



2012 TD Calgary Energy Conference

July 11, 2012

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Forward-looking information

Cautionary statement

Certain information in this presentation 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.

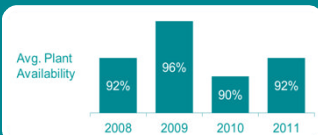
Please refer to the forward-looking information in our disclosure documents filed with securities regulators on SEDAR, which contain additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking 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.

Capital Power overview



Growth-oriented independent power producer (IPP)

- Trading on the TSX (CPX); ~\$2.4B market cap (diluted); EV ~\$3.9B
- Spin-off of power generation assets from EPCOR/IPO in mid-2009



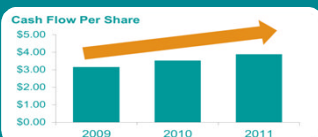
High quality generation portfolio

- Generation from a combination of natural gas, coal, wind, and potentially solar
- Young and modern fleet with generation capacity of ~3,300 MW
- Proven operating and construction history
- 4-year average plant availability of ~93%



Straight forward business model

- Stable and growing cash flow from a balanced portfolio of long-term contracts and merchant components, supported by an investment grade credit rating
- Focused on target markets in Western Canada (primarily Alberta), Ontario, US Southwest, US Northeast, and Mid-Atlantic US



Financial strength and strong cash flow generation

- BBB investment grade credit rating from S&P and DBRS
- 7.2% CAGR of cash flow per share from 2009-2011
- Attractive dividend yield of 5.2%



Strong exposure to attractive Alberta power market

- Positive leverage to Alberta power market
- 53% of total owned capacity is in Alberta power market (~1,800 MW)

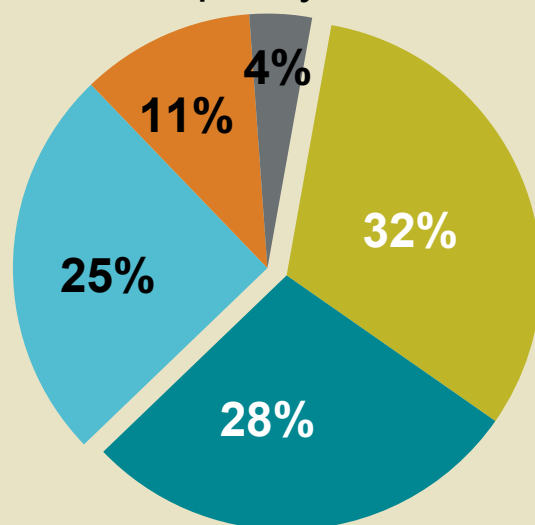
Balanced portfolio of merchant and contracted generation⁽¹⁾

Continue to have strong exposure to attractive Alberta power market

Today - 2012

15 facilities (3,351 MW)

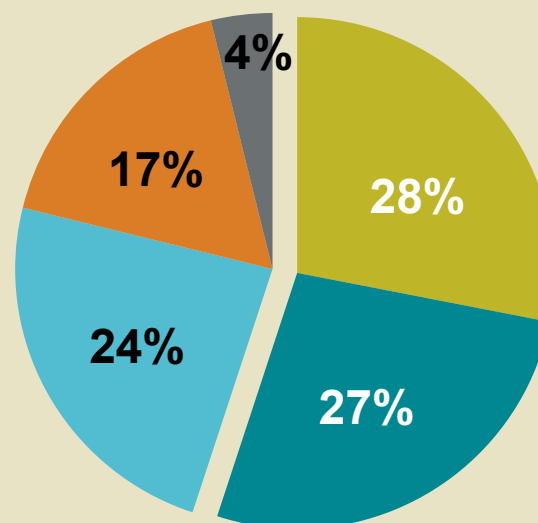
- 40% capacity contracted



Year-end 2014E

17 facilities (3,798 MW⁽²⁾)

- 45% capacity contracted



■ AB commercial
■ AB contracted

■ US Northeast commercial
■ ON / BC contracted

■ Mid-Atlantic contracted

(1) Based on MW owned capacity; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).

