

# **CAPITAL POWER**

## **Investor Meetings**

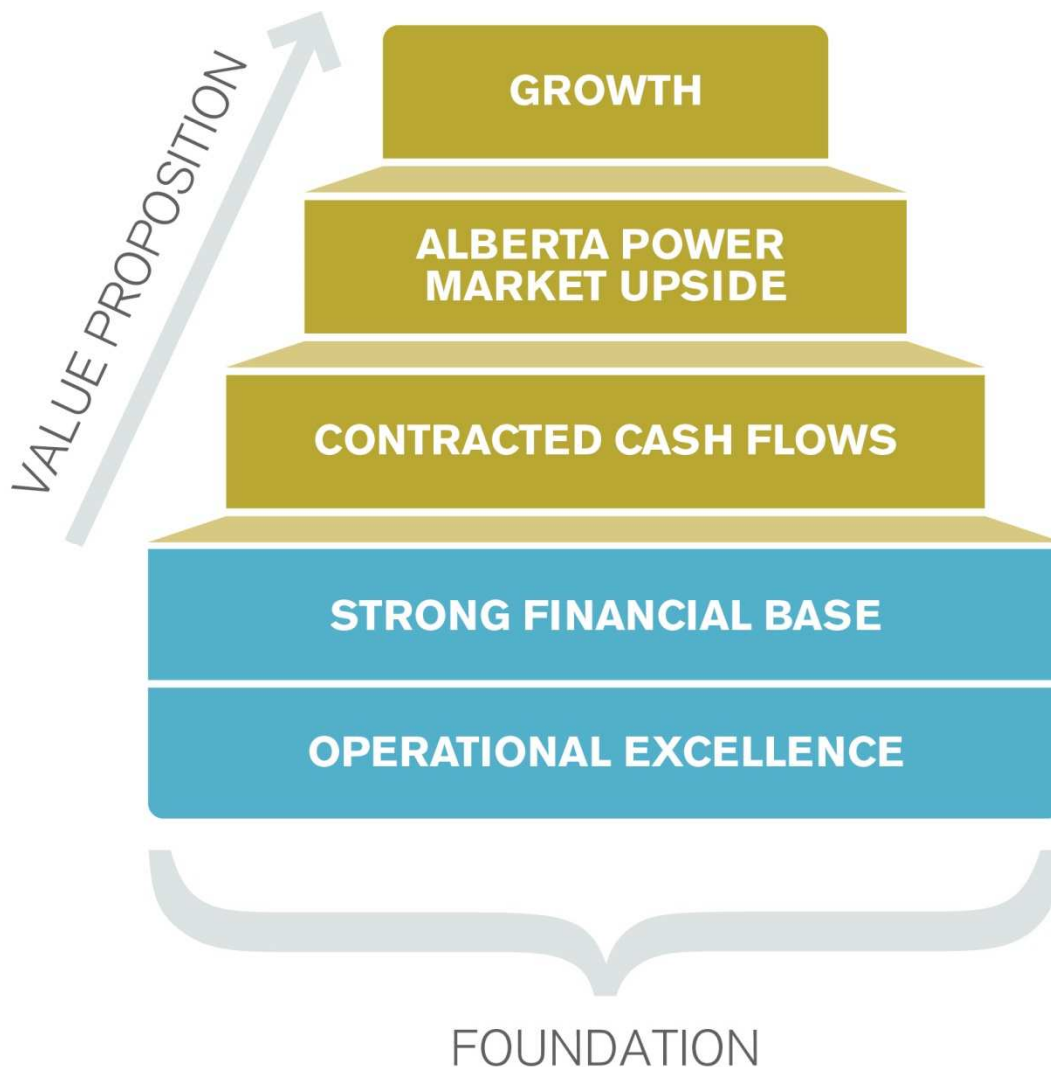
**Brian Vaasjo, President & CEO**  
**Stuart Lee, SVP Finance & CFO**  
**March, 2014**

# Capital Power

- Independent power producer with ownership interest in 13 facilities in Canada and the US totaling more than 2,600 MW<sup>(1)</sup>
- 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 \$2.5B
- Dividend yield of ~5.0%

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

# Capital Power value proposition





# Operational excellence

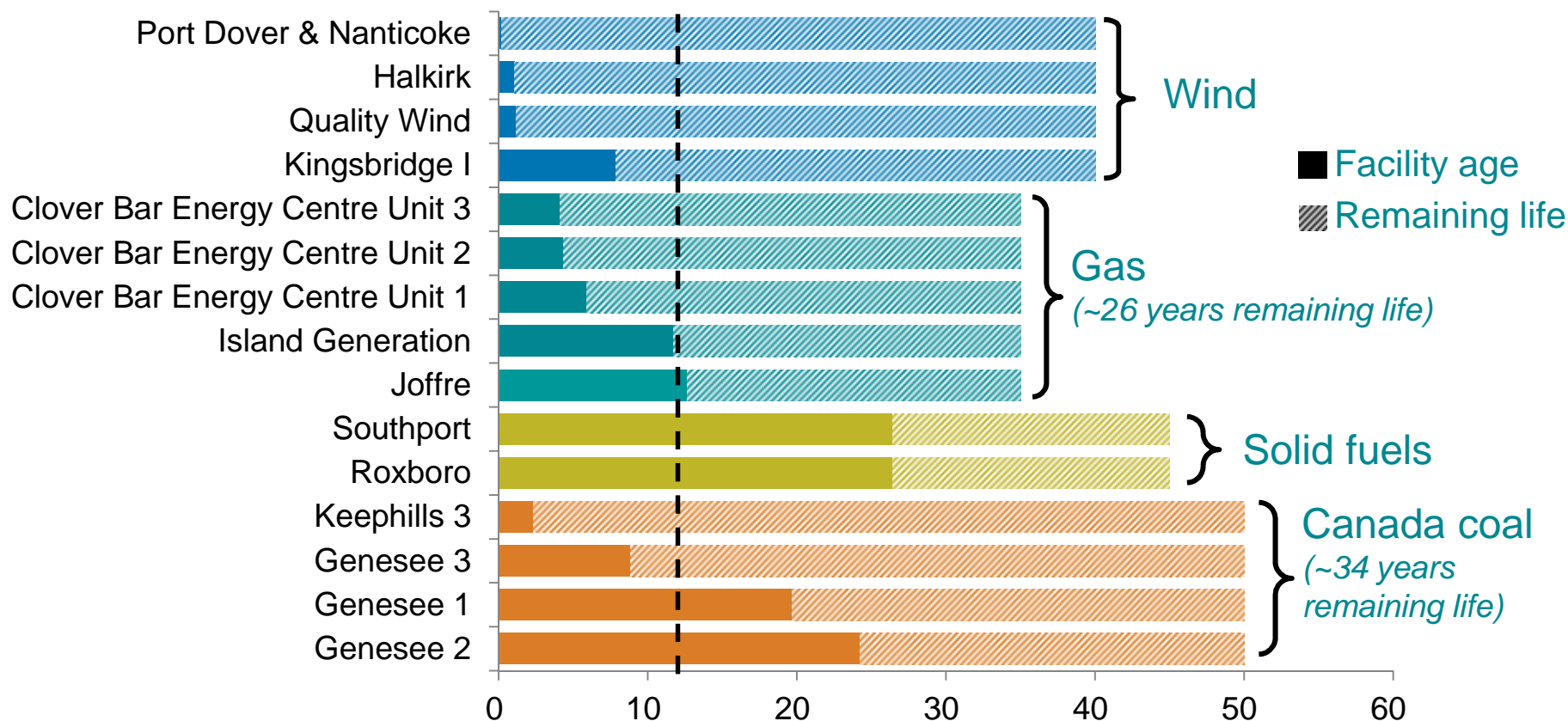
- Modern fleet
- High fleet availability
- Favourable cost trend
- Alberta power market trading
- Construction expertise



# Modern fleet

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

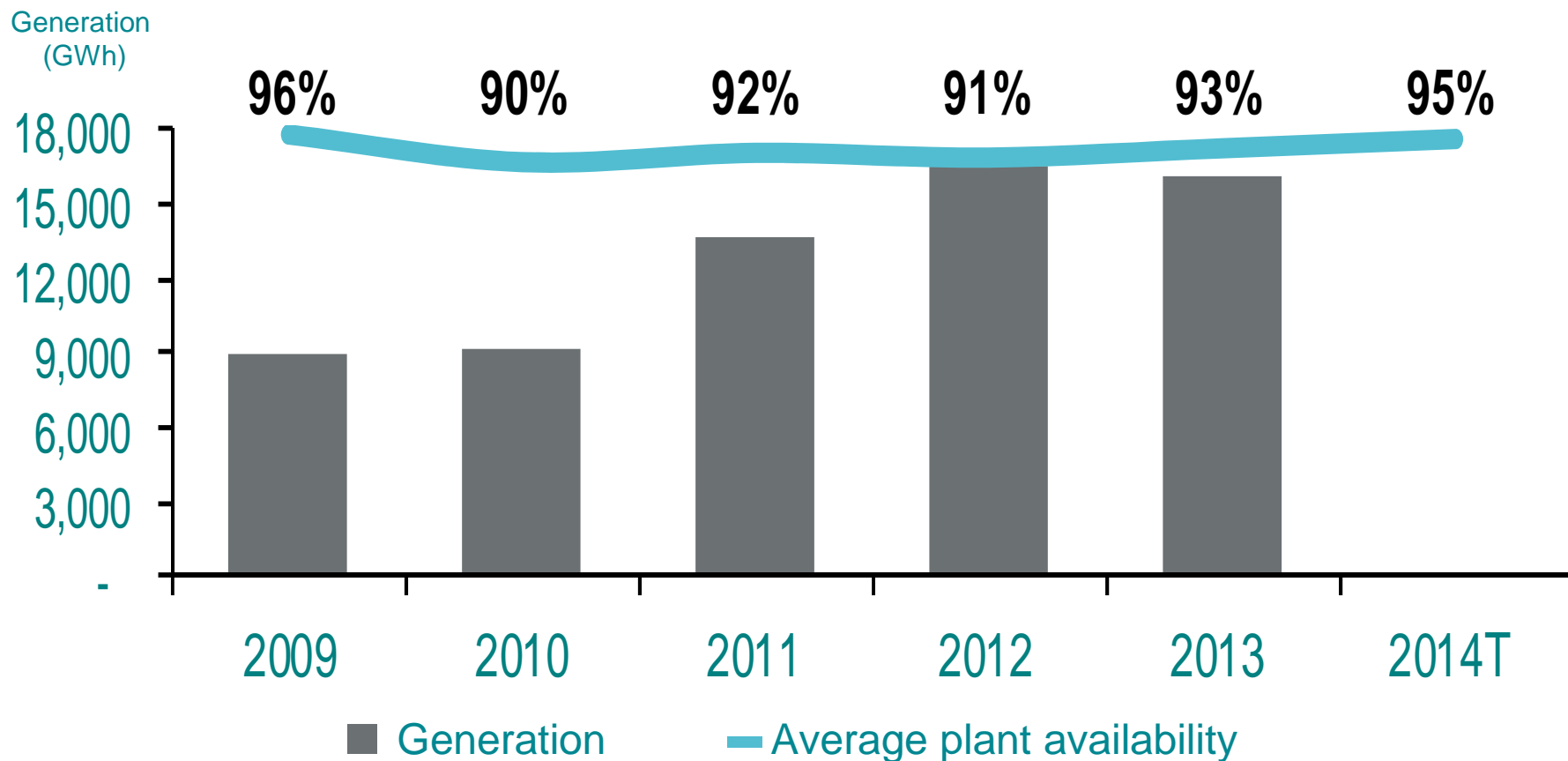
- Average weighted facility age of the current fleet is 12.3 years<sup>(1)</sup>
- Shepard Energy Centre expected COD in early 2015 and K2 Wind in 2015



(1) Average facility age and remaining life weighted by owned capacity as of January 1/14.

