CAPITAL POWER

2015 Investor Day

December 3, 2015

Positioned for the future

Forward-looking information

Cautionary statement

Certain information in today's presentations and in responses to questions contains forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information, and certain material factors or assumptions were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

Please refer to the forward-looking information slides at the end of the presentation and in our disclosure documents filed with securities regulators on SEDAR, which contain additional information about the material factors and risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.

The forward-looking information contained in today's presentations is provided for the purpose of providing information about management's current expectations and plans relating to the future. Such information may not be appropriate for other purposes.

Our management team

Brian Vaasjo
President & Chief Executive Officer

Jacquie Pylypiuk
VP Human Resources

Kate Chisholm
SVP Legal & External Relations

Darcy Trufyn
SVP Operations, Engineering & Construction

Bryan DeNeve
SVP Finance & Chief Financial Officer

Mark Zimmerman
SVP Corporate Development & Commercial Services

Agenda

Time	Topic	Presenter
10:00 am	Introduction	Randy Mah
	Positioned for the Future • *Delivering on strategy* • *Positioned for success* • *Alberta Climate Leadership Plan*	Brian Vaasjo
	Alberta Power Market Outlook Growth Pipeline	Mark Zimmerman
	Optimizing Operations	Darcy Trufyn
	Finance Overview • *2016 Guidance* • *Impacts from AB Climate Leadership Plan* • *Dividend Guidance*	Bryan DeNeve
	2016 Corporate Priorities	Brian Vaasjo
	Q&A session	
12 noon	Lunch	

Delivering on Strategy

Alberta Climate Leadership Plan

Brian Vaasjo, President & CEO

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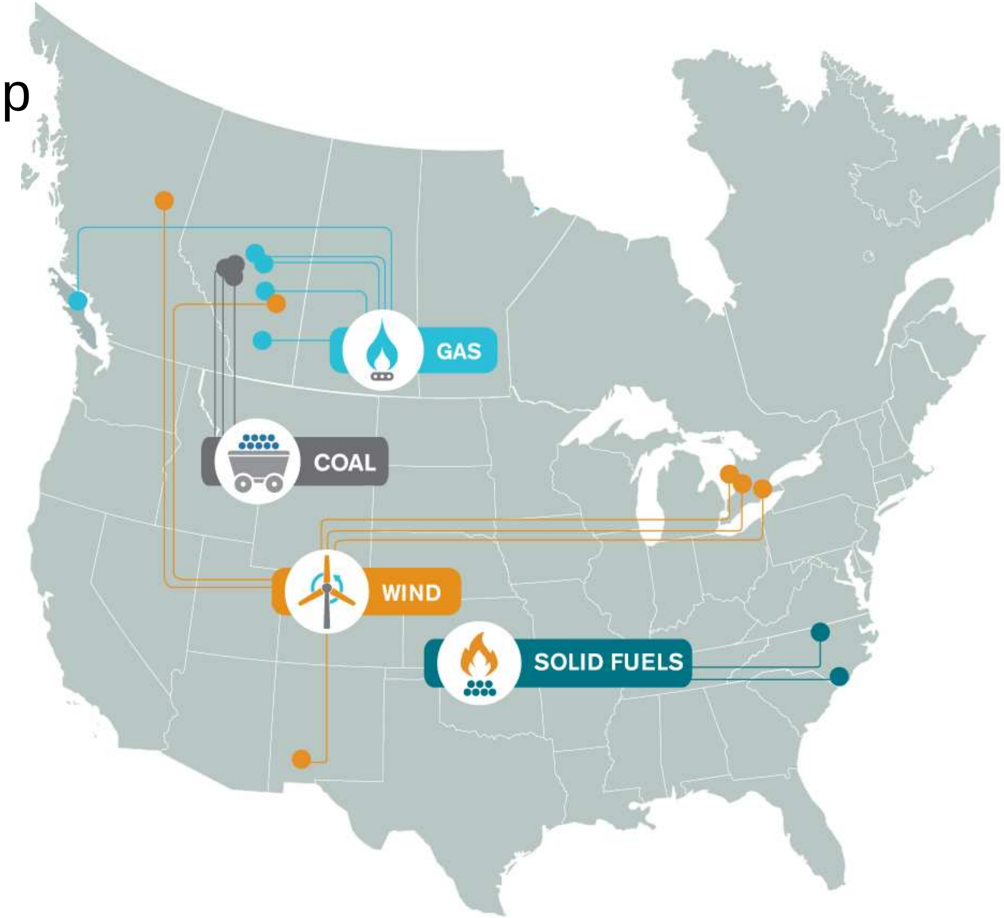
Company overview

- Growth-oriented North American IPP with ownership interest in 17 facilities in Canada and the US totaling more than 3,200 MW(1)
- Young and modern fleet of assets
- Proven operating, development & construction expertise
- Strong contracted cash flow base supports annual dividend growth



1) Based on MW owned capacity as of Nov 30/15; excludes Sundance PPA (371 MW).

