Capital Power

- Independent power producer with ownership interest in 13 facilities in Canada and the US totaling more than 2,600 MW\(^{(1)}\)
- Capital Power builds, owns and operates power plants
- Significant contracted cash flow base and merchant investments in Alberta - the most attractive power market in North America
- Trading on TSX (CPX); market cap of $2.2B
- Dividend yield of ~5.6%

\(^{(1)}\) Based on MW owned capacity as of Dec 31/13; excludes Sundance PPA (371 MW) and Clover Bar Landfill Gas (4.8 MW).
Operational excellence

- Modern fleet
- High fleet availability
- Favourable cost trend
- Alberta power market trading
- Construction expertise
Modern fleet

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

- Average weighted facility age of the current fleet is 12.3 years\(^{(1)}\)
- Shepard Energy Centre expected COD in early 2015 and K2 Wind in 2015

<table>
<thead>
<tr>
<th>Facility</th>
<th>Facility Age</th>
<th>Remaining Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Dover &amp; Nanticoke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Halkirk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Wind</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kingsbridge I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clover Bar Energy Centre Unit 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clover Bar Energy Centre Unit 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clover Bar Energy Centre Unit 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Island Generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joffre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southport</td>
<td></td>
<td>26 years remaining life</td>
</tr>
<tr>
<td>Roxboro</td>
<td></td>
<td>34 years remaining life</td>
</tr>
<tr>
<td>Keephills 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Genesee 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Genesee 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Genesee 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Average facility age and remaining life weighted by owned capacity as of January 1/14.
High fleet availability

Operating availability consistently 90%+ since IPO in 2009

- Generation (GWh)
- 96% 90% 92% 91% 93% 95%
- 18,000 15,000 12,000 9,000 6,000 3,000
- 2009 2010 2011 2012 2013E 2014T

Generation
- Average plant availability

Capital Power
Favourable cost trend

- In 2013, reduced annual G&A by $22 million
- Significant cost improvements made in 2013 without negatively impacting high operating & maintenance (O&M) standards

Note: Total non-fuel O&M and CAPEX spending excluding planned outages.

(1) Adjusted for current fleet including Port Dover & Nanticoke, and adjusted to 2013 dollars.
Alberta power market trading

- Hedging positions based primarily on generation from Genesee 3 and Keephills 3 baseload coal plants and output from the Sundance PPA

- Actively trading throughout various time periods to minimize portfolio risks, create incremental value, and reduce volatility

*CPX’s average realized power price has exceeded spot power prices by ~13% on average over past 3+ years*
# Construction expertise

Solid track record on completing 7 construction projects (supercritical coal, natural gas, wind) totaling 1,669 MW

<table>
<thead>
<tr>
<th>Asset</th>
<th>Capacity / fuel</th>
<th>On-time</th>
<th>On-budget</th>
<th>In-Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genesee 3</td>
<td>516 MW / coal</td>
<td>✓</td>
<td>+</td>
<td>2005</td>
</tr>
<tr>
<td>Kingsbridge 1</td>
<td>40 MW / wind</td>
<td>✓</td>
<td>✓</td>
<td>2006</td>
</tr>
<tr>
<td>CBEC</td>
<td>200 MW / gas</td>
<td>+</td>
<td>✓</td>
<td>2009</td>
</tr>
<tr>
<td>Keephills 3</td>
<td>516 MW / coal</td>
<td>-</td>
<td>-</td>
<td>2011</td>
</tr>
<tr>
<td>Halkirk</td>
<td>150 MW / wind</td>
<td>✓</td>
<td>+</td>
<td>2012</td>
</tr>
<tr>
<td>Quality Wind</td>
<td>142 MW / wind</td>
<td>✓</td>
<td>+</td>
<td>2012</td>
</tr>
<tr>
<td>Port Dover &amp; Nanticoke</td>
<td>105 MW / wind</td>
<td>✓</td>
<td>+</td>
<td>2013</td>
</tr>
</tbody>
</table>