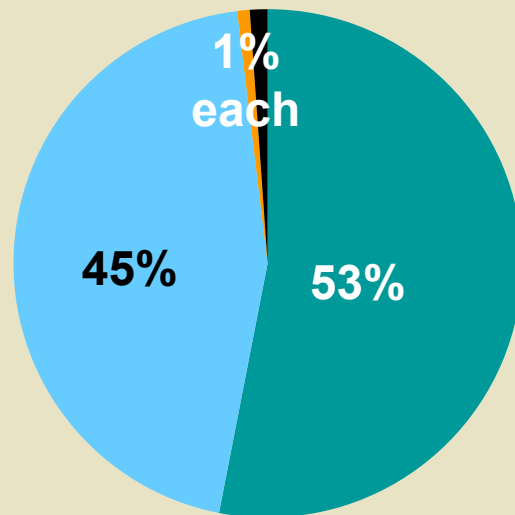
(2) Based on existing plants plus committed development projects and closing of announced transaction to divest two small hydro facilities.

Technology focus⁽¹⁾

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

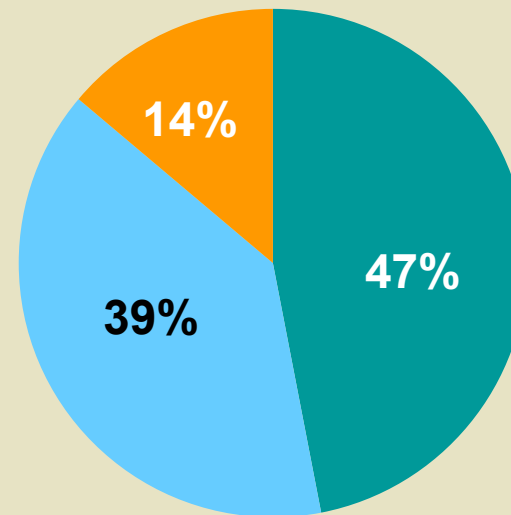
Current

15 facilities (3,351 MW)



By 2014 year-end

17 facilities (3,798 MW⁽²⁾)



