

## Capital Power Corporation Annual Meeting of Shareholders

April 27, 2012

### CORPORATE PARTICIPANTS

**Don Lowry**

*Chairman*

**Brian Vaasjo**

*President and Chief Executive Officer*

#### **DON LOWRY:**

Good afternoon, ladies and gentleman. It's just after one o'clock, so I'll ask that the meeting come to order. My name is Don Lowry and I'm the chairman of the Board of Capital Power Corporation and in accordance with the Company's bylaws I'm pleased to be your Chair for this meeting. To those of you who are here in Edmonton, Alberta, and to those of you who are listening on the live webcast, welcome to Capital Power Corporation's third annual Meeting of our shareholders. I'd ask you to please turn off your cell phones and please place them on mute if you could. Thank you.

Before we start, every employee of Capital Power is responsible for the health and safety of themselves, their fellow employees and the public in all company related activities as part of the Company's environment, health and safety policy. On that note, I'd like to quickly review the procedures we follow if there's an emergency. The Art Gallery facility has a fire alarm pull boxes located near all designated exits. Smoke detectors are also located throughout the Art Gallery ventilation system. In the event of an emergency the Art Gallery will be evacuated. The Art Gallery has appointed evacuation wardens who will ensure that guests evacuate the building through the closest available exit.

With me today from your perspective, seated on the far right of the stage is Kate Chisholm, Senior Vice President, General Counsel and Corporate Secretary of Capital Power Corporation. Kate will act as Secretary of this meeting. I would also like to introduce Brian Vaasjo, he's President and Chief Executive Officer of Capital Power Corporation who is seated in the middle. Stuart Lee who is the Senior Vice President and Chief Financial Officer of Capital Power is seated on the left.

Following the formal business portion of today's meeting, Brian will report to you on Capital Power's operating and financial performance in 2011 as well as reviewing the Company's first quarter 2012 results and updating you on recent company developments. We will then invite your questions,

so we would ask that you hold your questions until that time. This format allows us to complete our formal business expeditiously and move on to matters of general interest.

I'd also like to take this opportunity to introduce our current Board of Directors. I would ask them to please stand when I introduce you and in addition to Brian Vaasjo and myself your current Board members are Al Bellstedt, Brian Bentz, Rick Cruickshank, Brian MacNeill, Bill Bennett, Phil Lachambre, Bob Phillips, Hugh Bolton, I didn't forget you, Allister McPherson. Ms. Rennie is also a director of Capital Power but regrets she is not able to attend today's meeting.

I'd also like to take this opportunity to introduce the senior management of Capital Power. In addition to Brian, Kate, and Stuart we also have in attendance today, Jim Oosterbaan, who is Senior Vice President Operations and Commodity Portfolio Management. Bryan DeNeve who is Senior Vice President Commercial Services. Peter Arnold, Senior Vice President HR, Health and Safety. And Allan Danroth VP Planning, Business Transformation. Allan is hiding today, but I'm sure he's around.

So, Computershare Trust Company of Canada is the Company's registrar and transfer agents for its common shares. Today, Mr. Kyle Gould and Ms. Becky Forth, both of Computershare have been appointed as Scrutineers. They will report on the shareholders present in person or by proxy and compute the votes on the polls taken. At this time we want to thank all of you who submitted proxies in advance and remind you that only registered shareholders or duly appointed proxyholders may participate in the business of this meeting.

The Notice calling this meeting and the accompanying Management Proxy Circular and form of Proxy were mailed on April 2nd, 2012 to all registered and beneficial holders of common shares and delivered on April 2nd, 2012 to the holder of special voting shares as at the close of business on March 23rd, 2012. At the same time the Company also posted the Circular and form of Proxy on its website at [www.capitalpower.com](http://www.capitalpower.com).

The Corporate Secretary has provided me with an affidavit of mailing prepared by Computershare Trust Company of Canada. She will see that this affidavit is filed with the minutes of this meeting.

