90.9%	3,094	$14.6M	Planned outage (25 days)
2011 to Q3	99.5%	2,465	0	
2010	91.8%	3,046	$13.5M	Planned outage (20 days)
2009	97.8%	3,260	0	

- Exceptional availability in non-outage years
- Outage durations and cost amongst the best in the industry
- G2 capacity optimization to 400 MWs recently completed
- Committed, dedicated, stable plant management and workforce
- Substantial coal reserve
- G1 capacity optimization to 400 MWs underway

ENHANCING OPERATIONS

Merchant Alberta operations

Genesee 3 (466 MW net, COD 2005)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	89.6%	1,783	$8.5M	Planned outage (28 days) Costs are CPC portion
2011 to Q3	99.0%	1,455	0	
2010	87.8%	1,661	$7.97M	Planned outage (42 days) Costs are CPC Portion
2009	98.2%	1,902	0	
Clover Bar Energy Centre (250.5 MW net, COD Unit 1 2008, Unit 2 & 3 2009)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	89.8%	43	$1.80M	
2011 to Q3	73.6%	259	$2.05M	Actual maintenance cost for the year – outage cost not separated
2010	70.7%	361	$0.61M	Actual maintenance cost for the year – outage cost not separated
2009	97.1%	33	$0.18M	Actual maintenance cost full calendar year

- Operated by CPC
- JV with TAU
- 2010 outage duration longer due to unexpected high energy piping repairs that were found during an inspection
- Capacity optimization of 16 MW's in 2010

- LM6000/2 LMS100's
- Approved in 2006
- Focus to improve reliability; full-time plant manager, lease pool, additional maintenance focus
- Availability expected to trend to greater than 90%

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ENHANCING OPERATIONS

Recent acquisitions

Island Generation (272 MW net, COD 2002)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	95.6%	341	$2.09M	
2011 to Q3	99.7%	107	$1.14M	Actual maintenance cost for the year – outage cost not separated
2010	98.9%	273	$1.14M	Actual maintenance cost from date of acquisition (Oct 19, 2010)

- Outstanding reliability
- Superb safety record, one incident in 10 years
- Long term availability based PPA with BC Hydro
- Only large thermal generation plant on Vancouver Island

Rumford (269 MW net, COD 2000)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	88.7%	784	Fall $3.3M	Planned Outage (18 days)
May 2011 to Q3	96.4%	238	N/A	
2010	91.0%	512	$2M	Planned Outage (24 days)
2009	96.3%	488	N/A	

- Well managed plant
- Excellent safety record
- 2012 outage to address service bulletins, similar to Tiverton 2010 outage
- Well located in western Maine

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ENHANCING OPERATIONS

Recent acquisitions (cont'd)

Tiverton (279 MW net, COD 2000)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	82.1%	1,591	Spring $3.5M	Planned Outage (36 days)
May 2011 to Q3	97.1%	712	N/A	
2010	68.8%	1,099	$21.6M ($15M insured)	Planned Outage (50 days)
2009	92.6%	1,529	$1.5M	Planned Outage (15 days)

Bridgeport (540MW net, COD 1999)				
Year	**Availability**	**Production (GWh)**	**Major Outage Maintenance Costs ($M)**	**Comment**
2012	89.5%	3,205	Spring $1.8M	Planned Outage (15 days)
May 2011 to Q3	97.4%	1,517	N/A	Spring Outage occurred pre-acquisition
2010	90.0%	3,293	N/A	
2009	86.7%	2,627	$2.8M	Planned Outage (28 days)

- Well managed plants
- Located in local pockets, good nodes
- Excellent safety records
- Tiverton and Rumford similar technology
- Information sharing
- Additional maintenance costs of $4M

ENHANCING OPERATIONS

Recent acquisitions (cont'd)

Roxboro (56 MW net, COD 1987)				
Year	Availability	Production (GWh)	Major Outage Maintenance Costs ($M)	Comment
2012	86.1%	224	$1.98M	Cdn$
2011 to Q3	94.5%	123	$2.23M	Actual maintenance cost for the year from Jan 2011 – outage cost not separated

Southport (112 MW net, COD 1987)				
Year	Availability	Production (GWh)	Major Outage Maintenance Costs ($M)	Comment
2012	94.4%	396	$3.87M	Cdn$
2011 to Q3	88.1%	202	$3.29M	Actual maintenance cost for the year from Jan 2011 – outage cost not separated

- Managed as part of the fleet of LP assets
- 10 years PPA with Progress Energy
- Impacted by CSAPR rules
- Overhaul of senior plant management with biofuel experience

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Overview of planned major outages

Regular maintenance is key to delivering long-term high availability. Focus on trade-off between outage frequency/timing and impact on availability

Plant	2012	2013
Genesee	Unit 2 – 25 days $14.6M Unit 3 – 28 days $8.5M (CPC portion)	Unit 1 – 23 days $15.2M
Roxboro	25 days $2.0M	
Rumford	18 days $3.3M	
Tiverton	36 days $3.5M	42 days $7.0M
Bridgeport	15 days $1.8M	45 days $6.2M

Value creation

With the transition to an IPP, doing business in a different way so as to deliver incremental bottom value to the shareholder

- Identify and implement actions to derive additional contribution from CPC's fleet of generation assets
- Targets at the plant level
- Increase revenue through excess energy, increased capacity, etc.
- Reduce cost while maintaining or increasing availability
- Target achieved in 2010, on track to be achieved in 2011

	2010	2011E	2012E
Target	$5M	$6M	$7M

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Genesee fuel blending optimization

Optimization activities are increasing facility efficiency and lowering fuel costs

- Today, G1 and G2 burn the same amount of coal to produce 390 MW as it took to produce 381 MW in the past
  - This results in significant savings on fuel costs as well as reduced wear and tear on our boilers
- ***Changes to mining process*** – improvements to coal delivery process include simultaneous delivery from multiple loading faces, in-pit coal recovery, and strategic placement of coal in the live storage building
- ***Co-firing with natural gas*** – When spot price or 30-day rolling average price is favourable, Genesee has the option to burn natural gas to limit the impact of a coal quality related derate
- ***Online coal analyzer (Q1/12)*** – Provides real time feedback on the quality of coal and allows for instant detection and rejection of substandard fuel deliveries
- ***"Peaking Coal" live stockpile*** – Dedicated storage of a rolling stock of high quality coal, which can be used to achieve full production potential at times of peak prices

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Genesee Mine peak shaving

Peak shaving optimizes the timing of dragline maintenance to reduce facility operating costs

- Peak shaving is the reduction of electricity consumption in the Genesee Mine during periods of high pool prices
- Draglines typically run 24X7, except for planned maintenance and regularly scheduled equipment checks
- During peak shaving periods, maintenance activities are performed. Electricity costs are reduced, without reducing productive hours of dragline use
- The truck/shovel pre-strip fleet can also be used to offset production losses from the draglines if coal inventories are low

YTD savings to the end of Nov. are ~ $1M, with the mine average realized power price ~$16/MWh less than the actual Alberta settled pool price

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Increased generation at Genesee

Up to 16 MW of excess energy available and approved for use at G3, with similar capabilities coming at G1 and G2

- G1 and G2 have increased production of excess nnergy, typically running at 390 MW net to grid on each unit compared to 381 MW historically
- G3 recently increased to 466 MW net to grid from 450 MW, CPC owns 50% of output
- The excess energy revenue that G1/2 has realized YTD to the end of September was ~ $8.1M with an average captured price of ~$91
- The increased capacity revenue that G3 has realized YTD to the end of September was ~ $0.5M as this capacity increase happened in late August
- G2 recently increased to 400 MW
- Increased generation arising from 2 years of testing

Future Plans

- Plan to increase G1 to 400 MW - planned for 2013
- The objective is to maximize production at peak power prices

G3 outage update

- Unit tripped on Nov 11/11, likely due to a loss of power to key subsystems
- Nature of the trip resulted in damage to turbine/generator bearings
- Other components may have been affected
- Root cause analysis continuing
- Repairs proceeding on schedule, return to service expected to be Jan 1/12
- Estimated cost of repairs $11M
- No negative impact on CPC portfolio due to CBEC

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Successful asset integration

- Successful integration of the Island Generation facility
- Key learnings from Island Generation integration identified and applied to the integration of CPC's New England facilities

- Bridgeport, Rumford and Tiverton were acquired on April 27 & 28, 2011. Acquisition closed within 45 days with IT and financial systems fully functional
- All Capital Power systems and policies in place with employees transitioned from their inherited third party O&M service providers to Capital Power employees on Nov 1/11. Work will continue to close out and evaluate the project

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Drive to value

A traditional strength of CPC; track record as a consistent operator as the fleet grows and ages

- Fleet-wide reliability program
- Maintain availability of AB fleet, increase the availability of US plants
- Targeting top decile cost performance and availability
- Zero lost-time injury target by 2015
- Assembling experienced leadership team to manage and operate wind assets
- Increasing focus on the application of technology and analytics to enhance performance

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MANAGING DEVELOPMENT

Capital Power's Construction Capital Projects

DARCY TRUFYN

SENIOR VICE PRESIDENT, CONSTRUCTION, ENGINEERING AND PROJECT MANAGEMENT

Construction milestones

Completion of Keephills 3

Creating the competitive advantage

Quality Wind construction update

Halkirk Wind construction update


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Corporation
ALBERTA
Keephills 3
KEEPHILLS 3

Keephills 3 reaches commercial operation

Capital Power completed construction of the most technologically-advanced coal-fired plant in Canada.

- 450 MW (net) plant located near Edmonton
- 50% owned by Capital Power
- Power island matches Genesee 3
- COD achieved Sep 1/11

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Cost and safety leadership in a challenging market

Capital Power's final Keephills 3 construction costs on budget, in a challenging Alberta labour market

- Capital Power responsible for construction
- Final costs to budget (revised 2009)
- Managed through a challenging period in the overheated Alberta labour market
- Excellence overall and 2011 safety performance
  - Zero injuries in 2011

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Commissioning set the stage for a lifetime of reliable performance

- OEM is the commissioning lead and provides warranty/performance guarantees
- Plant performance and reliability testing has met and /or exceeded all requirements

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Successful handover to operating partner

Capital Power's comprehensive handover process is complete, and lessons-learned documented for current and future projects

- Handover completed
- Partner (TransAlta Corp) responsible for O&M
- Formal close-out process

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Creating the competitive advantage

Capital Power has demonstrated in Wind that Construction is a competitive advantage

- Construction and Engineering has extensive power plant construction experience
- Our focus has been on wind projects since the formation of Capital Power and over the past 2 years have created a competitive advantage in wind
- Our wind projects were also used to:
  - Develop and refine processes and procedures
  - Develop organization/people
- Same competitive development processes are being applied to other plant types as the market evolves and opportunities arise (eg. solar, peaking)

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Improving processes at each stage of construction

The construction and engineering teams perform several work processes that will continue to create our competitive advantage (better and different)

Pre-construction

- Estimating
- Value engineering
- Catalogue plants

Construction

- Contracting
- Standardization

Risk Management

- Three layers of oversight
- Dynamic tracking of risk evolution and mitigation

Creating competitive advantage

Capital Power's approach to wind development

Specialists seek to optimize projects at each stage of their development

Extensive front-end analysis → Proactive permitting → Landowner engagement → Selection and refinement → Construction optimization


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BRITISH COLUMBIA
Quality Wind
QUALITY WIND PROJECT

Quality Wind

The first of two construction seasons is complete at the Quality site

- Work is fully contracted on a lump sum basis
- Risk management process in place
- Commitment to the local community
- Season 1 complete: On schedule

PROJECT SCOPE

- 142 MW wind farm near Tumbler Ridge B.C.
- 25-year PPA with BC Hydro
- $455M development cost
- COD end of 2012

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Construction status update

Construction is on-track, with the sites ready to receive turbine towers and nacelles beginning spring 2012

- 77 of 79 foundations complete
- Crane pads ready and prepared to receive towers

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Construction status update (cont'd)

Roads are substantially complete and the transmission line is progressing to plan

- Roads 92% complete and fully drivable
- Transmission 30% complete: 87 of 99 poles installed

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Project ahead of schedule and under budget

Expect to reach COD Nov 1/12, with costs below original budget

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HALKIRK WIND PROJECT

Halkirk Wind

All major contracts in place, and the site has excellent access for construction

- COD Dec 2012 (planned)
- All major contracts awarded on a fixed price basis
- Low risk profile
- Good understanding of ground conditions
- Value engineering

PROJECT SCOPE

- 150 MW wind project near Halkirk, AB
- $347M budget (including acquisition costs)
- 20 year RECS (California) provide ~40% revenue
- Unique wind regime in the Alberta market
- Readily accessible to transmission lines

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Construction now underway

Potential to advance COD by ~2 months

- Construction mobilized – winter program in progress
- Proactive engagement on transmission to accelerate critical activity

Halkirk towers arriving on site

The first 17 towers arrived in Nov/11; erection begins Q2/12

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2011 construction highlights

Delivering on the competitive advantage

Construction	Quality-built Keephills 3 facility added to fleet
Safety	Exceptional safety performance
Cost management	Quality Wind and Halkirk trending under-budget
Schedule	Schedule improvements on Quality and Halkirk
Risk management	Strong risk management in place

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Capital Power Corporation
CREATING VALUE
THROUGH DISCIPLINED GROWTH
Business Development Update and Market Outlook
BRYAN DENEVE
SENIOR VICE PRESIDENT, COMMERCIAL SERVICES

