

**Capital Power
2015 Annual Meeting of Shareholders
April 24, 2015**

Corporate Participants

Don Lowry, Chairman

Brian Vaasjo, President and CEO

Jason Comandante (Employee shareholder)

Wendy McDermott (Employee shareholder)

Rafal Krzywicki (Employee shareholder)

Shannon Ferdinand (Employee shareholder)

Jim Morison (Employee shareholder)

Elisa Hung (Employee shareholder)

Jacquie Pylypiuk (Employee shareholder)

Tina Andrews (Employee shareholder)

Dana Bissoondatt (EPCOR proxyholder)

Don Lowry: Good afternoon, ladies and gentlemen. It's just after 1:00 so I'll ask that this meeting come to order. My name is Don Lowry, and I'm the Chairman of the Board of Capital Power Corporation. In accordance with the company's bylaws, I'm pleased to act as your Chair for this meeting. To those of you here in Edmonton, Alberta, and to those of you who are listening on the live webcast, welcome to Capital Power Corporation's sixth annual meeting of shareholders.

I would ask you to turn off your cell phones please, or place them on mute. Thank you. Before we start, every employee of Capital Power is responsible for the health and safety of themselves, their fellow employees and the public in all company-related activities as part of the company's health, safety and environmental policy. On that note, I would like to quickly review

the procedures we will follow if there is an emergency.

The Art Gallery facility has fire alarm pull boxes located near all designated exits. Smoke detectors are also located throughout the Art Gallery ventilation system. In the event of an emergency, the Art Gallery will be evacuated. The Art Gallery has appointed evacuation wardens who will ensure that the guests evacuate the building through the closest available exit.

So now let me introduce members of the Capital Power Corporation's senior management team with me today. Now this is from your perspective. Seated on the far right of the stage is Kate Chisholm, Senior Vice President, Legal and External Relations. She will act as the Secretary of this meeting.

I would also like to introduce Brian Vaasjo, President and Chief Executive Officer, who is seated in the middle. Stuart Lee, who is Senior Vice President, Finance and Chief Financial Officer, is seated on the left. Brian and Stuart, I think, have just changed positions there, or roles.

Following the formal business portion of today's meeting, Brian will report to you on Capital Power's operating and financial performance in 2014 as well as reviewing the company's first quarter 2015 results and updating you on recent developments. We will then invite your questions. I would ask that you hold those questions until that time. This format allows us to complete our

formal business expeditiously and then move on to matters of general interest.

I'd also like to take this opportunity to introduce our current Board of Directors, and when I call your name, I would ask you to please stand and stay standing. In addition to Brian Vaasjo and myself, your current Board members at the time of this meeting are as follows: Al Bellstedt, Doyle Beneby, Hugh Bolton, Rick Cruickshank, Pat Daniel, Phil Lachambre, Allister McPherson. I regret today that Bill Bennett and Peggy Mulligan were unable to be with us here today because of other pressing matters.

I'd like, at this time, to thank our directors for their service to the corporation. And I would like to also draw special attention to Mr. Hugh Bolton, Mr. Rick Cruickshank and although Bill is not here and acknowledge that they are not standing for re-election at this year's meeting and to say thank you very, very much for the tremendous impact that you had as founding directors of this corporation on the company, the management. And we have all benefited by your presence, and we're going to miss you.

I would also like to take the opportunity to introduce other members of the senior management team. In addition to Brian, Kate and Stuart, we have in attendance Darcy Trufyn, if you could stand, please, Darcy? Darcy is Senior Vice President of Operations, Engineering and Construction; Bryan DeNeve, Senior Vice President Corporate Development and Commercial Services; and Todd Gilchrist, Senior

Vice President Human Resources, and Health Safety and Environment.

Computershare Trust Company of Canada is the company's registrar and transfer agent for its common shares. Today, Mr. Kyle Gould of Computershare has been appointed to act as scrutineer. He will report on the shareholders present in person or by proxy and compute the votes on any polls taken. At this time, we want to thank all of you who submitted proxies in advance and remind you that only registered shareholders or duly appointed proxy holders may participate in the business of today's meeting.