The Corporate Secretary has received the report of the Scrutineers and advises me that there is a quorum present. On the basis of this report, I declare that the meeting has been regularly called and properly constituted for the transaction of business.

The Corporate Secretary will also file the report of the Scrutineers with the minutes of the meeting.

In order to facilitate a smooth flow of the business matters we will be dealing with today we've asked for some of our employee shareholders to move and second formal motions. They will be called upon as needed.

The first item of business is the election of Directors. In accordance with the bylaws of the Company and pursuant to the resolution of the board of directors, a total of 12 directors will be elected at today's meeting. Pursuant to the articles of the Company, a subsidiary of EPCOR Utilities Inc., as the holder of all of the issued and outstanding special voting shares of the Company, is entitled to nominate and elect four of the twelve directors. The remaining eight directors will be elected by the holders of common shares. Information regarding the nominees being proposed for election is set out in the Management Proxy Circular which accompanied the notice of this meeting to shareholders.

As of 1:00 pm Wednesday, April 25th, 2012 which was the deadline for receipt of proxies, Management has received proxies for over 21.43 million common shares with an excess of 86.9% shares represented by proxies voting in favour of each of Management's nominees to the board of directors as named in the Management Proxy Circular.

We will now proceed with the nomination and election of the eight directors to be elected by holders of common shares. Only registered holders of common shares or their duly appointed proxyholders are entitled to nominate and vote for the election of these directors.

I also advise that two of our current directors, Mrs. Rennie and Mr. MacNeill have decided to retire from the board and not stand for re-election. Janice and Brian have been with Capital Power since our launch in July of 2009. Through their expertise and constructive approach to governance, they have helped us greatly at the Board and the Company to have a strong start, and we thank them very much for their valuable contribution and time to Capital Power.

Mr. Smith, may I ask you for a nomination of each of the eight directors to be elected by the holders of common shares?

**MICHAEL SMITH:**

Mr. Chairman, on behalf of the Board of Directors, I nominate each of the following eight persons as named in the Management Proxy Circular for election as Directors to hold office until the close of the next annual meeting or until his successors are duly elected or appointed:

Brian Vaasjo, Albrecht Bellstedt, William Bennett, Brian Bentz, Richard Cruickshank, Philip Lachambre, Doyle BENEBY and Peggy Mulligan.

**DON LOWRY:**

Thank you Mr. Smith. Ms. McLeod would you please second the nomination?

**VIDA MCLEOD:**

Mr Chairman, I second the nomination.

**DON LOWRY:**

Thank you, Ms. McLeod. Are there any further nominations?

With no further nominations, I declare the nominations closed. We will now proceed with the election of the nominated directors. The election of the directors will proceed by way of ballot. Votes will cast in favour of or withheld from voting for each nominated director individually. The votes cast in favour of the election of a director nominee must represent a majority of the common shares voted at the meeting. If this is not the case, the director must tender his or her resignation for consideration by the balance of the Board, whereupon the Board must determine whether to accept or reject the resignation and must disclose any decision to accept the resignation within 90 days of the Annual Meeting.

Only registered holders of common shares or their duly appointed proxyholders are entitled to vote on the election of these director nominees. Many shareholders present have already filled their proxies. Unless they wish to withdraw their proxy, these shareholders should not complete a ballot since their shares will be voted in accordance with the instructions contained in the proxies granted to their proxyholders.

I request that the Scrutineer hand out ballots to each registered holder of common shares or proxyholder who has not already voted by proxy or completed a ballot.

If you are a registered holder of common shares or a proxyholder and have not already voted by proxy

or completed the ballot please raise your hand so that the Scrutineers can see you.

Please vote on the ballot by marking "X" opposite the names of the nominees for whom you wish to vote. Please sign and print your name in the places indicated at the bottom of the ballot and return your completed ballot to the Scrutineer. The Scrutineers will collect the ballots, count the votes and prepare the final Scrutineers' Report reflecting the results of the proxies and ballots. The final Scrutineers' Report will be annexed to the minutes of this meeting and filed on SEDAR. In addition, we will publish the results of this meeting in next year's Circular.