Business development overview

Business development overview

Industry trends in target markets

Opportunities and future activity

2010/2011 Business development activity

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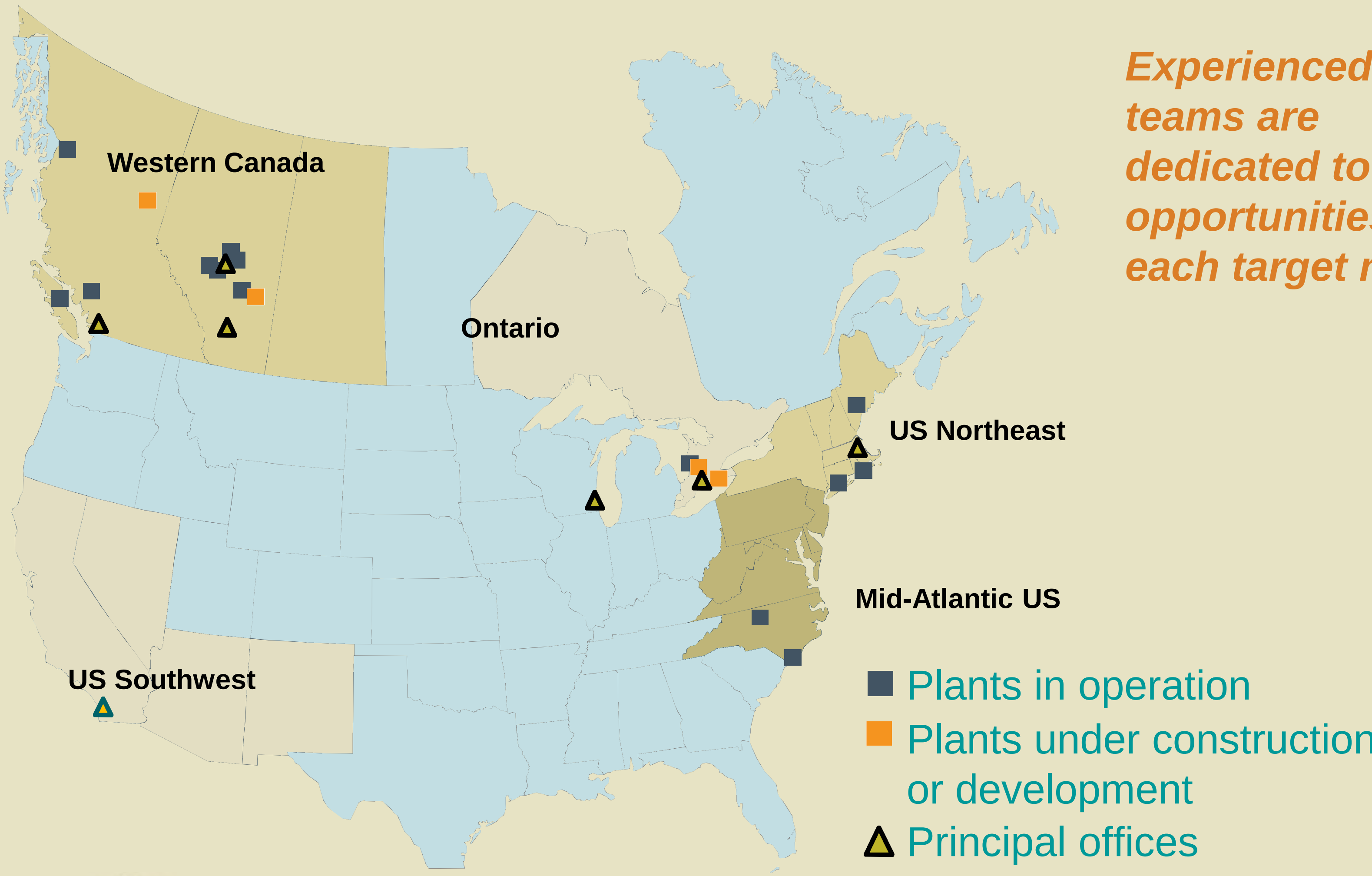
Business development in Capital Power's North American footprint



Experienced teams are dedicated to opportunities in each target market

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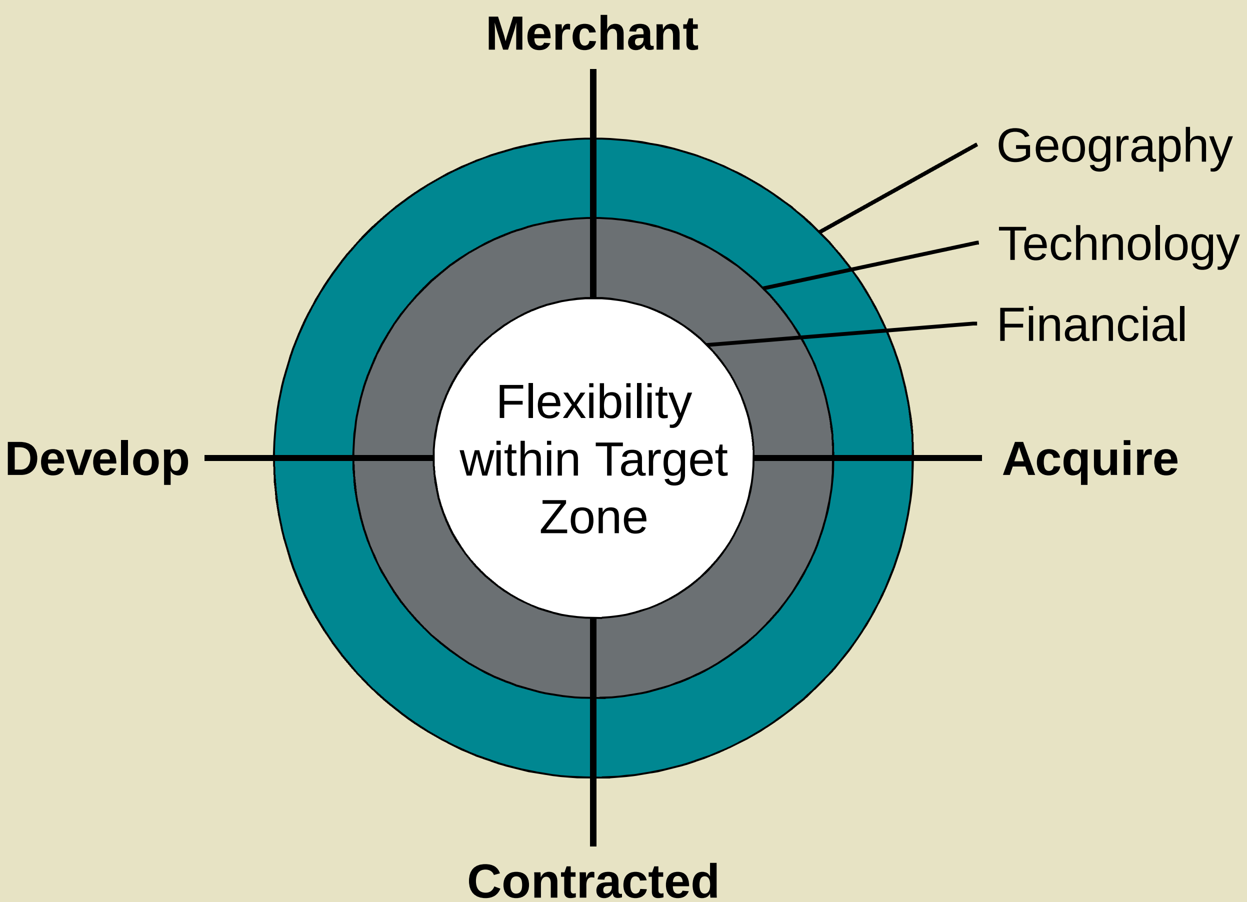
Framework for disciplined growth

Capital Power's strategy drives opportunity evaluation



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Solar joins technology focus

Announced in Jun/11 that Capital Power will now explore solar opportunities in target markets

- Solar has been added to the technologies that Capital Power is pursuing
  - Costs declining
  - Efficiencies increasing
  - Adapt wind competency to solar
- Significant solar opportunities expected in US SW
  - Strong solar resource
  - States are staying the course on RPS
- Hydro and biomass will not be pursued

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Industry trends

Evolving expectations for near term wind and solar opportunities

- Wind opportunities are expected to decline in short term
  - Concern about electricity rates in ON and BC
  - Merchant wind is not economic in AB absent subsidies or REC contracts
  - Limited remaining wind sites in US SW and NE
  - System reliability implications of wind
  - Growing stakeholder concerns
- Solar opportunities expected in US SW
  - Costs declining / efficiencies increasing
  - More predictable on peak resource
  - States are staying the course on RPS
  - RFPs expected in AZ, CA, NV and NM

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Industry trends (cont'd)

Increasing competition for contracted acquisitions

- Increasing competition for contracted acquisitions
  - Competition from Asian companies
  - Private equity focusing on contracted assets
  - Companies such as Enbridge continue to be aggressive
- Recent acquisition activity
  - ECP acquired Liberty
  - LS Power acquired contracted NextEra portfolio
  - Enbridge looking to acquire Topaz solar project
  - Entergy acquired RISEC
  - Some owners are waiting for environmental certainty

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Industry trends (cont'd)

Market opportunities

- Tightening supply-demand balance in Alberta will create merchant development opportunities
- Continued renewable opportunities in Ontario but at lower FIT prices
- Contracted thermal opportunities to supply LNG development in northwestern BC
- Solar and natural gas peaking opportunities in US SW

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Implications of industry trends

More focus on development opportunities than acquisitions

- Contracted assets will primarily come through greenfield development
- Development focus will start to shift to natural gas and solar
  - Increased need for peaking resources due to renewables
  - Increase competitiveness in natural gas and solar development
  - Acquire strategic natural gas and solar sites
- Limited acquisition activity expected in 2012

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Capital Energy Center

- Located on Long Island, NY
- Natural gas combined cycle facility
- Opportunity for 20 year PPA with LIPA
- Early development work underway
- Expected capital cost of $600M to $800M
- RFP awards Q2 /12 – PPA signed Q4 / 12
- 2016 COD

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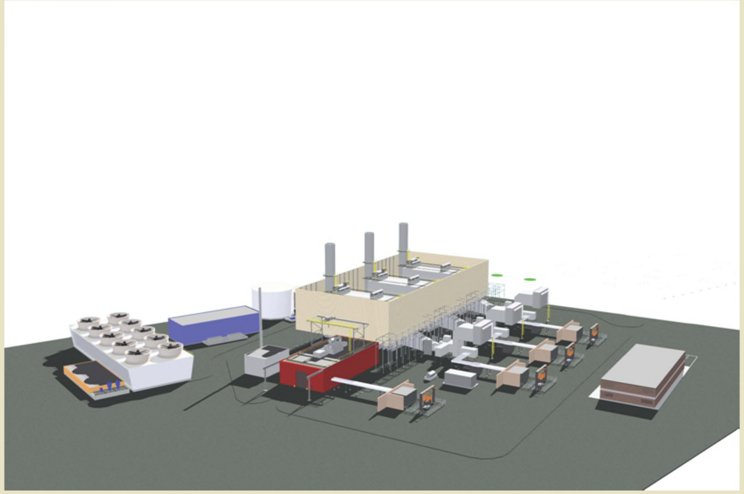
Sun Valley Energy Center

- 300 MW – 450 MW solar photovoltaic project
  - Target long term PPAs through 2012 RFPs
  - Projected COD in 2014 for first phase
  - Projected capital cost of $0.9B to $1.1B
- 300 MW to 400 MW gas fired opportunity
  - Resource Plans are showing the need for gas peaking
  - Projected capital cost of $275M to $325M

BUSINESS DEVELOPMENT PIPELINE

Southern California development opportunity

- Up to 800 MW combined cycle opportunity targeting long term PPA with SDG&E
- RFP is expected in Q1/13 with 2018 COD
- Projected capital cost of $500M to $1B



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BUSINESS DEVELOPMENT PIPELINE

Other areas of focus

Location	Description	Timeframe
BC	Wind development Combined cycle development	2016 to 2021 2015 to 2017
Alberta	Combined cycle / peaking development	2015 to 2021
Sask	Wind development	2014
Ontario	Wind development Combined cycle / peaking development	2017 to 2021 2020 to 2021
US NE	Contracted and merchant acquisitions Combined cycle / peaking development	2012 to 2021 2016 to 2021
US Mid Atlantic	Contracted and merchant acquisitions Combined cycle / peaking development	2012 to 2021 2016 to 2021
US SW	Solar development Combined cycle / peaking development	2014 to 2021 2016 to 2021

2010 Business Development activity

	Acquisition	Development	
	Island Generation	**Quality Wind**	**Port Dover & Nanticoke**
Location	Campbell River, BC	Tumbler Ridge, BC	Norfolk/Haldimand, ON
Fuel Type	Natural Gas CC	Wind	Wind
Size	275 MW	142 MW	105 MW
Costs	$207M	$455M	$340M
COD	2002	Nov/12	Q4/13
Contract & Counterparty	11-year EPA (BC Hydro)	25-year EPA (BC Hydro)	20-year PPA (OPA)
Status	Actual EBITDA has exceeded expectations	Construction in progress. Capital costs are expected to come in less than budget	REA approval expected Q1/12 REA process has delayed COD by 1 year

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Port Dover & Nanticoke update

Prepared to begin construction once REA approval received

- REA submitted Jun/11 - decision expected Q1/12
- Project is ready to commence construction
  - Connection agreement with Hydro One
  - Turbine supply agreement finalized with Vestas
  - EPC contract finalized
- Projected COD has been delayed one year to Q4/13 to allow for an expected appeal of the REA decision
- Project is expected to produce unlevered returns exceeding 10% and to be accretive to earnings

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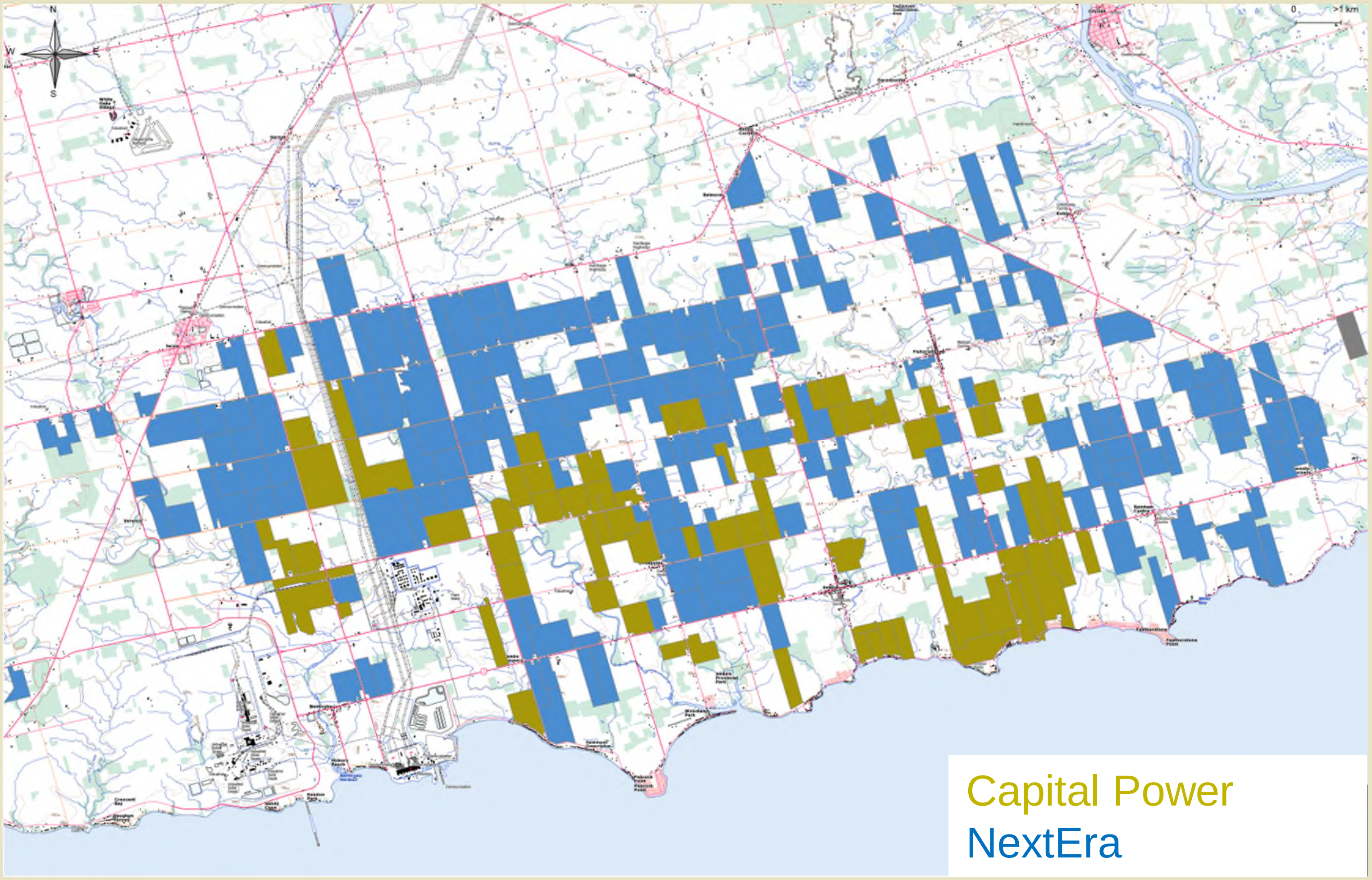
Port Dover & Nanticoke land swap (before)