■ Gas ■ Wind ■ Hydro ■ Coal & solid fuels

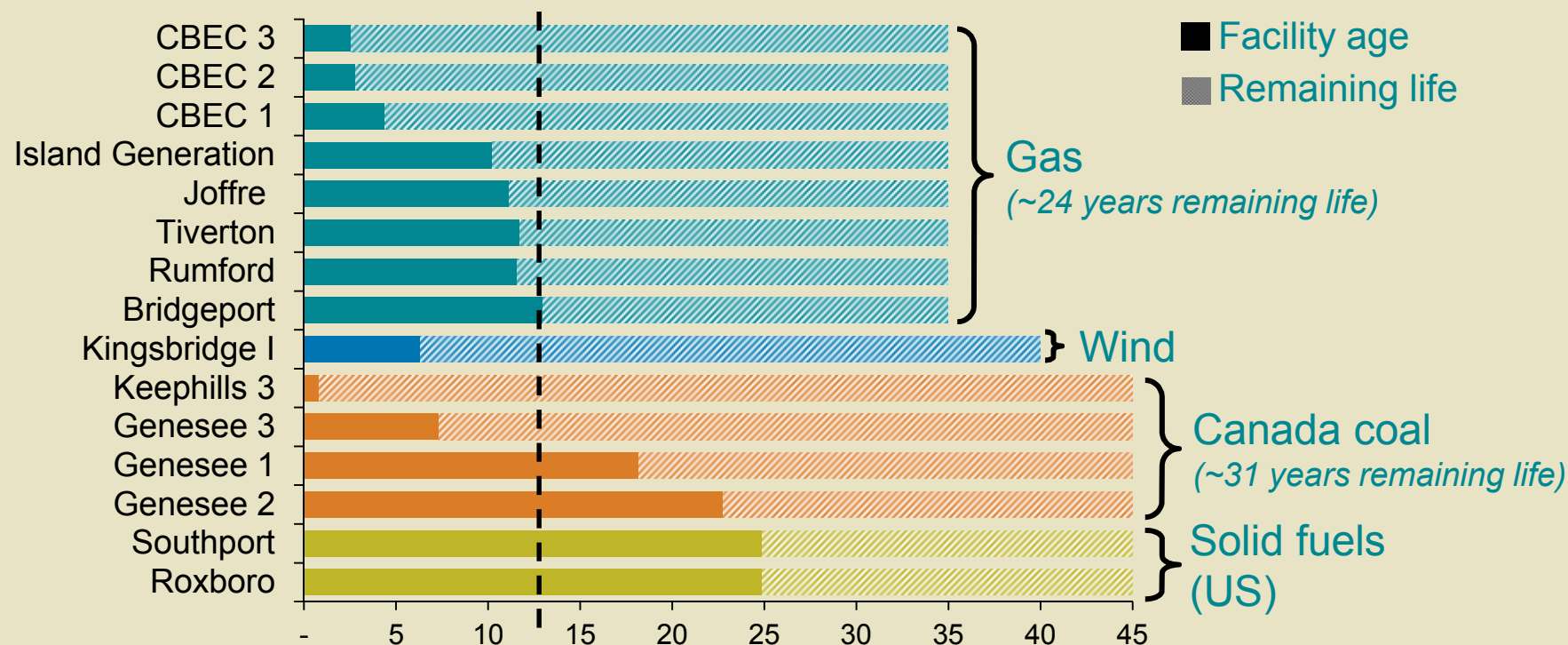
- Projects in development will increase owned wind capacity to 14% by 2014
- Expect to divest two remaining small hydro plants (40 MW total) by July/12

(1) Based on MW owned capacity; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).

(2) Based on existing plants plus committed development projects and closing of announced transaction to divest two small hydro facilities.

Modern fleet

- Average weighted facility age of the current fleet is 12.7 years⁽¹⁾
- 4 new wind projects (487 MW) begin commercial operations in 2012 - 2014



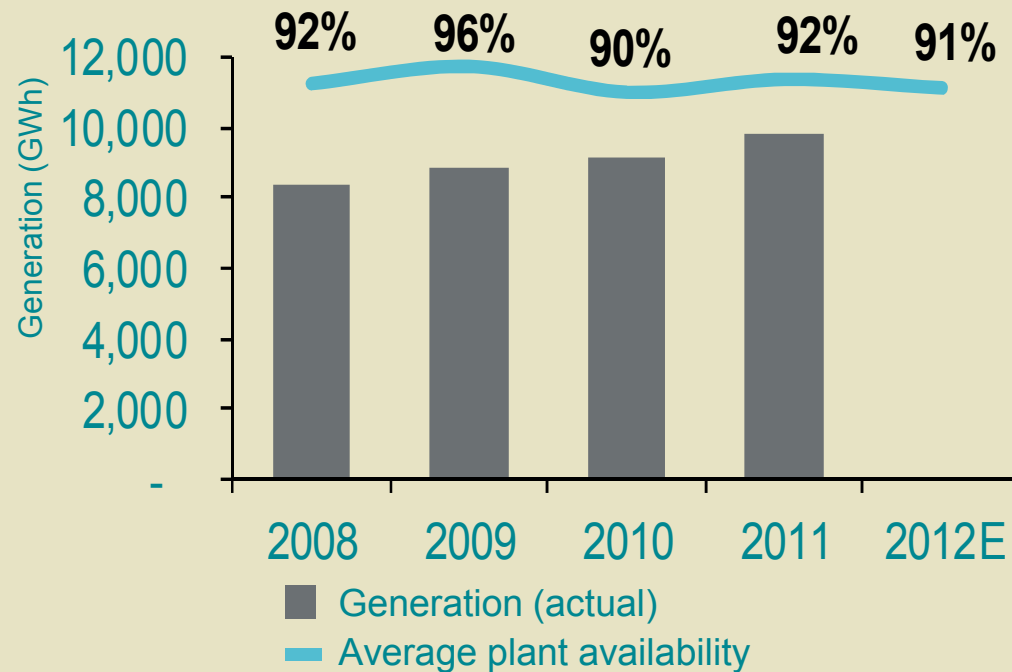
- ~31 years remaining life on Canadian coal facilities
- Favorable coal air emissions being developed