The Scrutineers will continue to tabulate the ballots and prepare their final report. However, as there are eight directors to be elected by the holders of Common Shares and there are eight nominees I declare that Brian Vaasjo, Albrecht Bellstedt, William Bennett, Brian Bentz, Richard Cruickshank, Philip Lachambre Doyle Beneby and Peggy Mulligan to be duly elected directors of the Company. If, with respect to any particular nominee, the number of votes withheld exceeds the number of shares voted in favour of the nominee, as indicated in the final Scrutineers' Report, then the nominee will be asked to submit his or her resignation to the Board of Directors forthwith, such resignation to take effect upon acceptance by the Board of Directors.

In addition to the eight individuals that have just been elected, EPCOR which holds all of the issued and outstanding special voting shares of the Company, is entitled to nominate and elect four nominees of the Board. The biographies of the four nominees are also set out in the Management Proxy Circular.

We will now proceed with the nomination and election of the four directors to be elected by EPCOR. Only EPCOR or its duly appointed proxyholder is entitled to nominate and vote for the election of these directors. EPCOR has appointed Mr. Ron Liteplo as its proxy to vote all of the issued and outstanding special voting shares of the Company for the election of the four EPCOR nominees to the Board named in the Management Proxy Circular. Mr. Liteplo, as the proxyholder for EPCOR, may I ask you for your nomination of each of the four directors to be elected by EPCOR and a vote for each of the EPCOR's nominees to the Board.

**RON LITEPLO:**

Mr. Chairman on behalf of EPCOR I nominate and vote for each of the following four persons as named in the Management Proxy Circular for

election as Directors to hold office until the close of the next annual meeting or until their successors are duly elected or appointed, namely Donald Lowry, Robert Phillips, Hugh Bolton and Allister McPherson.

**DON LOWRY:**

As there are four directors to be elected by EPCOR and there are four persons nominated to the board and voted for by EPCOR, I declare that Donald Lowry, Robert Phillips, Hugh Bolton and Allister McPherson have been duly elected to directors of the Company to hold office until the next Annual Meeting of the Shareholders or until successors are duly elected and appointed.

I am pleased to introduce the directors of the Company for the ensuing year. Would each of you please stand and be recognized as I call your name. Brian Vaasjo, Albert Bellstedt, William Bennett, Brian Bentz, Richard Cruickshank, Philip Lachambre, Doyle Beneby, Robert Phillips, Hugh Bolton, Allister McPherson and myself, Donald Lowry. Mrs. Mulligan was unable to be present at our meeting today due to a conflicting engagement.

The next item of business is the presentation at the meeting of the consolidated financial statements of the Company for the year ended December 31st, 2012 and the report of the auditors thereon. The Annual Report of the Company, which contains the consolidated financial statements, together with the report of the auditors thereon of the Company's Management's Discussion and Analysis was mailed on April 2nd, 2012 to each of the shareholders who requested a copy. The Annual Report is also available on the Company's website and there are copies here today at the registration table.

On behalf of the Directors, I now place before you at this meeting the Consolidated Financial Statements and Auditors' Report thereon for the year ended December 31st, 2011. Mr. Don Matthew, a partner in KPMG is in attendance today. Don would you please stand and identify yourself to the meeting? Thank you, Don. Don will be available to answer questions in respect of the Auditors' Report during the general question period.

Any questions pertaining to the statements themselves will also be responded to by Mr. Stuart Lee, and Mr. Brian Vaasjo.

Are there any questions on the Consolidated Financial Statements?

Then I declare that the Consolidated Financial Statements and the Auditors' Report have been received.