Swap simplified site layout and leads to lower construction and operating costs



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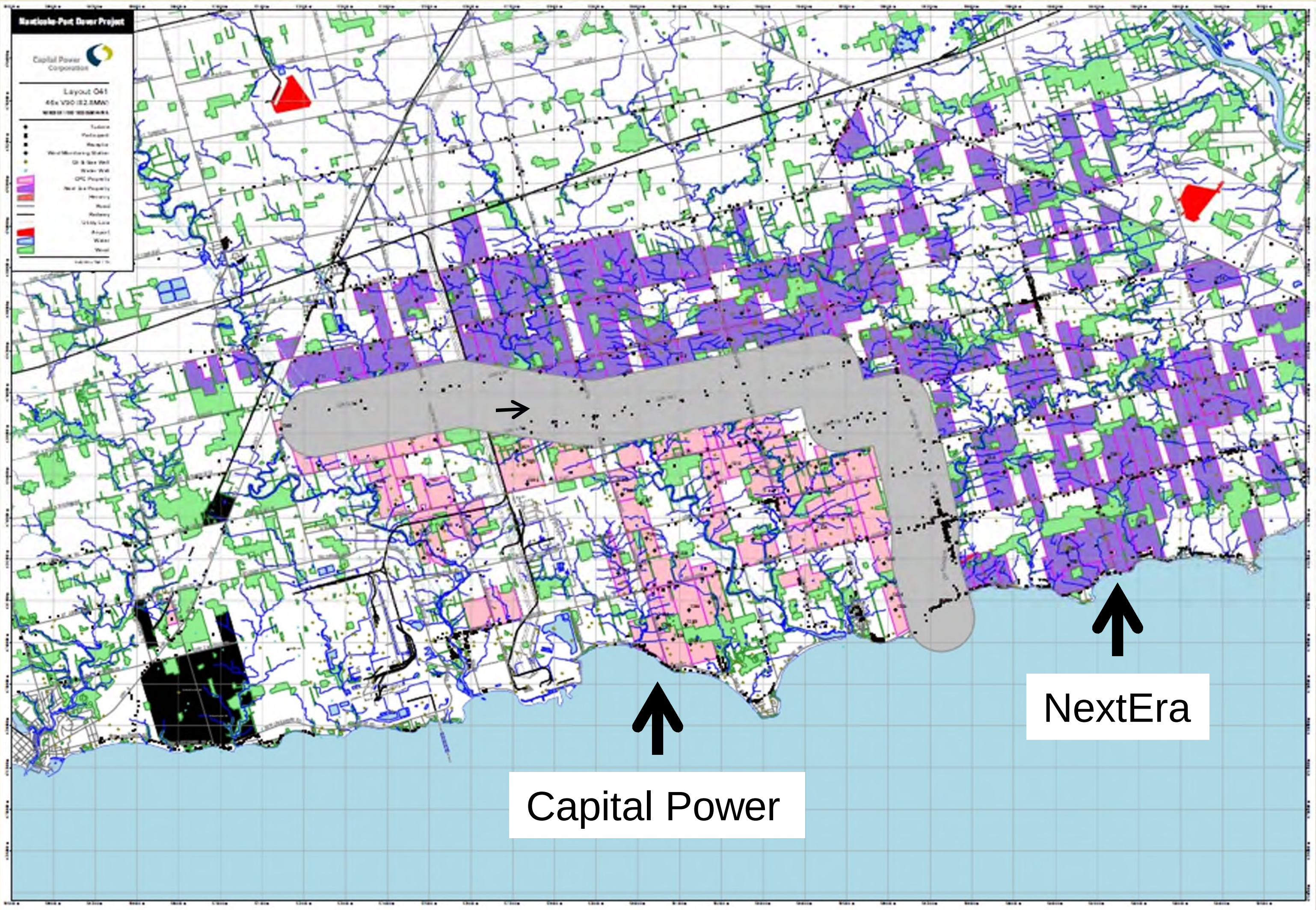
Port Dover & Nanticoke land swap (after)



2011 Growth

	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



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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

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 and Pattern have finalized a limited partnership agreement for the development, construction and operation of K2 Wind Ontario
- 270 MW wind development project located in southwestern Ontario near Capital Power’s Kingsbridge I facility
- 20-year PPA with Ontario Power Authority for $135/MWh
- Expect to submit REA Q1/12; approval of final REA expected in Q4/12
- Construction expected to begin in 2013 with COD in 2014
- Expected capital cost of $880M

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Expected performance of US NE assets

Projected unlevered returns remain above Capital Power's target returns for merchant assets

- Projected EBITDA for 2012 is $51M, which is $19M less than original expectations
  - $8M reduction due to Connecticut Tax
  - $4M reduction due to higher O&M costs
  - $7M reduction due to lower energy margin
- EBITDA is expected to fully recover by 2014
  - Connecticut Tax is scheduled to end July 1, 2013
  - O&M costs are expected to return to original expectations
  - Market spark spreads are expected to recover
- Projected unlevered returns for the assets remain above 11% target for merchant assets

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Creating value through disciplined growth

Development and acquisition activity has been in-line with strategy

- Contracted assets account for 65% of growth on committed capital basis; established hub in US NE with 1,050 MW of generation assets
- Projected unlevered returns range from 9% to 11% with weighted unlevered return of 10.6%, compared to target unlevered returns of 8% for contracted and 11% for merchant. Unlevered return is well in excess of our targets and WACC
- Estimated committed capital of $750M in 2012 for projects that exceed our target returns

Acquisitions to-date are expected to exceed target returns

- Performance of Island Generation has exceeded expectations
- New England assets are expected to recover by 2014, and deliver above target returns

Wind developments expected to be significantly accretive

- Construction and engineering work is expected to result in lower capital costs and accelerated schedules for wind projects
- Four wind projects under development are expected to add ~$0.15/share on an earnings and cash flow basis during the first two years of operations, with associated EBITDA of $150M - $160M

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MANAGING RISK
AND CAPTURING OPPORTUNITY
Portfolio Management

JIM OOSTERBAAN
SENIOR VICE PRESIDENT, OPERATIONS AND COMMODITY PORTFOLIO MANAGEMENT

Market observations

Alberta economy expected to remain strong despite macroeconomic uncertainty and mixed public policy signals

- Low and stable gas prices
- Macroeconomic uncertainty
  - Recovery slower and less robust than previously expected
  - Slow, steady economic and power demand growth
  - Global risks from Europe and China
- Mixed public policy signals
  - Carbon tax/cap & trade not on radar
  - EPA regulations will drive retirements, timing and impact uncertainty
- Canada, Alberta economic growth more robust than US

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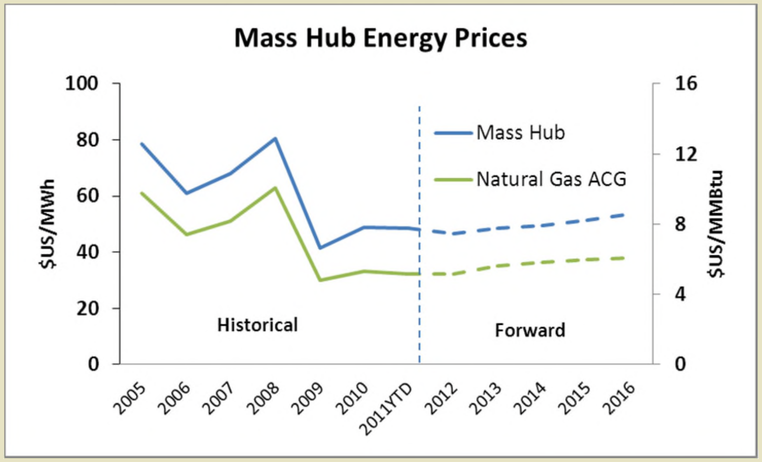
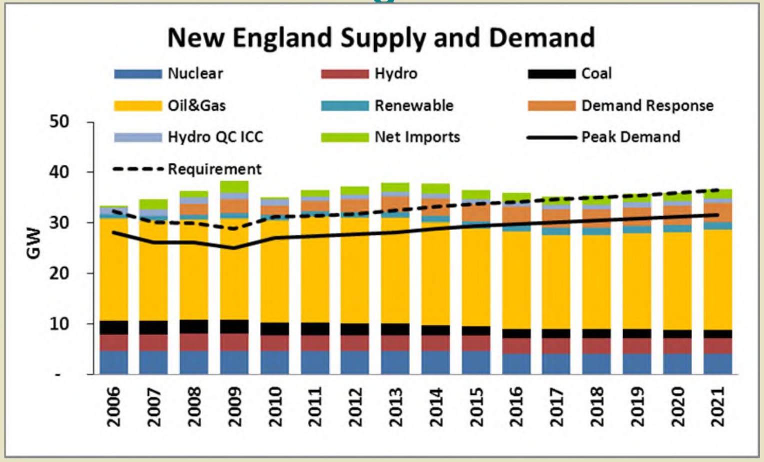
New England market

Attractive long term supply dynamics

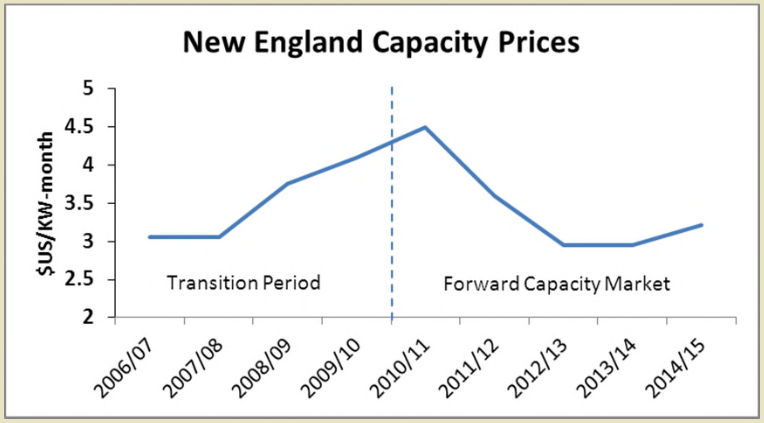
Energy prices track natural gas



Demand continuing to recover



Capacity prices expected to remain soft until market balance is restored



- Capacity surplus could disappear as early as 2016 but more likely by 2019
- Planned closures and environmental regs expected to trigger 3.5 GW of coal & oil-fired steam turbine retirements by 2020
- VT Yankee likely to retire in this period
- Renewable targets of additional ~13,000 GWh unlikely to be met
- Quebec is expected to increase exports to New England, displacing imports from NY and the Maritimes
- Forward capacity market rule changes expected, could accelerate retirements

Source: ISO-NE and CPC Estimates

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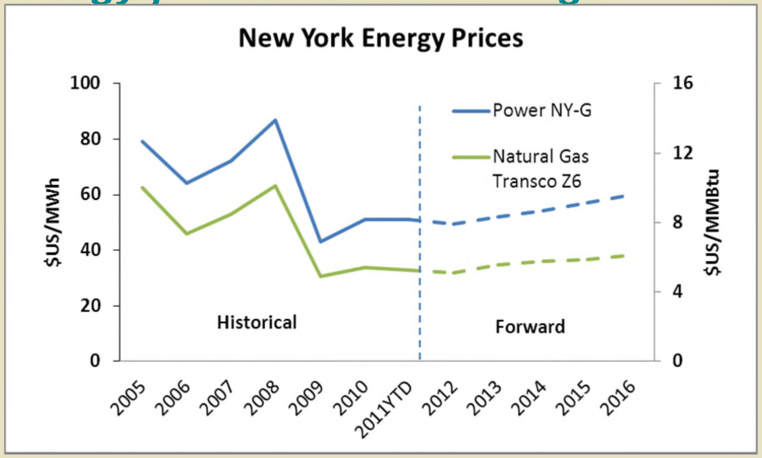
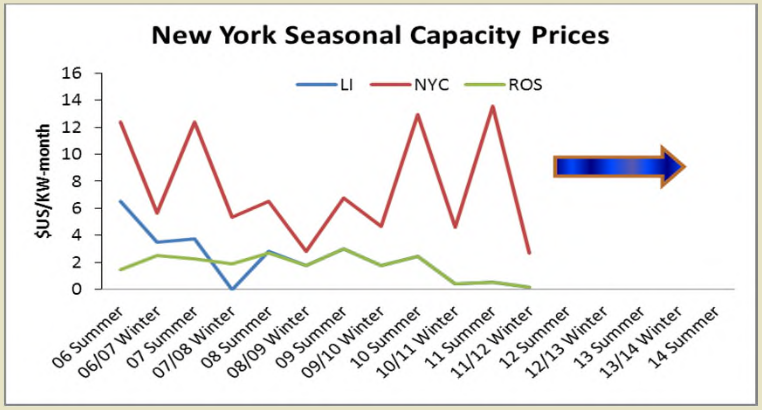
New York market