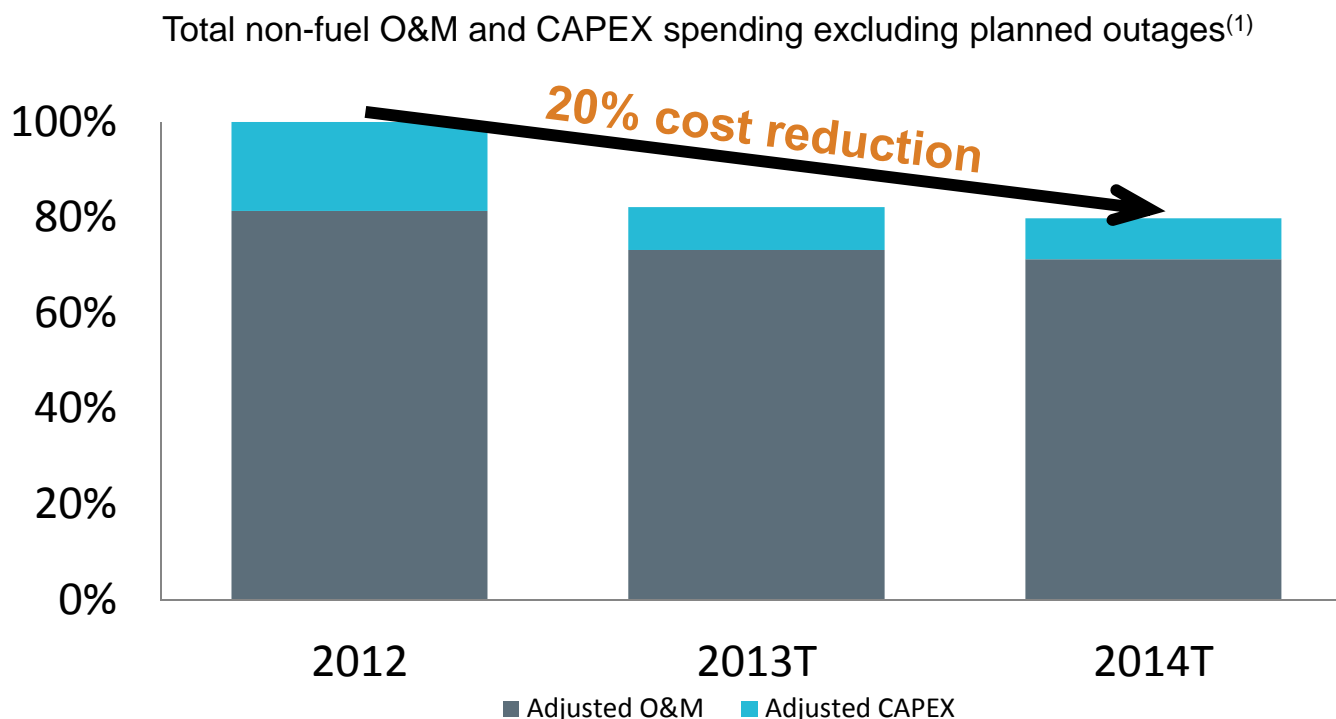
# High fleet availability

*Operating availability averaging 92% since IPO in 2009*



# 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

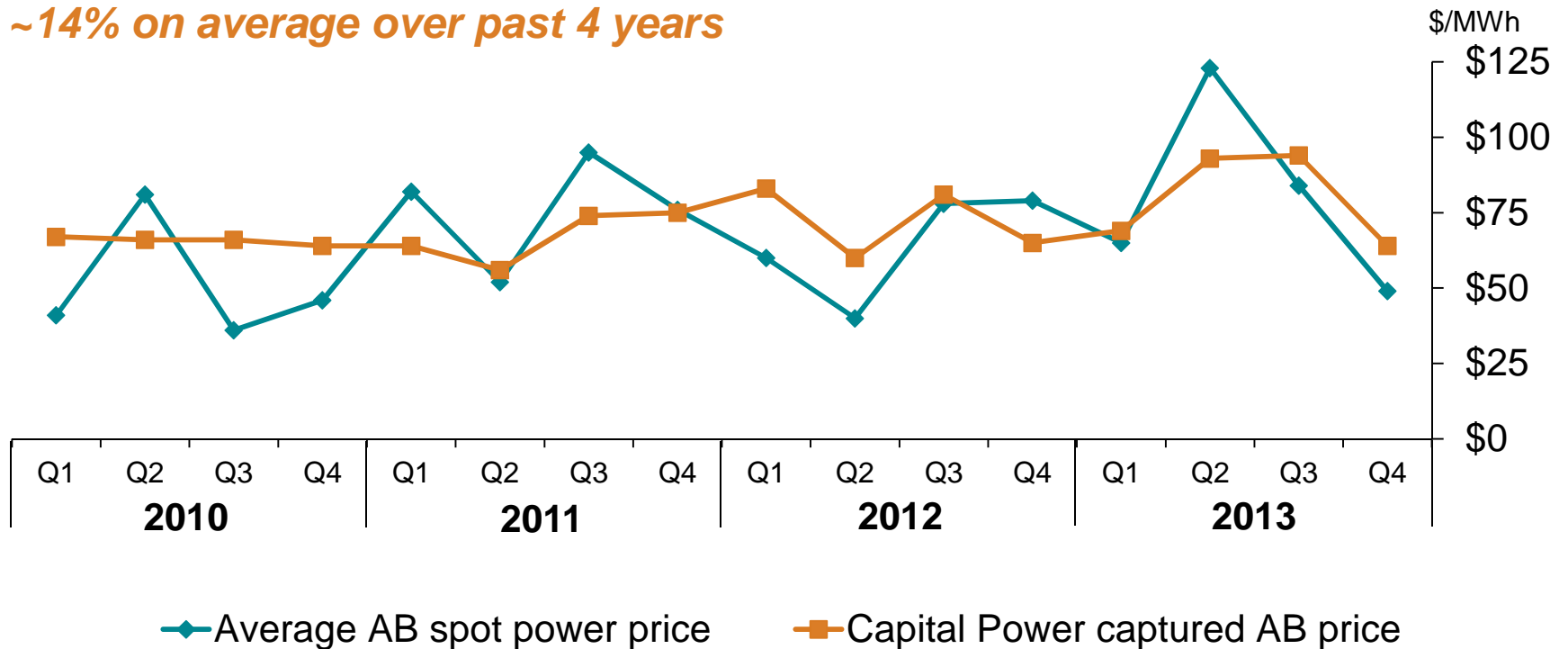


(1) Adjusted for current fleet including Port Dover & Nanticoke, and adjusted to 2013 dollars.

# 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 ~14% on average over past 4 years*





# Construction expertise

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

Asset	Capacity / fuel	On-time	On-budget	In-Service
Genesee 3	516 MW / coal	√	+	2005
Kingsbridge 1	40 MW / wind	√	√	2006
Clover Bar Energy Centre	200 MW / gas	+	√	2009
Keephills 3	516 MW / coal	-	-	2011
Halkirk	150 MW / wind	√	+	2012
Quality Wind	142 MW / wind	√	+	2012
Port Dover & Nanticoke	105 MW / wind	√	+	2013

- √ Met expectations at full notice to proceed
- + Better than expected
- Worse than expected

# Strong financial base

- Solid 2013 results
- Strong balance sheet and access to capital
- Investment grade credit rating
- No near-term financings
- Strong cash flow generation

# Financial performance – 2013

\$M, except per share amounts	2013	2012	Change
Revenues	<b>\$1,393</b>	\$1,296	7%
Adjusted EBITDA (before mark-to-market) <sup>(1)</sup>	<b>\$483</b>	\$456	6%
Basic earnings per share	<b>\$2.13</b>	\$0.84	154%
Normalized earnings per share	<b>\$1.69</b>	\$1.29	31%
Funds from operations	<b>\$419</b>	\$381	10%
Cash flow per share	<b>\$4.24</b>	\$3.89	9%

***Strong year-over-year results across all financial measures***

(1) Before unrealized changes in fair value of commodity derivatives and Atlantic Power shares for 2013 and 2012 of \$26M and -\$15M, respectively.

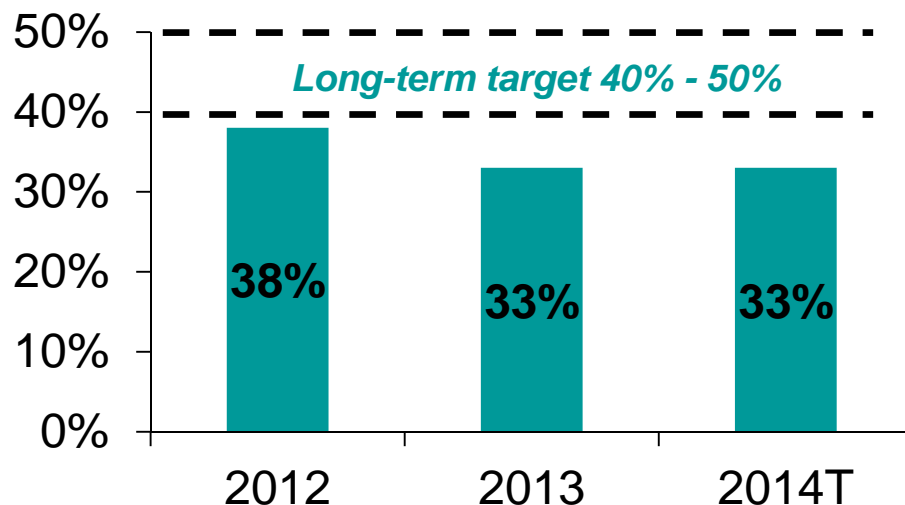
# Financial strength

## Strong balance sheet and investment grade credit rating

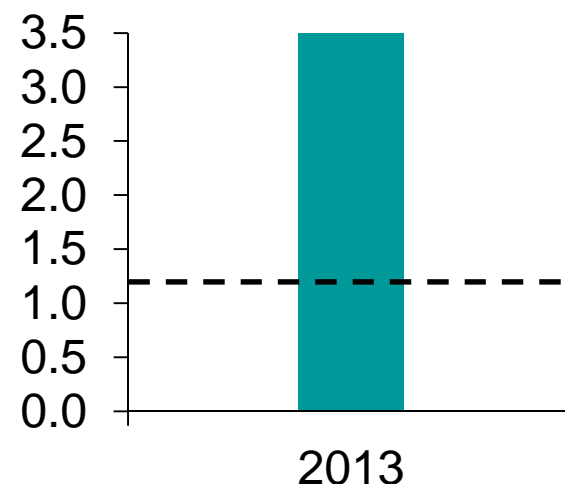
- Investment grade credit ratings
- Debt-to-capital ratio of ~33% at 2014 year-end remains below long-term target of 40% - 50%

Agency	Ratings	Outlook
S&P	BBB- / P-3	Stable
DBRS	BBB / Pfd-3 (low)	Stable

### Debt to total capitalization



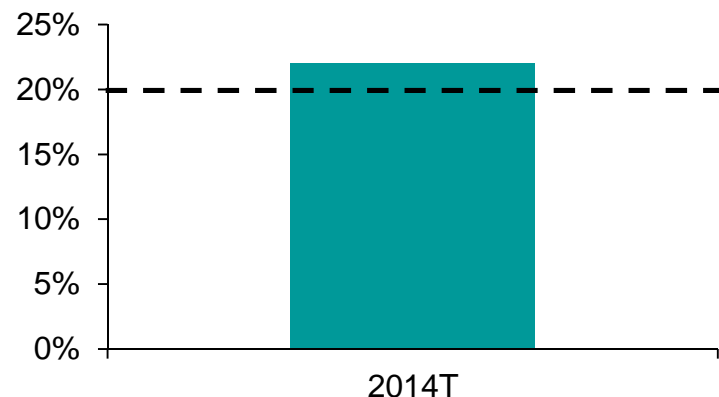
### Corporate Liquidity



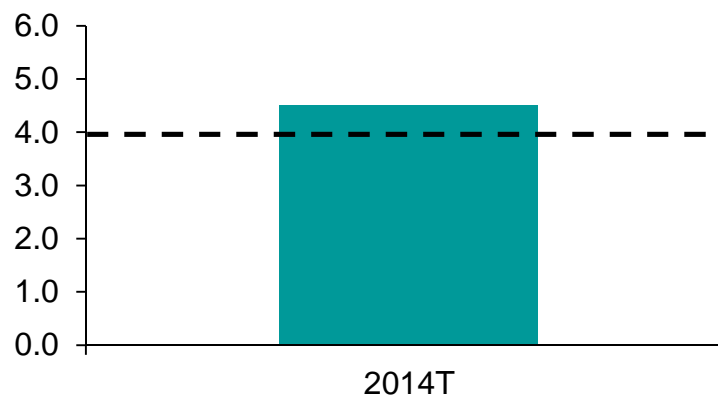
# Credit metrics<sup>(1)</sup>

## Above DBRS financial criteria for current rating

Adj. Cash flow/Adj. Debt

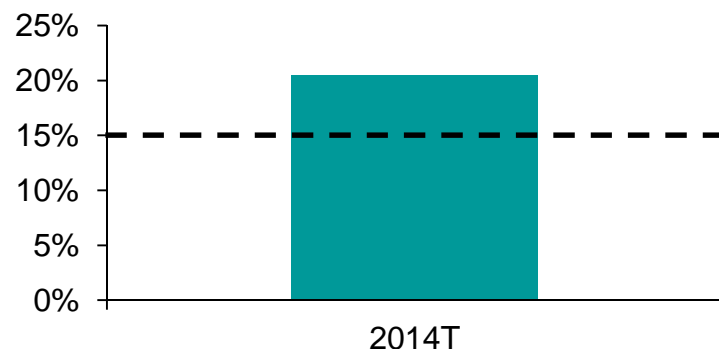


EBITDA/Adj. Interest

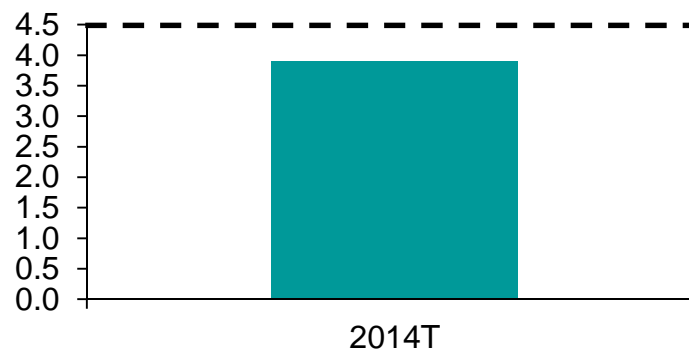


## Above S&P financial criteria for investment grade rating

Adj. FFO/Adj. Debt<sup>(2)</sup>



Adj. Debt/Adj. EBITDA<sup>(2)</sup>



(1) Metrics applicable to Capital Power L.P.

(2) Based on S&P's weighted average ratings methodology.



