

CAPITAL POWER

Annual Meeting of Shareholders

Art Gallery of Alberta
Edmonton, AB

April 24, 2015



Today's presenters and panelists



Donald Lowry
Chairman



Brian Vaasjo
President & Chief
Executive Officer



Stuart Lee
SVP, Finance &
Chief Financial
Officer



Kate Chisholm
Corporate Secretary

Agenda

I. Business meeting

1. Chairman calls meeting to order
2. Scrutineers
3. Notice of meeting
4. Scrutineers' report on attendance
5. Consolidated financial statements
6. Election of Directors
7. Election of EPCOR nominee
8. Appointment of auditors
9. Advisory vote on executive compensation or "say on pay"
10. Termination of meeting

II. Presentation from the President & CEO

III. Question & Answer session

Business meeting

- Introduction of the current Board of Directors



A. Bellstedt



D. Beneby



W. Bennett



H. Bolton



R. Cruickshank



P. Daniel



P. Lachambre



A. McPherson



P. Mulligan

Business meeting

- Other members of senior management team



Darcy Trufyn
SVP, Operations,
Engineering &
Construction



Bryan DeNeve
SVP, Corporate
Development &
Commercial
Services



Todd Gilchrist
SVP, Human
Resources &
Health, Safety
& Environment

Business meeting

2. *Scrutineer (Computershare Trust Company)*

- Kyle Gould

3. *Notice of meeting*

- Notice and form of proxy or voting instruction form mailed on March 19, 2015 to common shareholders at the close of business March 13, 2015
- Posted on capitalpower.com and on SEDAR
- Affidavit of mailing provided; copy to be filed with the Minutes

4. *Scrutineers' report on attendance*

- Confirmation of a quorum present; copy to be filed with the Minutes

5. *Consolidated financial statements*

- External auditor, KPMG LLP, Edmonton

Business meeting

6. *Election of Directors*

(Common shareholder nominees)



Donald Lowry



Brian Vaasjo



Albrecht Bellstedt



Doyle Beneby



Philip Lachambre



Peggy Mulligan



Patrick Daniel

Business meeting

7. Election of EPCOR nominee



Allister McPherson

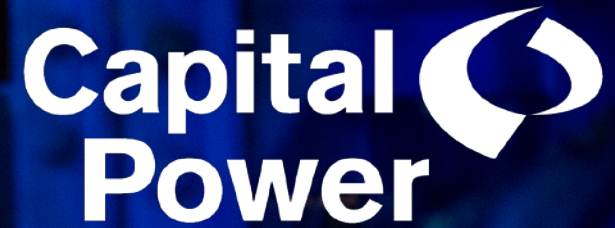
Business meeting

8. Appointment of Auditors

- KPMG, LLP

9. Advisory vote on executive compensation or “shareholder say on pay”

10. Termination of meeting



Planned. Prepared. Positioned.

Brian Vaasjo, President & CEO
April 24, 2015

Agenda

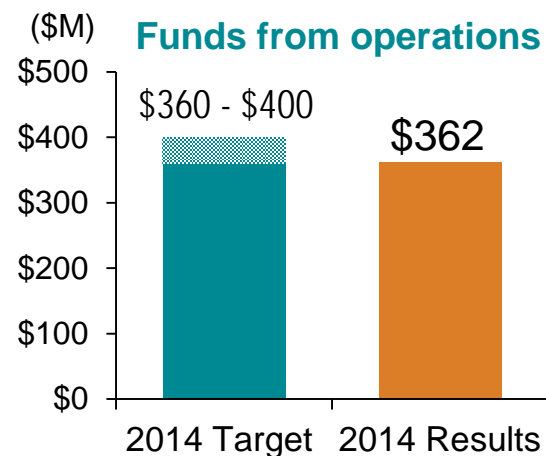
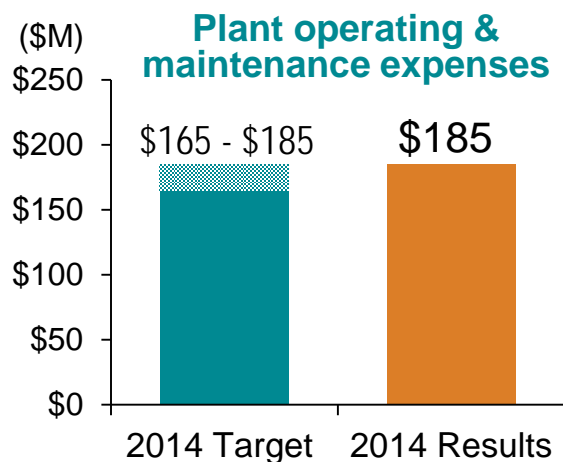
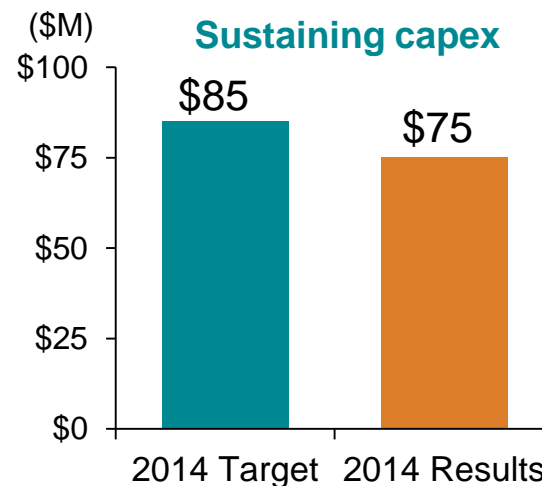
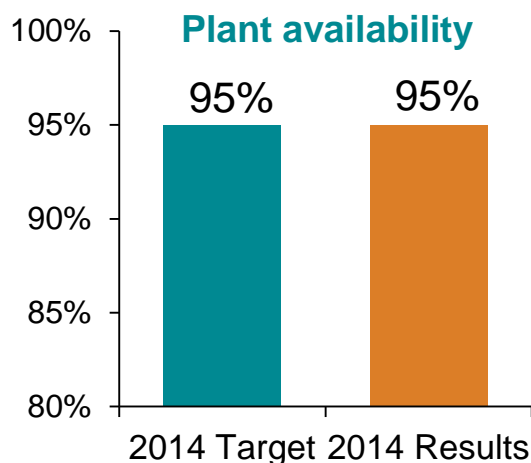
- 2014 Review
- Planned. Prepared. Positioned.
- First Quarter 2015 Results
- 2015 Corporate Priorities
- Video
- Question & Answer session