Environmental issues creating opportunities

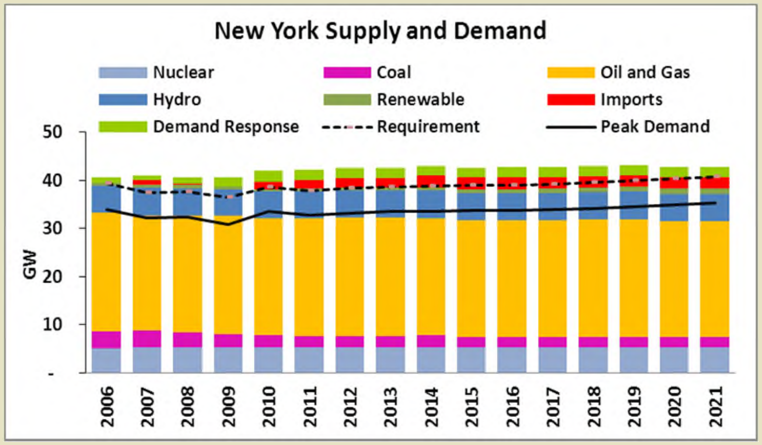
Energy prices track natural gas



Capacity prices expected to remain weak in near term



Supply growth outpacing demand



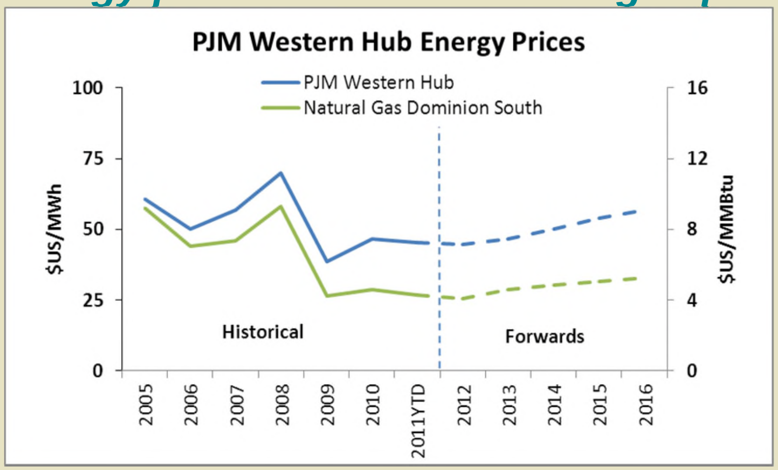
- Capacity surplus due to weak demand, new in-region capacity and recent growth in demand resources that will take time to be absorbed by the market
- The state Energy Plan increases RPS to 30% by 2015 but is unlikely to be met
- Planned closures and environmental regulations are expected to trigger ~1.2 GW of coal and oil/gas steam turbine retirements by 2015
- LIPA is expected to replace/re-power a considerable portion of its generation fleet by 2020

Source: NYISO and CPC Estimates

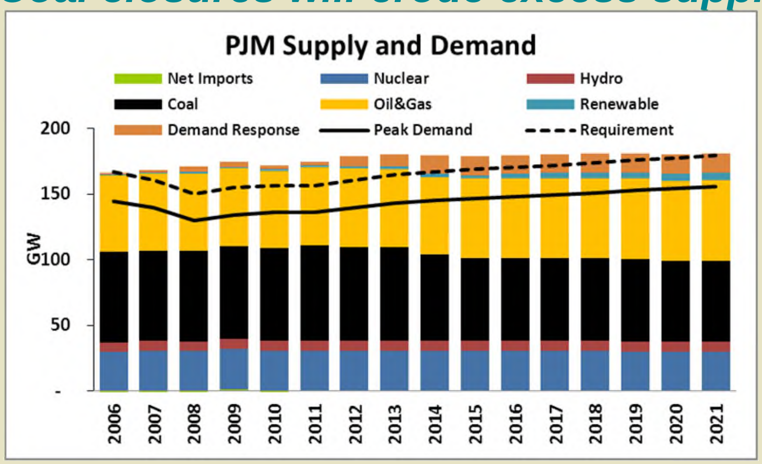
PJM (Mid-Atlantic) market

Coal-heavy market vulnerable to EPA regulations

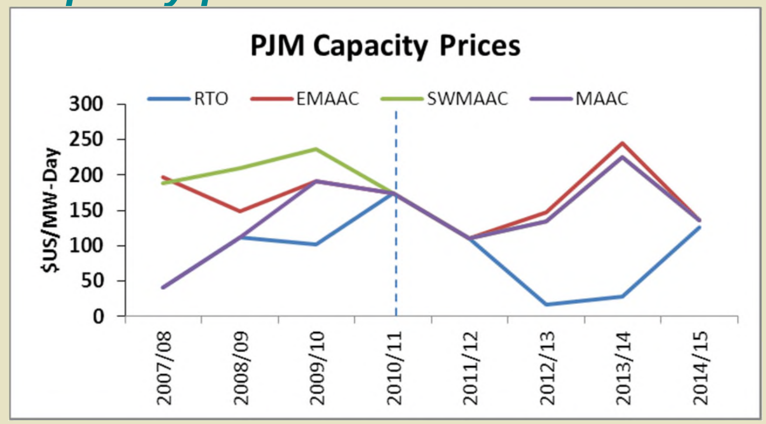
Energy prices tied to coal and gas prices



Coal closures will erode excess supply



Capacity prices volatile



- Capacity surplus due to weak demand, new in-region capacity and recent growth in demand resources.
- EPA regulations could lead to 20 GW of retirements by 2020. Planned coal closures already total 10 GW.
- Coal retirements will create opportunities for gas, especially in the more constrained MAAC region.
- State RFPs pose opportunity but are creating uncertainty in the market.
- Capacity price convergence in 2014/15 due to lower load forecast, increased transmission, planned retirements in west PJM and expected environmental retrofit costs.

Source: PJM and CPC Estimates

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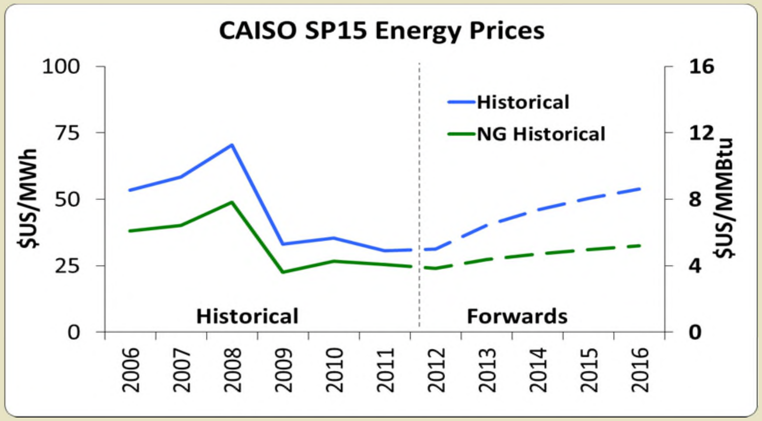
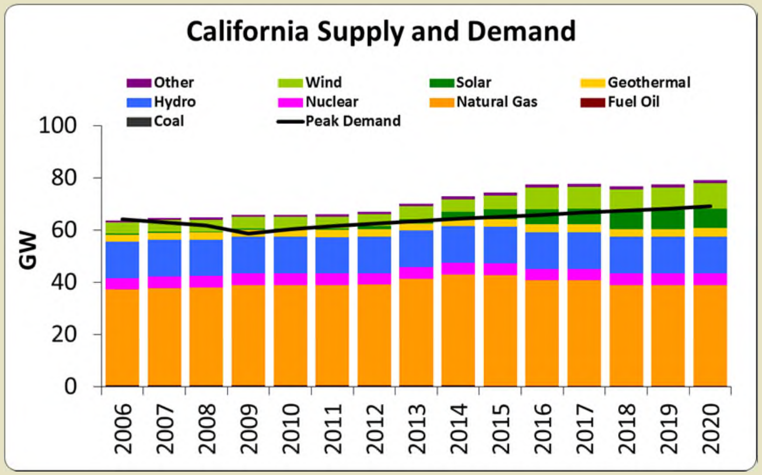
California market

Transmission builds key to meeting the 33% RPS

Energy impacted by carbon pricing in 2013



Renewable builds to meet 33% RPS



- Renewable Portfolio Standards (RPS) will be the key driver of new builds in California
  - Expected to move to 33% by 2020
  - Transmission constraints may cause delay
- California to implement Western Climate Initiative (WCI) Cap & Trade by 2013
- ~16 GW of Once-Through-Cooling capacity is at risk of shutting down between 2011-22
- Continued uncertainty as to whether California will move towards market-based capacity procurement

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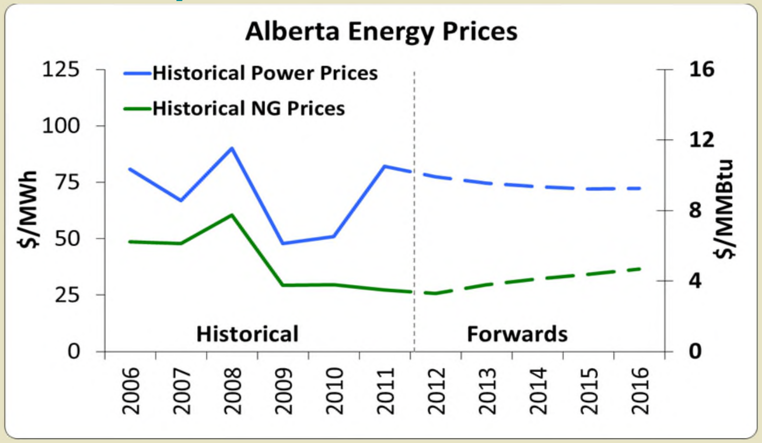
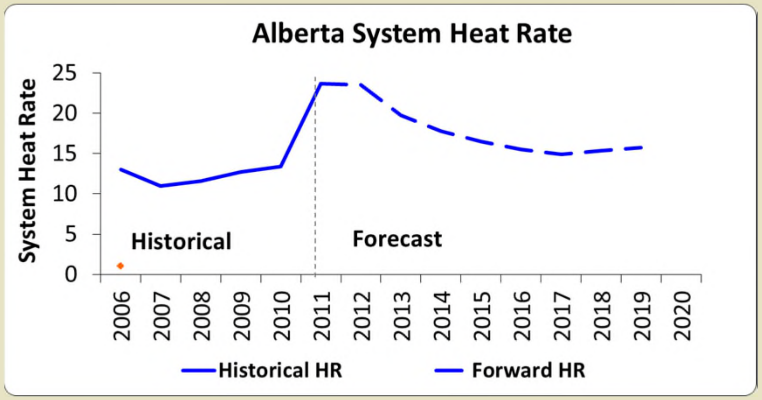
Alberta market

Positive long term supply dynamics

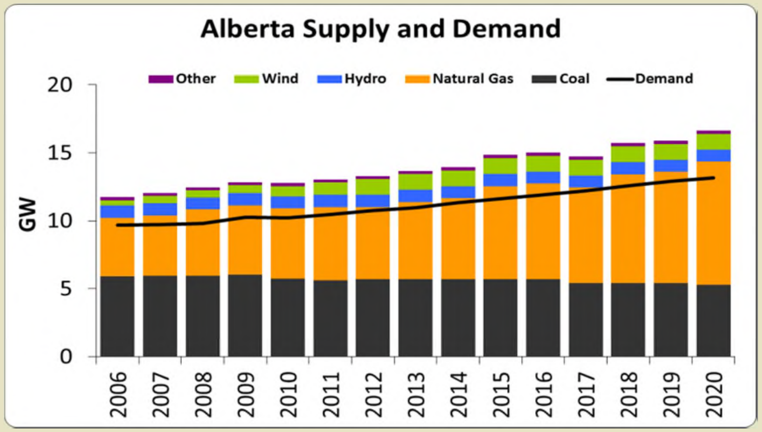
Forward prices have risen to mid-$70s



System rates declining but above historical levels



Declining coal generation starts 2018



- Portfolio bidding keeping prices and system heat rates high
- Alberta expected to grow at above-national average rates due to the impact of oil sands activity
- Capital Stock Turnover expected to drive major coal retirements with upward impact on prices 2015 onwards
- As coal retires, natural gas generation will be increasingly on the margin

Source: Internal Forecasts

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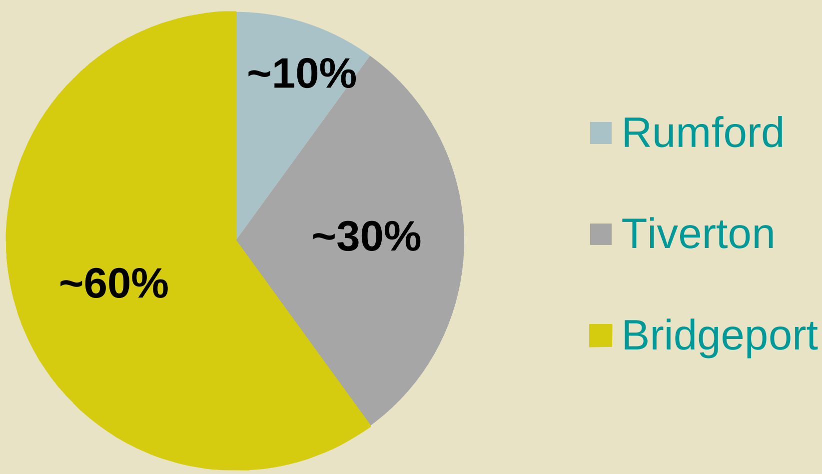
Portfolio optimization

Northeast ISONE market position update

2012	2013	2014
Hedged Energy Positions - % Contracted		
~50%	~50%	0%

2012 Northeast Portfolio Production



- Relatively young and highly efficient combined cycle generation allows for favorable generation profile
- Market liquidity allows for active position management and exploring short and long-term position management through 2015
- Expanding focus on origination and structure products

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Portfolio optimization

Successful integration and asset operations

- During Q3/11: Seamless Takeover of Energy Management and Operations

Front Office	Forward Power, Capacity, Fuel and Emissions Optimization Strategies and Execution / Energy and Ancillary Market Generation Offers / Fuel Procurement and Scheduling / Origination / Daily Communication with Plant Operations
Middle Office	Counterparty, Credit Management / Risk Monitoring
Back Office	Settlements / Reporting

- Internal Energy Management Capabilities negate $3 to $5M/Year in Management Fees
- Optimization and Trading is expected to yield supplemental merchant value in the Northeast
- ***Fundamentally different market than Alberta:***

	AESO	ISONE
Power Market Volatility	High	Low
Complexity	Low	High
Market Share / Price Impact	High	Low
Competition / Liquidity	Moderate	High