✓ Met expectations at full notice to proceed  
+ Better than expected  
- Worse than expected
Strong financial base

- Strong balance sheet and access to capital
- Investment grade credit rating
- No near-term financings
- Strong cash flow generation
Financial strength

- Investment grade credit ratings
- Debt-to-capital ratio of ~33% at 2014 year-end remains below long-term target of 40% - 50%

### Agency Ratings Outlook

<table>
<thead>
<tr>
<th>Agency</th>
<th>Ratings</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>BBB- / P-3</td>
<td>Stable</td>
</tr>
<tr>
<td>DBRS</td>
<td>BBB / Pfd-3 (low)</td>
<td>Stable</td>
</tr>
</tbody>
</table>

### Debt to total capitalization

- Long-term target 40% - 50%
Credit metrics\(^{(1)}\)

Above DBRS financial criteria for current rating

Adj. Cash flow/Adj. Debt

![Bar chart showing Adj. Cash flow/Adj. Debt comparison between 2013 and 2014.

EBITDA/Adj. Interest

![Bar chart showing EBITDA/Adj. Interest comparison between 2013 and 2014.

Above S&P financial criteria for investment grade rating

Adj. FFO/Adj. Debt\(^{(2)}\)

![Bar chart showing Adj. FFO/Adj. Debt comparison between 2013 and 2014.

Corporate Liquidity

![Bar chart showing Corporate Liquidity comparison for 2013.

---

\(^{(1)}\) Metrics applicable to Capital Power L.P.

\(^{(2)}\) Based on S&P’s recently revised weighted average ratings methodology.
## Development projects – CAPEX

<table>
<thead>
<tr>
<th>($M)</th>
<th>Prior to 2013</th>
<th>2013T</th>
<th>2014T</th>
<th>Project total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Dover &amp; Nanticoke</td>
<td>$68</td>
<td>$230</td>
<td>$17</td>
<td>$315</td>
</tr>
<tr>
<td>K2 Wind(^{(1)})</td>
<td>$3</td>
<td>$26</td>
<td>$31</td>
<td>$291</td>
</tr>
<tr>
<td>Shepard Energy Centre(^{(2)})</td>
<td>$50</td>
<td>$650</td>
<td>$121</td>
<td>$821</td>
</tr>
<tr>
<td></td>
<td>$121</td>
<td>$906</td>
<td>$169</td>
<td>$1,427</td>
</tr>
</tbody>
</table>

*Continue strong execution of CAPEX program*

\(^{(1)}\) Represents Capital Power’s 1/3 share of project cost, including project financing.

\(^{(2)}\) Represents Capital Power’s 50% share of project cost.
# Cash flow and financing outlook

**Sufficient sources of cash flow to meet dividends, development projects and sustaining CAPEX**

<table>
<thead>
<tr>
<th>Sources of cash flow ($M)</th>
<th>2013T</th>
<th>2014T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds from operations(^{(1)})</td>
<td>~$400</td>
<td>~$380</td>
</tr>
<tr>
<td>Preferred share offering</td>
<td>$200</td>
<td>-</td>
</tr>
<tr>
<td>Net proceeds from sale of US Northeast assets</td>
<td>$556</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of cash flow</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends (net of DRIP) &amp; distributions to NCI</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>Dividends (Preferred shares)</td>
<td>$20</td>
<td>$22</td>
</tr>
<tr>
<td>Development projects</td>
<td>$906</td>
<td>$169</td>
</tr>
<tr>
<td>Sustaining capex</td>
<td>$100</td>
<td>$85</td>
</tr>
</tbody>
</table>

**Net change in cash**

~$30 ~$4

*No primary common share equity required in 2013-14 other than via DRIP*

\(^{(1)}\) Represents mid-point of guidance range.
Continued strong cash flow generation

Funds from operations (FFO)