2014 Highlights

- Completed final stages of construction with ENMAX on the Shepard Energy Centre
- Completed project financing and commenced construction of the K2 Wind project (1/3 ownership of 270 MW project) with expected commercial operations in mid-2015
- Executed agreements with ENMAX to develop, construct and operate the Genesee 4&5 project; all major regulatory approvals received to proceed with construction
- Acquired a portfolio of wind and solar development sites in the U.S. that provide a solid foundation for growth
- Announced Company's first common share dividend increase, a 7.9% increase in the annual dividend effective with Q3/14 dividend

2014 Performance

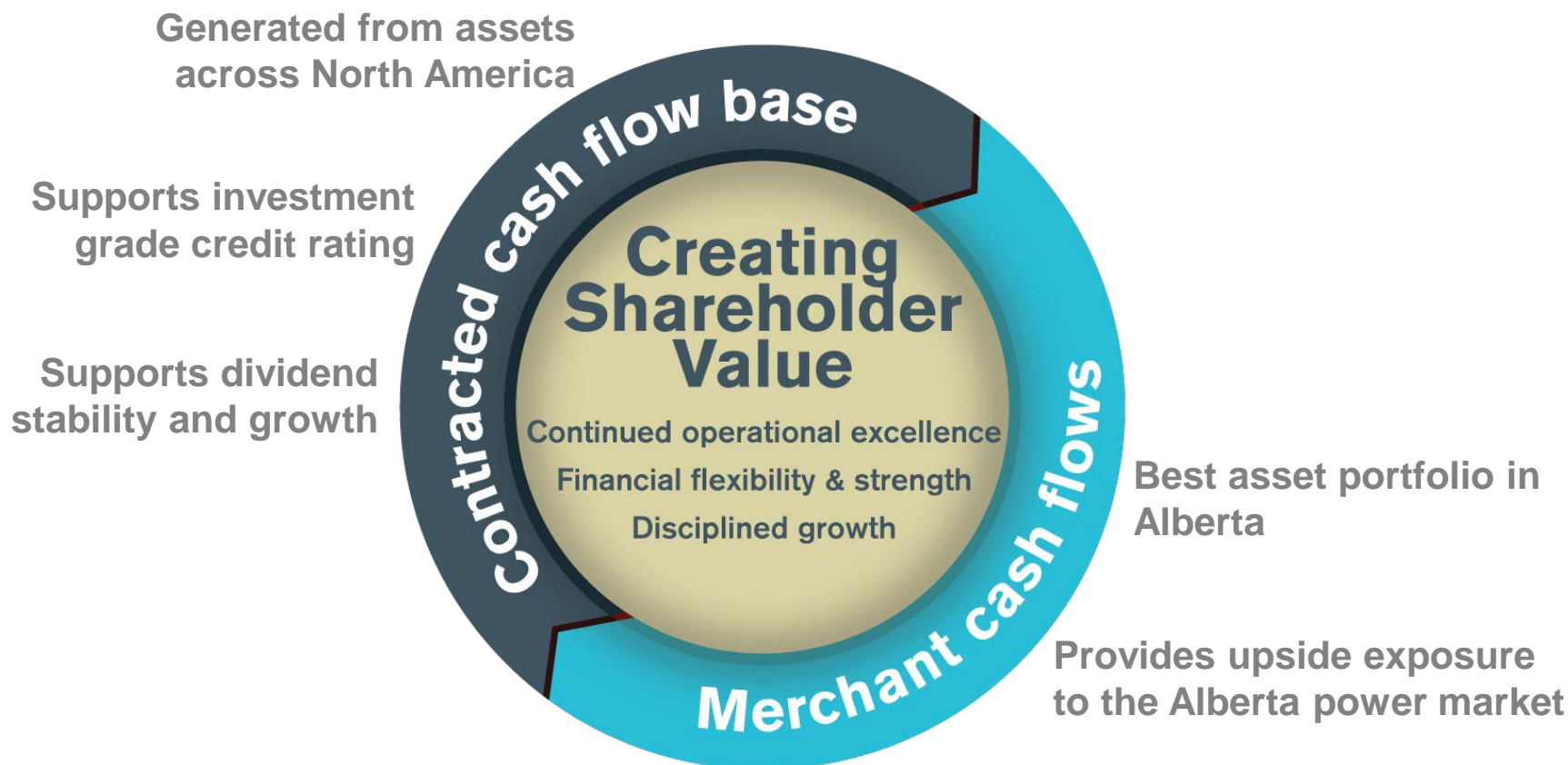
Operational and financial performance



All operational and financial results in-line with targets

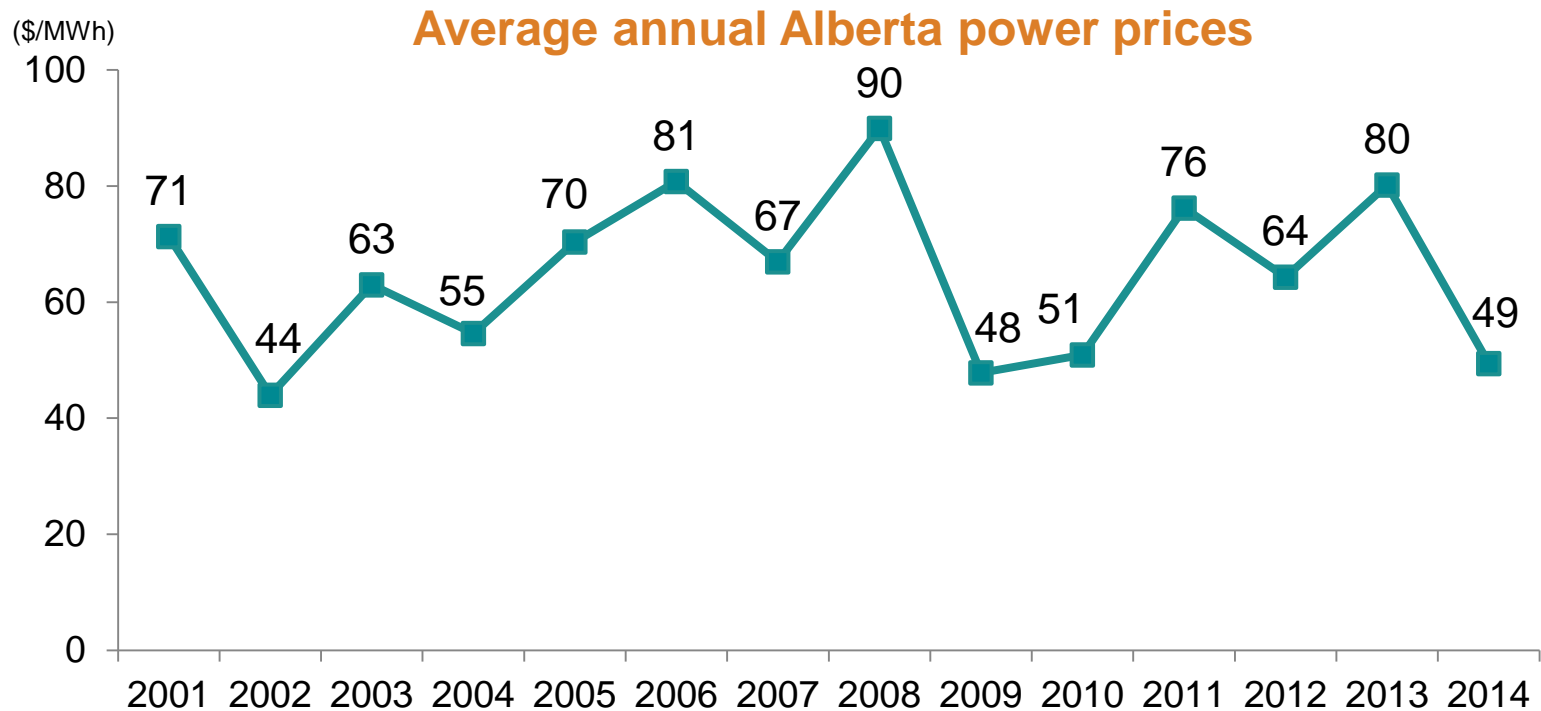
Capital Power's strategy

Providing shareholders with a stable and growing contracted cash flow base, with upside exposure to the Alberta power market



