

CANACCORD Genuity

Infrastructure Conference
Sept. 10, 2015

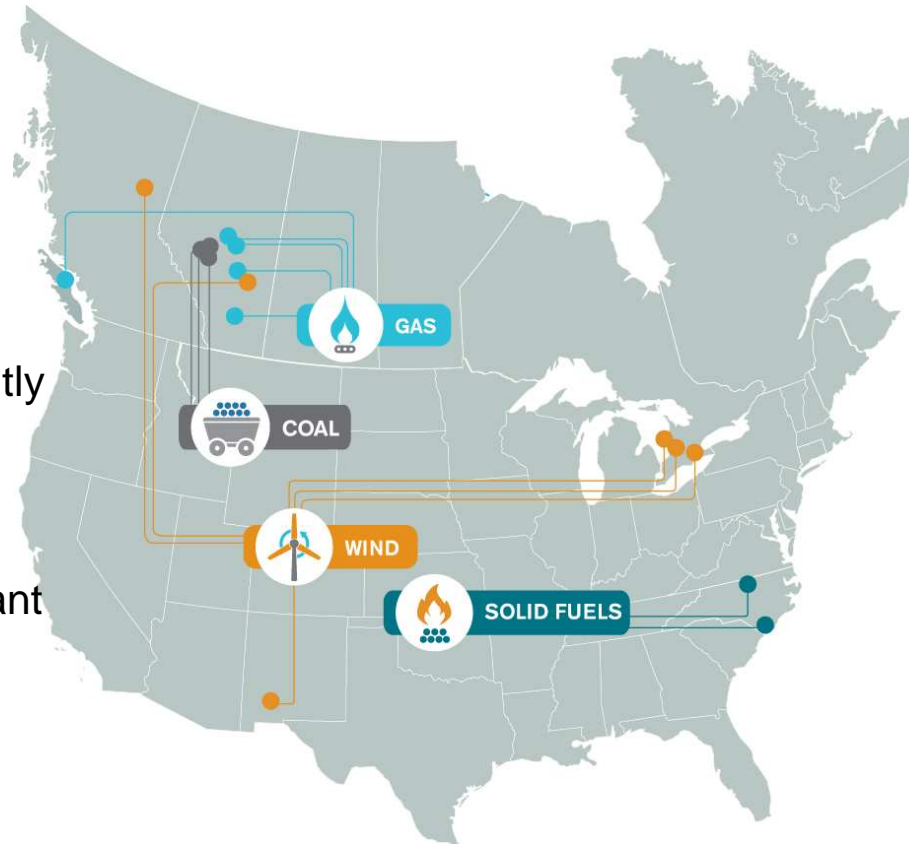
Capital Power

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Capital Power 

Capital Power Overview

- IPP with ownership interest in 17 facilities in Canada and the US totaling more than 3,200 MW⁽¹⁾
- Excellent assets in good markets with solid operating performance
- Substantial growth in contracted operating margins expected to significantly cover financial obligations and growing dividends in 2015 and beyond
- Well-positioned to weather bottom of Alberta power market cycle with significant % of merchant cash flows hedged in the near term
- Strong pipeline of contracted growth opportunities in North America
- Listed on TSX (CPX) with a market cap of \$2.1B⁽²⁾



Fuel type breakdown (based on MW capacity)