# Development projects – CAPEX

(\$M)	Prior to 2014	2014E	Project total
Port Dover & Nanticoke	\$276	\$24	\$300
K2 Wind <sup>(1)</sup>	\$16	\$31	\$291
Shepard Energy Centre <sup>(2)</sup>	\$684	\$137	\$821
	\$976	\$192	\$1,412

*Continue strong execution of CAPEX program*



Port Dover & Nanticoke



Shepard Energy Centre

(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 FFO to meet dividends, development projects and sustaining CAPEX*

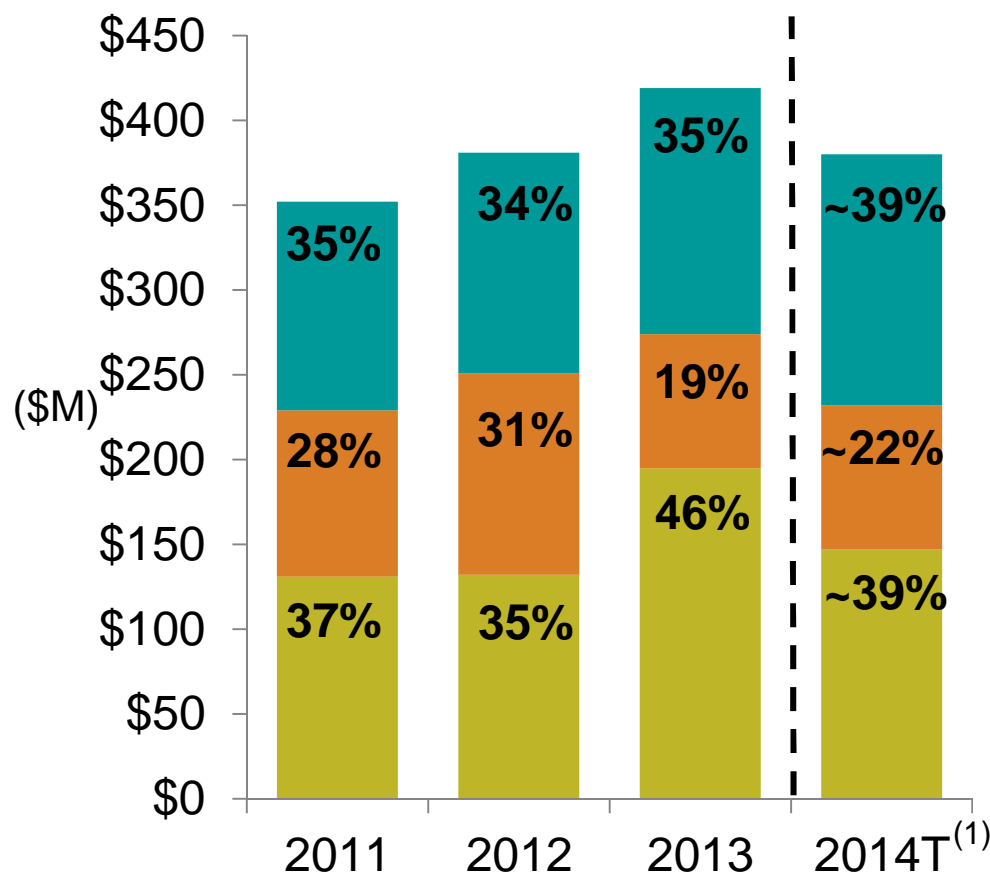
Sources of cash flow (\$M)	2014E
Funds from operations <sup>(1)</sup>	~\$380
Uses of cash flow	
Dividends (net of DRIP) & distributions to NCI	\$100
Dividends (Preferred shares)	\$22
Development projects	\$192
Sustaining capex	\$85
Net change in cash	~\$19

*No primary common share equity required in 2014 other than via DRIP*

(1) Funds from operations in 2014 represents mid-point of guidance range.

# Continued strong cash flow generation

## Funds from operations (FFO)



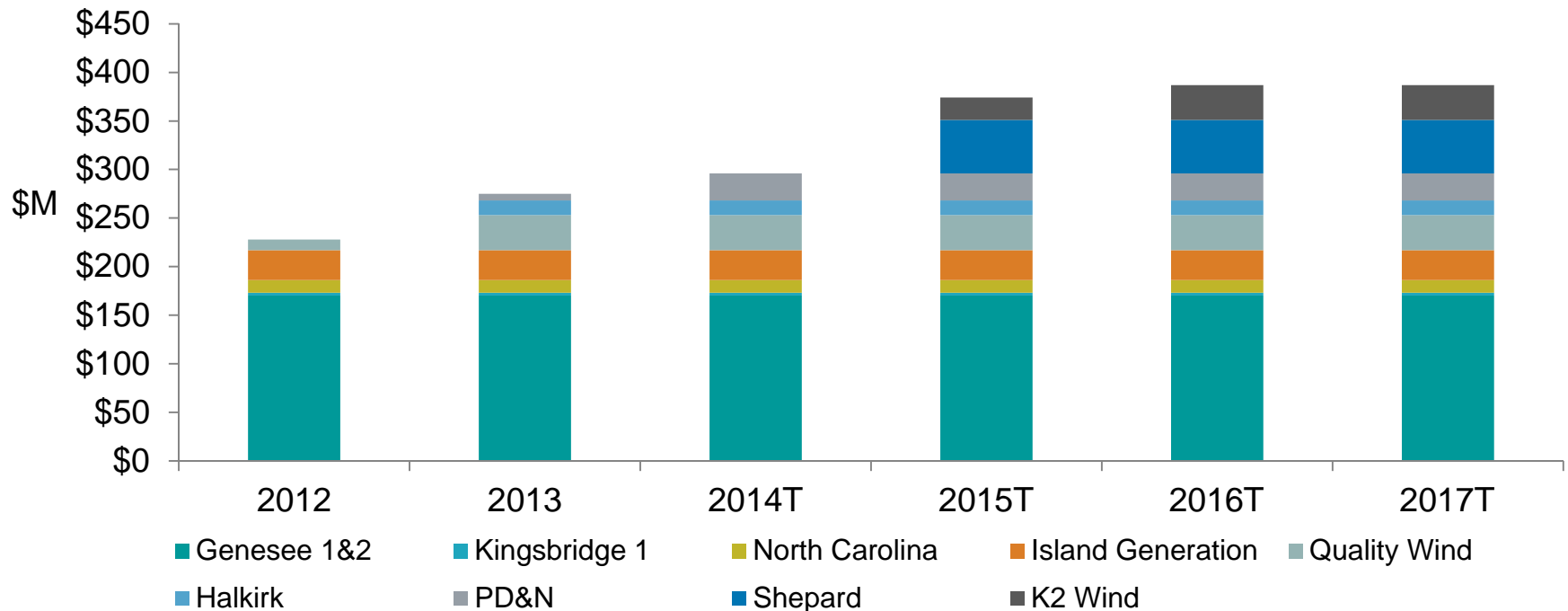
- 2014 FFO target range of \$360M-\$400M is lower than 2013 due to lower average AB power price forecast
- Generating significant discretionary cash flow<sup>(2)</sup> with 3-year average of 39% and similar expectation for 2014
- 2014 FFO expected to cover dividends, development projects, and sustaining capex for the year

■ Gross dividends (common & preferred shares)  
■ Sustaining capex  
■ Discretionary cash flow

(1) 2014 FFO target represents the mid-point of \$360M to \$400M guidance range.

(2) Discretionary cash flow is a non-GAAP financial measure, see page 52.

# Improving contracted cash flow<sup>(1,2)</sup>



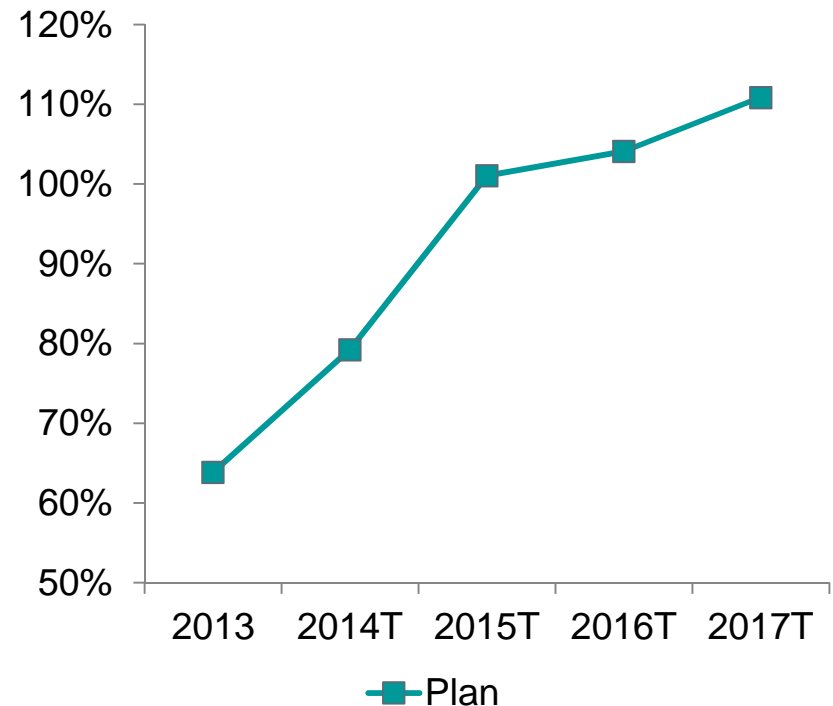
**Substantial expansion of contracted operating margin from ~\$225M to \$375M from 2012 to 2015 (66% increase)**

- (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

## Contracted operating margin to financial obligations<sup>(1)</sup> and dividends



***Well positioned for future dividend growth***

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

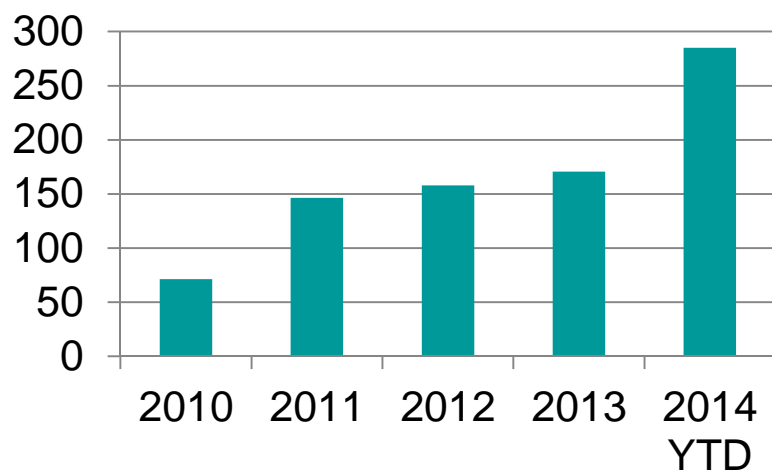




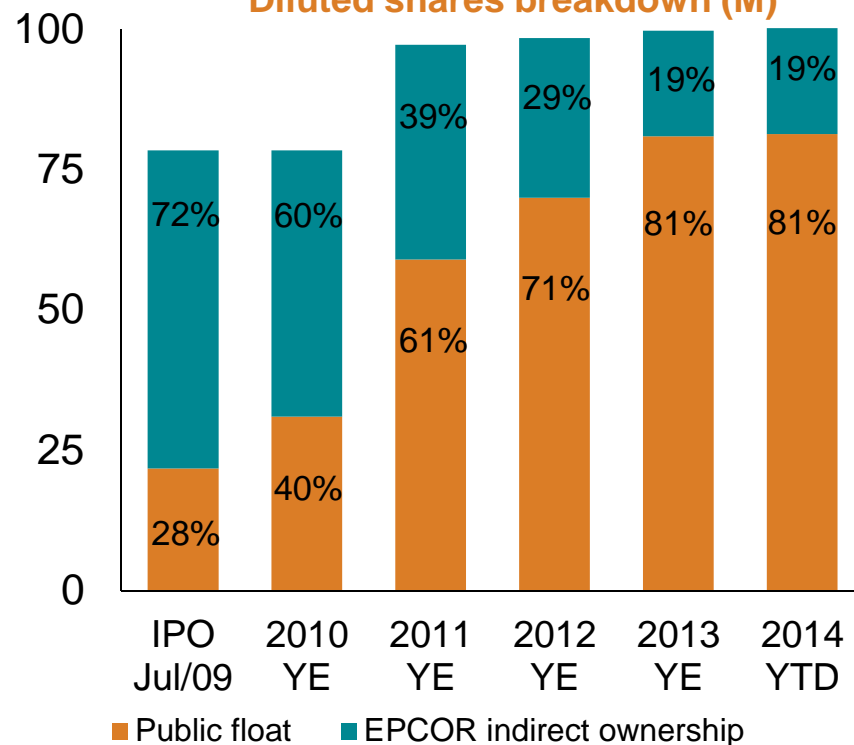
# Capital allocation

- Well positioned to fund or partially fund any new significant growth opportunities in the near term with discretionary cash flow
- Debt reduction
- Consider dividend increases or share buyback given improvements in trading liquidity and public float

Average daily trading volume  
(000s)



Diluted shares breakdown (M)