Under the Notice and Access system for communicating with shareholders, the company mailed a notice of this meeting together with a form of proxy or a voting instruction form commencing on March 19 of this year. The notice informs shareholders about the time and place of our meeting, the business of the meeting and stated that our Management Proxy Circular was posted on our website at www.capitalpower.com as well as on SEDAR.

The notice also stated that any shareholder could request a printed copy of the Management Proxy Circular in advance of today's meeting. The Corporate Secretary has provided me with an affidavit of mailing prepared by Computershare Trust Company of Canada, and Kate will see that the affidavit is filed with the minutes of this meeting.

The Corporate Secretary has received the report of the scrutineers and advises me that there is a quorum present. On the basis of this report, I declare that the meeting has been regularly called and properly constituted for the transaction of business.

The Corporate Secretary will also file the report of the scrutineers with the minutes of this meeting. In order to facilitate a smooth flow of the business matters we will be dealing with today, we have asked for some of our employee shareholders to move and second formal motions. They will be called upon as needed.

The next item of business is the presentation to the meeting of the Consolidated Financial Statements of Capital Power for the year ended December 31, 2014, and the report of the auditors thereon. The Annual Report of the company, which contains the Consolidated Financial Statements, together with the report of the auditors thereon and the company's management discussion and analysis was mailed to each shareholder who requested a copy. The Annual Report is also available on the company's website, and there are copies here today at the registration table.

On behalf of the Directors, I now place before this meeting the Consolidated Financial Statements and auditors' report thereon for the year ended December 31, 2014. Mr. Rick Mussenden and Ms. Leontine Atkins, both partners in KPMG, are in attendance today. So Rick and Leontine, please stand and identify yourself to this meeting. Thank you.

Rick and Leontine will be available to answer questions in respect of the auditors' report during the general question period. Any questions pertaining to the statements themselves will be responded to by Mr. Stuart Lee, CPC's Chief Financial Officer. Are there any questions on the Consolidated Financial Statements? Then I declare that the Consolidated Financial Statements and the Auditors' Report have been received.

The next item of business is the election of directors. In accordance with the bylaws of the company and pursuant to the resolution of the Board of Directors, a total of 8 directors will be elected at today's meeting. Pursuant to the articles of the company, a subsidiary of EPCOR Utilities Incorporated as the holder of all of the issued and outstanding special voting shares of the company as of the record date of this meeting, is also entitled to nominate and elect 2 directors, but has decided to nominate and elect only 1 director at this time. The remaining 7 directors will be elected by the holders of common shares.

Information regarding the nominees being proposed for election has been set out in the Management Proxy Circular, which was posted on our website and on SEDAR or sent to the registered shareholders and/or beneficial shareholders who requested a printed copy in accordance with the terms of the notice.

As of 1:00 p.m., Wednesday, April 22 of this year, which was the deadline for the receipt of

proxies, management had received proxies representing in excess of 45 million shares, and in excess of 54% of the company's common shares outstanding as the record date of this meeting voting in favor of each of the management nominees to the Board of Directors named in the Management Proxy Circular.

We will now proceed with the nomination and election of the 7 directors to be elected by holders of common shares. Only registered holders of common shares or their duly appointed proxy holders are entitled to nominate and vote for the election of these directors. Mr. Comandante, may I ask you for a nomination of each of the 7 directors to be elected by holders of common shares?

Jason Comandante: Mr. Chairman, on behalf of the Board of Directors, I nominate each of the following 7 persons as named in the Management Proxy Circular for election as directors to hold office until the close of the next Annual Meeting or until their successors are duly elected or appointed: Don Lowry, Brian Vaasjo, Albrecht Bellstedt, Doyle Beneby, Philip Lachambre, Peggy Mulligan and Patrick Daniel.

Don Lowry: Thank you, Mr. Comandante. Mrs. McDermott, would you please second the nominations?

Wendy McDermott: Mr. Chairman, I second the nominations.

Don Lowry: Thank you, Ms. McDermott. In the absence of the receipt of notice of any further nominations in accordance with bylaw #3 of the

company, I declare that the nominations are now closed.