- Expect to exceed target of $385M-$415M in FFO in 2013
- FFO target for 2014 expected to be lower than 2013 due to low Alberta power prices
- 35%+ of 2011-2014 FFO is expected to be discretionary cash flow (1)
- Additional cash flows in 2014 from full year operations for PD&N
- No material cash taxes until 2018

(1) Discretionary cash flow is a non-GAAP financial measure, see slide 50.
Improving contracted cash flow\(^{(1,2)}\)

Substantial expansion of contracted operating margin from
~$225M to $375M from 2012 to 2015 (66% increase)

(1) Margins have been averaged over the periods except in the year of commissioning.
(2) Only includes contracted portions of Halkirk and Shepard plants.
Dividends

- Contracted cash flow base supplemented with hedge position provide downside protection in lower price environment
- >90% hedged in 2014. Minimum AB power price of ~$11/MW for free cash flow to meet dividend commitment in 2014
- Relative to peers who use total free cash flow for financial obligations and dividends, Capital Power has upside with additional cash flow from merchant assets

Well positioned for future dividend growth

(1) Based on existing plants plus committed development projects. Financial obligations include interest payments (incl. interest during construction), sustaining capital expenditure and general & administration expenses.
Alberta power market upside

- Strong market demand fundamentals
- Attractive pricing outlook
- Retirement of coal units
- Capital Power’s attractive fleet
- Alberta upside
Alberta Demand and Alberta GDP

- **Real GDP** – All Alberta industries (Chained $2007 millions)
- **AIL** – Alberta Internal Load measured in gigawatt hours (GWh)

(1) Source: AESO 2012 Long term Outlook Update
Alberta market design expected to continue to provide timely pricing signals for the addition of new supply

Expected coal unit retirements - CST

Retirements under the federal Capital Stock Turnover (CST) regulations

Alberta coal generation (MW)

<table>
<thead>
<tr>
<th>Facility</th>
<th>Generation Capacity (MW)</th>
<th>End of Life (Final Regulations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Battle River 3</td>
<td>149</td>
<td>2019</td>
</tr>
<tr>
<td>Sundance 1</td>
<td>288</td>
<td>2019</td>
</tr>
<tr>
<td>H.R. Milner</td>
<td>144</td>
<td>2019</td>
</tr>
<tr>
<td>Sundance 2</td>
<td>288</td>
<td>2019</td>
</tr>
<tr>
<td>Battle River 4</td>
<td>155</td>
<td>2025</td>
</tr>
<tr>
<td>Sundance 3</td>
<td>362</td>
<td>2026</td>
</tr>
<tr>
<td>Sundance 4</td>
<td>406</td>
<td>2027</td>
</tr>
<tr>
<td>Sundance 5(1)</td>
<td>406</td>
<td>2028</td>
</tr>
<tr>
<td>Sundance 6(1)</td>
<td>401</td>
<td>2029</td>
</tr>
<tr>
<td>Battle River 5</td>
<td>385</td>
<td>2029</td>
</tr>
<tr>
<td>Keephills 1</td>
<td>387</td>
<td>2029</td>
</tr>
<tr>
<td>Keephills 2</td>
<td>406</td>
<td>2029</td>
</tr>
<tr>
<td>Sheerness 1</td>
<td>390</td>
<td>2036</td>
</tr>
<tr>
<td>Genesee 2(1)</td>
<td>430</td>
<td>2039</td>
</tr>
<tr>
<td>Sheerness 2</td>
<td>390</td>
<td>2040</td>
</tr>
<tr>
<td>Genesee 1(1)</td>
<td>430</td>
<td>2044</td>
</tr>
<tr>
<td>Genesee 3(1)</td>
<td>516</td>
<td>2055</td>
</tr>
<tr>
<td>Keephills 3(1)</td>
<td>466</td>
<td>2061</td>
</tr>
</tbody>
</table>

(1) Represents units that Capital Power has ownership/interests in.
Best fleet in the fastest growing power market in North America

With investments in Shepard and Genesee 4&5 facilities, Capital Power will own high-quality baseload, mid-merit, renewable and peaking generation in Alberta providing more flexibility than any other power portfolio in the province.