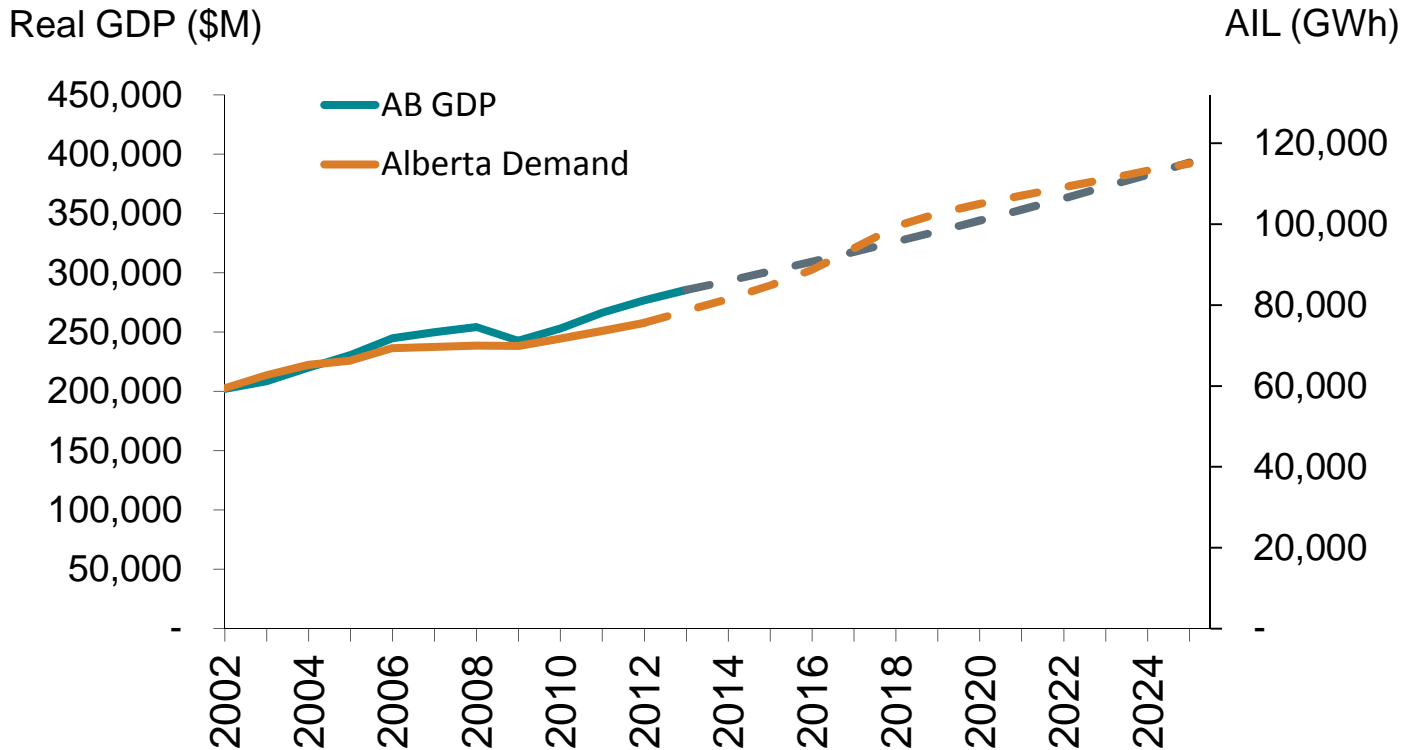
# Alberta power market upside

- Strong market demand fundamentals
- Attractive pricing outlook
- Retirement of coal units
- Capital Power's attractive fleet
- Alberta upside



# Alberta market

## Alberta demand and Alberta GDP<sup>(1)</sup>



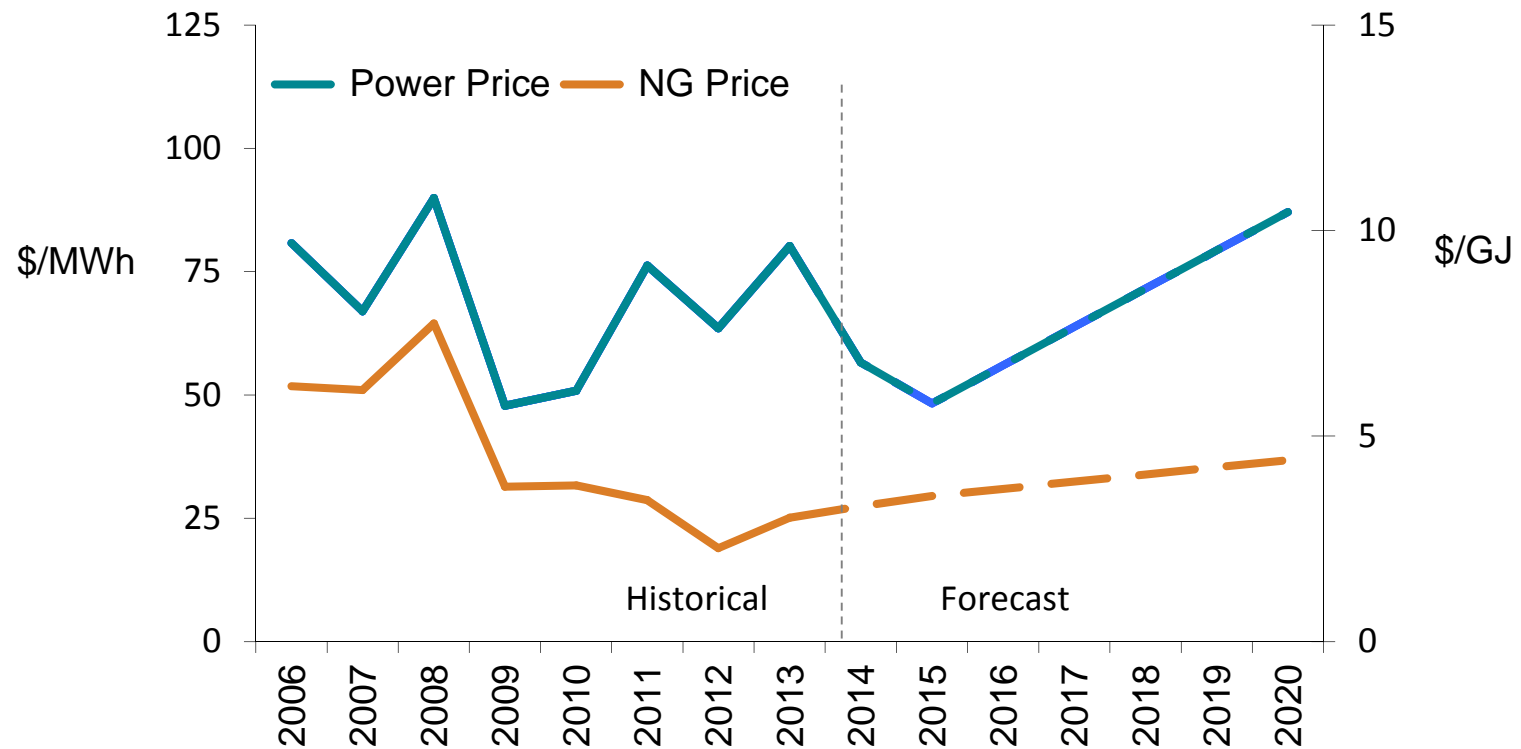
**Real GDP** – All Alberta industries (Chained \$2007 millions)

**AIL** – Alberta Internal Load measured in gigawatt hours (GWh)

(1) Source: AESO 2012 Long term Outlook Update

# Alberta market

## Alberta energy prices<sup>(1)</sup>



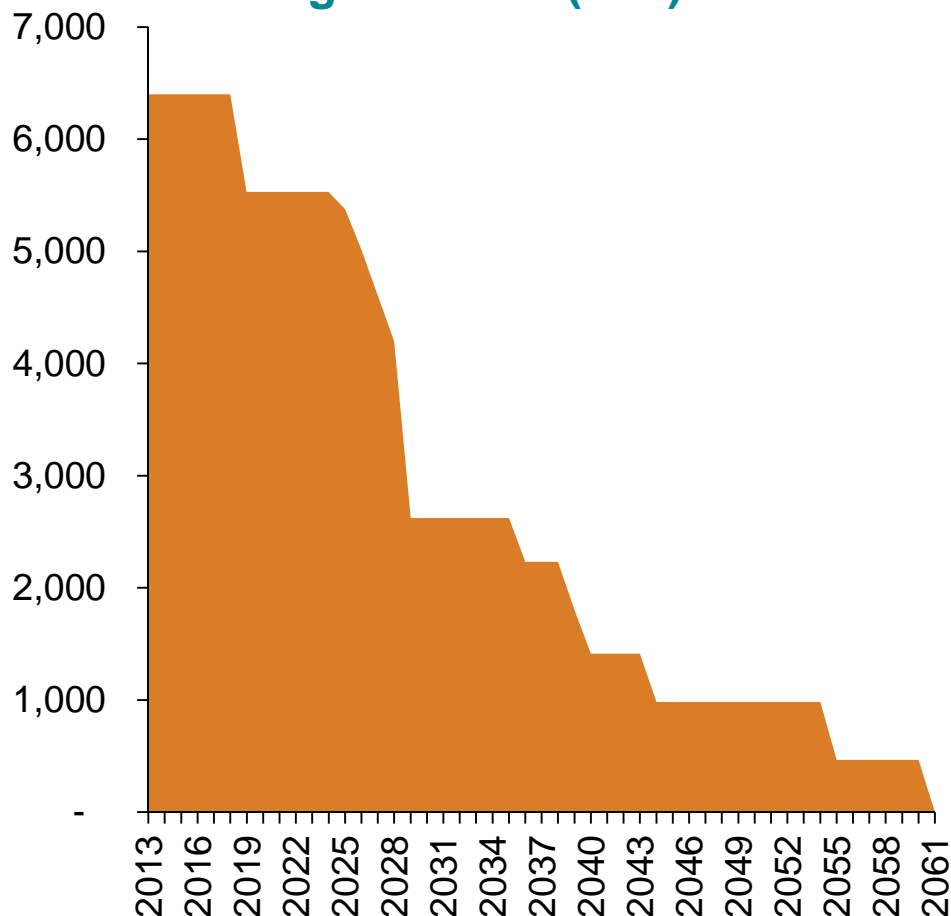
***Alberta market design expected to continue to provide timely pricing signals for the addition of new supply***

(1) Source: AESO and Capital Power estimates – Mar/14.

# Expected coal unit retirements - CST

*Retirements under the federal Capital Stock Turnover (CST) regulations*

## Alberta coal generation (MW)



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

(1) Capital Power holds the PPA (371 MW) for Sundance Units 5 & 6.

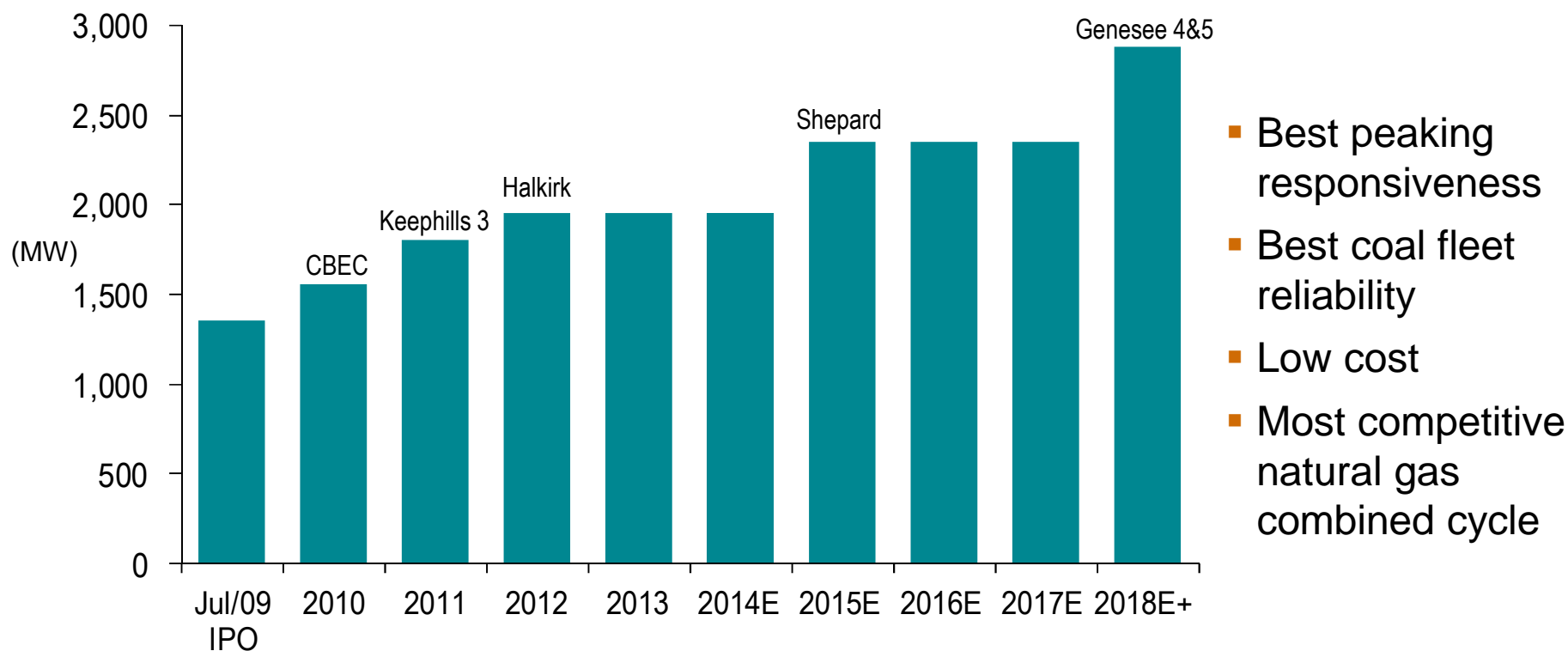
(2) Represents units that Capital Power has ownership in.





