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Brian Vaasjo, President & CEO
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Capital Power’s strategy creates value throughout business cycle

Independent power producer (IPP) strategy consistent since IPO

- We develop, acquire and operate larger facilities, maintaining discipline on geography, technology and fuel type
- One of the dominant power producers in the Alberta power market
Fleet aligned with business strategy in 2012

Commission 292 MW from two wind projects on time and under budgets

- Quality Wind - COD Nov/12 and ~10% under budget
- Halkirk - COD Dec/12 and ~3% under budget

Rationalized fleet and sharpened focus

- Divested small hydro facilities

Announced major expansion plans in Alberta

- Acquired a 50% interest (400 MW) in the Shepard Energy Centre with Enmax
  - Natural gas combined cycle facility located SE of Calgary
  - ~50% complete; expected COD early 2015
- Plan to develop the Capital Power Energy Centre; natural gas facility (up to 900 MW)
Alberta market
Positive long term supply dynamics

Forecast spark spreads above historical average

Projected reserve margin signals the need for new capacity in the 2017-2020 timeframe

AB market design expected to continue to provide timely pricing signals for the addition of new supply

Source: AESO and CPC Estimates
Shepard Energy Centre

**Excellent fit with our strategy and will strengthen our position in Alberta**

**Provides stable cash flows**
- 20-year tolling agreement on 50% of owned capacity with ENMAX
- Additional 25% contracted for 2015-17 which increases cash flow certainty during an expected period of low pool prices in Alberta
- Additional cash flow certainty created by hedging Capital Power’s existing portfolio by 100 MW in 2013, 300 MW in 2014 and 100 MW in 2015

**Located in target region**
- Adds to existing Alberta portfolio which will facilitate additional economies of scale and trading synergies
Capital Power Energy Centre to be built to meet Alberta’s power needs

*Expands our market share in the attractive Alberta market*

- Working with General Electric in the development of the project, and would utilize GE’s latest gas turbine technology
  - Looking to partner with 3rd party in the development of the project
- Evaluating two attractive sites for the project; both sites have existing infrastructure, utilities and close proximity to gas pipelines and transmission
- Targeting COD in 2017-20 to meet additional supply projected to be required from the province’s economic growth and retirements of existing coal-fired facilities
We will own the best fleet in the fastest growing power market in North America

Expansion plans will increase our Alberta portfolio to ~3,100 MW

- Best peaking responsiveness
- Best coal reliability
- Lowest environmental impact and lowest cost
- Most competitive natural gas combined cycle
Modern fleet

*Helps keep availability high and reduces risk of unplanned outages*

- Average weighted facility age of the current fleet is 12.1 years\(^{(1)}\)
- 2 new wind projects (195 MW) begin commercial operations in 2013 - 2014

\(^{(1)}\) Average facility age and remaining life weighted by owned capacity as of Jan1/13.
Based on MW owned capacity as of Jan 1/13; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).

Based on existing plants plus committed development projects.

Balanced portfolio of merchant and contracted generation

Today - 2012
15 facilities (3,603 MW)
• 43% capacity contracted

Year-end 2015E
17 facilities (4,048 MW)
• 48% capacity contracted

With the addition of the Shepard facility, contracted operating margin improves to 64% in 2015E compared to 37% in 2012E

(1) Based on MW owned capacity as of Jan 1/13; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).
(2) Based on existing plants plus committed development projects.
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