Focused strategy, positioned for the future

Strong existing operations

- Continued operational excellence
- AB greenhouse gas (GHG) strategy impact mixed

Enduring financial strength

- Strong balance sheet
- Generating FFO growth which supports a growing dividend

Significant growth opportunities

- Genesee 4&5 project from development to construction phase
- Very well-positioned to build new generation in renewables & gas in AB
- Strong pipeline of development sites outside of AB

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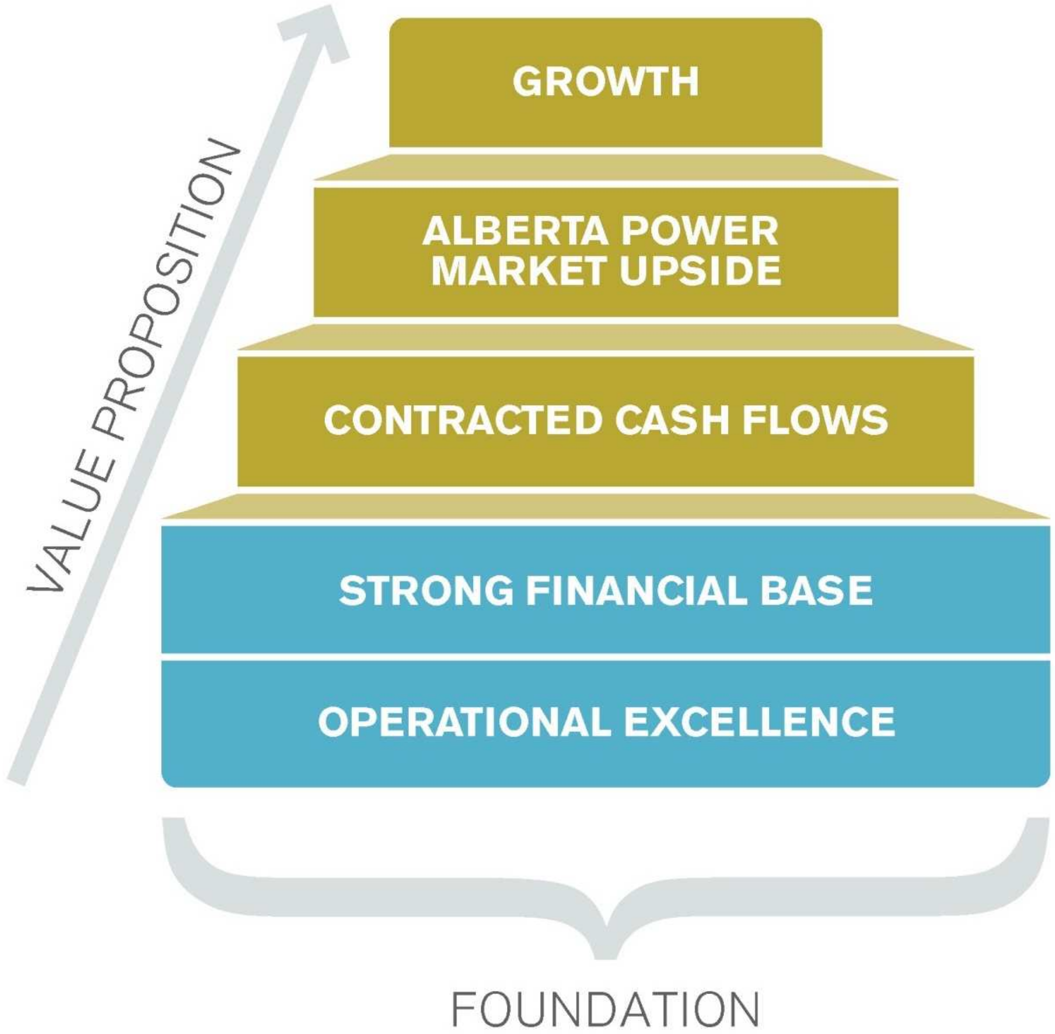
Capital Power's value proposition



Delivering operational excellence

3 years of progressive achievement of excellent performance

2015 Accomplishments

Delivering on corporate priorities

- Continued strong operational performance targeting 94% average plant availability
- Adding 3 new facilities
  - Shepard Energy Centre (AB)
  - K2 Wind (ON)
  - Beaufort Solar (North Carolina)
- Transitioned Genesee 4 from development to construction phase
- On-track to meet the mid-point of funds from operations annual target of $365-$415M