(1) Average facility age and remaining life weighted by owned capacity as of July 1/12

Proven operating excellence

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

Operating performance



- 4-year average plant availability of ~93%
- Q1/12 plant availability of 97%



North American footprint & target markets

Ownership interest in 15 facilities with more than 3,300 MW

Western Canada

- 53% of total owned capacity is in attractive AB power market
- 2 wind projects expected COD Q4/12

Ontario

- Target market for contracted assets
- 2 wind projects with expected CODs in Q4/13 and 2014

US Southwest

- Target market for contracted assets
- Solar and natural gas peaking opportunities

US Northeast

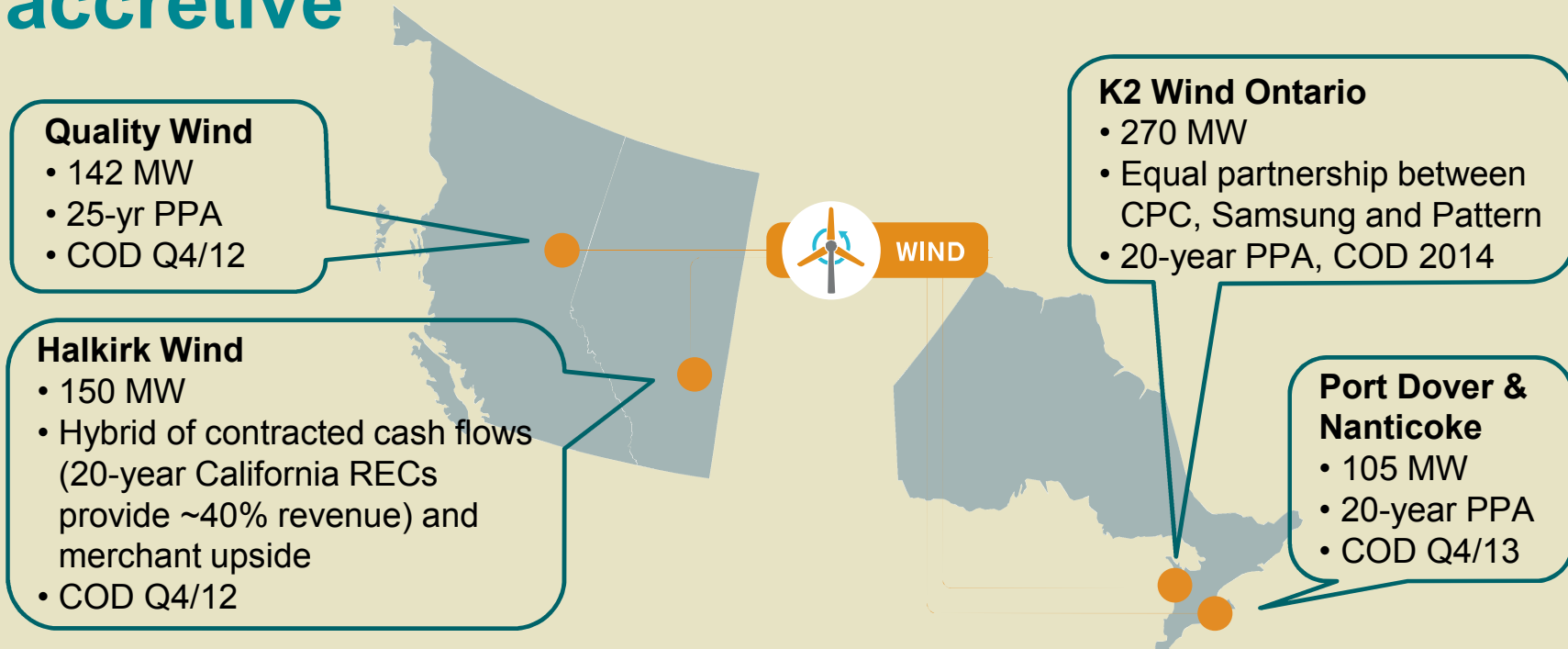
- 3 natural gas plants totaling 1,069 MW
- Form foundation for networked hub
- Efficient, young assets