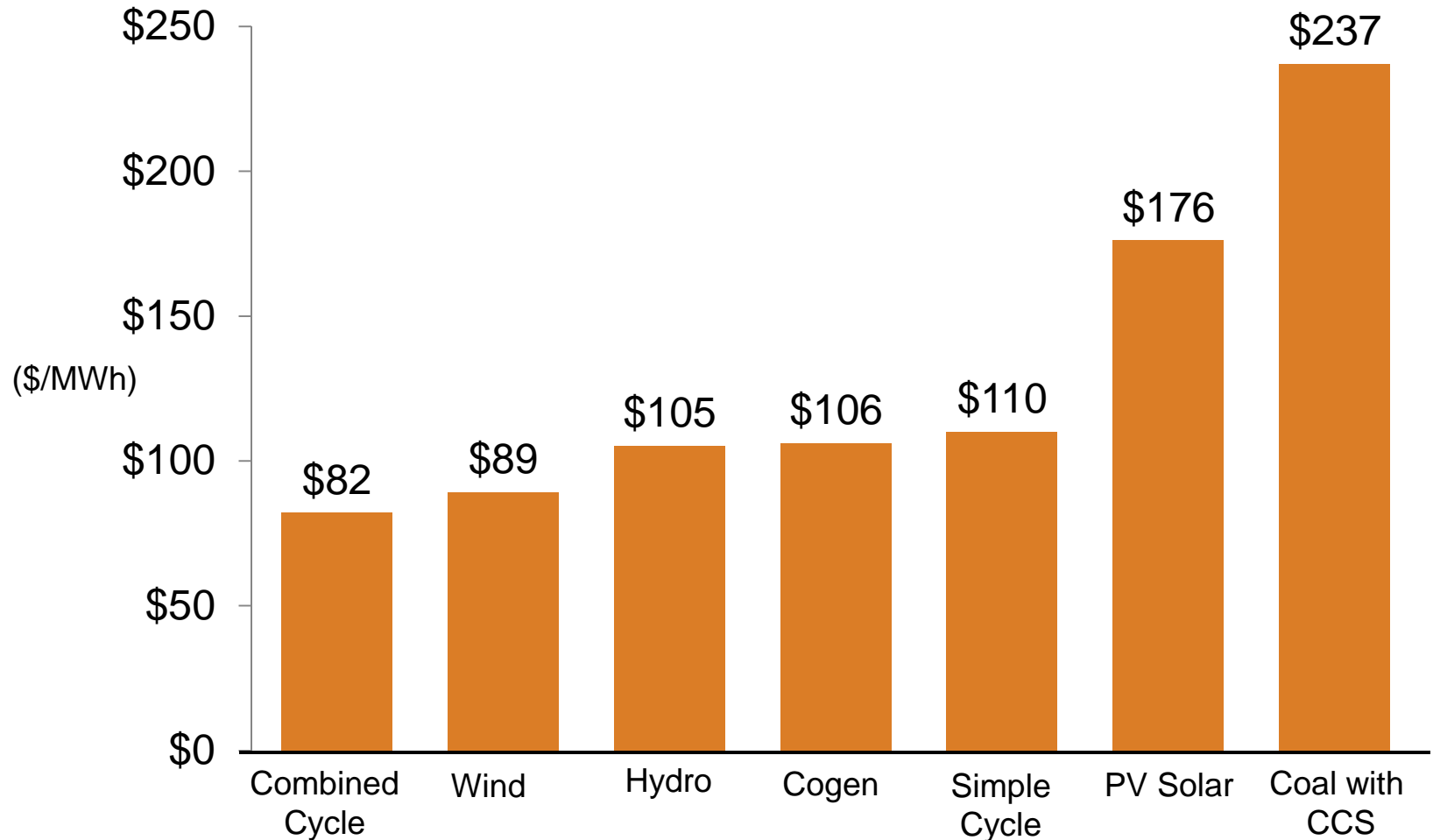


1) Based on MW owned capacity as of Jul 31/15; excludes Sundance PPA (371 MW).

2) Market capitalization as of Aug 31/15.

Relative Generation Costs

Cost of wind and natural gas combined cycle is nearing parity



Source: AESO 2014 Long Term Outlook, Levelized Unit Electricity Costs (LUEC) in 2013 \$Cdn/MWh. Costs included in the calculation are capital, operating and maintenance, fuel, emissions and taxes, and excludes transmission-related charges.