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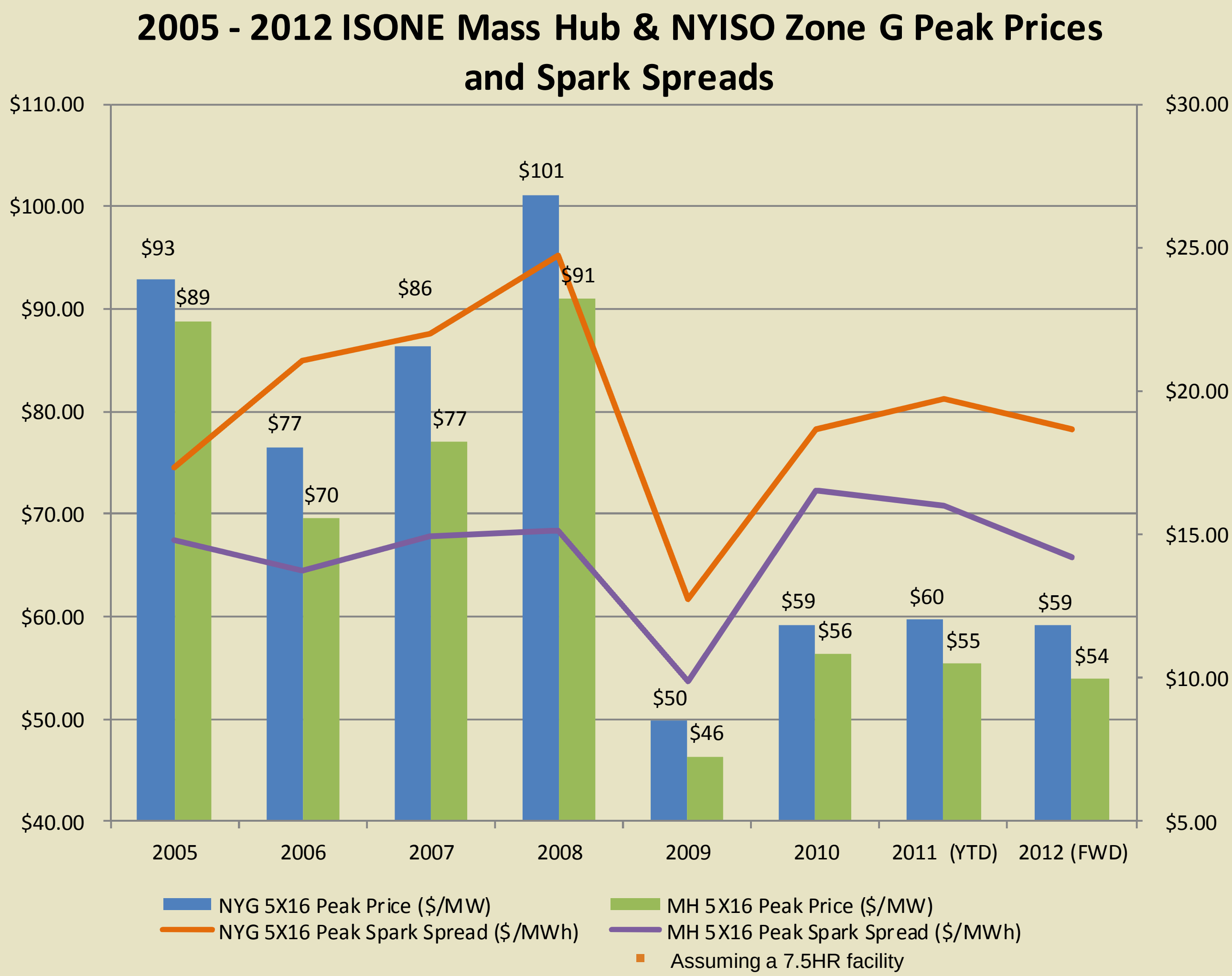
Market commentary

Spark spread values to maintain a premium



On a weather normalized basis, Northeast regional natural gas prices to remain at a discount due to increased shale production and pipeline deliverability

Power prices are downwardly sticky due to generation having to recover operating costs and maintain margin

Spark spreads tend to expand in a low-natural gas price environments

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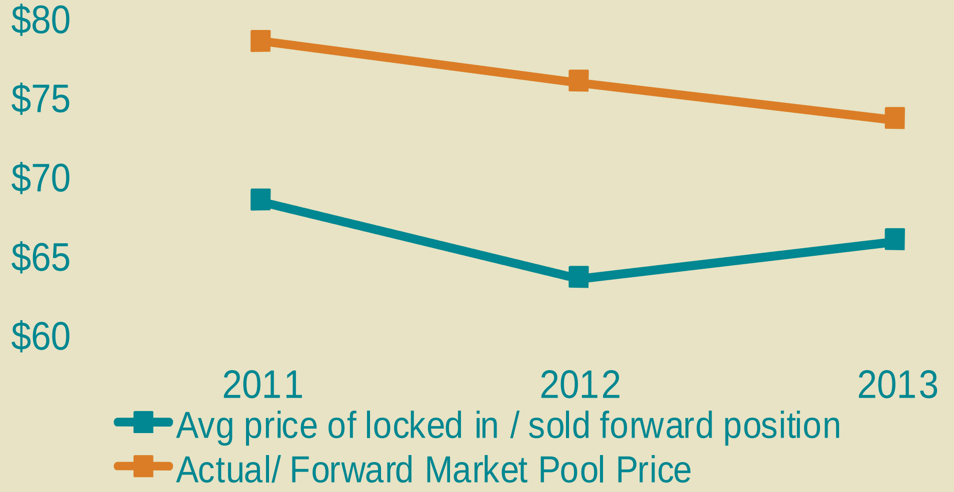
Managing Alberta market exposures

Portfolio positioned to continue to capture upside in the AB power market

- Baseload generation decreasingly offset by supply obligations
- Prior to the 2008 recession CPC regularly forward hedged but since has not sold forward material amounts
- Peaking capacity allows for value extraction in times of upward price volatility

	2011	2012	2013
Hedged Positions - % contracted on total AB portfolio			
	~90%	**~40%**	**~15%**
Contracted Price			
	High-$60/MWh	**Mid-$60/MWh**	**Mid-$60/MWh**

Portfolio Optimization



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Alberta market updates

Stronger 2011 prices reflect tighter reserve margins, growing demand and a market structure that is working

Market changes include:

- Sundance 1 & 2 have now been offline close to 1-year; expectation is that they will remain off
- Keephills 3 came online in Q3/11, adding 450 MW of baseload generation

Expected future generation additions include:

- Shepard in mid-2015, adding 800 MW of natural gas generation
- Halkirk in 2012, adding 150 MW of wind generation

Forward expectations include:

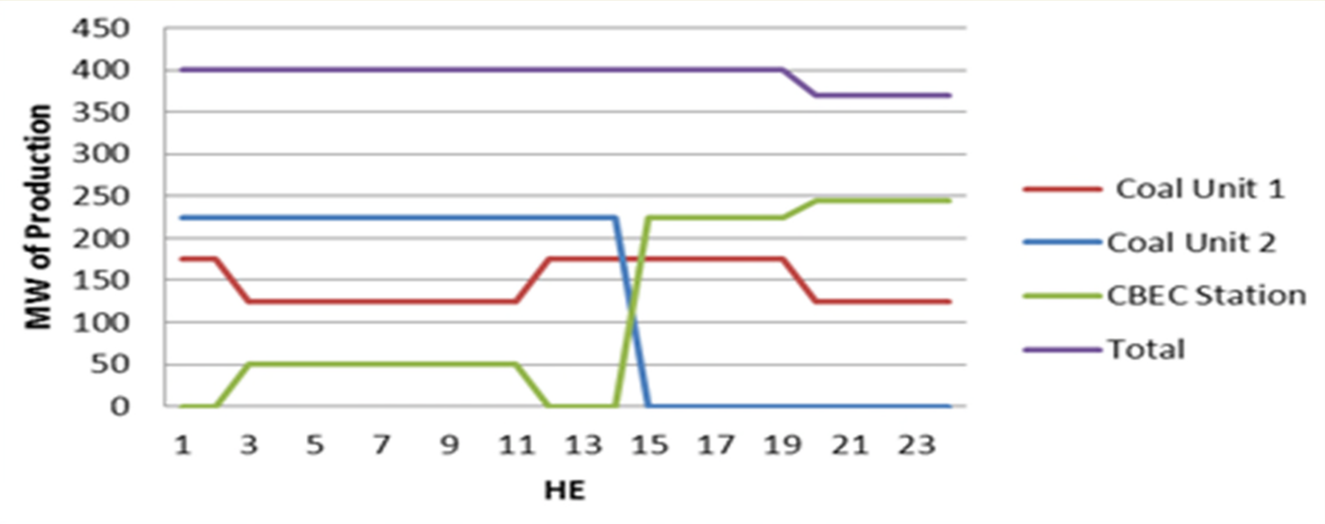
- Continuing periods of price volatility
- Existing market structure continues

MANAGING THE PORTFOLIO – ILLUSTRATIVE EXAMPLE

Clover Bar and Capital Power's portfolio

Capital Power's Clover Bar units can be used to back outages and derates to the Company's coal-fired fleet

Illustrative example



In this example, Coal Unit 1 (175 MW) experiences two instances of derates of 50 MW and Coal Unit 2 (225 MW) experiences an outage

- In this example, Clover Bar is used to offset the derates and outage, and Capital Power's net portfolio position changes by only 30 MW
- Clover Bar has been used effectively to balance Capital Power's Alberta portfolio since the Genesee 3 outage

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Approach and governance

Capital Power centrally manages commodity risk on a portfolio approach

- CPC's commodity risk is comprised of expected positions from generation assets, customer transactions and wholesale trades
- Trade-offs and impacts exist between Commodity Risk, Credit Risk and Operational Risk
- Risks are managed through People, Processes and Systems
- Segregation of accountabilities across Front, Middle and Back Office areas
- Control framework integrated within CPC's Commodity Risk Policy, Procedures and Guidelines
- Policy is owned and approved by the Board, Procedures by Executive Team, and Guidelines by business areas

COMMODITY RISK MANAGEMENT

Framework, Limits, Measurement & Reporting

- Policy establishes framework for determining Commodity Risk Limits (CRL) based on ability and willingness to take risk
  - Ability – pro-forma financial projections quantify total cash flows available for risk
  - Willingness - % of total cash flow available for risk apportioned for commodity risk
- Commodity Risk (CR) measured within a centralized Energy Trading and Risk Management (ETRM) system utilizing Value At Risk (VAR) based approaches, including closed form analytical and scenario based approaches.
- Scenarios provide stress testing to estimate maximum loss under abnormal market conditions.
- Back testing is conducted to recalibrate VAR parameters to address model risk and ensure relevance

COMMODITY RISK MANAGEMENT

Additional information

- Policy based limits supplemented by Management Limits in Procedures and Guidelines that address Concentration and Stop Loss levels
- New commodities, markets, instruments and other changes within Front, Middle or Back Office areas are subject to review and approval by all stakeholder groups
- Commodity Risk Management (CRM) group provides:
  - Daily monitoring of transactions
  - Daily reporting against commodity risk measures
  - Regular stress testing and scenario analysis
  - Regular compliance and exception reporting
  - Validation of all valuation & risk measurement models
- Other groups also have a compliance and monitoring role; including Credit, Legal, Finance, CSOX, Internal Audit and External Auditors

Processes, systems and analytics

New ETRM system expected to go live Q3/12, providing a platform for more sophisticated portfolio optimization

- Robust processes, systems and analytics are critical infrastructure components that support the management and optimization of CPC's commodity portfolio
- CPC is currently implementing a new ETRM system that
  - Is a multi-million dollar project with a go live date in Q3/12
  - Provides integrated end-to-end support for the management of power, generation fuels and emissions portfolio management and optimization
  - Support more sophisticated products, bring operational efficiencies and enable CPC to scale its business without a proportionate scaling of support costs
- CPC employs an analytical approach to portfolio management and trading, and has invested in several other systems and analytical tools to provide decision support

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GROWING CASH FLOWS AND SHAREHOLDER VALUE

Finance Overview

STUART LEE
SENIOR VICE PRESIDENT AND CFO

Financial strategy

Maintain ongoing access to cost competitive capital to fund sustainable growth throughout business cycle

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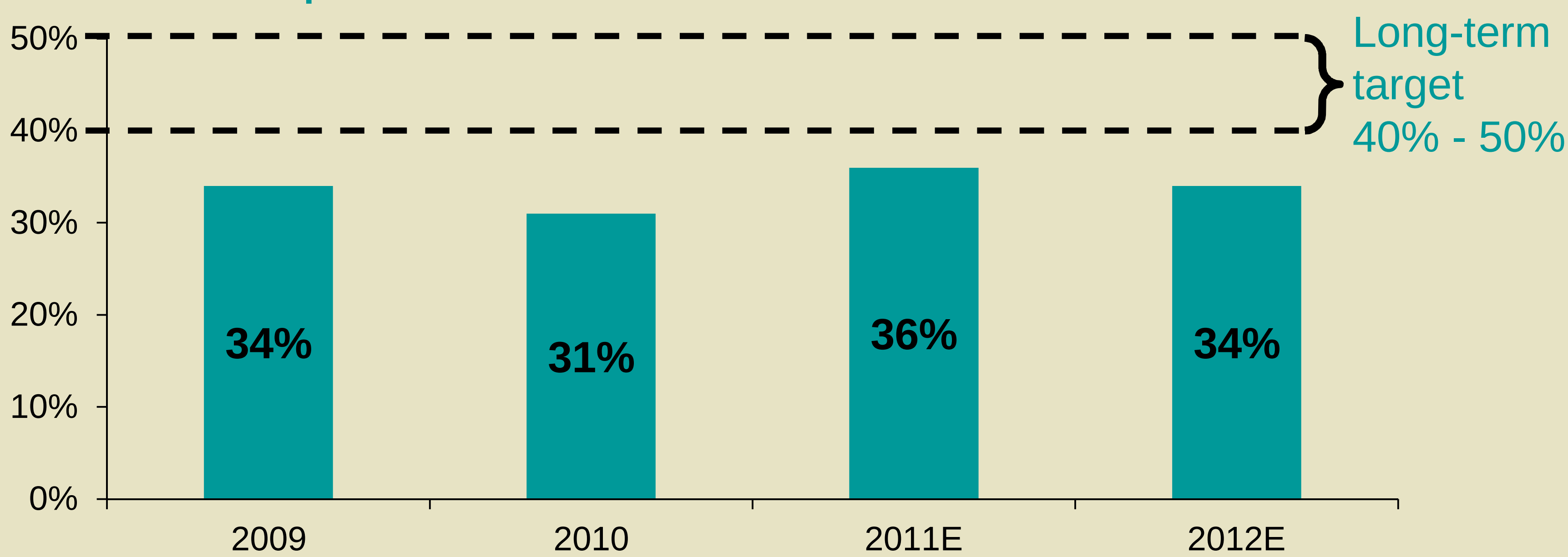
Financial strength and access to capital

Strong balance sheet: debt ratios remains below long-term target zone

- Assets of ~$4.7B with ~$1.6B of long-term debt
- CPLP has $1.2B in credit facilities, of which ~$1.0B available

Debt to Total Capitalization[1]



(1) CPILP accounted for on an equity basis.