Mid-Atlantic US

- Solid fuel assets with 10-year PPAs

● Plants in operation ■ Plants under construction or development

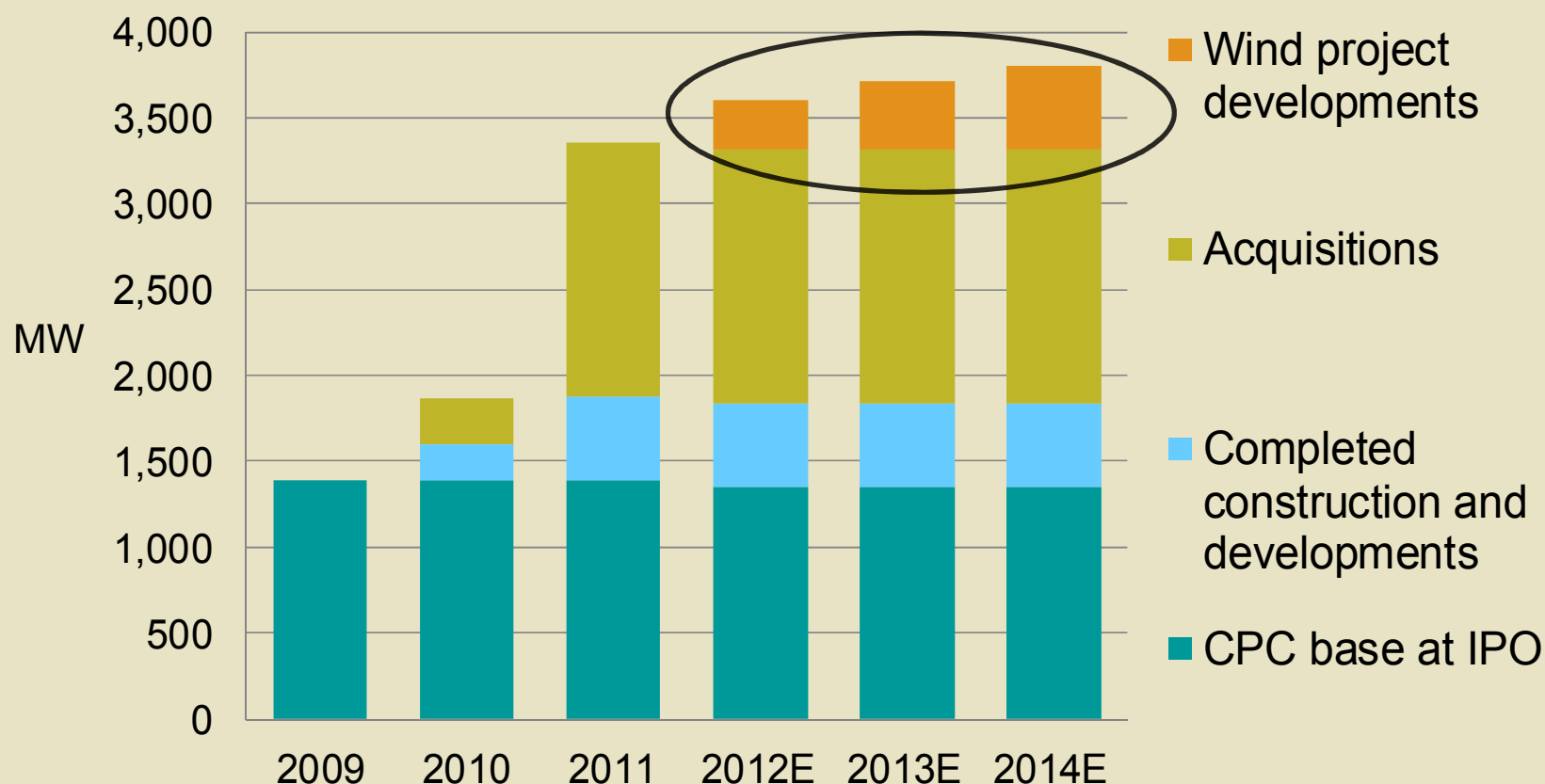
Wind projects expected to be significantly accretive