Alberta power market

- Alberta power market goes through business cycles
- As new generation added, expect to go through lower price periods followed by periods of price recovery



Annual prices have averaged \$65/MWh in the past 14 years

PLANNED

- Capital Power planned for this expected oversupply in generation in 2015 and decisions were made over the past few years based on this view
- Actions taken included:
 - Implementing various programs to reduce operating, maintenance and general & administrative costs (2013 actions reduced 2014 corporate expenses by \$37 million or 31%)
 - Partnering with ENMAX on the Shepard project in 2012 to increase our generation and market share in Alberta power market
 - Increasing our contracted cash flow base by adding 3 new wind facilities to the fleet

***PREPARED* for the power market cycle**

- Negotiated various commercial agreements with ENMAX for our output from Shepard
 - 20-year contract for 50% of our capacity from 2015-2035
 - Additional commercial agreements resulting in 100% of our capacity contracted in 2015 and 75% in 2016-2017
- Minimized exposure to low spot power prices by hedging a significant percentage of merchant cash flows at attractive prices

Well-positioned to weather the bottom of the power market cycle

***POSITIONED* for solid long-term growth**

- Since 2012, built three contracted wind facilities that add nearly 400 MW to our fleet
- Another 90 MW of contracted cash flow added when K2 Wind begins commercial operations in mid-2015
- Four wind projects and contracted portion of Shepard have significantly expanded our contracted cash flow base



Quality Wind, BC
142 MW, COD: Nov/12



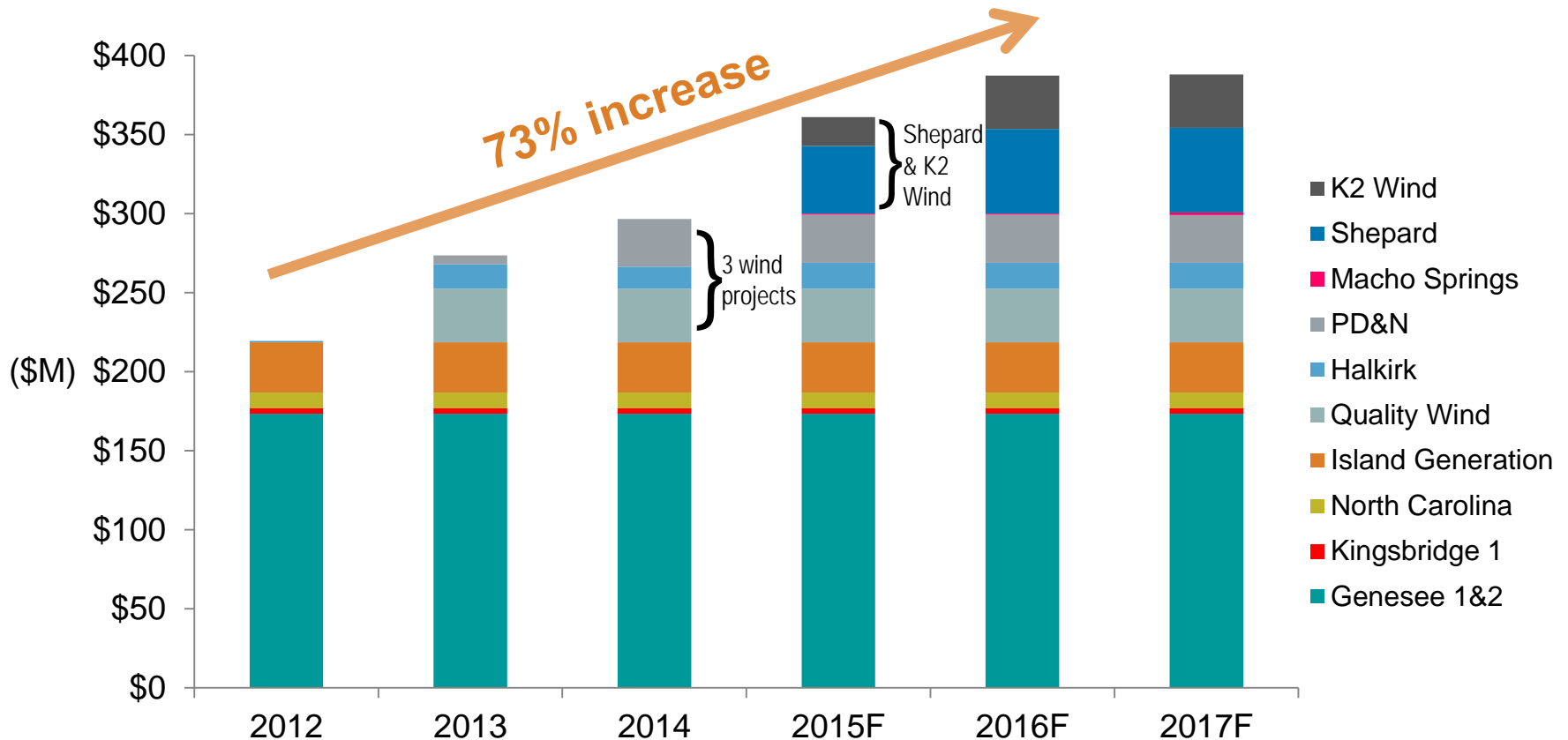
Halkirk, AB
150 MW, COD: Dec/12



Port Dover & Nanticoke, ON
105 MW, COD: Nov/13

Improving contracted cash flow^(1,2)