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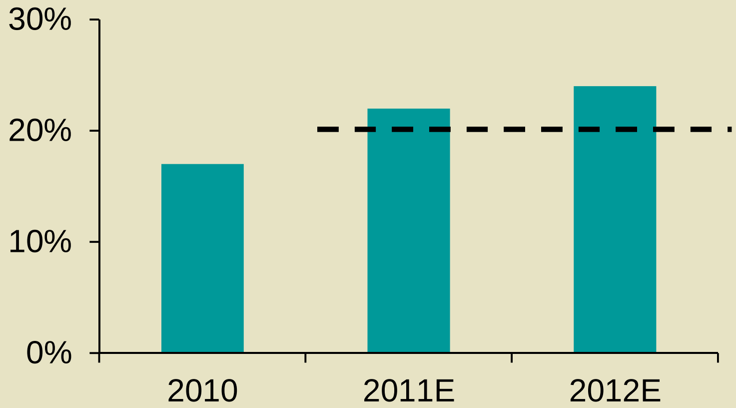
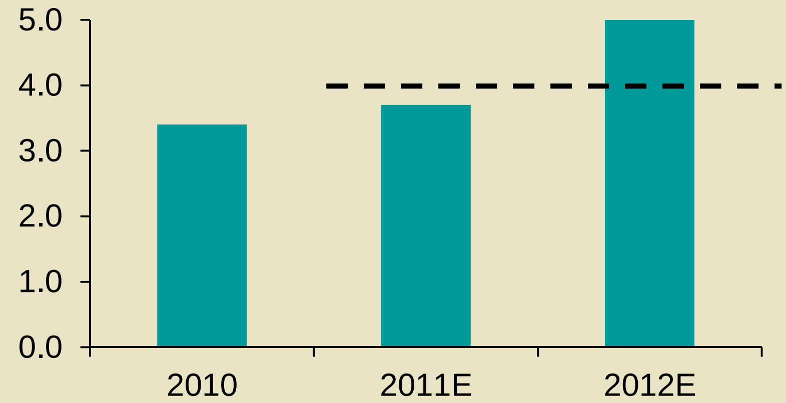
Credit rating agency metrics[1]

Expect to meet DBRS financial criteria in 2012

Cash flow/Debt

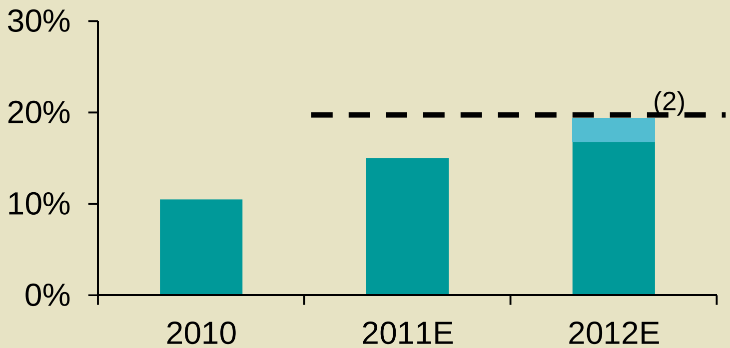


EBITDA/Interest coverage

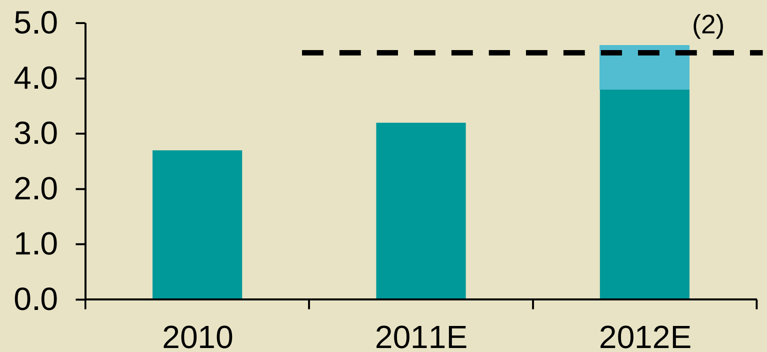


On track to meet S&P financial criteria by 2012 - 2013

AFFO/Adj. Debt



AFFO/ Adj. interest



(1) Capital Power Income L.P. accounted for on an equity basis. See Non-IFRS Financial Measures, p 121-124
(2) The light blue bar indicates the range of the ratio based on the final determination of S&P adjustments

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Successful capital markets financings

~$1.9B raised from capital markets since Nov/10

36.9 million common shares added to public float

- Two primary equity offerings of $463M
  - Mar/11, 9.3 M shares, ~$232M gross proceeds to CPC
  - July/11, 9.2 M shares, ~$231M gross proceeds to CPC
- Two secondary offering of common shares by EPCOR of $445M
  - Dec/10, 9.2 M shares, ~$221M gross proceeds to EPCOR
  - Nov/11, 9.2 M shares, ~$224M gross proceeds to EPCOR

First issue of preferred shares by CPC

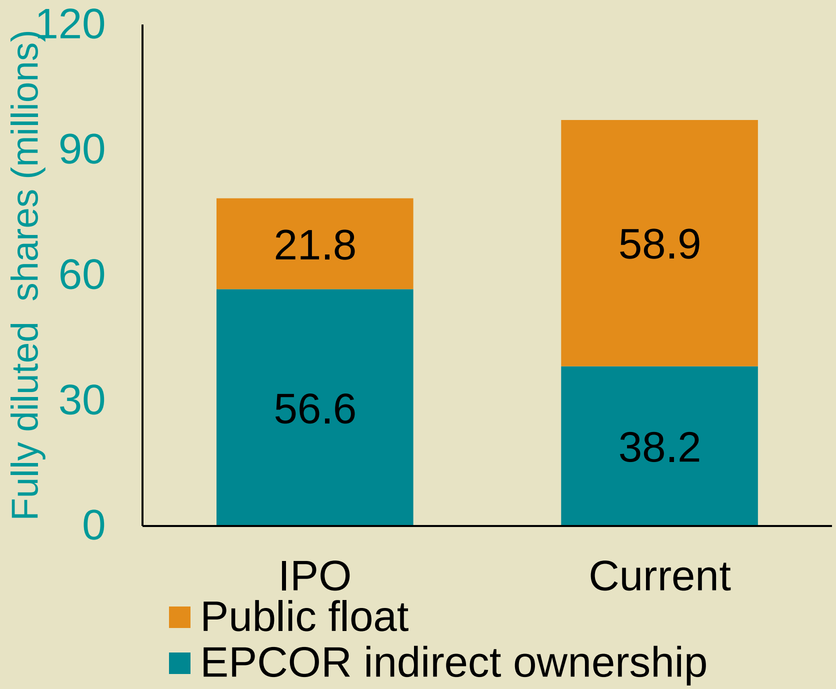
- Preferred share offering
  - Dec/10, 5.0 M shares, $125M gross proceeds

$900 million in successful debt offerings at competitive yields

- Nov/10, $300M MTN
- Apr/11, $300M MTN
- Jun/11, US$295M private placement of senior notes

INCREASING OPPORTUNITIES FOR INVESTOR PARTICIPATION

Increased public float & improved liquidity



Full year 2012 trading expected to improve based on 2011 equity offerings and 2012 DRIP launch

2.7x increase in volume of public float shares since IPO

- Fully diluted market cap ~$2.4B[1]
- Public float rises from 28% to 61% of fully diluted shares
- EPCOR indirect interest now 39%
- Public float share volume increases 2.7x, from 21.8M to 58.9M shares
- Trading volume 2011 YTD double 2010 levels (now ~140K/day)

CPX added to S&P/TSX Composite Index in June 2011

- Continue to broaden base of institutional holders

(1) As of Dec 2/11

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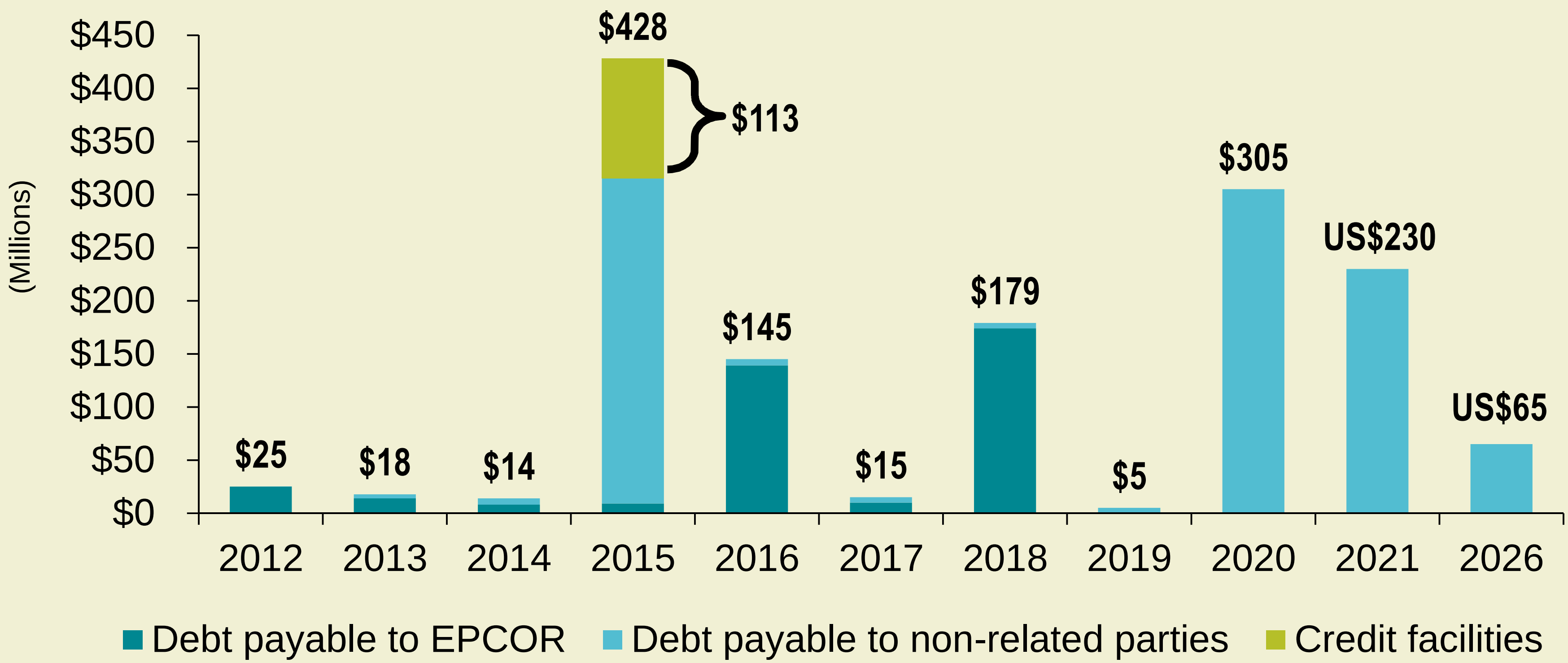
Debt maturity schedule(1)

- Well spread-out debt maturities are supported by long asset lives
- Successfully extended term on credit facilities debt from 3 to 4 years rolling

Debt maturity schedule(1)



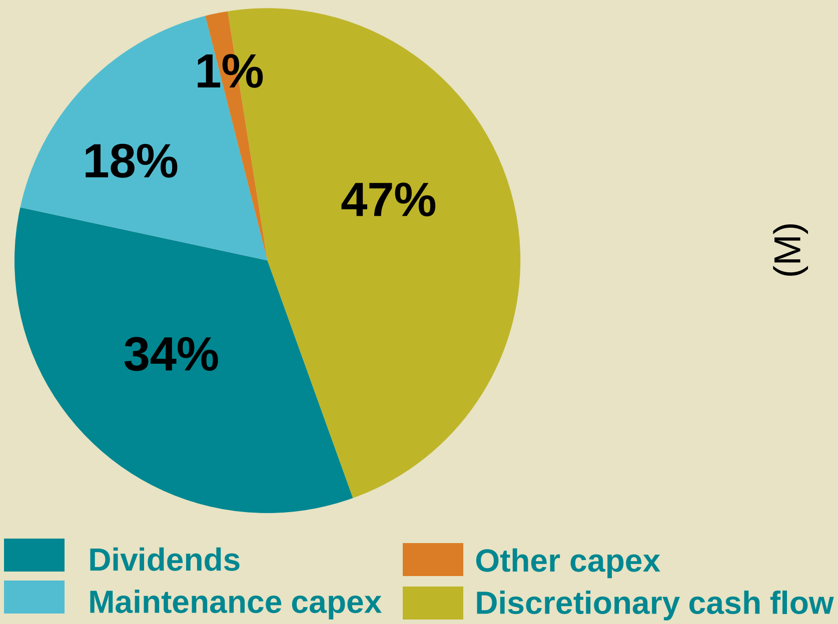
(1) All figures as of Nov 30/11

Strong cash flow generation

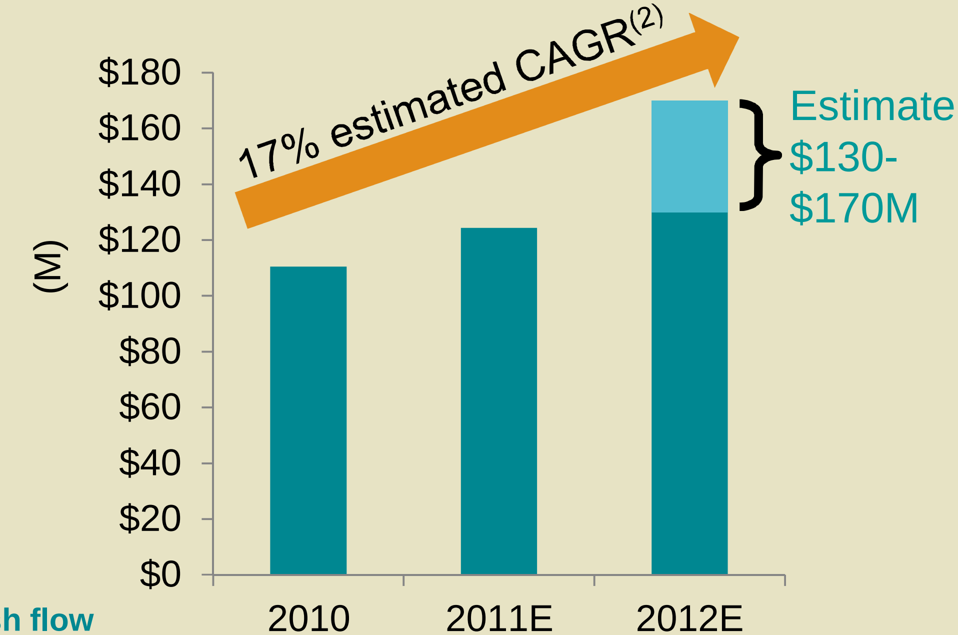
Generating significant discretionary cash flow net of dividends and maintenance capex

- Discretionary cash flow represents 47% of Funds from operations(1)
- Wind projects will add $140-$160M of EBITDA in 2014

12 month trailing FFO of $322M(1)



Discretionary cash flow(1)



(1) Based on 12 month trailing FFO (excluding non-controlling interest in CPILP) ending Sep 30/11. See Non-IFRS Financial Measures, p 121-124
(2) Estimated 2-year compound annual growth rate calculated using 2010 actual and mid-point of 2012 estimated range

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CAPITAL PLAN OVERVIEW

Development project capital expenditures

($M)	Prior to 2011	2011E	2012E	2013E	Project Total
Keephills 3	$892	$63	-	-	**$955**
Halkirk	-	$187	$170	-	**$357**
Quality Wind	$23	$133	$299	-	**$455**
Port Dover Nanticoke	$23	$46	$52	$219	**$340**
K2 Wind Ontario	-	-	$46	-	**$46**(1)
Total growth capex		**$429**	**$567**	**$219**	