- Four wind projects under construction/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
- Significant experience in the construction and operation of both thermal (coal, natural gas) and renewable (wind, biomass, small hydro) facilities

Capital Power's growth⁽¹⁾

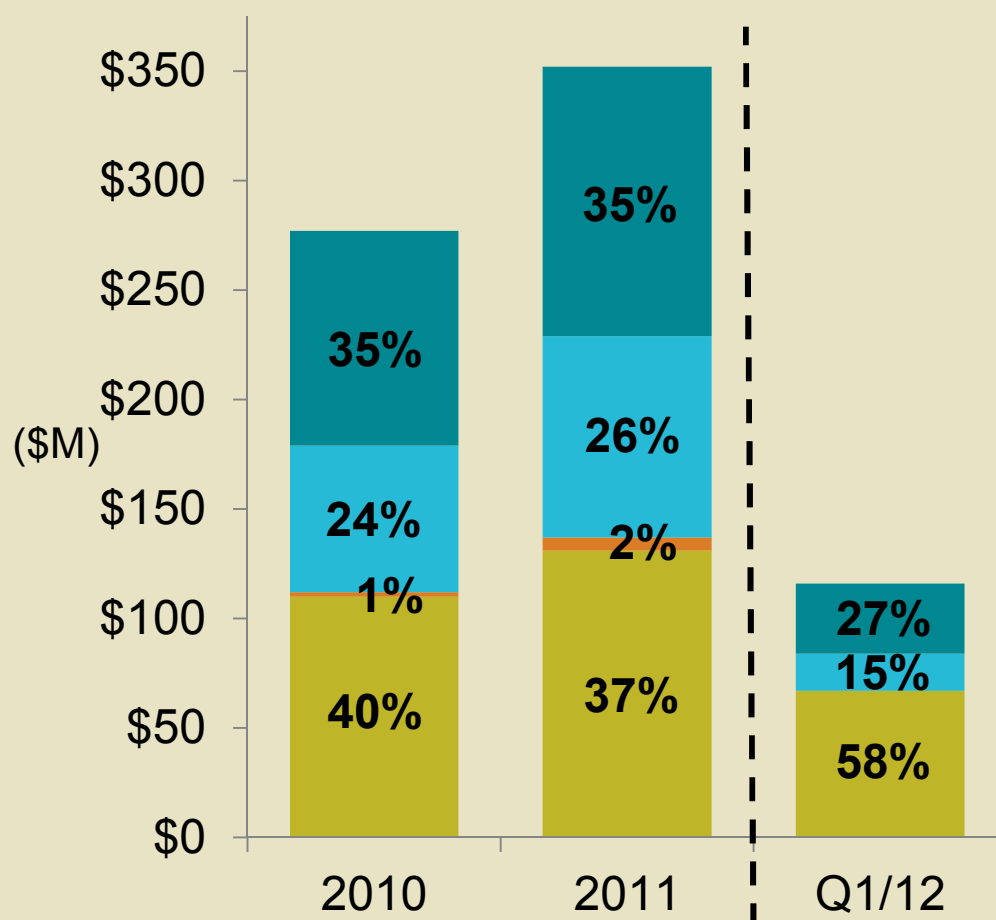
487 MW from new wind projects will increase contracted cash flows in 2012-2014