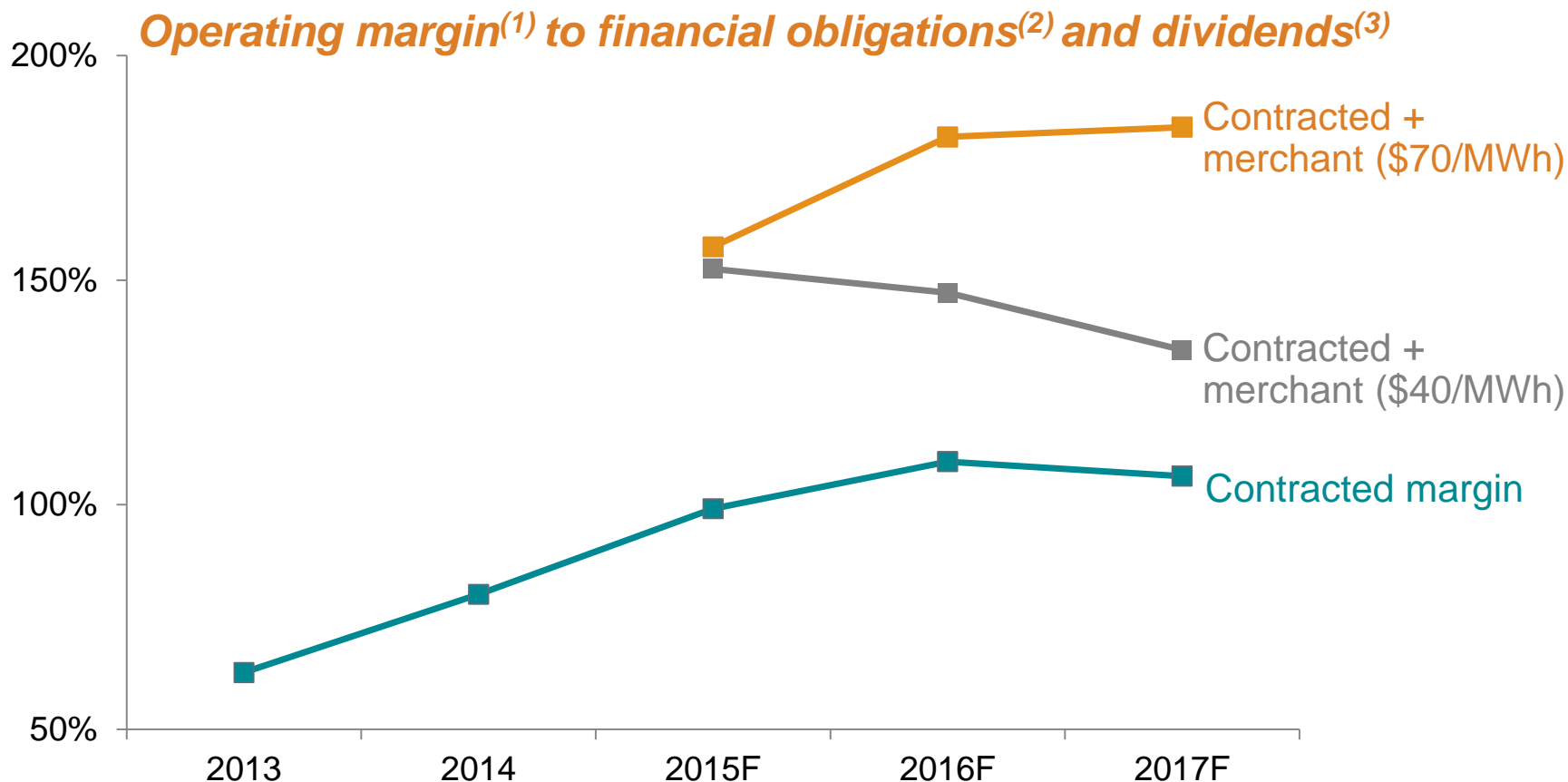
Substantial expansion in contracted operating margin from 2012 to 2016



1) Margins have been averaged over the periods except in the year of commissioning.

2) Only includes contracted portions of Halkirk and Shepard plants.