We will now proceed with the election of the nominated directors. The election of directors will proceed by way of ballot. Votes will be cast in favor of or withheld from voting for each nominated director individually. The votes cast in favor of the election of a director nominee must represent a majority of the common shares voted at the meeting. If that is not the case, that director must tender his or her resignation for consideration by the balance of the Board whereupon the Board must determine whether to accept or reject the resignation and must disclose any decision not to accept the resignation within 90 days of the Annual Meeting.

Only registered holders of common shares or their duly appointed proxy holders are entitled to vote on the election of these director nominations. Many shareholders present today will have already filed their proxies. Unless they wish to withdraw their proxies, these shareholders should not complete a ballot since their shares will be voted in accordance with the instructions contained in the proxies granted to their proxy holders.

I request that the scrutineers hand out ballots to each registered holder of common shares and proxy holders who has not already voted by proxy or completed a ballot. If you are a registered holder of common shares or proxy holder and have not already voted by proxy or completed a ballot, would you please raise your hand so that the scrutineers can see you and

hand you a ballot? 1, 2, okay. While the ballots are being delivered, please, I would ask you to vote on the ballot by marking X opposite the names of the nominees for whom you wish to vote. Please sign and print your name in the places indicated on the bottom of the ballot and return your completed ballot to the scrutineers. The scrutineers will collect the ballot, count the votes and prepare the final scrutineer's report reflecting the results of the proxies and ballots. The final scrutineer's report will be annexed to the minutes of this meeting and filed on SEDAR.

In addition, we will publish the results of this voting in next year's Management Proxy Circular. The scrutineers will continue to tabulate the ballots and prepare their final report. However, as there are 7 directors to be elected by the holders of common shares and there are 7 nominees, I now do declare Brian Vaasjo, Al Bellstedt, Doyle Beneby, Phil Lachambre, Peggy Mulligan, Pat Daniel and myself, Don Lowry, to be duly elected directors of this company.

If, with respect to any particular nominee, the number of votes withheld exceeds the number of shares voted in favor of the nominee as indicated in the final scrutineer's report, then the nominee will be asked to submit his or her resignation to the Board of Directors forthwith such resignation to take effect upon acceptance by the Board of Directors.

In addition to the 7 individuals that have just been elected, EPCOR, which held all of the issued and outstanding special voting shares of the company as of the record date of this meeting, is entitled to

nominate and elect 2 nominees for the Board. But as previously stated, has decided to nominate and elect only one Director at this time. The biography of the EPCOR nominee is also set out in the Management Proxy Circular.

We will now proceed with the nomination and election of the director to be elected by EPCOR. Only EPCOR or its duly appointed proxy holder is entitled to nominate and vote for the election of this director. EPCOR has appointed Mr. Dana Bissoondatt as its proxy to vote all of the issued and outstanding special voting shares of the company that were outstanding as of the record date for the election of the EPCOR nominee to the Board named in the Management Proxy Circular. So Mr. Bissoondatt, as soon -- as the proxy holder for EPCOR, may I ask you for a nomination of the director to be elected by EPCOR and vote for EPCOR's nominee to the Board?

Dana Bissoondatt: Mr. Chairman, on behalf of EPCOR, I nominate and vote for Allister McPherson named in the proxy -- Management Proxy Circular for election as director to hold office until the close of the next Annual Meeting or until his successor is duly elected or appointed.

Don Lowry: Thank you. As there is one director to be elected by EPCOR and there is one person nominated to the Board and voted for by EPCOR, I now declare that Allister McPherson has been duly elected director of the company to hold office until the next Annual Meeting of the

shareholders or until his successors is duly elected or appointed.

Next on the agenda is the appointment of the auditors. As described in the Management Proxy Circular and with the exception of the nomination and election of directors, the common shares and the special voting shares vote together on all business brought before the Annual Meeting, including the appointment of the auditors, with each common share and each special voting share entitled to one vote. Together, management and EPCOR hold proxies for common and special voting shares representing in excess of 65 million votes, which represent approximately 64% of the total eligible votes for this motion. Mr. Krzywicki, may I have a motion to appoint the auditors of the company?