Next on the agenda is the appointment of the Auditors. As described in the Management Proxy Circular, the common shares and the special voting shares vote for the appointment of the Auditors. As of 1:00 pm Wednesday, April 25th, 2012, which was the deadline for the receipt of proxies, Management had received proxies representing in excess of 24.6 million shares within excess of 99.99% of the shares represented by proxy voting in favour of the Auditors named in the Management Proxy Circular. EPCOR has appointed Mr. Liteplo as its proxy to vote all of the issued and outstanding special voting shares of the Company for the appointment of the Auditors named in the Management Proxy Circular. Together with Management and EPCOR hold proxies for common and special voting shares representing in excess of 62.9 million shares and more than 99% of the shares represented by proxy voting in favour of this motion. Mr. Brattly may I have a motion to appoint the auditors of the Company?

**SCOTT BRATTLY:**

Mr. Chairman, I move that KPMG LLP chartered accountants be appointed auditors of the Company to hold office until the close of the next annual meeting of shareholders at remuneration to be fixed by the directors on the recommendation of the Audit Committee.

**DON LOWRY:**

Thank you Mr Brattly. Ms. Barraclough will you second the motion?

**SIAN BARRACLOUGH:**

Mr. Chairman, I second the motion.

**DON LOWRY:**

Thank you Ms. Barraclough. All those in favour of the motion please signify by raising your hands. Contrary? I declare the motion carried.

Next on the agenda is the advisory vote on executive compensation, also known as "shareholders' say on pay". As described in the Management Proxy Circular the common shares and the special voting shares vote on this matter. As of the deadline for the receipt of proxies, Management had received proxies representing in excess of 24 million shares within excess of 97% of the shares represented by proxy voting in favour of the advisory vote on executive compensation. Also EPCOR has appointed Mr. Liteplo as its proxy to vote on all of the issued and outstanding special voting shares of the Company in favour of the advisory vote on executive compensation. Therefore, together Management and EPCOR hold proxies for common and special voting shares representing in excess of 62.3 million shares with more than 99% of the shares represented by proxy

voting in favour of the motion. As Capital Power's approach to executive compensation has been discussed in the Management Proxy Circular that was sent to the shareholders I do not propose to reiterate the details now. Mr. Bellikka may I have a motion regarding this matter?

**JERRY BELLIKKA:**

Mr. Chairman, resolved on an advisory basis and not to diminish the role and responsibilities of the board of the directors that the shareholders accept the approach to executive compensation disclosed in the Company's information circular delivered in advance of the 2012 annual meeting of shareholders.

**DON LOWRY:**

Thank you, Mr. Bellikka. Ms. Nickifor, will you second the motion?

**LORI NICKIFOR:**

Mr. Chairman, I second the motion.

**DON LOWRY:**

Thank you, Ms. Nickifor. Is there any discussion? All those in favour of the motion please signify by raising your hands. I declare the motion carried.

Next on the agenda is the approval of the proposed amendments to the security compensation plans. This matter has been explained in the Management Proxy Circular. To summarize the Company is seeking the approval of the shareholders to certain amendments to the existing plans, namely an increase in the number of shares reserved to be granted to eligible employees as part of their total compensation package up to a maximum of 7,094,506 shares. As of the deadline for the receipt of proxies, Management has received proxies representing in excess of 19 million common shares with over 77% of the shares represented by proxy voting in favour of the amendments to the security compensation plans. Also EPCOR has appointed Mr. Liteplo as its proxy to vote all its shares in favour of the amendments to the security compensation plans. Therefore, together, Management and EPCOR hold proxies for common and special voting shares representing in excess of 57.2 million shares which is over 90% of the shares represented by proxy voting in favour of this motion. Ms. Leeson may I have a motion regarding the approval of the amendment to the security compensation plans?

**PATRICIA LEESON:**

Resolved, that the shareholders approve that the Omnibus long-term incentive plan and the 2009 stock option plan be amended to increase the aggregate number of common shares which may

be issued by the Company under the plans from 5 million to 7,094,506 common shares.

**DON LOWRY:**

Thank you Ms. Leeson. Ms. Davis, will you second the motion?