Financial obligations and dividends fully covered by contracted cash flow



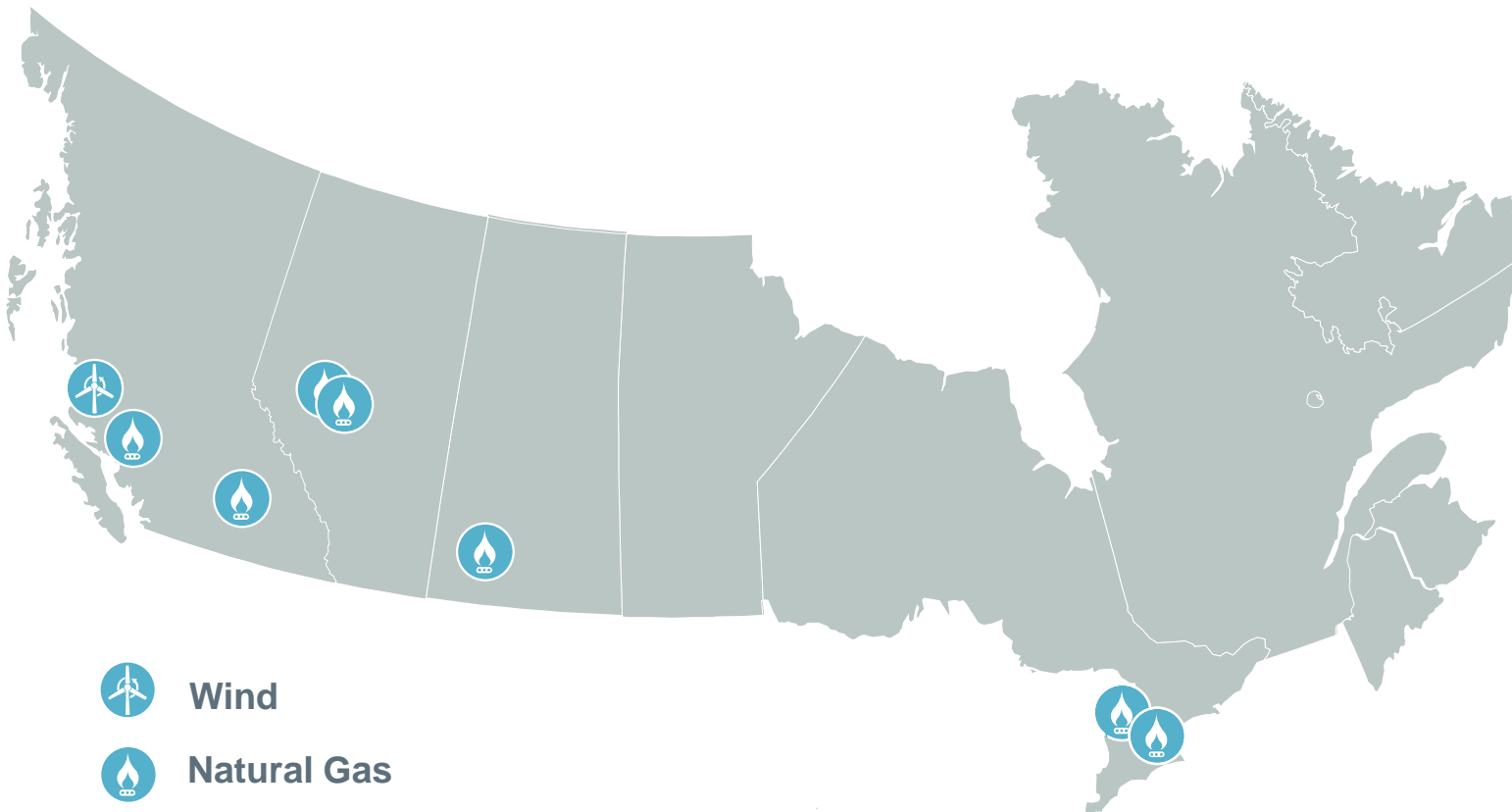
1) Merchant margin is calculated using \$40/MWh and \$70/MWh and is based on hedge position as at Dec 31, 2014.

2) Based on existing plants plus committed development projects. Financial obligations include interest payments (including interest during construction), sustaining capital expenditures and general & administration expenses.