Rafal Krzywicki: Mr. Chairman, I move that KPMG LLP Chartered Accountants be appointed auditors of the company to hold the office until the close of next Annual Meeting of Shareholders with compensation to be fixed by the Board on the recommendation of the Audit Committee.

Don Lowry: Thank you, Mr. Krzywicki. Ms. Ferdinand, will you second the motion?

Shannon Ferdinand: Mr. Chairman, I second the motion.

Don Lowry: Thank you, Ms. Ferdinand. All those in favor of the motion, please signify by raising your hands. Looks like it's unanimous. Contrary? I declare that motion carried.

Next on the agenda is the advisory vote on executive compensation, also known as the "shareholders' say on pay". This is the fourth year that Capital Power Corporation has conducted an advisory vote with respect to executive compensation. As previously noted, the common shares and the special voting shares vote together on this matter. Together, management and EPCOR hold proxies for common and special voting shares representing in excess of 64 million votes, which represent more than 63% of the total eligible votes for this motion. As Capital Power's approach to executive compensation has been discussed in the Management Proxy Circular, I don't propose to reiterate the details here now. Mr. Morison, may I have a motion regarding this matter?

Jim Morison: Mr. Chairman, I move it be resolved on an advisory basis and not to diminish the role and responsibilities of the Board of Directors that the shareholders accept the approach to executive compensation disclosed in Capital Power's Management Proxy Circular delivered before the 2015 Annual Meeting of Shareholders.

Don Lowry: Thank you, Mr. Morison. Ms. Hung, will you second the motion?

Elisa Hung: Mr. Chairman, I second the motion.

Don Lowry: Thank you, Ms. Hung. Is there any discussion? Okay. All those in favor of the motion, please signify by raising your hand. Contrary? I declare that motion carried.

That now completes the formal portion of the business of this meeting. There being no further business on the agenda, I will now ask Ms. Pylypiuk for a motion to terminate. We will then have a presentation by Brian Vaasjo and an opportunity will be provided at the end of that for your presentation to ask Brian questions. So Ms. Pylypiuk?

Jacque Pylypiuk: Mr. Chairman, I move that the meeting be terminated.

Don Lowry: Thank you, Ms. Pylypiuk. Ms. Andrews, will you please second the motion?

Tina Andrews: Mr. Chairman, I second the motion.

Don Lowry: Thank you, Ms. Andrews. All those in favor of the motion? Contrary? The motion is carried and now I declare the formal business portion of today's meeting to be terminated.

I will now ask you, Brian, if you would please come to the podium and refresh us and update us and inspire us as to the outlook of the company. Thank you.

**Brian Vaasjo, President and CEO
Presentation**

Thank you Don and good afternoon. I would like to welcome those of you who are here in Edmonton and also to the folks joining us by the webcast. Thank you for taking part in Capital Power's sixth annual meeting of shareholders.

I'll begin my remarks with a review of our accomplishments in 2014 and then discuss Capital Power's planning, preparation, and positioning with respect to the Alberta power market. I'll also touch on our performance for the first quarter of this year, our 2015 corporate priorities and lastly some recent developments.

Following my presentation, we'll show a short video. After the video, we'll then provide shareholders who are here with us today with an opportunity to ask any questions. So let's get started.

During 2014, significant progress was made on our two construction projects. The final stages of construction at the Shepard Energy Centre were completed, which is our joint venture with ENMAX.

For our K2 Wind project in Ontario, the project financing was completed in the first quarter of 2014 and the project commenced construction. Construction is on schedule and it is expected to begin commercial operations by mid-2015.

Our future growth plans in Alberta are focused on Genesee 4 & 5. In 2014, we executed agreements with ENMAX to develop, construct, and operate the Genesee 4 & 5 project. Later that year the project received all major regulatory approvals to proceed with construction.

In late 2014, we acquired Element Power and its attractive portfolio of wind and solar development sites in the United States that will provide Capital Power with a solid foundation for future growth. Finally, we announced the company's first share

dividend increase, a 7.9% increase in the annual dividend that was effective with the third quarter payment last year.