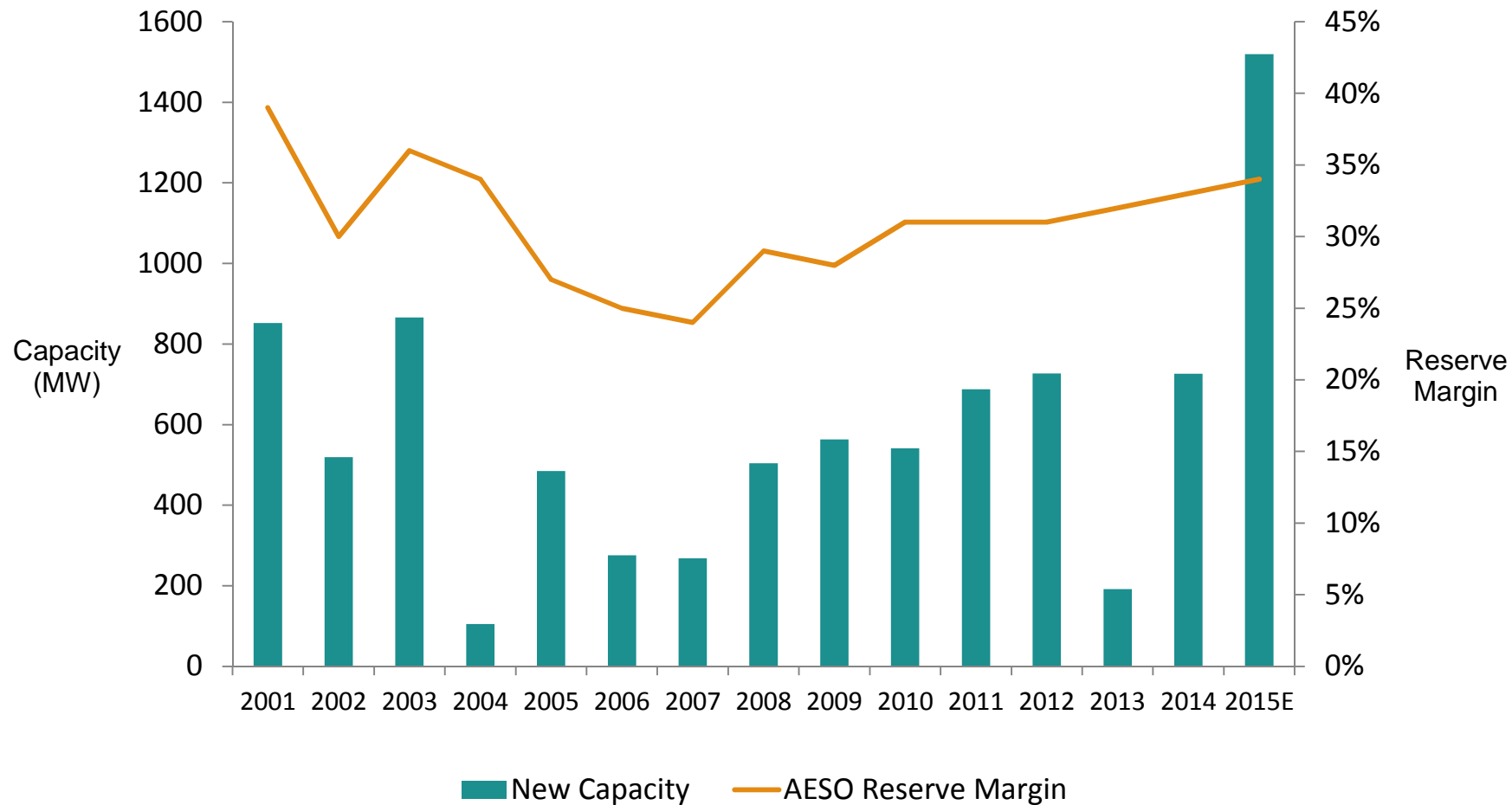
Key Questions for Policy Makers

- *How do you ensure the most cost effective generation mix while maintaining reliability?*
- *How do you integrate GHG policies while ensuring the most cost effective generation mix?*

The answer to these questions needs to recognize the existing market design.