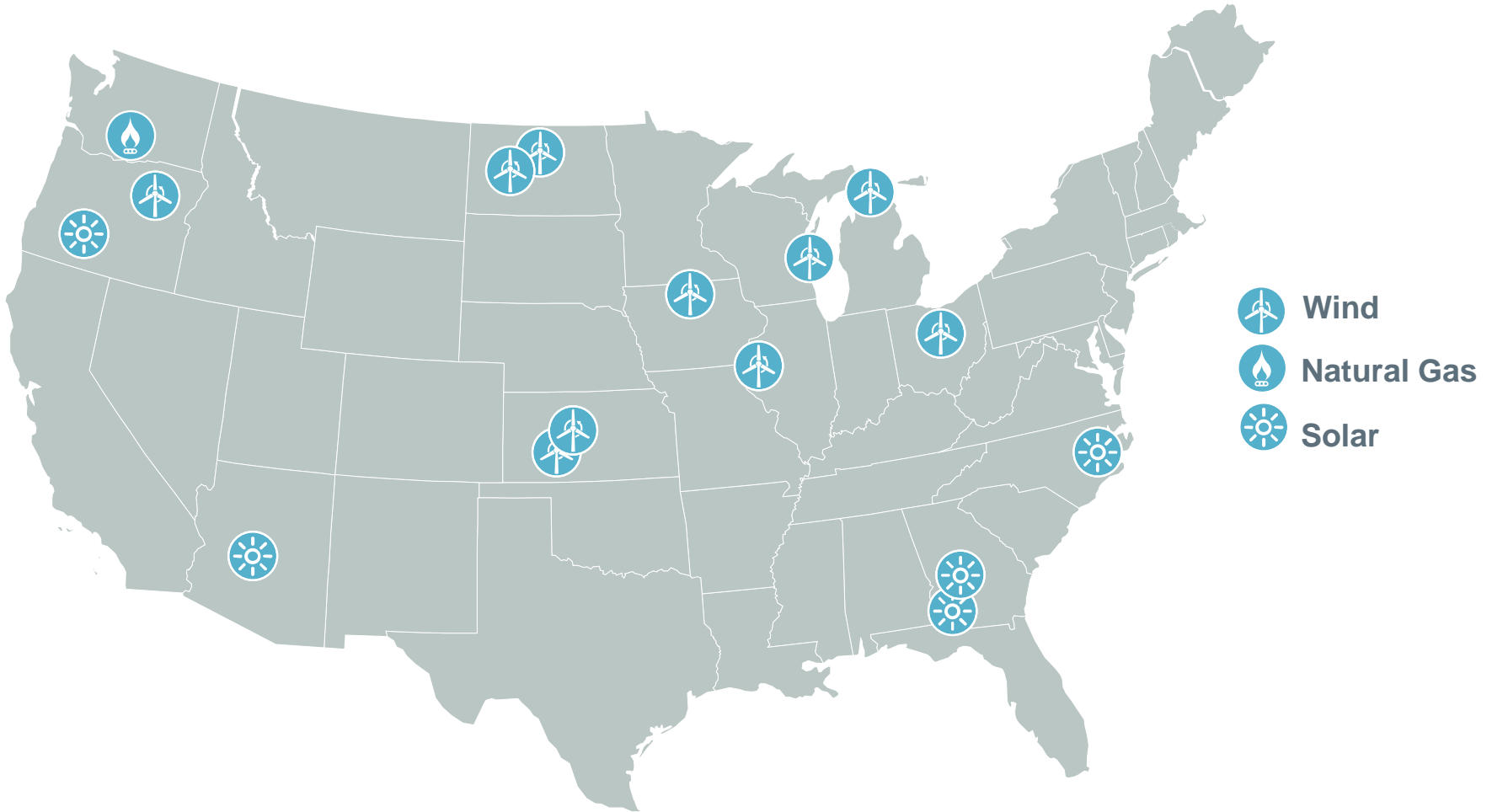
3) Dividends include common dividends, preferred dividends and CPLP distributions.