- Best peaking responsiveness
- Best coal fleet reliability
- Low cost
- Most competitive natural gas combined cycle
Diverse generation fleet in Alberta

Well positioned to capture value in Alberta’s merchant market

<table>
<thead>
<tr>
<th>Plant Description</th>
<th>Key Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clover Bar Energy Centre</td>
<td>Most responsive peaking facility in the AB market, Captures peak pricing, backstops position</td>
</tr>
<tr>
<td>Shepard Energy Centre</td>
<td>Under construction for COD in early 2015, 50% JV interest in 800 MW natural gas combined cycle facility, Most effective gas facility, with lowest heat rate</td>
</tr>
<tr>
<td>Joffre Cogen</td>
<td>192 MW capacity from jointly-owned mid-merit natural gas combined cycle facility</td>
</tr>
<tr>
<td>Genesee 1, 2, 3; Keephills 3</td>
<td>G1 &amp; 2 provides 860 MW of low cost baseload coal under PPA through 2020, G3 and K3 provides 506 MW of merchant capacity from jointly-owned and operated plants. Cleanest coal units in Canada with the longest average life remaining of 45 years</td>
</tr>
<tr>
<td>Halkirk Wind</td>
<td>Largest wind farm in AB; provides Renewable Energy Credits into California market under long term contract, Unique geographical location provides greater captured price</td>
</tr>
</tbody>
</table>

(1) Capital Power’s expected percentages reflect ownership interest and excludes Sundance PPA. Source: AESO
AB commercial portfolio positions

- Alberta portfolio hedged positions for AB baseload plants and acquired Sundance PPA (% sold forward)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage sold forward</td>
<td>81%</td>
<td>92%</td>
<td>77%</td>
</tr>
<tr>
<td>Average contracted prices(1) ($/MWh)</td>
<td>Mid-$60</td>
<td>High-$50</td>
<td>Mid-$50</td>
</tr>
<tr>
<td>Forward prices ($/MWh)</td>
<td>$62</td>
<td>$58</td>
<td>$50</td>
</tr>
</tbody>
</table>

(1) The forecast average contracted prices may differ significantly from the future average realized prices as the hedged and unhedged positions have a varying mix of differently priced blocks of power. This impact is accentuated in 2014 which includes one contract-for-differences for 300 MW for the full year that is sold forward for peak periods only.

- Sensitivity analysis to +/- $1/MWh change in Alberta power prices
  - 2013: +/- $2M to Adjusted EBITDA
Merchant position in AB provides upside

Operating margin\(^{(1)}\) to financial obligations\(^{(2)}\) and dividends

- Expansion of contracted cash flows provide strong coverage of financial obligations and dividends as Shepard and K2 begin COD
- Increasing open merchant position in Alberta provides significant additional upside

(1) Merchant margin is calculated using $50/MWh and $80/MWh and is based on hedge position as at December 31, 2013.
(2) Based on existing plants plus committed development projects. Financial obligations include interest payments (incl. interest during construction), sustaining capital expenditures and general & administration expenses.
Growth

- Existing projects – Shepard Energy Centre, K2 Wind, Genesee 4&5
- Developing contracted opportunities in North America
- Competitiveness of contracted acquisitions a challenge
- Fuel type and financial discipline
Shepard Energy Centre

- Shepard is a natural gas combined cycle facility located on the southeast edge of Calgary, with COD targeted in early 2015
- 50% joint venture agreement with ENMAX for the 800 MW facility
- 20-year tolling agreement on 50% of owned capacity with ENMAX
- Additional 25% contracted for 2015, 2016 and 2017 which increases cash flow certainty during an expected period of recovering pool prices in Alberta
- Additional cash flow certainty created by hedging Capital Power’s existing portfolio with 100 MW (2013), 300 MW (2014) and 100 MW (2015)
Ontario wind project