Alberta Market Design

Stable market design has signalled the addition of 7 GW of new generation



1) Source: AESO

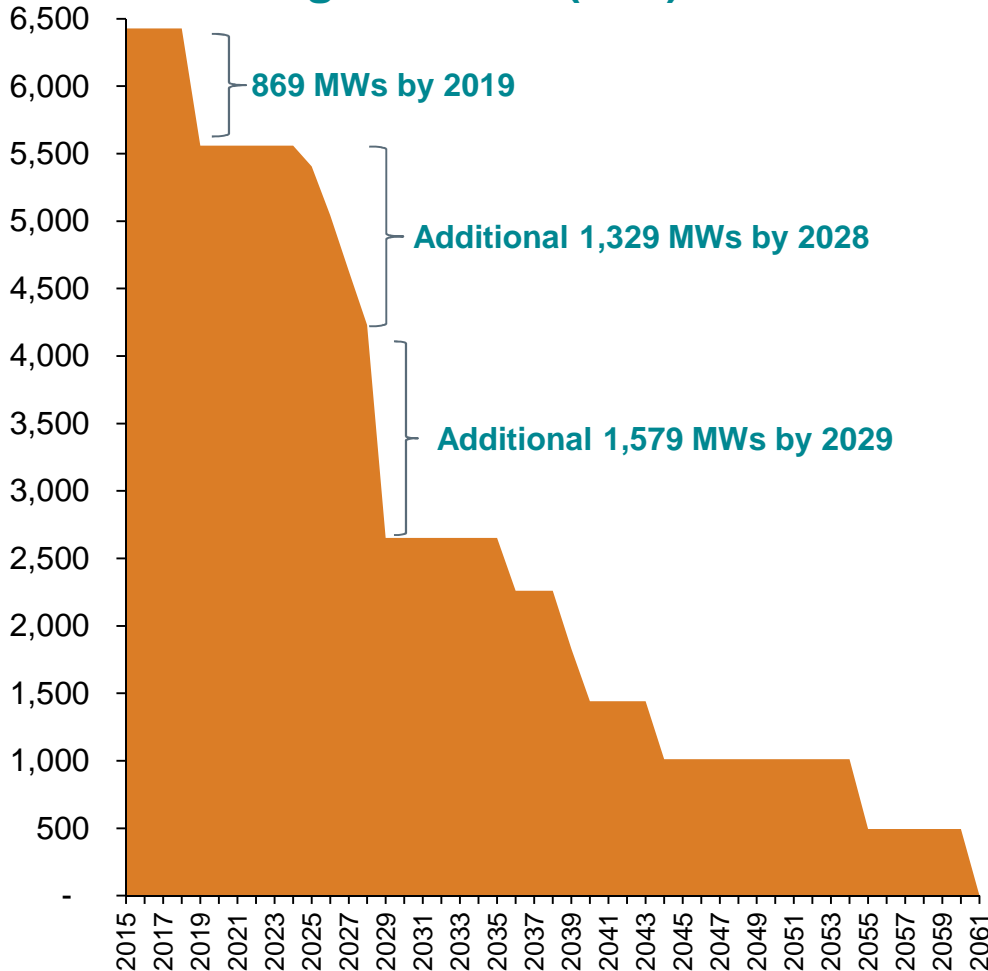
Principles for Future Policy Directions

- Deliver an immediate, permanent and accelerated reduction in coal emissions
- Reduce emissions from new sources of electricity, and make renewables a competitive choice for new builds
- Have a modest impact to power prices for consumers and maintain grid reliability

Current Legislation on Coal Retirements

Retirements under the federal Capital Stock Turnover (CST) regulations

Alberta coal generation (MW)



- No need to change current mandated retirements.
- Improve incentives to reduce coal fired generation during the remainder of their economic lives.
- Replacement generation can be sourced from renewables under the existing market design.

British Columbia

- Have seen a shift in government strategies towards choosing a specific technology (ie. Site C – large-scale hydroelectric dam on the Peace River in N.E. BC)
- Believe a competitive procurement process for IPPs that considers a mix of generation technologies would be more beneficial and recognize the dynamic cost environment for generation technologies

Ontario

- Have seen a shift in government strategies towards choosing a specific technology (ie. refurbishments of nuclear plants)
- Believe a competitive procurement process for IPPs that considers a mix of generation technologies would be more beneficial and recognize the dynamic cost environment for generation technologies

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