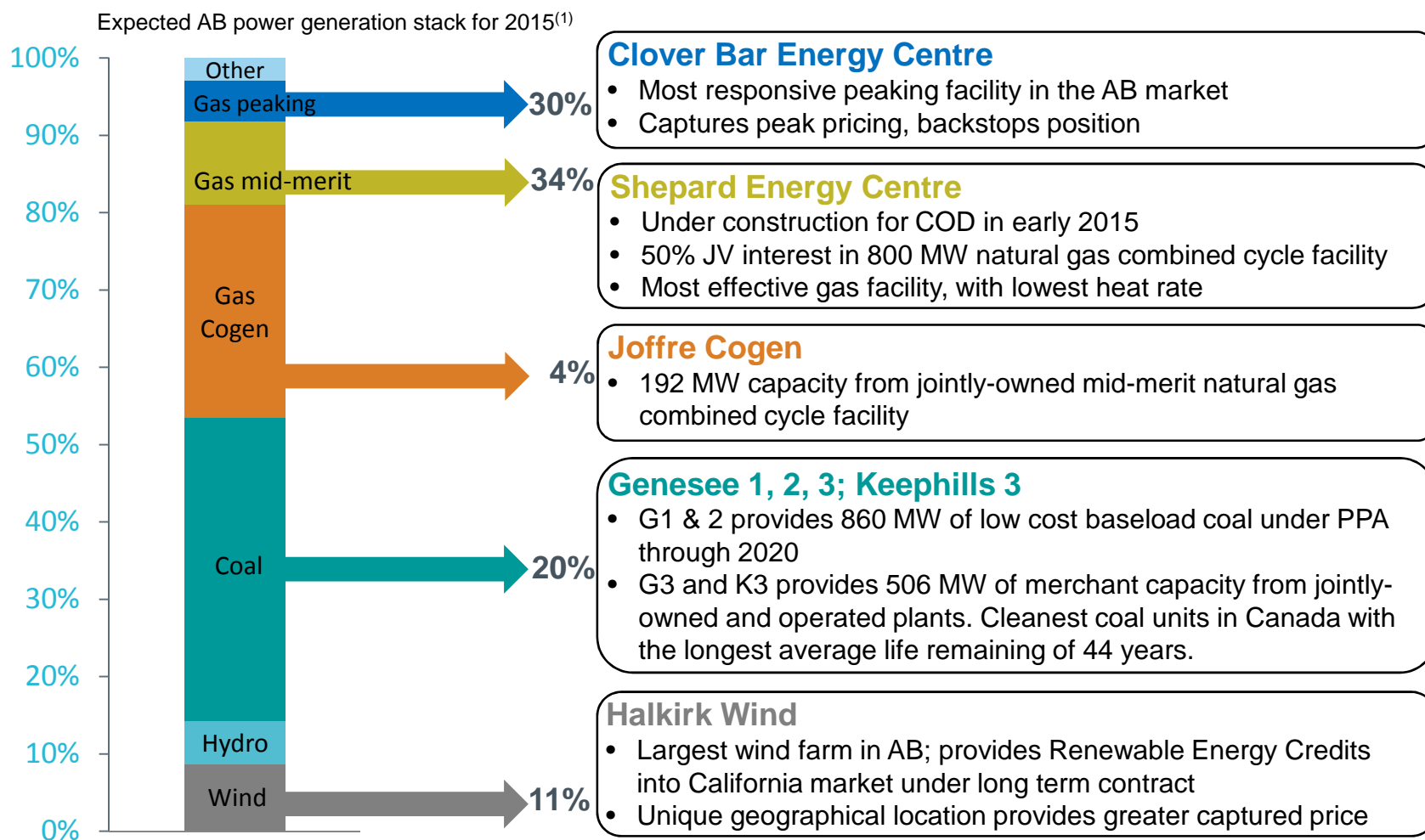
# Best fleet in the fastest growing power market in North America

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.



# Diverse generation fleet in Alberta

*Well positioned to capture value in Alberta's merchant market*



(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)

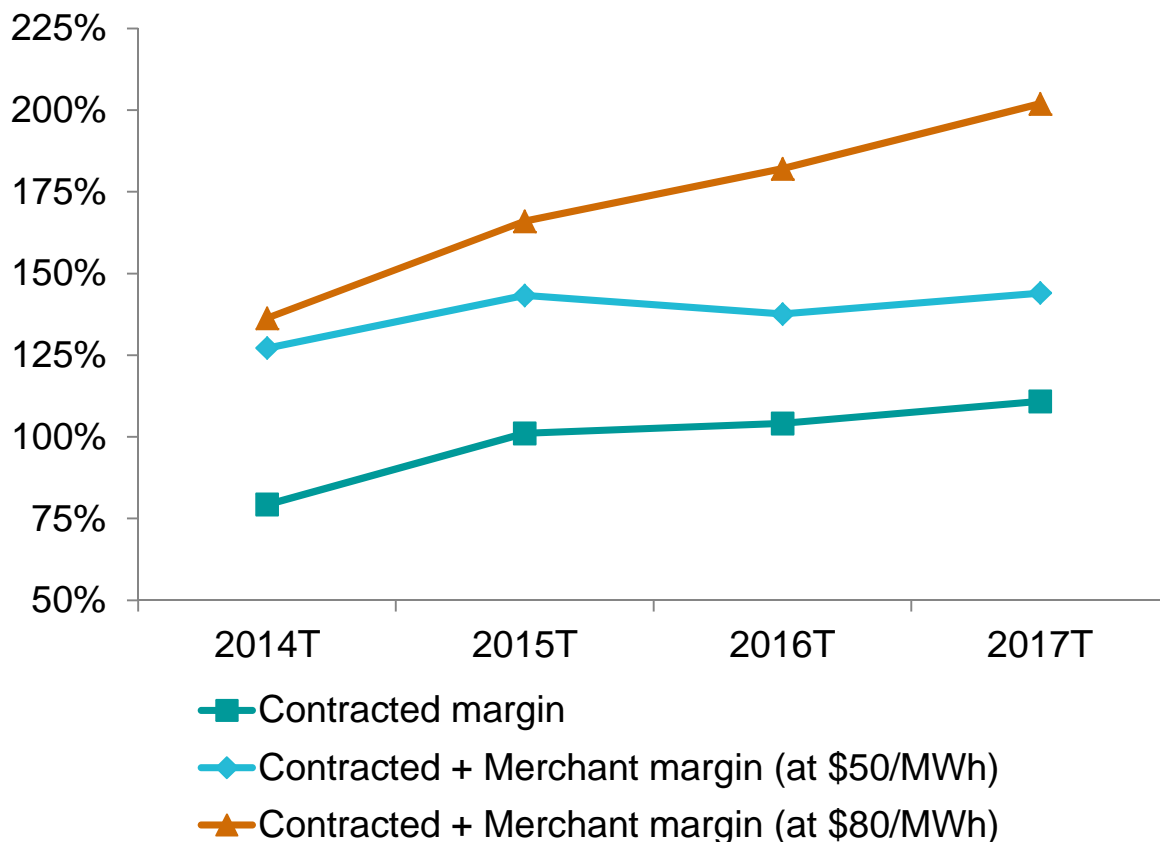
	2014	2015	2016
Percentage sold forward	100%	78%	30%
Average contracted prices <sup>(1)</sup> (\$/MWh)	Mid-\$50	Mid-\$50	Mid-\$50
Forward prices (\$/MWh) (as of Dec 31/13)	\$53	\$49	\$50

- Although baseload positions from the coal assets are 100% hedged in 2014, we have ability to capture upside from higher power prices or price volatility through
  - natural gas assets (Clover Bar peaking facility, Joffre Cogen)
  - Halkirk Wind
  - availability incentive revenues for Genesee 1 & 2

(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.

# Merchant position in AB provides upside

## Operating margin<sup>(1)</sup> to financial obligations<sup>(2)</sup> 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 (including 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

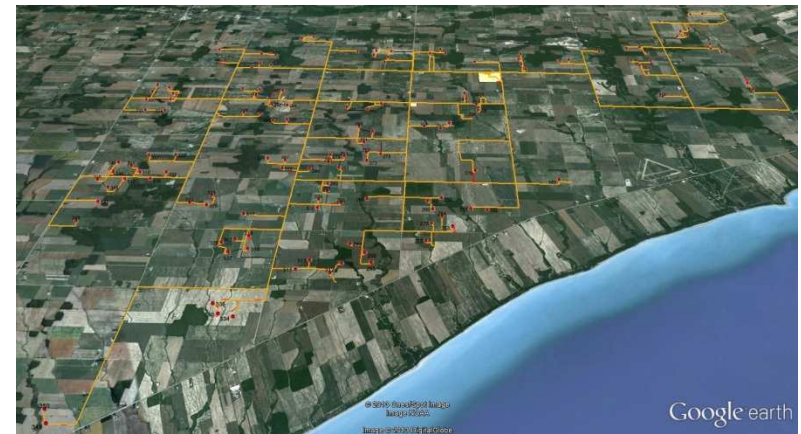
	2014	2015	2016	2017	2018-35
Shepard - total capacity (MW)	-	800	800	800	800
Capital Power - owned capacity	-	400	400	400	400
<b>Contracted output:</b>					
Tolling agreement (20 years)	-	200	200	200	200
Additional contracted output	-	100	100	100	-
Contracts for differences	300	100	-	-	-
<b>% of output contracted</b>	-	<b>100%</b>	<b>75%</b>	<b>75%</b>	<b>50%</b>

# 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



Kingsbridge 1



K2 Wind – site rendering

# 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

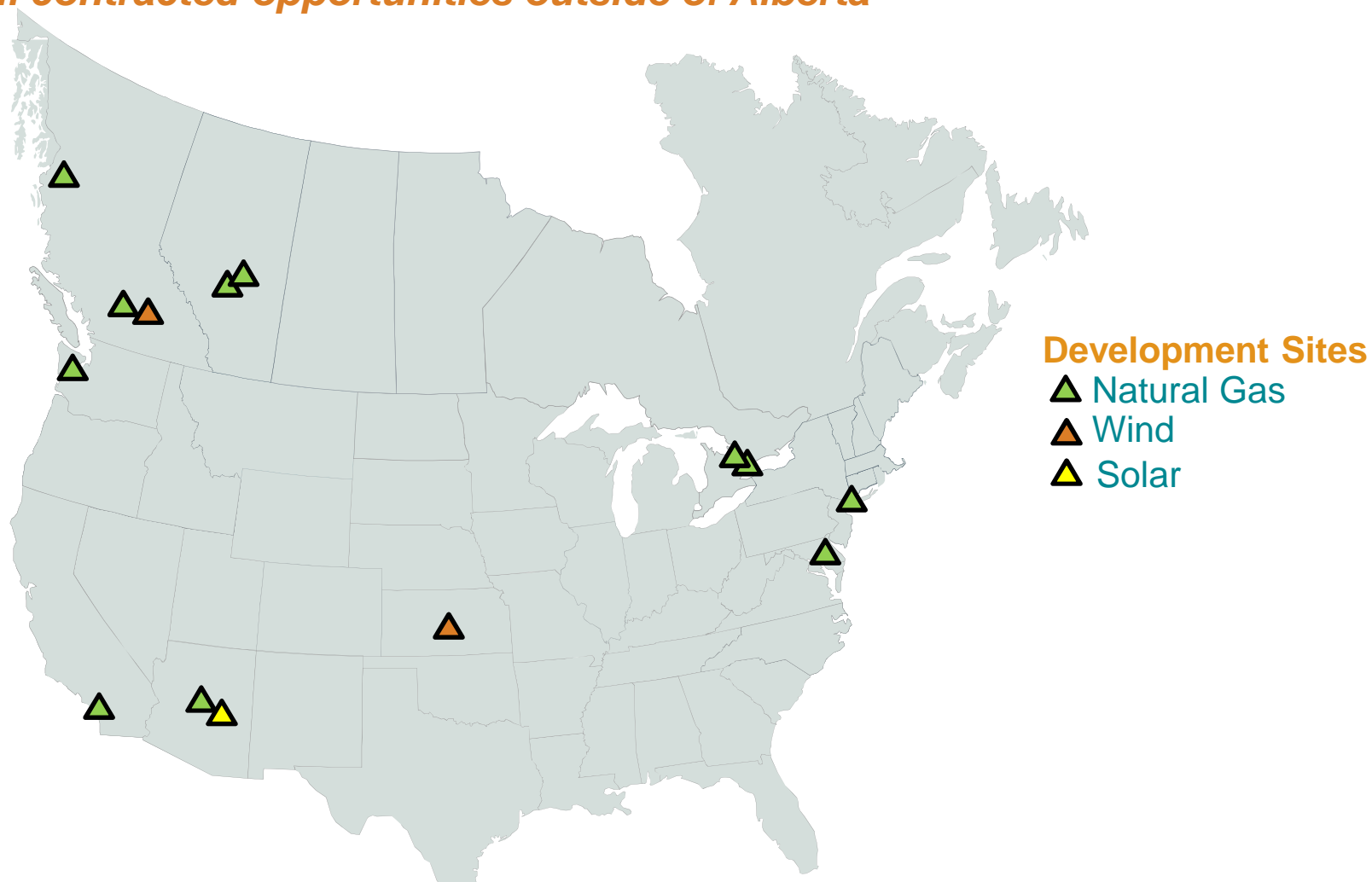


- Up to 1,050 MW using the latest state-of-the-art high efficiency gas turbine technology in a 2x1x1 configuration
- Regulatory application submitted to Alberta Utilities Commission (AUC) in Dec/13
- Construction will be completed in 2018 to 2020 timeframe depending on load growth in the province