**K2 Wind**

- 20-year PPA with Ontario Power Authority
- 270 MW (Siemens turbines); located in southern Ontario
- Equal one-third partnerships with Samsung and Pattern Renewable Holdings
- REA received July/13; COD targeted for 2015
- $291M capex budget (Capital Power’s portion)
- Project financing to fund primary capital requirements
Genesee 4&5

- Capital Power will develop Genesee 4&5 in a 50/50 joint venture with ENMAX
  - Capital Power to lead construction and will be the operator
- Definitive agreements expected in Q1, 2014
- Genesee provides significant advantages for the development of a new combined cycle unit given the access to existing infrastructure

- Up to 1,050 MW using the latest state-of-the-art high efficiency gas turbine technology in a 2x1x1 configuration
- Regulatory application submitted to Alberta Utilities Commission (AUC) in Dec/13
- Construction will be completed in 2018 to 2020 timeframe depending on load growth in the province
Growth opportunities
All contracted opportunities outside Alberta

Development Sites
- Natural Gas
- Wind
- Solar
## 2014 Corporate priorities

### Operational targets

<table>
<thead>
<tr>
<th>Item</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant availability (reflects planned turnarounds at Genesee 2 &amp; 3)</td>
<td>95%</td>
</tr>
<tr>
<td>Maintenance capital (plant maintenance capital and other capex)</td>
<td>$85M</td>
</tr>
<tr>
<td>Plant operating and maintenance expense</td>
<td>$165M to $185M</td>
</tr>
</tbody>
</table>

### Financial target

<table>
<thead>
<tr>
<th>Funds from operations&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>2013T</th>
<th>2014T</th>
</tr>
</thead>
<tbody>
<tr>
<td>(M)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>$100</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>$200</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>$300</td>
<td>$300</td>
<td>$300</td>
</tr>
<tr>
<td>$400</td>
<td>$400</td>
<td>$400</td>
</tr>
<tr>
<td>$500</td>
<td>$500</td>
<td>$500</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Funds from operations (FFO) target is based on a forecasted average Alberta power price of $57/MWh. FFO is a non-GAAP financial measure, see slide 50.
2014 Corporate priorities
Development and construction targets

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

• Shepard Energy Centre project (complete construction with COD in early 2015)
• Genesee 4 & 5 (continue on track for Q1/15 permitting approval)
• K2 Wind project (commence construction and completion of project financing)
Why invest in Capital Power

**Operational excellence**
- Excellent assets in good markets
- Very good operating and trading performance
- Recent reductions in risk, financial volatility & operating cost base

**Strong financial base**
- Near term growth funded from internal cash flow & DRIP
- Well-positioned for disciplined longer term growth (G4&5)
- Decreasing EPCOR overhang and greater contracted asset visibility should improve valuation multiples

**Compelling value proposition**
- Substantial growth in contracted cash flow to support dividend growth and credit metrics
- Best fleet in Alberta, the best power market in North America
Alberta power market

- Alberta (AB) has a competitive wholesale energy and ancillary services market operated by the Alberta Electric System Operator (AESO); market has an installed generation capacity of ~14,000 MW.
- No capacity market – power generators must recover all costs through revenue earned in AB’s energy and ancillary services market.
- Entire province is a single zone where power prices are determined by the bid price of the incremental power generator (i.e. one with the highest accepted bid sets hourly price) that is dispatched to balance demand and supply in real-time.
- AB’s economy expected to grow above national average rate due to the impact of continued oil sands development activities that is a fundamental driver to increasing power demand.
- AESO forecasts average annual demand to grow by 4.3% for the next five years (1).
- AB Government announced in Jan/13, that it will continue with the Regulated Rate Option (RRO) and extend the procurement window to 120 days.