**ERIN DAVIS:**

Mr. Chairman, I second the motion.

**DON LOWRY:**

Thank you, Ms. Davis. Is there any discussion on the motion? All those in favour of the motion please signify in raising your hands. Contrary? I declare the motion carried. That now completes the formal business portion of the meeting. There being no further business from the agenda I will ask Mr. May for a motion to terminate. We will then have a presentation by Mr. Brian Vaasjo and there is an opportunity following the conclusion of his presentation for you to ask questions.

**DWAIN MAY:**

Mr. Chairman, I move that the meeting be terminated.

**DON LOWRY:**

Thank you, Mr. May. Ms. Fitzgerald, will you please second the motion?

**LEAH FITZGERALD:**

Mr. Chairman, I second the motion.

**DON LOWRY:**

Thank you, Ms. Fitzgerald. All those in favour of the motion. Contrary? The motion is carried and I declare the formal portion of today's meeting terminated. I now invite Brian Vaasjo to update us on the affairs of the Company following which you're welcome to ask him questions.

**BRIAN VAASJO:**

Thank you Don, and good afternoon ladies and gentlemen. Whether you're here in Edmonton in person or following us online we're glad you could join us today. Thank you for taking part in Capital Power's annual meeting of shareholders. Before beginning this part of the program I'd like to draw your attention to the standard cautionary statement about forward-looking statements that in today's presentation and also that may arise in the questions and answers later. You will find additional information in the 2011 MD&A which is contained in our Annual Report which is available on our website and for which there are copies outside in the lobby.

To kick off today's session we're going to first share with you a video that celebrates some of the results Capital Power's people achieved during our first

thousand days of being publically traded, a milestone we passed earlier this month. The video is about eight minutes long, and for those who are listening on the phone you can cue the footage up by going to our website at [www.capitalpower.com](http://www.capitalpower.com).

After the video, I'll share with you my perspective on our financial and business performance in 2011. It was a successful year for Capital Power. We sharpened our focus, we executed on strategy and delivered strong results. I'll also share some early results from this year and touch on our priorities for the remainder of 2012. We'll then open the floor to a question and answer session where I'll look forward to discussing these topics with you in more detail. So please sit back, relax, and enjoy the video and I'll resume my remarks directly afterwards.

**Video plays [24.02 – 30.08]:**

**BRIAN VAASJO:**

The video you just saw provided a good overview of Capital Power's first 1,000 days, which began when we launched our IPO in July of 2009. Since that time we've continued to progress in a steady and disciplined manner towards our vision of becoming one of North America's most respected, reliable and competitive power producers.

Our success to date has come from a focus on executing on strategy, the expertise and values of our people, and our commitment to the communities where we work and live. I'll touch on some examples of each of those in turn as I review highlights of our business performance in 2011 beginning with our strategy.

Capital Power's vision was laid out in our initial public offering, where we set out our strategy of creating shareholder value to operational excellence, financial strength and disciplined growth.

Capital Power has a strong track record of excellence in operations from the plant floor to our offices. This begins with a disciplined focus on safety and extends through to maintenance and operating practices which are designed to keep our young and modern fleet in top condition for years to come.

One of the attributes that sets Capital Power apart in our fleet of generating assets is the fact that the average age of our plant is just 12 years, and with good care from our people our facilities deliver a reliable electricity supply for customers across North America. How did our operations do in 2011? Very well. As you saw in the video, we significantly improved our safety performance,

taking a big step towards our goal of a zero injury culture.

Across our fleet we achieved 92% availability at our facilities, up from 90% in 2010. And when we were faced with adversity late in the year with an unplanned outage at Genesee 3, our people and our assets responded. Our Clover Bar peaking facility was swiftly called upon to help offset lost production, and our portfolio management group leveraged our Alberta hub to successfully mitigate the potential financial impact from that outage. Their work to manage and mitigate risk is just one of the ways we seek to deliver on our commitment to investors that Capital Power will remain on a very strong financial footing.