***Genesee 4&5 to be built on existing Genesee site west of Edmonton, AB***

# Growth opportunities

*All contracted opportunities outside of Alberta*

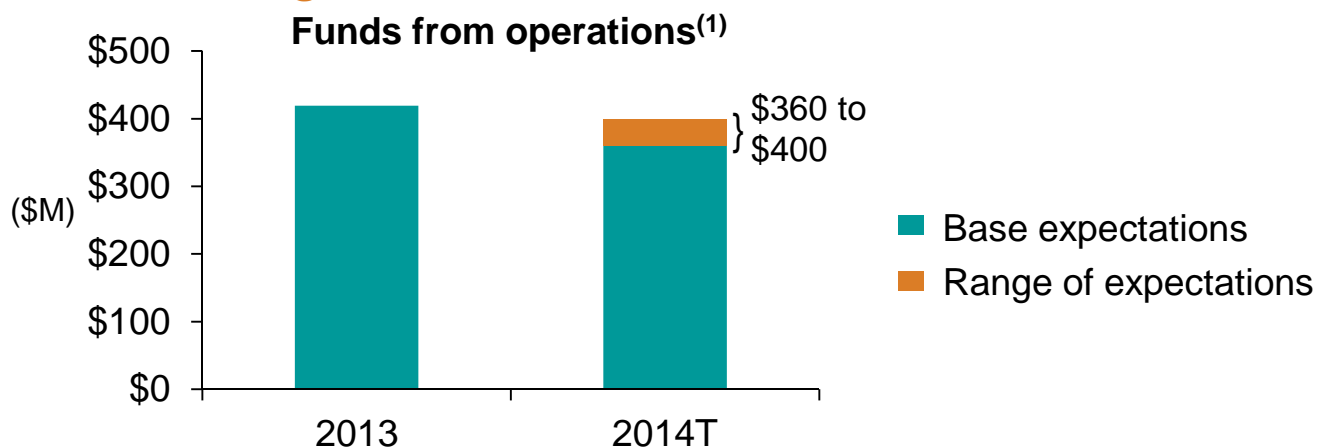


# 2014 Corporate priorities

## Operational targets

Plant availability (reflects planned turnarounds at Genesee 2 & 3)	95%
Maintenance capital (plant maintenance capital and other capex)	\$85M
Plant operating and maintenance expense	\$165M to \$185M

## Financial target



(1) Funds from operations target is based on a forecasted average Alberta power price of \$57/MWh. FFO is a non-GAAP financial measure, see slide 52.

# 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



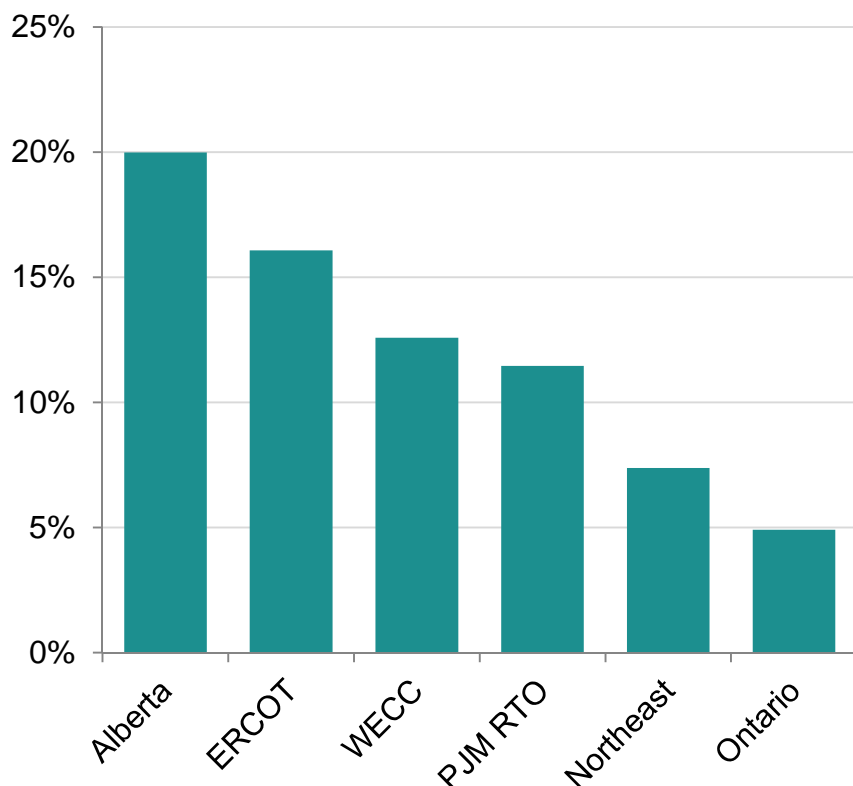
## Alberta power market

- 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<sup>(1)</sup>
- AB Government announced in Jan/13, that it will continue with the Regulated Rate Option (RRO) and extend the procurement window to 120 days

(1) AESO 24-Month Reliability Outlook for 2013-2014, [http://www.aeso.ca/downloads/AESO\\_24-Month\\_Reliability\\_Outlook\\_2013-2014\\_FINAL.pdf](http://www.aeso.ca/downloads/AESO_24-Month_Reliability_Outlook_2013-2014_FINAL.pdf)

# Alberta demand outlook

Growth in total electricity sales (%)  
2013 to 2020<sup>(1)</sup>



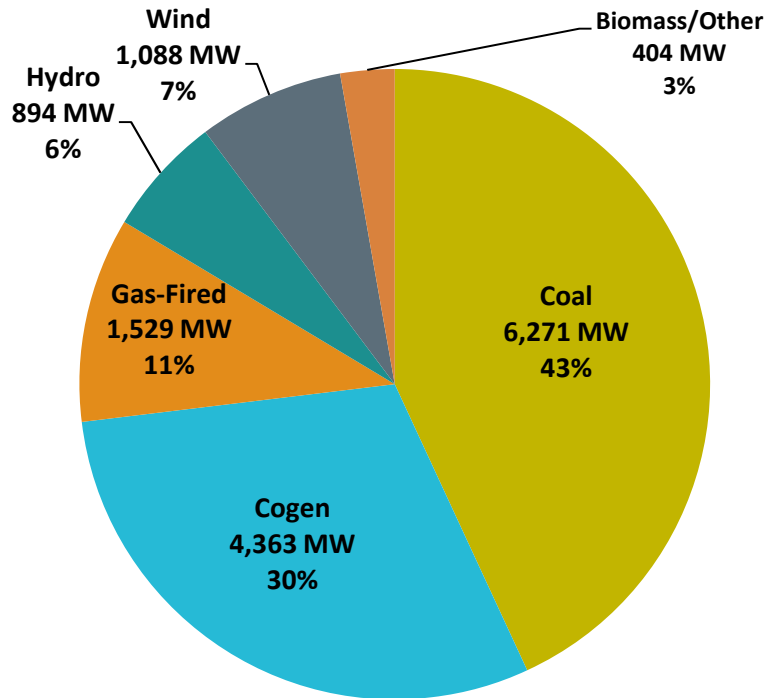
**“Alberta’s future power demand outlook is also fairly robust, especially compared with that of most other jurisdictions in North America, because of a strong provincial economy; a growing population from inward migration; and anticipated high growth in the energy sector, especially for shale gas, tight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

*– IHS CERA, Sept/12*

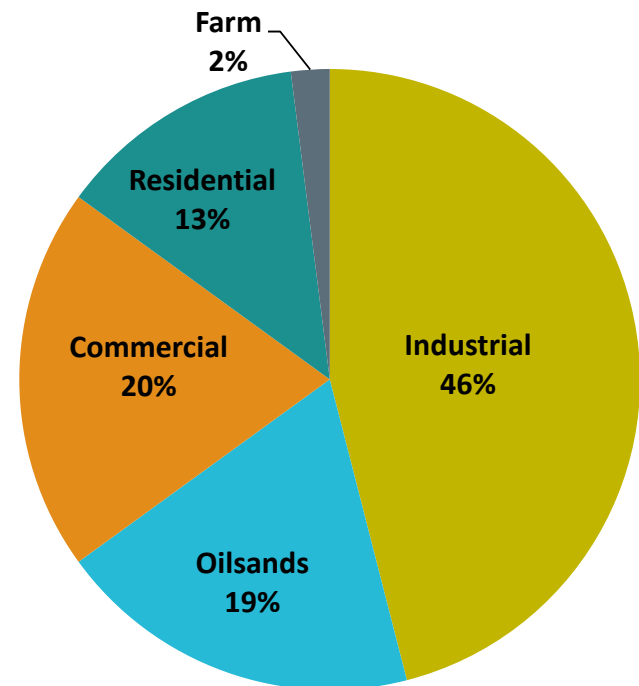
(1) Source: IHS Inc. The use of this content was authorized in advance by IHS. Any further use or redistribution of this content is strictly prohibited without written permission by IHS. All rights reserved.

# Alberta generation and load mix

Current installed generation<sup>(1)</sup>  
(MW and % of installed capacity)



2012 Demand by end use<sup>(1)</sup>



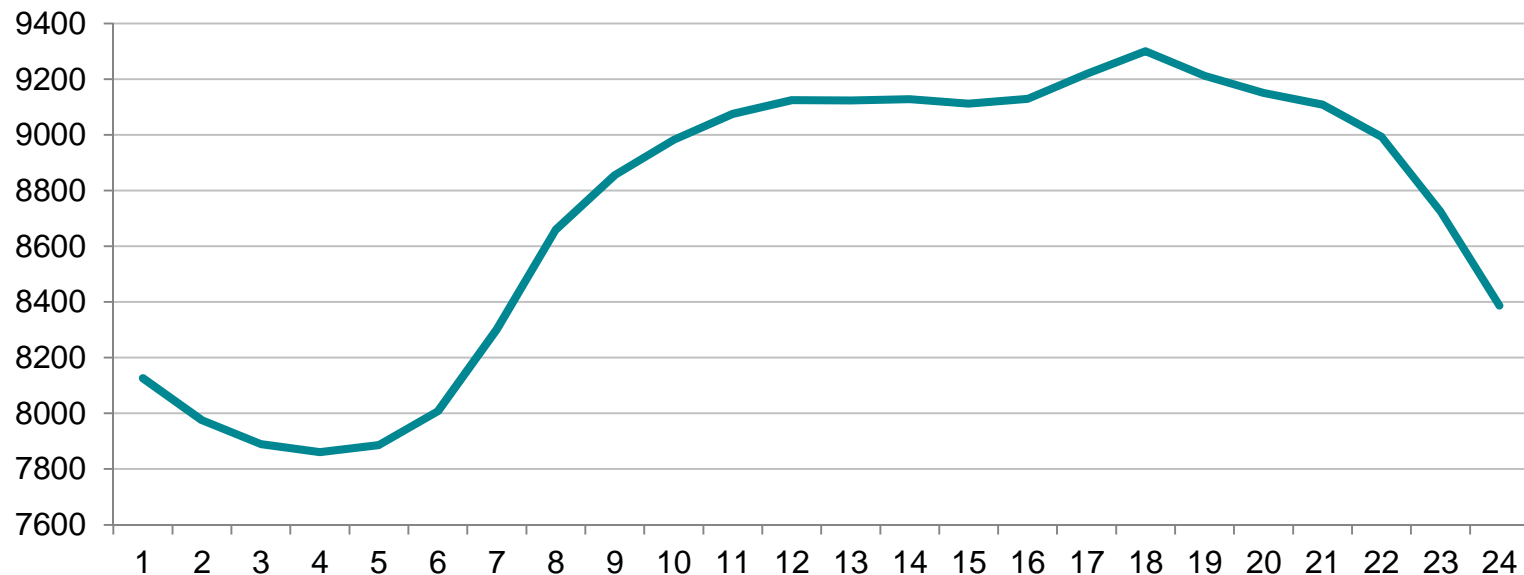
(1) Source: AESO (Dec, 2013)

## 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)<sup>(1)</sup>

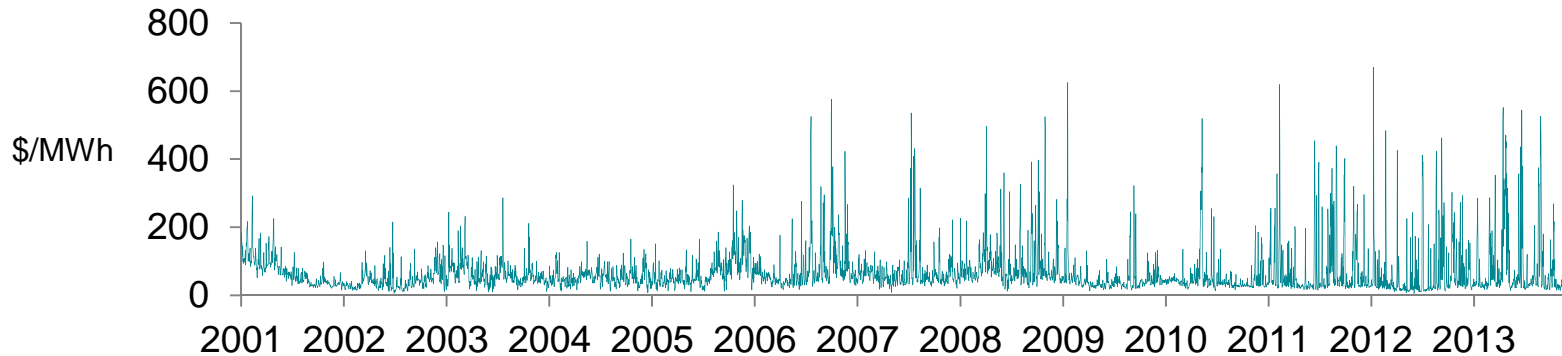
By hours ended (Jan 2012 – Dec 2013)