(1) Based on MW capacity owned plus committed projects minus expected divestitures.

Continued strong cash flow generation

FFO (excluding CPILP)

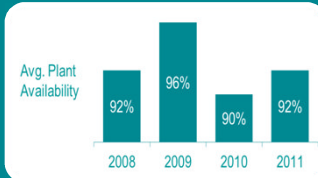


- Discretionary cash flow⁽¹⁾ of \$131M in 2011, up 19% from \$110M in 2010
- Additional cash flows in 2012 from:
 - Full year operations from Keephills 3 (COD Sep/11)
 - Halkirk and Quality Wind expected to be in operation in Q4/12

- Dividends (common and preferred)
- Sustaining capex
- Other sustaining capex
- Discretionary cash flow

(1) Discretionary cash flow is a non-GAAP financial measure, see slide 16 for reconciliation.

Summary



Large, high quality generation portfolio

Young and modern fleet with proven operating history

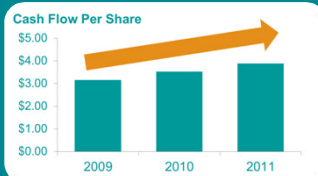


Diversified portfolio in attractive North American markets

Strong exposure to attractive Alberta power market



Long-term contracts and merchant position provides stable cash flows and upside opportunities



Financial strength with access to capital

Investment grade credit rating

Strong cash flow generation

Appendix

Summary of assets

	<u>Genesee</u> <u>1</u>	<u>Genesee</u> <u>2</u>	<u>Genesee</u> <u>3</u>	<u>Keephills</u> <u>3</u>	<u>Joffre</u>	<u>Clover Bar</u> <u>Energy</u> <u>Centre</u>	<u>Clover</u> <u>Bar</u> <u>Landfill</u>	<u>Roxboro</u>	<u>Southport</u>
	Alberta Contracted		Alberta Commercial				Mid-Atlantic Contracted		
Electric Capacity	422 MW	430 MW	516 MW	495 MW	480 MW	243 MW	4.8 MW	88 MW	46 MW
% owned / operated	100 / 100	100 / 100	50 / 100	50 / 0	40 / 0	100 / 100	100 / 100	100 / 100	100 / 100
Location	Warburg, Alberta	Warburg, Alberta	Warburg, Alberta	Keephills, Alberta	Joffre, Alberta	Edmonton, Alberta	Edmonton, Alberta	Roxboro, North Carolina	Southport, North Carolina
Fuel	Coal	Coal	Coal	Coal	Natural gas	Natural gas	Landfill gas	Mixture of wood residuals, tire-derived fuel and coal	Mixture of wood residuals, tire-derived fuel and coal
Commercial Operations	1994	1989	2005	2011	2000	Unit 1 - 2008 Unit 2&3 - 2009	2005	1987	1987
PPA Expiry	2020	2020	Merchant	Merchant	Merchant	Merchant	Merchant	2021	2021

Summary of assets (cont'd)