The cornerstones of our financial flexibility and strength are our investment grade credit rating and our solid base of contracted cash flows. We've managed our BBB investment grade credit rating, and at an Investor Day last December we communicated our expectation that substantial and growing cash flows will further strengthen our position as we develop projects and they come online.

In 2011 this process was already evident. Capital Power's cash flow per share grew by 10%, which was in line with our guidance. And for equity investors we delivered full year total shareholder return of 11.5%, outperforming the S&P TSX Index Total Return which was [down] 8.7% for the year.

As we moved ahead with our strategy of disciplined growth, our solid financial position secured timely access to capital. A positive response from the capital markets raised nearly \$1.3 billion from successful equity and debt offerings last year. With the increased public float from the equity offerings and from EPCOR's reduced ownership interest average daily trading volumes have more than doubled compared to 2010 and Capital Power has been included in the S&P TSX Composite Index.

Turning now to our disciplined growth activity, we made tremendous progress in 2011 as we aligned Capital Power's assets with our business model. Our business model is straightforward; we deliver stable and growing cash flows by balancing a mix of merchant and contracted assets; we leverage the expertise of our people by developing, constructing and operating a limited number of fuel types and generation technologies using natural gas, wind and solid fuels; we focus on a limited number of target markets with strong fundamentals; and we build networked hubs of assets in these markets so that we can create additional value through operations, maintenance and portfolio optimization.

In 2011 we simplified and streamlined our structure and operations. We added capacity to our Alberta portfolio with the completion of Keephills 3, acquired a significant position in our target markets in the northeastern United States and divested of our interests in Capital Power Income L.P. The divestiture of our ownership interest in Capital Power L.P. was completed in November. It included 20 facilities in Canada and the United States. The transaction was executed in a seamless manner and Capital Power received \$314 million in combined consideration for our economic interest, which included two mixed-fuel facilities in North Carolina.

In New England we acquired and smoothly integrated three natural gas plants into Capital Power's fleet. This networked hub of relatively young facilities is poised to deliver long-term value for our shareholder as demand for power grows in the United States. These merchant facilities have been balanced by our investments in four contracted wind projects which are in advanced development or construction. We expect these assets to deliver significant value through stable revenues generated via long-term contracts.

In 2011 we secured two new wind projects in Alberta and Ontario. One of them, the Halkirk Wind Project is already well underway, and at 150 megawatts it will be the largest wind project in Alberta upon completion. We expect both Halkirk and the Quality Wind Project in Tumbler Ridge British Columbia to be up and running later this year.

West of Edmonton with the successful completion of Keephills 3 in September, we added 247 megawatts of merchant capacity to our portfolio. It's the most technically advanced coal plant in Canada, an example of our ability to execute major capital projects. Our 50% portion of the final costs came in at \$949 million just under our revised budget and within one quarter of our timeline of a 4 ½ year construction period.

Just over half of our own capacity is in Alberta and our hub of assets is now firmly established as it is a very prosperous province. Over the last three years Capital Power has built and developed more power generation in Alberta than any other power producer and we remain committed to the success of the Alberta market.

Those are some of the highlights of how we worked in 2011 to create shareholder value through operational excellence, financial strength and disciplined growth. Here's what the results of our efforts looked like when translated into financial performance. As you can see from these charts we

continue to deliver financial performance that's in line with or better than our targets for the year. Capital Power's normalized earnings per share were \$1.24, better than our original target of \$1.16 per share. Cash flow was \$3.89 per share in 2011 compared to the target of \$3.53 a share. The dividend coverage ratio of 2.1 times was in line with our target. And funds from operations excluding CPILP were \$352 million, significantly in excess of our target of \$277 million. About 63% was used for dividend payments and sustaining capital. The remainder, more than \$130 million was discretionary cash flow available to create additional shareholder value through reinvestment in the business and strengthening the balance sheet.