Alberta demand outlook

Growth in total electricity sales (%) 2012 to 2020\(^{(1)}\)

“Alberta’s future power demand outlook is also fairly robust, especially compared with that of most other jurisdictions in North America, because of a strong provincial economy; a growing population from inward migration; and anticipated high growth in the energy sector, especially for shale gas, tight oil, and oil sands production.”

– IHS CERA, Sept/12

\(^{(1)}\) Source: IHS Inc. The use of this content was authorized in advance by IHS. Any further use or redistribution of this content is strictly prohibited without written permission by IHS. All rights reserved.
Current installed generation\(^{(1)}\)
(MW and % of installed capacity)

- **Coal**: 6,271 MW (43%)
- **Cogen**: 4,363 MW (30%)
- **Gas-Fired**: 1,529 MW (11%)
- **Wind**: 1,088 MW (7%)
- **Hydro**: 894 MW (6%)
- **Biomass/Other**: 404 MW (3%)

2012 Demand by end use\(^{(1)}\)

- **Industrial**: 46%
- **Residential**: 13%
- **Commercial**: 20%
- **Oilsands**: 19%
- **Farm**: 2%

\(^{(1)}\) Source: AESO (Dec, 2013)
Alberta load factor

- High load factor enables a higher realized pool price for peaking units
- Load factor is about 80% to 85%

Average Alberta load (MW)\(^{(1)}\)

By hours ended (Jan 2012 – Oct 2013)

\(^{(1)}\) Source: AESO (Dec, 2013)
Historical Alberta prices

Daily average power prices

Annual average power prices and AECO

Appendix
Alberta pool price evolution

- About 10% of hours have prices greater than $100
- Market provides favourable pricing for peaking generation

Pool price in top 15% of hours by year

(1) Source: AESO (Dec, 2013)
Alberta market design

Stable market design has signalled the addition of 6 GW of new generation

Appendix
Alberta power market summary

Alberta’s market design framework

- Has attracted continued investment by various parties for different fuel types
- Ensures investment risk is borne by investors and not ratepayers/taxpayers
- Provides participants with options and choices for managing their commodity price risk

Capital Power believes Alberta’s market design is sustainable and will continue to attract investment

- No major market reforms required
- Effective implementation of existing policy directives, particularly new transmission development

“...analysis confirms that, from a resource adequacy and generation investment perspective, the Alberta electricity market is generally well functioning based on current market conditions and policies. The current market design should be able to address the identified resource adequacy challenges and there is no compelling or immediate need for major design changes to address these challenges.”

— (The Brattle Group, Inc., Mar/13)
**Alberta emissions regulations**

- GHG emissions
- SO$_2$ emissions
- NOx emissions
- Mercury
- Particulate matter

*Certainty in air emissions regulations will provide for orderly retirements, development of replacement generation, and improving environmental outcomes*
Proven ability to manage environmental commodity exposure

- Dedicated team of five focused on transforming environmental commodity risk into an opportunity – success in doing this has created a competitive advantage through lower compliance costs in Alberta
- This competitive advantage will be strengthened if the Alberta Specified Gas Emitters Regulation (SGER) becomes more stringent, as expected in 2015
- Over $100M has been committed to or invested in environmental commodities (e.g. GHG offsets and allowances, RECs, etc.)
- Capital Power has neutralized its exposure to GHG regulations in Alberta in the near-term and continues to procure GHG offsets
- Projected value from trading environmental commodities in 2014 is $3.5M

Capital Power has been actively involved in environmental markets for over a decade and continues to be an industry leader in managing environmental commodity exposure
Unhedged vs. hedged Capital Power Alberta SGER compliance costs 2013-2017

Annual AB SGER cost savings for Capital Power
Expected coal unit retirements - CASA

Clean Air Strategic Alliance (CASA) regulations may result in coal units retiring sooner

Appendix

Note: CASA Financial Compliance assumes coal-fired capacity retirements at the end of design life as per the Alberta Air Emissions Standards for Electricity Generation CASA framework.
Debt maturity schedule\(^{(1)}\)