Growth opportunities in Canada

Natural gas and wind development sites

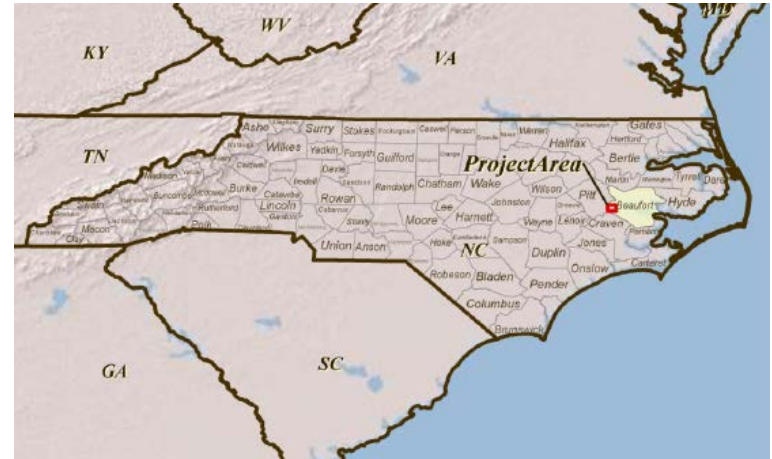


Natural gas and renewable development sites



Beaufort Solar

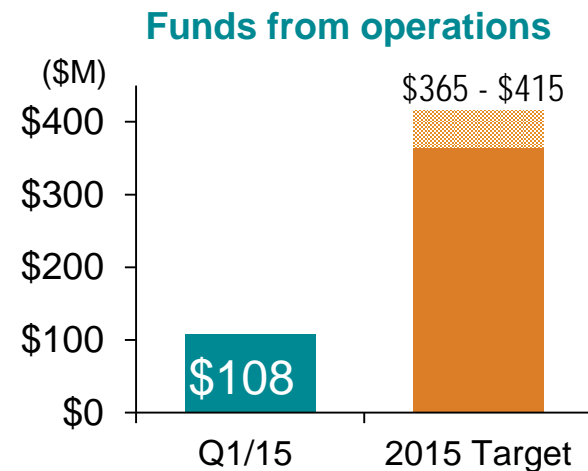
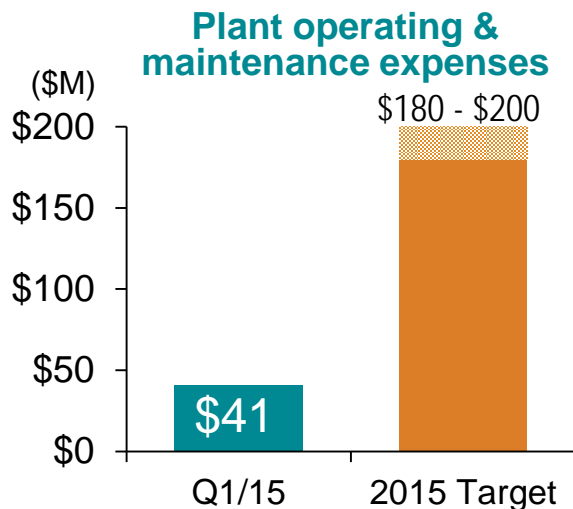
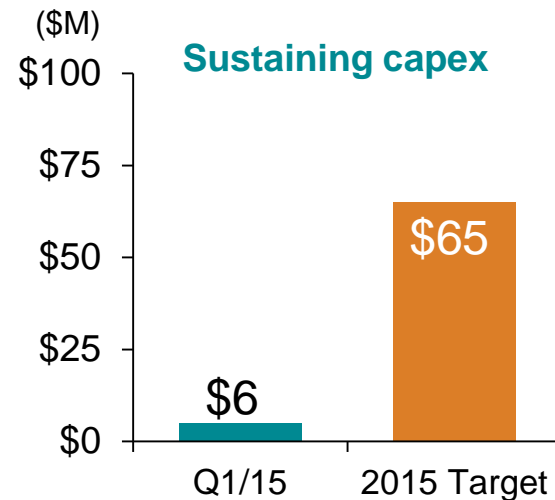
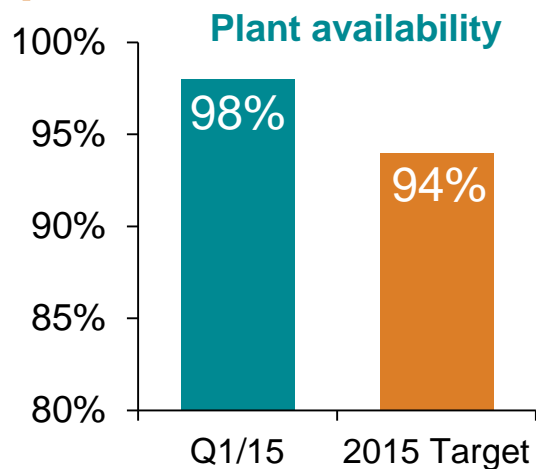
- Board has approved the 15 MW solar project in North Carolina, U.S.
- Fully contracted facility with a 15-year PPA with Duke Energy
- Commercial operations date (COD) targeted for Dec/15
- Sale leaseback structure; sell to tax equity investor at COD in exchange for lease payments



Capital Power's first solar project

Q1/15 Performance and 2015 targets

Operational and financial targets



On-track to meet 2015 targets

2015 Development and construction targets

On-time, on-budget and safe development of committed projects

K2 Wind (Ontario)

- Complete construction for COD in mid-2015



Genesee 4&5 (Alberta)

- Transition from development to construction



Shepard Energy Centre



Summary

Operational excellence

- Excellent assets in good markets with solid operating performance
- On-going improvements to operating cost base, fleet availability and risks

Contracted cash flows

- Substantial growth in contracted operating margins expected to fully cover financial obligations and dividends in 2015 and beyond
- Supports consistent annual dividend growth⁽¹⁾

Alberta power market upside

- Own the best fleet in the best merchant power market in North America
- Well positioned to weather the bottom of the power market cycle; significant % of merchant cash flows hedged in the near-term

Growth

- Genesee 4&5 best positioned to be the next large natural gas-fired generation project to be built in Alberta
- Strong pipeline of contracted growth opportunities in North America

Strong contracted cash flow growth supports annual dividend growth⁽¹⁾

1) Subject to Board approval.

Executive rotation

- As part of Capital Power's ongoing executive development, the Board of Directors have approved the rotation of Stuart Lee and Bryan DeNeve
- Executive rotation effective May 1, 2015



Stuart Lee
Senior VP, Finance &
Chief Financial Officer



Bryan DeNeve
Senior VP, Corporate
Development & Commercial
Services

Video: Planned. Prepared. Positioned.



A photograph of an offshore wind farm at sunset. The sky is a mix of blue and orange, with wispy clouds. The water is calm and reflects the sky. Several wind turbines are visible in the distance. The foreground shows the dark, curved edge of a structure, possibly part of a ship or a platform.

{ QUESTIONS?