As the metrics show Capital Power's strategy is working. We are generating strong and growing cash flows with a path of further gains in 2012 as we endure a full year of performance from recent additions to the fleet and bring the first of our new wind farms online.

I'd like to move to our Q1 2012 results, which we announced this morning and which again show performance of our strategy and our people. Significant year-over-year increases in both earnings and cash flow per share were driven by excellent operating performance in our first quarter. Double-digit percentage increases in financial performance and an average plant availability of 97% were the highlights of a very strong Q1. We achieved these financial results despite lower power prices caused by mild winters in both Alberta and New England, and low natural gas prices.

Our priorities for 2012 remain the same as we communicated at our Investor Day in December. At our facilities we're seeking operating availability of 91% or better and maintenance capex of \$108 million. These targets reflect the two maintenance outages scheduled at Genesee 2 and 3 later this year, the growth of our fleet, and investments to expand the mine at Genesee.

For our wind projects we are working towards on time and on budget completion of construction of Quality and Halkirk with commercial operation in the fourth quarter of this year. For the other two wind development projects in Ontario, Port Dover & Nanticoke and K2 Wind, our original target was to have full notice to proceed in 2012. This is still on-track for Port Dover & Nanticoke. However, full notice to proceed for K2 has been revised to 2013 with no change to the expected commercial operation date of 2014.

Our outlook for 2012 is positive and with a continued execution of our strategy we expect to

produce visible, sustainable and growing cash flows. Normalized earnings per share, funds from operations and cash flow per share are expected to exceed 2011 levels. Based on our current forecasts of weaker power prices and spark spreads than originally forecasted, normalized earnings per share for 2012 is now expected to be slightly under the low end of the target range should lower power prices continue throughout the year.

Ladies and gentlemen, thanks for your attention this afternoon. As you can see from our 2011 results and our results from Q1 2012, we are effectively executing our strategy and delivering shareholder value. When you look at our growth in New England, Alberta, Ontario and British Columbia, it's very clear that Capital Power is strategically well positioned to deliver significant shareholder growth over the next several years.

We will continue our track record of consistently delivering strong operational performance from our fleet of well maintained assets and we will do so in a manner that reflects our core values including our commitment to achieving a zero injury safety culture. Capital Power has a strong and well-thought-out strategy, and we will continue to deliver on that strategy with precision and disciplined execution for the benefit of our shareholders, our employees and the communities where we operate and do business. Thank you and we'll now open the floor for questions.

**OLAF LARSON:**

My name is Olaf Larson. Would you like to elaborate about that carbon exclusion from the project has been incorporated by the Canadian government?

**BRIAN VAASJO:**

So the question was for comments around the carbon capture and storage project that's recently – or was announced yesterday by TransAlta as being cancelled. For those who weren't aware, Capital Power was part of the three partners in that project.

Essentially when those projects and any of the carbon and capture projects were initiated they were development projects from the standpoint of moving forward and proving out technology and proving out the economics of each and every one of them. And as we proceeded with TransAlta the project certainly proved out from a technology standpoint. In other words, carbon capture and storage does work and the technology that we were looking at together certainly worked and would achieve the actual reduction in carbons as it was advertised. What did happen though was that some of the economics around the project, particularly of late, deteriorated fairly significantly. I

think as was in the TransAlta information released to the market, two things had happened. One was is there wasn't an evolution of an opportunity to actually price carbon, that is sell the carbon that came from the project to enhanced oil recovery projects which was a significant financial issue for the project. And the other one was with the evolution of what's happening federally from a carbon and carbon pricing standpoint that avenue of potential value seemed to be getting quite narrow. So on balance, again, the technology absolutely works but as the partners looked at it

recently the economics would not sustain that kind of an investment.

**DON LOWRY:**

Well, there's no other questions so I guess, Brian, we'll declare the meeting closed.

**BRIAN VAASJO:**

Thank you very much for coming out today.

**[End of recorded material]**