Term on credit facilities extended to 5 years

Well spread-out debt maturities are supported by long asset lives

\(^{(1)}\) As of Nov 30, 2013.
### Summary of assets

<table>
<thead>
<tr>
<th></th>
<th>Genesee 1</th>
<th>Genesee 2</th>
<th>Genesee 3</th>
<th>Keephills 3</th>
<th>Joffre</th>
<th>Clover Bar Energy Centre</th>
<th>Clover Bar Landfill</th>
<th>Halkirk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity</strong></td>
<td>430 MW</td>
<td>430 MW</td>
<td>516 MW</td>
<td>495 MW</td>
<td>480 MW</td>
<td>243 MW</td>
<td>4.8 MW</td>
<td>150 MW</td>
</tr>
<tr>
<td><strong>% owned / operated</strong></td>
<td>100 / 100</td>
<td>100 / 100</td>
<td>50 / 100</td>
<td>50 / 0</td>
<td>40 / 0</td>
<td>100 / 100</td>
<td>100 / 100</td>
<td>100 / 100</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Warburg, Alberta</td>
<td>Warburg, Alberta</td>
<td>Warburg, Alberta</td>
<td>Keephills, Alberta</td>
<td>Joffre, Alberta</td>
<td>Edmonton, Alberta</td>
<td>Edmonton, Alberta</td>
<td>Halkirk, Alberta</td>
</tr>
<tr>
<td><strong>Fuel &amp; equipment</strong></td>
<td>Coal (50% ownership of coal mine)</td>
<td>Coal (50% ownership of coal mine)</td>
<td>Coal (50% ownership of coal mine)</td>
<td>Coal</td>
<td>Natural gas</td>
<td>Natural gas (Two 100 MW GE LMS100 turbines; 43 MW GE LM6000)</td>
<td>Landfill gas</td>
<td>Vestas wind turbines</td>
</tr>
<tr>
<td><strong>PPA Expiry</strong></td>
<td>2020</td>
<td>2020</td>
<td>Merchant</td>
<td>Merchant</td>
<td>Merchant</td>
<td>Merchant</td>
<td>Merchant</td>
<td>~40% - 45% of total revenues from 20-year REC sale agreement / Merchant</td>
</tr>
</tbody>
</table>
# Summary of Assets

<table>
<thead>
<tr>
<th>Kingsbridge 1</th>
<th>Island Generation</th>
<th>Quality Wind</th>
<th>Port Dover &amp; Nanticoke</th>
<th>Roxboro</th>
<th>Southport</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity</strong></td>
<td>40 MW</td>
<td>275 MW</td>
<td>142 MW</td>
<td>105 MW</td>
<td>88 MW</td>
</tr>
<tr>
<td><strong>% owned / operated</strong></td>
<td>100 / 100</td>
<td>100 / 100</td>
<td>100 / 100</td>
<td>100 / 100</td>
<td>100 / 100</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Goderich, Ontario</td>
<td>Campbell River, BC</td>
<td>Near Tumbler Ridge, BC</td>
<td>Located in the counties of Norfolk and Haldimand, Ontario</td>
<td>Roxboro, North Carolina</td>
</tr>
<tr>
<td><strong>Fuel &amp; equipment</strong></td>
<td>Vestas wind turbines</td>
<td>Natural gas (Alstom GT24B gas turbine &amp; Alstom steam turbine)</td>
<td>Vestas wind turbines</td>
<td>Vestas wind turbines</td>
<td>Mixture of wood residuals, tire-derived fuel and coal</td>
</tr>
<tr>
<td><strong>PPA Expiry</strong></td>
<td>2026 / 2027</td>
<td>2022</td>
<td>2037</td>
<td>2033</td>
<td>2021</td>
</tr>
</tbody>
</table>
## Development projects