This slide shows our 2014 performance versus our annual targets. All operational and financial results were in-line with targets. This includes achieving our 95% plant availability target. Our sustaining capex was \$75 million which was below the \$85 million target due to lower spending from Genesee mine land purchases.

Our plant operating and maintenance expense came in at \$185 million, which was in-line with our target range of \$165 to \$185 million. Finally, we were within our 2014 cash flow target range by generating \$362 million in funds from operations.

Before I discuss the planning and preparation that have taken place with respect to the Alberta power market, I want to provide some context by briefly reviewing Capital Power's strategy. At a high level, Capital Power's strategy is premised on preserving and growing shareholder value by providing shareholders with a stable and growing contracted cash flow base, with upside exposure to the Alberta power market.

The underlying factors in creating and preserving shareholder value is continued operational excellence, financial flexibility and strength, and disciplined growth. Capital Power has steadily been growing its contracted cash flow base, which is generated from assets across North America. A strong contracted cash flow base

provides support to our investment grade credit rating and dividend stability and growth.

Our merchant cash flows are generated in Alberta and the pricing is determined by current and forward prices in the Alberta power market. Capital Power is well positioned to capture value in Alberta's merchant market by having the best asset portfolio among the market participants. Our Alberta generation fleet includes baseload coal units, cogeneration and mid-merit natural gas facilities, one of the largest wind farms in the province, and natural gas peaking facilities.

The Alberta power market, like any other commodity market, goes through business cycles. As new generation is added, we expect to go through lower price periods followed by periods of price recovery with demand growth. This cycle has been consistent since Alberta's wholesale power market was deregulated and will continue in the future.

Although annual Alberta power prices have averaged \$65 per megawatt hour in the past 14 years, the additional generation from the 800 megawatt Shepard Energy Centre is causing a temporary oversupply in the market resulting in low power prices until there is enough demand growth or supply retirement to balance the market. Certainly the impact of lower oil prices on the economy may push out when the market is back in balance.

Capital Power has been planning for this low point in the cycle and we made decisions over the past few years based on this view of 2015.

The management team and staff have done an excellent job to increase margins and reduce risks. This included implementing various programs to reduce operating, maintenance and general and administrative costs. The success of these programs has resulted in a \$37 million or 31% decrease in corporate expenses in 2014. With an opportunity to increase our generation in Alberta and increasing our contracted cash flow base, we entered into a joint venture agreement with ENMAX to purchase a 50% interest in Shepard in 2012.

In addition, we increased our contracted cash flow base by building three new wind farms that were added to the fleet in 2012 and 2013. In preparation for this low point in the Alberta power market cycle, we negotiated various commercial agreements with ENMAX for our generation output from Shepard. This included a 20-year contract for 50% of our capacity from 2015 to 2035. We also negotiated additional commercial arrangements resulting in 100% of our capacity contracted in 2015 and 75% through 2016 and 2017.

We also minimized our exposure to low spot power prices by hedging a significant percentage of our merchant cash flows at attractive prices that are higher than current spot prices. Overall, we are well-positioned to weather the bottom of the power market cycle.

As mentioned, we have built three contracted wind facilities that add nearly 400 megawatts to our fleet since 2012. We will be adding another 90 megawatts of capacity that is contracted when

the K2 Wind project begins commercial operations later this year. Combined, the four wind projects and the contracted portion of Shepard have significantly expanded our cash flow base.

In fact, as illustrated in this chart, you can see the substantial expansion in our contracted operating margins over the past few years. The contracted cash flows are generated from numerous assets with notable contributions from Genesee 1 & 2 here in Alberta, Island Generation in B.C., numerous wind facilities, and the contracted portion of Shepard. Overall, the contracted cash flows are expected to increase 73% from 2012 to 2016.