All projects continue to exceed targeted returns; expect further upside if project costs are below budget

(1) Balance of proceeds from project financing and partners

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CAPITAL PLAN OVERVIEW

Sustaining capital expenditures

($M)	2011E	2012E
Plant maintenance capex		
• Genesee	$34	$50
• Other plants	$11	$36
Other	$27	$22
Total sustaining capex	$72	$108
Genesee land expense	$15	$18

- 2012 Genesee turnarounds include units 2 and 3
- Other Canadian plants $19M, US plants $17M, IT $21M for 2012E

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Cash flow and financing outlook

In 2012, no primary common share equity issuance expected other than DRIP, absent an acquisition

- Development project financing expected to be funded through MTN and preferred share issues

Sources of cash flow ($M)	2010	2011E	2012E
Funds from operations(2)	$257	$337	$380-$420
Financing	$542	$1,053	$350
Proceeds from sale of assets	$64	$148	$110
Distributions from CPILP	$29	$24	
Uses of cash flow			
Dividends & distributions to NCI	$101	$107	$111
Acquisitions	$205	$643	
PP&E and other expenditures	$281	$516	$693
Repayment of LTD	$246	$387	$27
Change in cash	**$59**	**($91)**	**$9 - $49**

(1) Six months ended Dec 31/09, results have been prepared in accordance with previous CGAAP
(2) Capital Power Income L.P. accounted for on an equity basis

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Alberta portfolio hedges and sensitivity

Well positioned to capture upside from rising power prices

- Alberta (baseload plants & PPA) hedged positions as of Nov 30/11

	2012	2013	2014
Hedged positions (% hedged)			
	~50%	~20%	~5%
Average hedged prices			
	Mid-$60/MWh	Mid-$60/MWh	Low-$60/MWh

- Sensitivity analysis to +/- $5/MWh change in Alberta power prices
  - 2012: +/- $19M to EBITDA
  - 2013: +/- $26M to EBITDA
  - 2014: +/- $29M to EBITDA

New England power price sensitivities

- Sensitivity analysis to +$2.50 and -$2.50 MWh change in New England spark spreads
  - 2012: +$7M and -$6M to EBITDA
  - 2013: +$7M and -$6M to EBITDA
  - 2014: +$15M and -$13M to EBITDA
- Capacity payments represent ~40% to 45% of expected EBITDA until 2014
- Although New England facilities are merchant, expect less financial volatility with locked-in capacity payments

Expect market fundamentals in the Eastern region will normalize in future years, which will have a positive impact on the New England plants

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Financial outlook – 2012 vs. 2011

Expect year-over-year increase in capacity and production from existing assets

- Full year of operations from Keephills 3 facility versus 4 months in 2011
- Full year operations from three US Northeast facilities versus 8 months in 2011
- Full year of the North Carolina plants versus 2 months in 2011
- Partly offset by two scheduled outages at Genesee (at units 2 and 3) versus one scheduled outage (at Genesee 1) in 2011
- Partly offset by divestiture of CPILP with ~10 months of earnings in 2011

Additional wind capacity expected to come online in 2012

- Expected COD for Quality Wind Q4/12, Halkirk in Q4/12

Well positioned to capture Alberta power price upside

- 50% of the Alberta Commercial Portfolio sold forward in 2012 at the mid-$60/MWh compared to 65% in 2011

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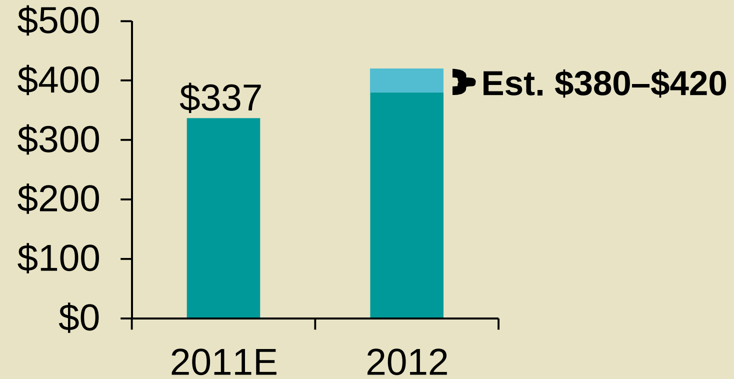
Financial targets reflect organic growth[1]

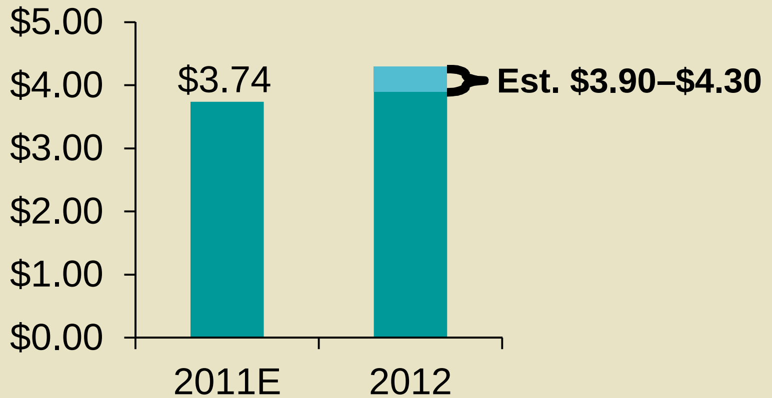
At an Alberta power price of $74/MWh, targeting normalized EPS to rise to $1.50 - $1.70, and CFPS to rise to $3.90 - $4.30

Normalized EPS targets

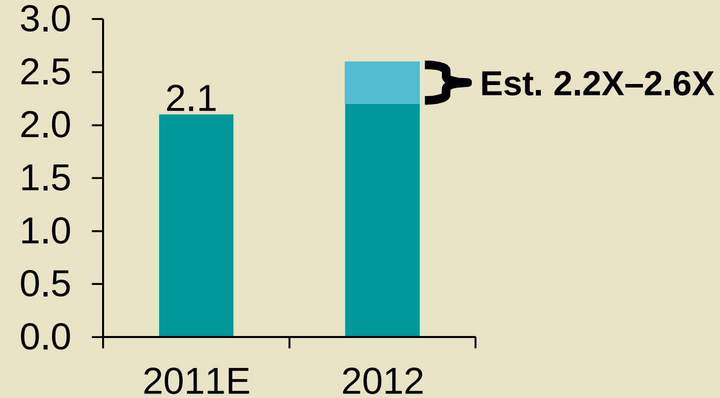
Funds from operations targets ($M)



Cash flow per share targets



Dividend coverage ratio targets



(1) All financial measures are non-IFRS measures. See Non-IFRS Financial Measures, p 121-124

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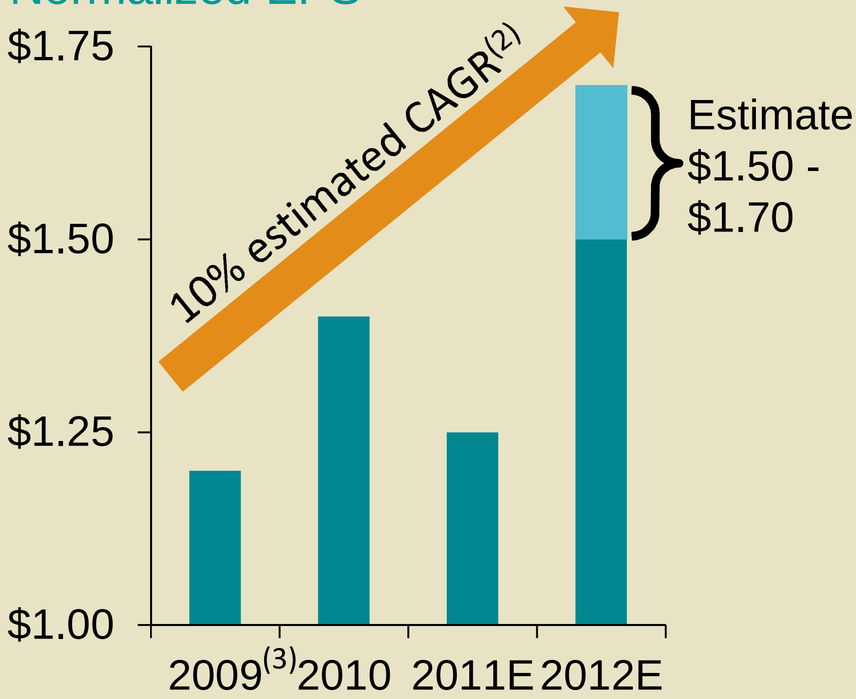
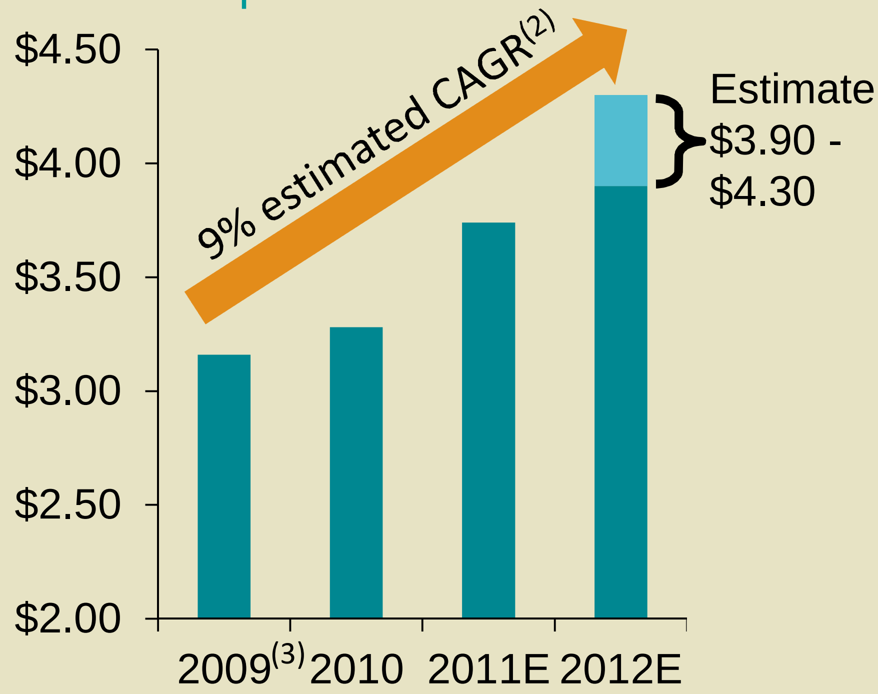
Financial performance and outlook

Cash flow per share is visible, substantial and growing

Normalized EPS[1]



Cash flow per share[1]



(1) See Non-IFRS Financial Measures, p 121-124
(2) Estimated 3-year compound annual growth rate calculated using 2009 annualized and mid-point of 2012 estimated range
(3) 2009 results annualized results have been prepared in accordance with previous CGAAP

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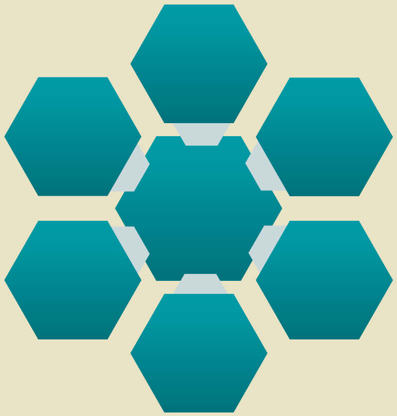
Delivering on financial strategy



Capital Power remains committed to the financial strategy established at the IPO

- Maintained strong balance sheet with relatively conservative long term debt to total capitalization ratio of 40-50%
- Committed to maintaining investment grade credit rating

Strengthening performance, outlook and opportunity

- Successful financings of $1.9B since IPO
- Cash flow per share is visible, substantial and growing
  - Significant generator of CFPS accretion in 2012-14, as organic growth projects and recent acquisitions add production to the fleet
  - Improving discretionary cash flow to support growth plans
- Expected 10% CAGR for Normalized EPS from IPO to 2012E
- External reporting simplified following divestiture of CPILP

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Capital Power Corporation
FOCUSED ON THE FUTURE
2012 Corporate Priorities
BRIAN VAASJO
PRESIDENT AND CEO

Delivering on Capital Power's strategy

We've built Capital Power's business based on the strategy set out at the IPO

Capital Power's strategy positions us to deliver superior relative total return for shareholders

We continue to openly communicate the priorities and targets we set to deliver on the strategy

Operational excellence	Financial stability and strength
Strategy	
Shareholder value	Disciplined growth

To demonstrate how Capital Power is delivering on its strategy, we will publicly report progress towards the following targets on a quarterly basis…

2012 Corporate priorities

Priority: **Deliver strong operational performance from a young, well-maintained generation fleet**

Operational Targets

≥ 91%	CPC capacity-weighted plant availability (reflects two planned turnarounds at Genesee in 2012)
≤ $108M	Maintenance capital (plant maintenance capex and Other)
$215M to $235M	Maintenance and operating expenses

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2012 Corporate priorities (cont'd)

Priority: **Enhance value for shareholders by delivering accretive growth from current developments and identifying and committing to new opportunities that meet CPC's investment criteria**

Development and Construction Targets

On-time, on-budget and safe development of committed projects	Halkirk Wind (COD Q4/12 @ $357M)
	Quality Wind (COD Q4/12 @ $455M)
	Port Dover & Nanticoke wind project (Full notice to proceed in 2012)
	K2 Ontario Wind project (Full notice to proceed in 2012)

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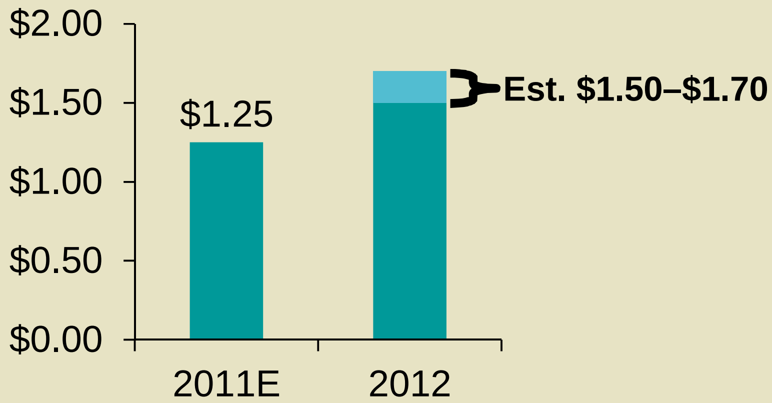
2012 Corporate priorities (cont'd)