### Shepard Energy Centre
- **Capacity**: 800 MW
- **% owned / operated**: 50 / 0
- **Location**: Calgary, Alberta
- **Fuel & equipment**: Combined-cycle natural gas; 6,900 – 7,100 mmbtu (effective heat rate)
- **Commercial Operations**: Expected early 2015
- **PPA Expiry**: Merchant / 75% of CPC’s share of the project output under 20-year tolling arrangement for the 2015-17 period and 50% thereafter until 2035.
- **Expected Capital Cost**: $821M Capital Power’s expected portion

### Genesee 4 & 5
- **Capacity**: Up to 1,050 MW
- **% owned / operated**: 50 / 100
- **Location**: Warburg, Alberta
- **Fuel & equipment**: Combined-cycle natural gas
- **Commercial Operations**: Targeting 2018-2020
- **PPA Expiry**: Merchant
- **Expected Capital Cost**: N/A

### K2 Wind Ontario
- **Capacity**: 270 MW
- **% owned / operated**: 33.3% owned
- **Location**: Ashfield-Colborne-Wawanosh, Ontario
- **Fuel & equipment**: Siemens wind turbines
- **Commercial Operations**: Expected 2015
- **PPA Expiry**: 20-year PPA with Ontario Power Authority for $135/MWh
- **Expected Capital Cost**: $291M (represents Capital Power’s one-third share of project cost, including project financing)
Capital Power uses (i) adjusted EBITDA, (ii) funds from operations, and (iii) discretionary cash flow as financial performance measures. These terms are not defined financial measures according to generally accepted accounting principles (GAAP) and do not have standardized meaning prescribed by GAAP and are, therefore, unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable to Shareholders of the Company, net cash flows from operating activities or other measures of financial performance calculated in accordance with GAAP. Rather, these measures are provided to complement GAAP measures in the analysis of the Company's results of operations from management’s perspective.
Forward-looking information

Certain information in this presentation is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial and operating performance, events or strategies. The forward-looking information or statements are provided to inform the Company’s shareholders and potential investors about management’s assessment of Capital Power’s future plans and operations. This information may not be appropriate for other purposes. The forward-looking information in this presentation is generally identified by words such as will, anticipate, believe, plan, intend, target, and expect or similar words that suggest future outcomes. Material forward-looking information includes, among other things, information relating to: (i) expectations regarding the finalization of agreements with ENMAX in respect of Genesee 4 & 5 and the timing and provisions thereof; (ii) expectations regarding the timing of, funding of, permitting of, costs for, capacity of and technology selected for existing and planned development projects, completed development projects, and acquisitions; (iii) expectations regarding plant availability and planned outages; (iv) expectations regarding future Alberta power prices; (v) expectations regarding Capital Power’s sources of funding and the financing of existing and planned development projects; and (vi) expectations regarding future plant maintenance capital and other capital expenditures, operating and maintenance expenses and funds from operations.

These statements are based on certain assumptions and analyses made by the Company 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 assumptions used to develop these forward-looking statements relate to: (i) electricity and other energy prices, (ii) performance, (iii) business prospects and opportunities including expected growth and capital projects, (iv) status and impact of policy, legislation and regulation, and (v) effective tax rates.

Whether actual results, performance or achievements will conform to the Company’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 the Company’s expectations. Such material risks and uncertainties are: (i) changes in electricity prices in markets in which the Company operates, (ii) changes in commodity prices in markets in which the Company operates and use of derivatives, (iii) regulatory and political environments including changes to environmental, financial reporting and tax legislation, (iv) power plant availability and performance including maintenance expenditures, (v) ability to fund current and future capital and working capital needs, (vi) acquisitions and developments including timing and costs of regulatory approvals and construction, (vii) changes in market prices and availability of fuel, and (viii) changes in general economic and competitive conditions. See Risks and Risk Management in the Company’s December 31, 2012 annual Management’s Discussion and Analysis for further discussion of these and other risks.
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