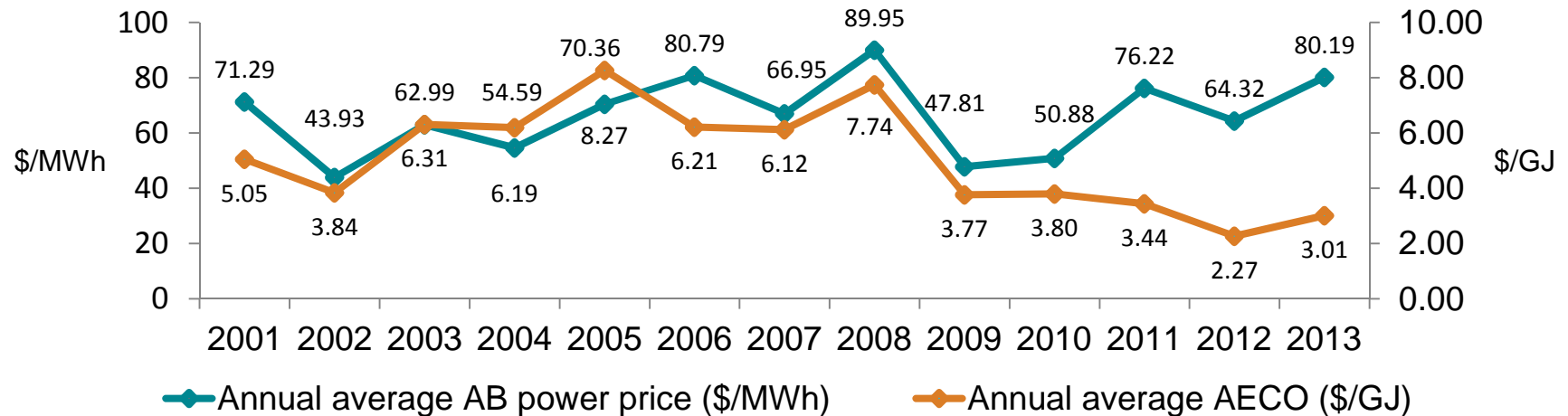
(1) Source: AESO (Mar, 2014)

# Historical Alberta prices

## Daily average power prices



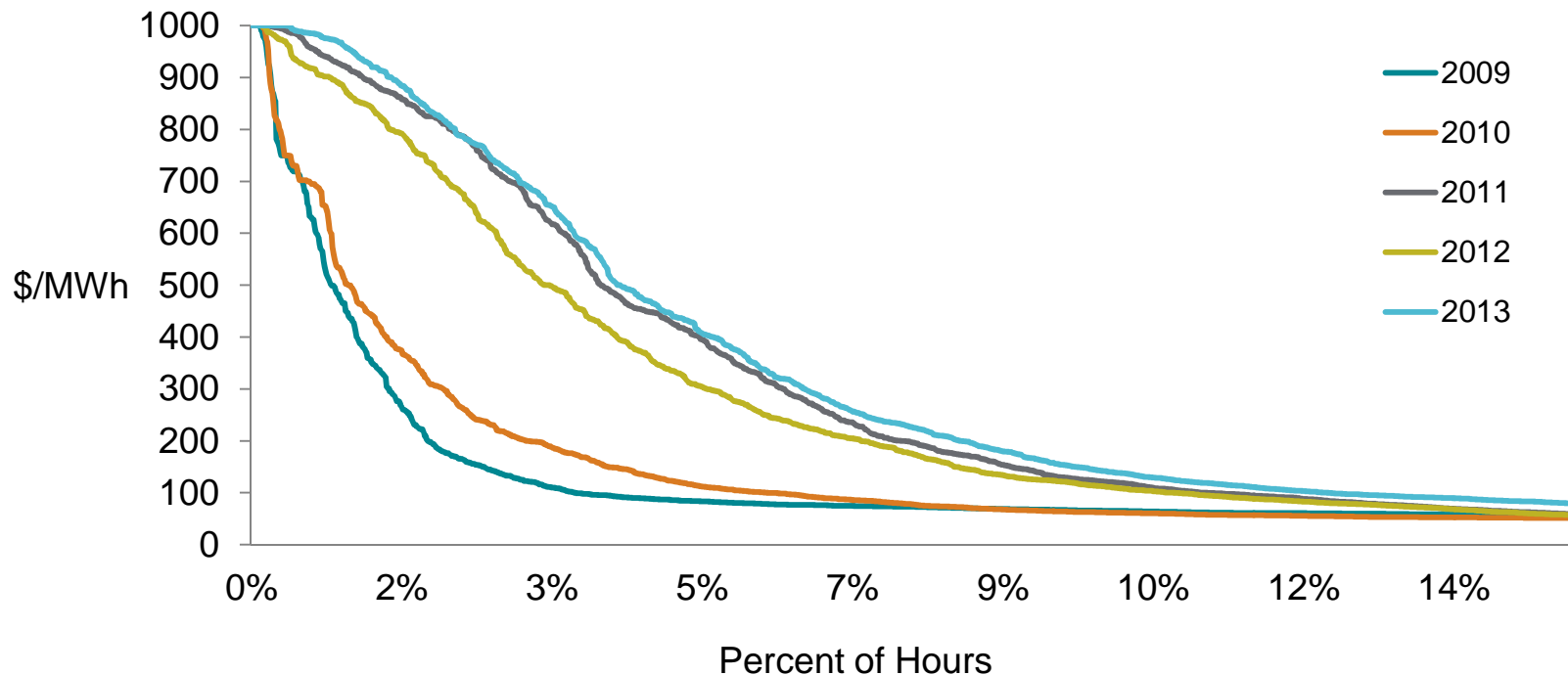
## Annual average power prices and AECO



# Alberta pool price evolution

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

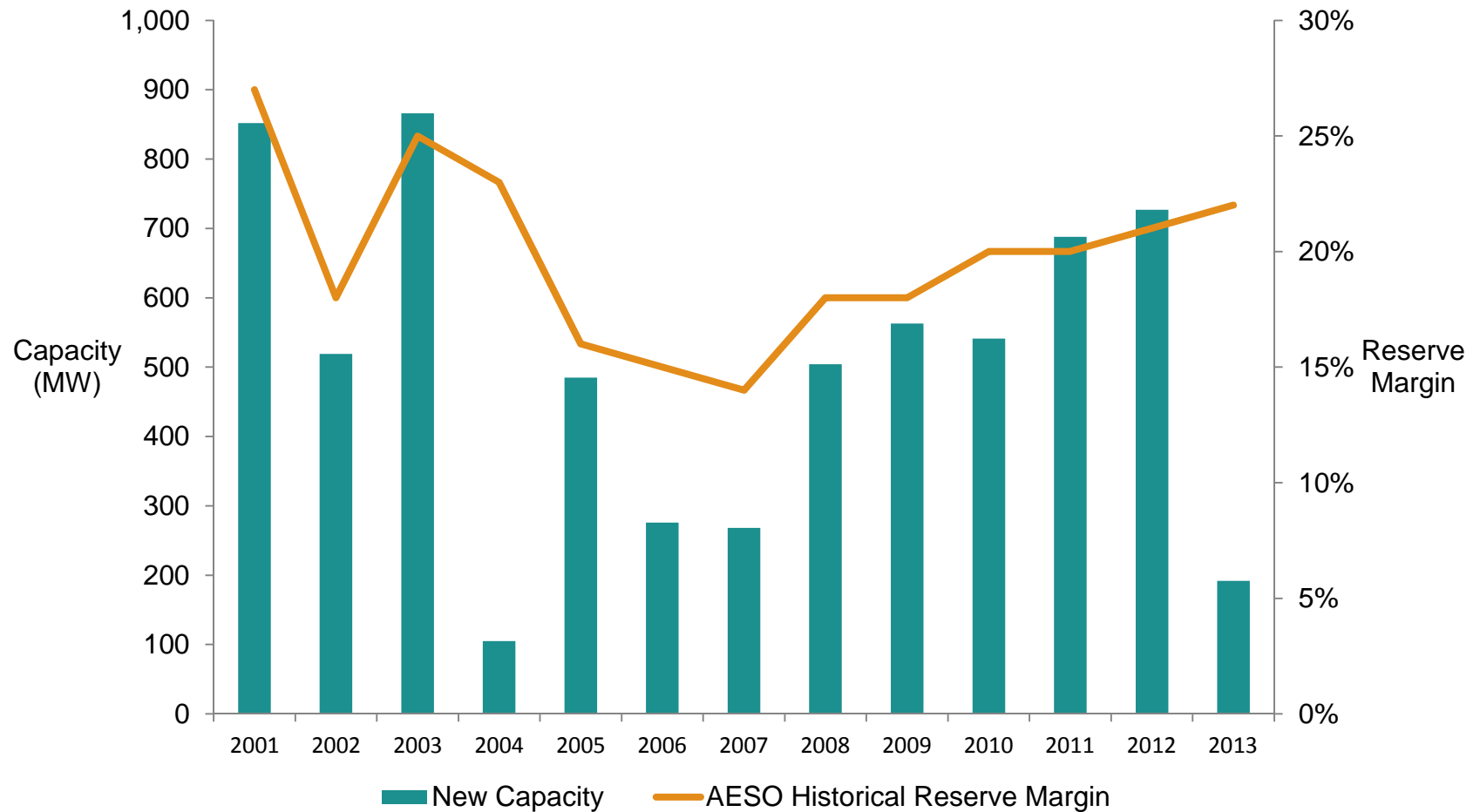
## Pool price in top 15% of hours by year<sup>(1)</sup>



(1) Source: AESO (Mar, 2014)

# Alberta market design

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



# 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<sub>2</sub> emissions
-  NOx emissions
-  Mercury
-  Particulate matter

*Certainty in air emissions regulations will provide for orderly retirements, development of replacement generation, and improving environmental outcomes*

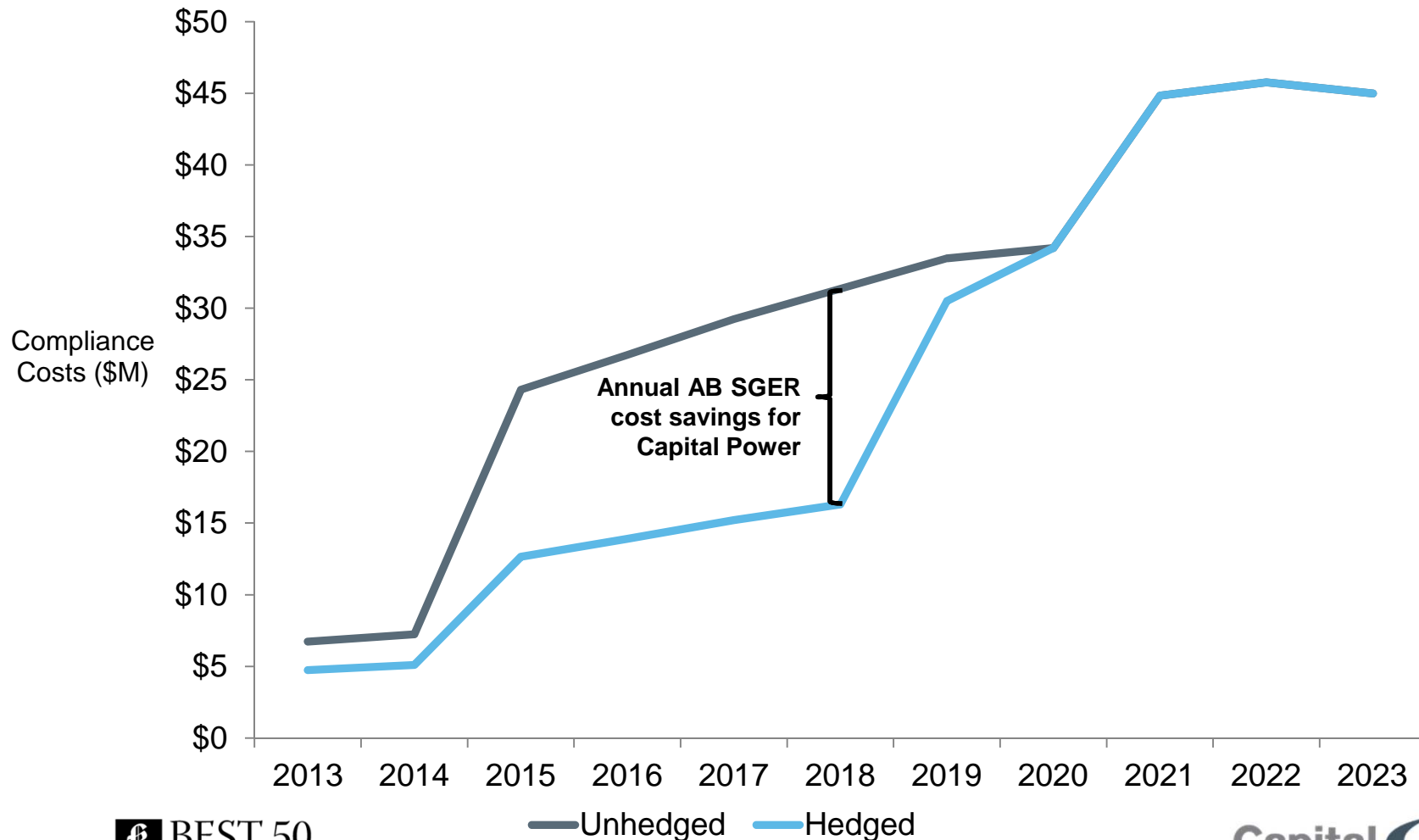
# Proven ability to manage environmental commodity exposure