By having this strong contracted cash flow base, it provides us with financial strength and supports Capital Power's investment grade credit rating. The contracted cash flows as illustrated by the blue line at the bottom of the chart provide more than 100% coverage to meet our financial obligations and support dividend growth. In addition to the contracted cash flows, the Alberta merchant cash flows provide us with upside when power prices recover. As you can see, Alberta power prices at \$40 and \$70 per megawatt hour provide significant upside above the contracted cash flow.

I will now highlight Capital Power's growth opportunities. Within Canada, we have our Genesee 4 & 5 project here in Alberta. We are also looking at various contracted wind and natural gas opportunities in BC, Saskatchewan, and Ontario.

With our acquisition of Element Power last year, we now have a strong pipeline of development sites throughout the United States. This includes wind, natural gas and solar development sites. A few of these opportunities have the potential to proceed this year if we are able to secure long-term contracts.

I am very pleased to announce that the Board of Directors have approved today the construction of the Beaufort solar project in North Carolina. This is a 15 facility, which is Capital Power's first solar project. The start of commercial operations of the Beaufort Solar project is targeted for December of this year. It is a fully contracted facility with a 15-year power purchase arrangement with Duke Energy. This project has a sale leaseback arrangement, where we would sell the asset to a tax equity investor when the solar project begins commercial operations in exchange for lease payments.

I'll continue my presentation with a review of our first quarter 2015 results that were released earlier this morning. The charts on this slide show that our first quarter operational and financial results versus the 2015 annual targets.

In the first quarter, average plant availability was 98%, which exceeded our 94% plant availability target for 2015. Our sustaining capex was \$6 million versus the \$65 million annual target. We reported \$41 million in plant operating & maintenance expenses versus the \$180 to \$200 million annual target. Finally, we generated \$108 million in funds from operations. Overall, we are

on-track to meet our 2015 annual operational and financial targets.

We have two development and construction targets in 2015, relating to the K2 Wind project in Ontario and Genesee 4 & 5 here in Alberta. For the K2 Wind project, our goal is to complete construction and start commercial operations in the middle of this year. For Genesee 4 & 5, the goal is to transition to the construction phase this year with a commercial operations date in 2019. In conjunction with ENMAX, we have concluded this is the earliest date that the Alberta market would need this additional generation.

One very significant accomplishment already this year is the completion of the Shepard Energy Center. Last month, Shepard officially began commercial operations. The facility is now able to generate its full capacity of over 800 megawatts into the Alberta power market. I want to acknowledge our joint venture partner, ENMAX, who has led the successful construction of the facility. Shepard will be a valuable asset for both companies going forward.

To wrap-up, I want to conclude with a summary of Capital Power's investment highlights. We continue to demonstrate operational excellence with excellent assets in good markets while delivering solid operating performance. Over the past years, we have built a solid base of contracted cash flows that fully covers our financial obligations and dividends in 2015 and beyond. The contracted cash flow base supports consistent annual dividend growth.

With owning the best fleet in the best merchant power market in North America, there is upside for investors in the Alberta power market. As highlighted earlier, we are well-positioned to weather the bottom of the power market cycle.

Capital Power has growth opportunities throughout North America. In Alberta, the Genesee 4 & 5 project is best positioned to be the next large natural gas-fired generation project to be built in this province. We have established a substantial footprint in the United States for future wind and solar development that will help define the Capital Power of the future. The Beaufort solar farm is the first of many future renewable developments in the United States.

And thank you for your continued support. Before we show the video, I would like to highlight an executive rotation we recently announced which is part of Capital Power's ongoing development program to build on the skills and knowledge of our leadership team.

Stuart who is currently Senior Vice-President, Finance and CFO will rotate with Bryan DeNeve who is currently Senior Vice-President, Commercial Development & Commercial Services. The move will be effective on May 1, 2015. Thank you. I would now like to share with you a short video.

Video – “Planned. Prepared. Positioned.”

Question & Answer session

Brian Vaasjo: We would be happy to take your questions now. We have people with

microphones on the sides. If you have please introduce who you are and ask your question.

No questions? Okay, well thanks a lot for joining us today and for your continued support of Capital Power and everything we do. Please join us for refreshments in the foyer and we look forward to seeing you next year. Thank you.