	<u>Kingsbridge 1</u>	<u>Miller Creek⁽¹⁾</u>	<u>Brown Lake⁽¹⁾</u>	<u>Island Generation</u>	<u>Tiverton</u>	<u>Rumford</u>	<u>Bridgeport</u>
	Ontario & British Columbia Contracted				US Northeast Commercial		
Electric Capacity	40 MW	33 MW	7 MW	275 MW	279 MW ⁽²⁾	270 MW ⁽²⁾	540 MW ⁽²⁾
% owned / operated	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100
Location	Goderich, Ontario	Pemberton, BC	Near Prince Rupert, BC	Campbell River, BC	Tiverton, Rhode Island	Rumford, Maine	Bridgeport, Connecticut
Fuel	Wind	Hydro	Hydro	Natural gas	Natural gas	Natural gas	Natural gas
Commercial Operations	2006, 2001	2003	1996	2002	2000	2000	1999
PPA Expiry	2026 / 2027	2023, extendible to 2033 at BCH's option	2016	2022	Merchant	Merchant	Merchant

(1) Announced agreement on June 14/12 to sell Miller Creek and Brown Lake to Innergex Renewable Energy Inc. Transaction expected to close July/12.

(2) Represents net winter capacity. Tiverton, Rumford and Bridgeport have nominal generation capacities of 265, 265, and 520 megawatts, respectively.

Appendix

Summary of projects under development

	<u>Halkirk</u>	<u>K2 Wind Ontario</u>	<u>Quality Wind</u>	<u>Port Dover & Nanticoke</u>
	Alberta Commercial & Contracted	Ontario & British Columbia Contracted		
Electric Capacity	150 MW	270 MW	142 MW	105 MW
% owned / operated	100 / 100	33.3% owned	100 / 100	100 / 100
Location	Halkirk, Alberta	In the township of Ashfield-Colborne-Wawanosh, Ontario	Near Tumbler Ridge, BC	Located in an area that covers the counties of Norfolk and Haldimand, Ontario
Fuel	Wind	Wind	Wind	Wind
Expected Commercial Operations	Q4/12	2014	Q4/12	Q4/13
PPA Expiry	~40% - 45% of total revenues from 20-year REC sale agreement / Merchant	20-year PPA with Ontario Power Authority for \$135/MWh	25-year EPA from BC Hydro	20-year PPA with Ontario Power Authority for \$135/MWh
Expected Capital Cost	\$357M, including acquisition costs (\$33M)	Expected total project capex of \$874M; CPC's expected capex for project is \$46M	\$455M	\$340M

Discretionary cash flow

The Company uses discretionary cash flow as a measure of the Company's available cash to reinvest into the business after paying sustaining capital expenditures and declared dividends and distributions to common and preferred shares. Discretionary cash flow is not a defined financial measure according to GAAP and does not have standardized meaning prescribed by GAAP, and therefore may not be comparable to similar measures used by other enterprises. This measure should not be considered an alternatives to net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, this measure is provided to complement GAAP measures in the analysis of the Company's results of operations from Management's perspective.

A reconciliation of "net cash flows from operating activities" to "funds from operations excluding non-controlling interests in CPILP" is referenced under Non-GAAP Financial Measures in the Company's Q4/11 and Q1/12 Management's Discussion and Analysis, which is available under the Company's profile on SEDAR at www.SEDAR.com and on the Company's website at www.capitalpower.com.

A reconciliation to Funds from operations excluding non-controlling interests in CPILP is as follows:

(unaudited, \$millions)	Year ended Dec 31		Three months ended Mar 31	
	2011	2010	2012	2011
Funds from operations excluding non-controlling interests in CPILP	\$ 352	\$ 277	\$116	\$83
CPLP sustaining capital expenditures	(92)	(67)	17	9
CPLP's share of CPILP sustaining capital expenditures	(6)	(2)	n/a	1
Funds available for distribution	\$ 254	\$ 208	\$99	\$73
Common share dividends declared	60	30	19	12
Distributions to exchangeable common limited partnership unitholders of CPLP declared	57	68	12	15
Preferred share dividends declared	6	-	1	2
Total dividends and distributions declared	\$ 123	\$ 98	\$32	\$29
Discretionary cash flow	\$ 131	\$ 110	\$67	\$44

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