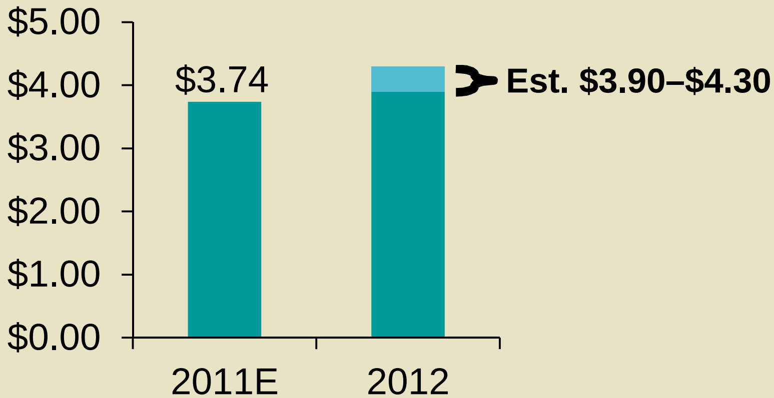
Priority: **Deliver substantial growth in cash flow and normalized earnings per share**

Normalized EPS targets

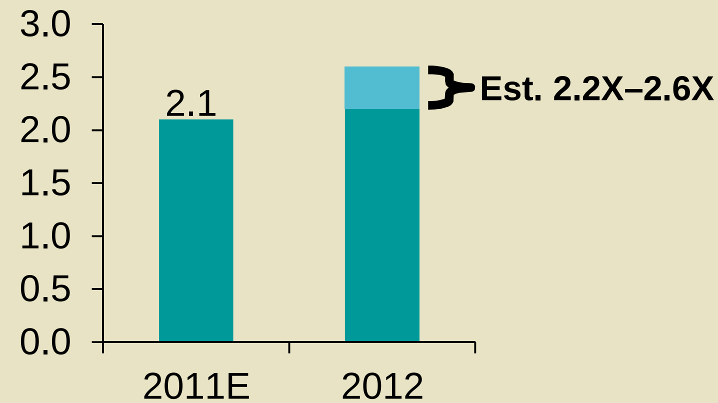


Funds from operations targets ($M)

Cash flow per share targets



Dividend coverage ratio targets



(1) All financial measures are non-IFRS measures. See Non-IFRS Financial Measures, p 121-124

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Responding to Investor Observations

Doubled liquidity

- Liquidity at IPO a challenge.
- Reduced EPCOR interest to 39%
- “Seasoning“

Growth

- Misinterpretation of growth estimates
- Concern over rapid growth execution

Results

- Complexity of results with structure.
- Commodity management viewed on a quarterly basis

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Summary

Capital Power seeks to deliver Total Shareholder Return that exceeds the median of peer group, by executing on its disciplined strategy

Capital Power is delivering on its strategy

- Aligned Capital Power's fleet with the strategy through CPILP divestiture, committed to accretive opportunities, and commissioned Keephills 3

Capital Power is consistently achieving strong operations safety and production performance

- Historical plant availability averaging 93%; top quartile safety record

Capital Power's cash flow per share is visible, substantial and growing

- The company is going to be a significant generator CFPS growth in 2012-14, as organic growth projects and recent acquisitions add production to the fleet

Capital Power is focused delivering shareholder value

- Demonstrated ability to access capital markets and increase trading liquidity
- Focused on creating shareholder value by delivering on operations, construction and financial targets for 2012

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QUESTIONS

Non-IFRS financial measures

The Company uses (i) funds from operations, (ii) funds from operations excluding non-controlling interests in CPILP, (iii) cash flow per share, (iv) dividend coverage ratio as financial performance measures, (v) normalized earnings attributable to common shareholders, and (vi) normalized earnings per share. These terms are not defined financial measures according to IFRS and do not have standardized meanings prescribed by IFRS, and therefore may not be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Rather, these measures are provided to complement IFRS measures in the analysis of the Company's results of operations from management's perspective.

Funds from operations and funds from operations excluding non-controlling interests in CPILP

Capital Power uses funds from operations as a measure of the Company's ability to generate cash from its current operating activities to fund capital expenditures, debt repayments and distributions to the Company's shareholders. Funds from operations are cash provided by operating activities, including finance and current income tax expenses, and excluding changes in working capital. The Company includes interest and current income tax expenses recorded during the period, rather than interest and income taxes paid which are impacted by the timing of cash receipts and payments and are not comparable from period to period. Changes in working capital are also impacted by the timing of cash receipts and payments and are not comparable from period to period. Since the non-controlling interests in CPILP's funds from operations were approximately 70.8% at September 30, 2011 the Company uses funds from operations excluding non-controlling interests in CPILP to provide a more meaningful measure of the Company's operating cash flows.

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Non-IFRS financial measures (cont'd)

A reconciliation of (i) funds from operations and (ii) funds from operations excluding non-controlling interests in CPILP, to cash flows from operating activities is as follows:

(unaudited, $millions)	Nine months ended Sept 30, 2011	Year ended Dec 31, 2010	Six months ended Dec 31, 2009[1]
Funds from operations excluding non-controlling interests in CPILP	**$ 264**	**$ 257**	**$ 124**
Funds from operations due to non-controlling interests in CPILP	70	97	47
Funds from operations	**334**	**354**	**171**
Adjustments:			
Unrealized changes in the fair value of forward bond contracts	2	(6)	-
Settlement of forward bond contracts	(12)	-	-
Miscellaneous financing charges	(6)	(10)	-
Finance expense	76	78	-
Interest paid	(44)	(58)	-
Income taxes (paid) recovered	(13)	9	-
Current income tax expense (recovery) excluding future income taxes	-	10	-
Change in non-cash operating working capital	(27)	(3)	2
Cash flows from operating activities	**$ 310**	**$ 374**	**$ 173**

Cash flow per share is calculated using the weighted average common shares of Capital Power Corporation and exchangeable common limited partnership units of CPLP that were outstanding during the period. The CPLP exchangeable common limited partnership units are exchangeable for common shares of Capital Power Corporation on a one-for-one basis.

(unaudited, $millions except cash flow per share)	Nine months ended Sept 30, 2011	Year ended Dec 31, 2010	Six months ended Dec 31, 2009[1]	Annualized Dec 31, 2009[1]
Funds from operations excluding non-controlling interests in CPILP	**$ 264**	**$ 257**	**$ 124**	**$ 248**
Weighted average common shares outstanding (millions)	40.42	21.77	21.77	21.77
Exchangeable common limited partnership units of CPLP outstanding (millions)	47.42	56.63	56.63	56.63
Weighted average shares and partnership units outstanding (millions)	87.84	78.40	78.40	78.40
Cash flow per share	**$ 3.01**	**$ 3.28**	**$ 1.58**	**$ 3.16**

(1) 2009 results have been prepared in accordance with previous CGAAP

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Non-IFRS financial measures (cont'd)

Dividend Coverage Ratio

Capital Power uses the dividend coverage ratio as a measure of the Company's ability to pay dividends and distributions to its shareholders and CPLP's exchangeable common limited partnership unitholders from funds it generates from operations. The measure is calculated as funds from operations excluding non-controlling interests in CPILP less sustaining capital expenditures divided by dividends and distributions.

(unaudited, $millions except dividend coverage ratio)	Nine months ended Sept 30, 2011	Year ended Dec 31, 2010	Six months ended Dec 31, 2009 (1)
Funds from operations excluding non-controlling interests in CPILP	**$ 264**	**$ 257**	**$ 124**
CPLP sustaining capital expenditures	(45)	(47)	(57)
CPLP's share of CPILP sustaining capital expenditures	(4)	(2)	-
Funds available for distribution	**$ 215**	**$ 208**	**$ 67**
Common share dividends	41	30	14
Distributions to exchangeable common limited partnership unitholders of CPLP	45	68	36
Total distributions for the period ended	86	98	50
Dividend coverage ratio	**2.5**	**2.1**	**1.3**

Normalized earnings and normalized earnings per share

The Company uses normalized earnings per share to measure performance by period on a comparable basis. Normalized earnings per share is based on earnings used in the calculation of earnings per share according to IFRS and adjusted for items that are not reflective of performance in the period such as fair value changes, impairment charges, unusual tax adjustments, gains and losses on disposal of assets or on unusual contracts such as the contract for maintenance of EPCOR's Rossdale plant, and the foreign exchange loss on the translation of the U.S. dollar denominated debt recognized in the third quarter of 2011. The foreign exchange gain on the translation of the New England plant assets which were financed by this U.S. debt was recognized in other comprehensive income as the operation is considered self-sustaining for accounting purposes. However, the U.S. debt is not part of the self-sustaining operation as the Company has a centralized finance function. As a result of this mismatch in the income statement, the foreign exchange loss was excluded from normalized earnings. A reconciliation of net income (loss) attributable to shareholders to normalized earnings attributable to common shareholders, and earnings (loss) per share to normalized earnings per share is as follows:

(1) 2009 results have been prepared in accordance with previous CGAAP

Non-IFRS financial measures (cont'd)

(unaudited, $millions except earnings (loss) per share)	Nine months ended Sept 30, 2011	Year ended Dec 31, 2010	Six months ended Dec 31, 2009 [(1)]
Earnings (loss) per share	**$ (0.27)**	**$ 0.77**	**$ 0.97**
Net income (loss) attributable to shareholders	(7)	17	21
Preferred share dividends	(4)	-	-
Earnings (loss) attributable to common shareholders	**(11)**	**17**	**21**
Adjustments, net of tax			
Unrealized changes in fair value of CPLP's derivative instruments and natural gas held for trading	13	8	(8)
Unrealized changes in fair value of CPILP's derivative instruments	2	-	(2)
Foreign exchange losses on translation of U.S. dollar debt	2	-	-
Impact of change in non-controlling interest percentage on adjustments of previous quarters	1	1	-
Impairment loss on manager and operating contracts	30	-	-
Impact of asset impairments recognized by subsidiaries	-	(5)	-
Obligation to EPCOR for Rossdale plant	-	2	-
Acquisition loss for Island Generation acquisition	-	6	
Venture capital investment write-down	-	-	1
Income tax adjustments	(2)	2	1
	46	14	(8)
Normalized earnings attributable to common shareholders	35	31	13
Weighted average number of common shares outstanding (millions)	40.42	22.19	21.75
Normalized earnings per share	**$ 0.87**	**$ 1.40**	**$ 0.60**

(1) 2009 results have been prepared in accordance with previous CGAAP

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Forward-looking information (cont'd)

Forward-looking information

Certain information in the Investor Day presentations is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial and operating 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. By their nature, such statements are subject to significant risk, assumptions and uncertainties, which could cause Capital Power's actual results and experience to be materially different than the anticipated results.

Forward-looking information in the Investor Day presentations includes, among other things, information relating to: (i) estimated number of facilities, total megawatts and capacity contracted by the year-ended 2014 and the sources of fuel for such facilities; (ii) expected commercial operation dates of new projects; (iii) estimated operating performance for the remainder of 2011; (iv) estimated megawatts for 2012, 2013 and 2014 and the impact of committed projects on contracted cash flows; (v) the impact of Keephills 3 and Capital Power's wind projects on cash flows; (vi) expectations with respect to industry trends and the implications thereof; (vii) expected capital cost, PPA terms and commercial operation dates of the Capital Energy Center, Sun Valley Energy Center and San Diego Energy Center; (viii) business development timeframes; (ix) expected commercial operation date of Port Dover & Nanticoke and expectations with respect to the unlevered returns from Port Dover & Nanticoke and that Port Dover & Nanticoke will be accretive to earnings; (x) expectations with respect to the timing of commencement of construction for the K2 Wind project and the expected capital cost and commercial operation date of such project; (xi) expectations with respect to EBITDA for 2012 and 2014 for Capital Power's NE U.S. assets and the projected unlevered returns from such assets; (xii) expectations with respect to unlevered returns generally; (xiii) estimated committed capital for 2012; (xiv) expectations that Capital Power's New England assets will recover by 2014 and deliver above target returns; (xv) expectations that Capital Power's wind developments will be significantly accretive and will add $0.15 per share on an earnings and cash flow basis during the first two years of operations, with associated EBITDA of $150 million to $160 million and expectations that construction and engineering work will result in lower capital costs and accelerated schedules for Capital Power's wind projects; (xvi) expectations with respect to timing for completion and capital costs of Capital Power's wind projects; (xvii) estimated normalized earnings per share, funds from operations, cash flow per share and dividend coverage ratios; (xviii) estimates with respect to TRIF, maintenance costs, plant availability and production for the remainder of 2011, 2012 and 2013; (xix) expectations with respect to timing and costs of planned major outages; (xx) expectations with respect to increased generation at Genesee 1; (xxii) estimated return to service date of Genesee 3 and costs of repairs; (xxi) expectations with respect to environmental regulations; (xxii) expectations with respect to supply and demand and energy prices in Capital Power's markets; (xxiii) estimated financial ratios for the remainder of 2011 and 2012; (xxiv) estimated CAGR and discretionary cash flow; (xxv) estimated capital expenditures for development projects; (xxvi) estimated maintenance capital expenditures; and (xxvii) estimated sources and uses of cash for the remainder of 2011 and 2012.

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

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Forward-looking information (cont'd)

assumptions used to develop these forward-looking statements include, but are not limited to: (i) the operation of Capital Power's facilities; (ii) power plant availability and dispatch; (iii) Capital Power's financial position and credit facilities and sources of funding; (iv) Capital Power's assessment of commodity and power markets; (v) Capital Power's assessment of the markets and regulatory environments in which it operates; (vi) Capital Power's assessment of economic conditions; (vii) weather; (viii) availability and cost of labour and management resources; (ix) performance of contractors and suppliers; (x) availability and cost of financing; (xi) foreign exchange rates; (xii) management's analysis of applicable tax legislation; (xiii) the currently applicable and proposed tax laws will not change and will be implemented; (xiv) currently applicable and proposed environmental regulations will be implemented; (xv) counterparties will perform their obligations; (xvi) renewal and terms of PPAs; (xvii) ability to successfully integrate and realize benefits of its acquisitions; (xviii) ability to implement strategic initiatives which will yield the expected benefits; (xix) ability to obtain necessary regulatory approvals for development projects; (xx) Capital Power's assessment of capital markets and ability to complete future share and debt offerings; (xxi) locations of projects and the areas of which they will be developed, including the availability and use of certain optioned lands; (xxii) costs of construction and development; (xxiii) current risk management strategies including hedges will be in place; and (xxiv) total cash requirements.

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 relating to: (i) operation of Capital Power's facilities; (ii) power plant availability and performance; (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) economic and market conditions, including in the markets served by Capital Power's facilities; (xx) construction; (xi) availability and cost of financing; (xii) foreign exchange rates; (xiii) availability and cost of labour, equipment and management resources; (xiv) performance of counterparties, partners, contractors and suppliers in fulfilling their obligations to Capital Power, (xv) developments in the North American capital markets; (xvi) compliance with financial covenants; (xvii) ability to successfully realize the benefits of acquisitions and investments; (xviii) the tax attributes of and implications of any acquisitions; and (xix) ability to secure new contracts and terms of such contracts. See also the Business Risks section in Capital Power's annual and interim MD&A filed on SEDAR. 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 Capital Power's common shares could decline, perhaps materially.

Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Forward-looking statements are provided for the purpose of providing information about management's current expectations, and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. Capital Power 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 Capital Power's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

Capital Power Corporation