- 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

***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***

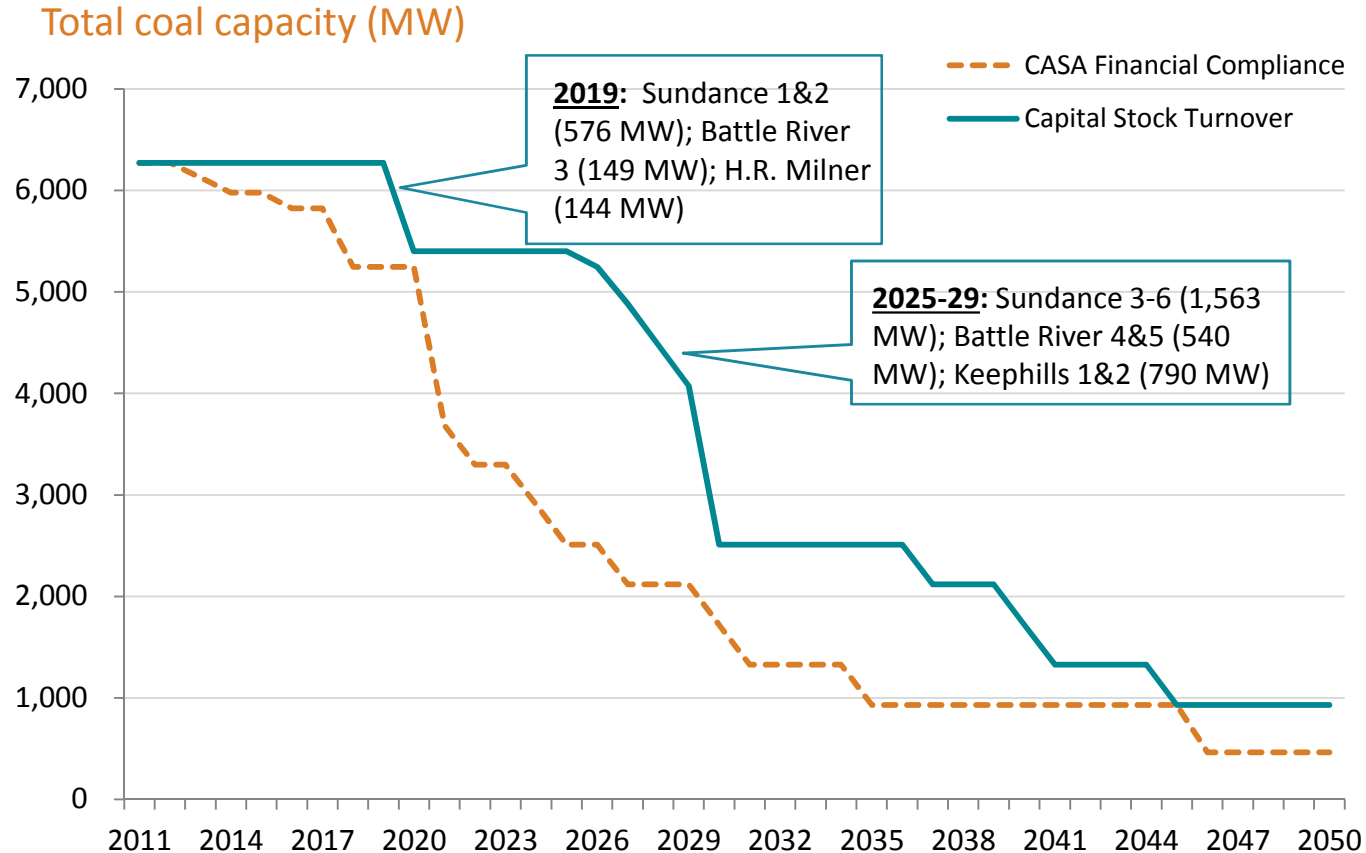
# Renewables and emissions portfolio

## Unhedged vs. hedged Capital Power Alberta SGER compliance costs 2013-2017



# Expected coal unit retirements - CASA

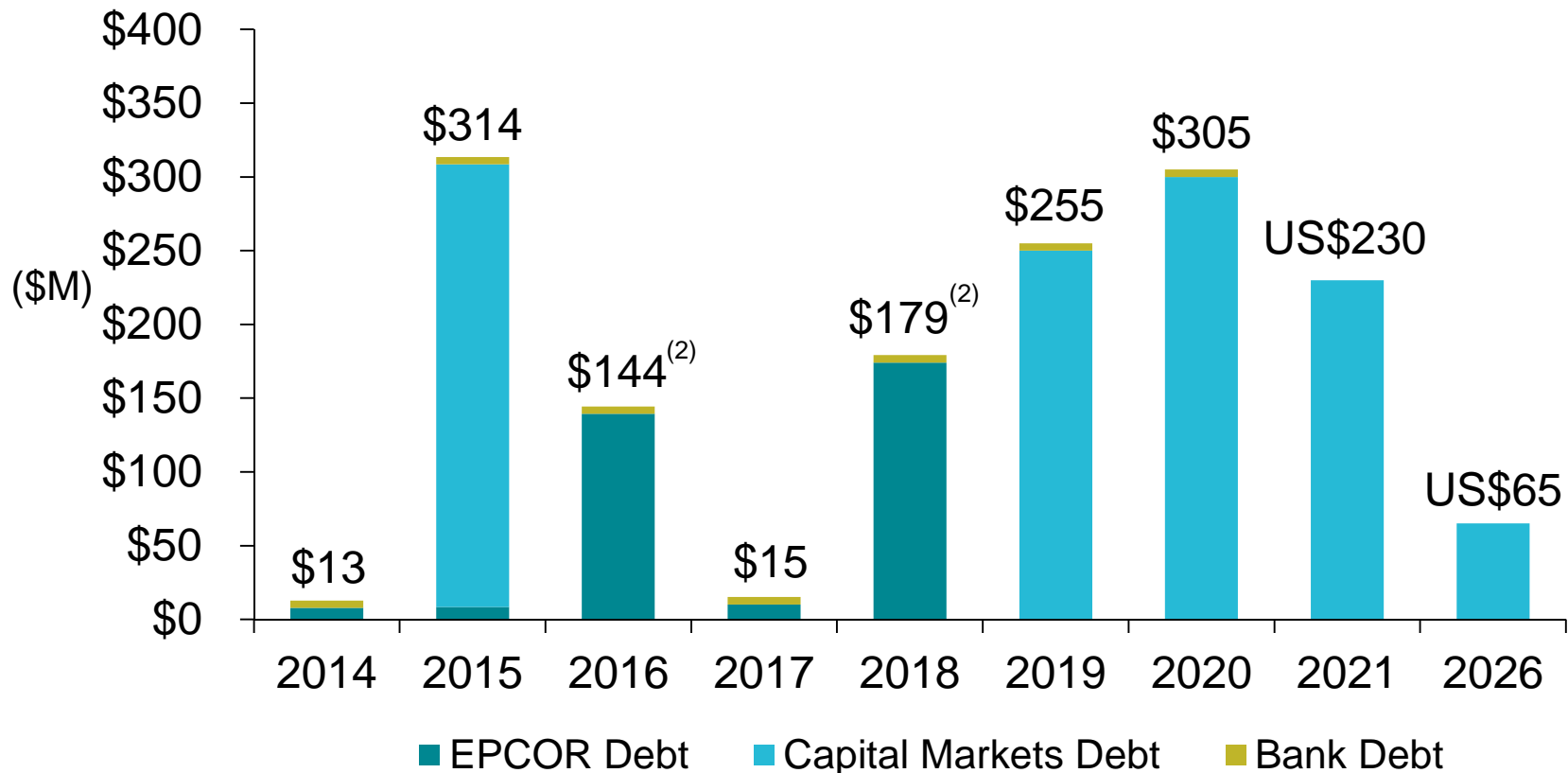
*Clean Air Strategic Alliance (CASA) regulations may result in coal units retiring sooner*



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<sup>(1)</sup>

- \$1.2B in credit facilities with 5-year tenor maturing 2018, of which \$1.1B available



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

(1) As of Dec. 31, 2013.

(2) Callable debt, however does not mature until 2016 (\$130M) and 2018 (\$163M).

# Summary of assets

	Genesee 1	Genesee 2	Genesee 3	Keephills 3	Joffre	Clover Bar Energy Centre	Clover Bar Landfill	Halkirk
	Alberta Contracted		Alberta Commercial					
<b>Capacity</b>	430 MW	430 MW	516 MW	495 MW	480 MW	243 MW	4.8 MW	150 MW
<b>% owned / operated</b>	100 / 100	100 / 100	50 / 100	50 / 0	40 / 0	100 / 100	100 / 100	100 / 100
<b>Location</b>	Warburg, Alberta	Warburg, Alberta	Warburg, Alberta	Keephills, Alberta	Joffre, Alberta	Edmonton, Alberta	Edmonton, Alberta	Halkirk, Alberta
<b>Fuel &amp; equipment</b>	Coal (50% ownership of coal mine)	Coal (50% ownership of coal mine)	Coal (50% ownership of coal mine)	Coal	Natural gas	Natural gas (Two 100 MW GE LMS100 turbines; 43 MW GE LM6000)	Landfill gas	Vestas wind turbines
<b>Commercial Operations</b>	1994	1989	2005	2011	2000	Unit 1 in 2008; units 2&3 in 2009	2005	2012
<b>PPA Expiry</b>	2020	2020	Merchant	Merchant	Merchant	Merchant	Merchant	~40% - 45% of total revenues from 20-year REC sale agreement / Merchant

# Summary of assets

	Kingsbridge 1	Island Generation	Quality Wind	Port Dover & Nanticoke	Roxboro	Southport
	Ontario & British Columbia Contracted				Mid-Atlantic Contracted	
<b>Capacity</b>	40 MW	275 MW	142 MW	105 MW	46 MW	88 MW
<b>% owned / operated</b>	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100	100 / 100
<b>Location</b>	Goderich, Ontario	Campbell River, BC	Near Tumbler Ridge, BC	Located in the counties of Norfolk and Haldimand, Ontario	Roxboro, North Carolina	Southport, North Carolina
<b>Fuel &amp; equipment</b>	Vestas wind turbines	Natural gas (Alstom GT24B gas turbine & Alstom steam turbine)	Vestas wind turbines	Vestas wind turbines	Mixture of wood residuals, tire-derived fuel and coal	Mixture of wood residuals, tire-derived fuel and coal
<b>Commercial Operations</b>	2006, 2001	2002	2012	2013	1987	1987
<b>PPA Expiry</b>	2026 / 2027	2022	2037	2033	2021	2021

# Development projects

	Shepard Energy Centre	Genesee 4 & 5	K2 Wind Ontario
	Alberta Commercial		Ontario Contracted
<b>Capacity</b>	800 MW	Up to 1,050 MW	270 MW
<b>% owned / operated</b>	50 / 0	50 / 100	33.3% owned
<b>Location</b>	Calgary, Alberta	Warburg, Alberta	Ashfield-Colborne-Wawanosh, Ontario
<b>Fuel &amp; equipment</b>	Combined-cycle natural gas; 6,900 – 7,100 mmbtu (effective heat rate)	Combined-cycle natural gas	Siemens wind turbines
<b>Commercial Operations</b>	Expected early 2015	Targeting 2018-2020	Expected 2015
<b>PPA Expiry</b>	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.	Merchant	20-year PPA with Ontario Power Authority for \$135/MWh
<b>Expected Capital Cost</b>	\$821M Capital Power's expected portion		\$291M (represents Capital Power's one-third share of project cost, including project financing)



# Non-GAAP financial measures

The Company uses (i) earnings before finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, and gains on disposals (adjusted EBITDA), (ii) funds from operations, (iii) cash flow per share, (iv) discretionary cash flow, (v) normalized earnings attributable to common shareholders, and (vi) normalized earnings per share as financial performance measures.

These terms are not defined financial measures according to GAAP and do not have standardized meanings 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.

Reconciliations of these Non-GAAP financial measures are contained in the Company's Management's Discussion and Analysis dated February 28, 2014 for the year ended December 31, 2013 which is available under the Company's profile on SEDAR at [www.SEDAR.com](http://www.SEDAR.com) and on the Company's website at [www.capitalpower.com](http://www.capitalpower.com).

# Forward-looking information

Forward-looking information or statements included in this presentation 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 in this presentation includes information with respect to: (i) expectations related to future revenues, expenses, earnings and funds from operations, (ii) expectations regarding the future pricing of electricity and market fundamentals in existing and target markets, (iii) expectations related to the Company's future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions, (iv) expectations regarding the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings, (v) expectations regarding future growth and emerging opportunities in the Company's target markets including the focus on certain technologies, (vi) expectations regarding the timing of, funding of, and costs for existing, planned and potential development projects and acquisitions, (vii) expectations regarding plant availability, (viii) expectations regarding the refocusing of the Company's merchant power business, and (ix) expectations regarding capital expenditures for plant maintenance and other.

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 of and impact of policy, legislation and regulations, (v) effective tax rates, and (vi) other matters discussed under the Performance Overview and Outlook sections of the Company's 2013 MD&A dated February 28, 2014.

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 energy commodity market prices 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 for further discussion of these and other risks in the Company's 2013 MD&A dated February 28, 2014.

Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

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