Meeting or exceeding 2015 targets

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Alberta Climate Leadership Plan

Coal emissions

Renewables acceleration

Alberta merchant market

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Alberta Climate Leadership Plan

Government plan and Panel recommendations

- **Carbon price**
  - Economy wide carbon price starting at $20/tonne on Jan 1/17 and increasing to $30/tonne on Jan 1/18
  - Existing Specified Gas Emitters Regulation (SGER) replaced in 2018 with a Carbon Competitiveness Regulation (CCR)
    - Regulation designed based on sector-specific performance standards which reward best-in-class performance
  - Electricity generators will pay $30/tonne for greenhouse gas emissions above electricity sector performance standard
    - Initial standard set at the level of the cleanest natural gas plant (combined cycle)
    - Elimination of notional credits for new co-generation

Increases power prices, levels playing field

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Alberta Climate Leadership Plan

- **Accelerated phase-out of coal facilities, replacement with renewables and merchant natural gas**
  - Phase out coal-fired power by 2030 and replace at least 50-75% of retired coal generation with renewable power
  - Panel recommended central procurement of renewables, by offering Renewable Energy Credits (RECs) to renewables developers through a competitive process
  - Initial focus on wind
  - Process likely to start in 2016

Well-positioned to develop and build renewables and natural gas in Alberta

Alberta Climate Leadership Plan

Phase-out of coal facilities

- Coal retirements
  - Capital Stock Turnover, Federal Government regulations
  - No coal emissions post-2030
  - Schedule impacted by economics and reliability
- Alberta Government committed to avoid “unnecessarily stranding capital” and “treat companies fairly”

Alberta Government has initiated process to determine appropriate method for providing compensation

Facility	Generation Capacity (MW)	End of Life (current 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	406	2028
Sundance 6	401	2029
Battle River 5	385	2029
Keephills 1	387	2029
Keephills 2	406	2029
Sheerness 1	390	2030
Genesee 2	430	2030
Sheerness 2	390	2030
Genesee 1	430	2030
Genesee 3	516	2030
Keephills 3	495	2030

Alberta Climate Leadership Plan

Compensation

- A component of compensation for early retirement could be the ratio of reduced asset life to the current remaining life multiplied by Net Book Value (NBV)
- NBV of our coal assets will be ~$2 billion at end of 2015
- Remaining life of our coal units are 139 years. A “2030 retirement date” reduces remaining life by 79 years – a 57% reduction
- A potential approach to implementing compensation is reduce compliance requirements of the affected coal-fired facilities through 2030
- Funds raised by CCR is to estimated to be $3 billion per year and be revenue neutral

We believe Capital Power will be fairly compensated

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Alberta Climate Leadership Plan

Maintenance of Alberta market design

- Under Climate Leadership Plan, new renewable generation will be timed to replace two-thirds of retiring coal-fired generation
- Ensures existing assets are not adversely impacted by oversupply
- Ensures new gas-fired generation continues to be built based on pricing signals from the energy only market
- Allows existing market design to continue to function as it has over the past 15 years

Climate Leadership Plan maintains Alberta's deregulated market which removes the regulatory uncertainty for existing generating assets

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Alberta Climate Leadership Plan

Expected incremental impacts

- **2018 to 2020 (~ +$20M average EBITDA[1] per year)**
  - \- Coal compliance costs partly recovered through higher power prices
  - \+ Utilize existing inventory of carbon credits
  - \+ Higher power prices benefits natural gas and wind facilities
  - \+ Reduction in compliance costs for Shepard
- **2021 to 2029 (~ -$100M average EBITDA per year)**
  - \- Coal compliance costs partly recovered through modestly higher power prices
  - \+ Modestly higher power prices benefits natural gas and wind facilities
  - \+ Reduction in compliance costs for Shepard
  - \+ Participate in new generation
  - \+ Potential for compensation
- **2030 to 2061 (-)**
  - \+ Expect to receive fair compensation for accelerated coal retirements

1) EBITDA is a Non-GAAP financial measure, see page 74.

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AB Power Market Outlook
Growth Pipeline

Mark Zimmerman, SVP Corporate Development & Commercial Services

Bright future

Key takeaways

- Alberta power prices have bottomed
- Growth opportunity set dramatically increased
- Have the talent and resources to capitalize

Alberta Climate Leadership Plan

Key elements

- Coal retirements (2030)
- Renewable replacement
- Natural gas replacement
- Carbon Competitiveness Regulation
- Market design

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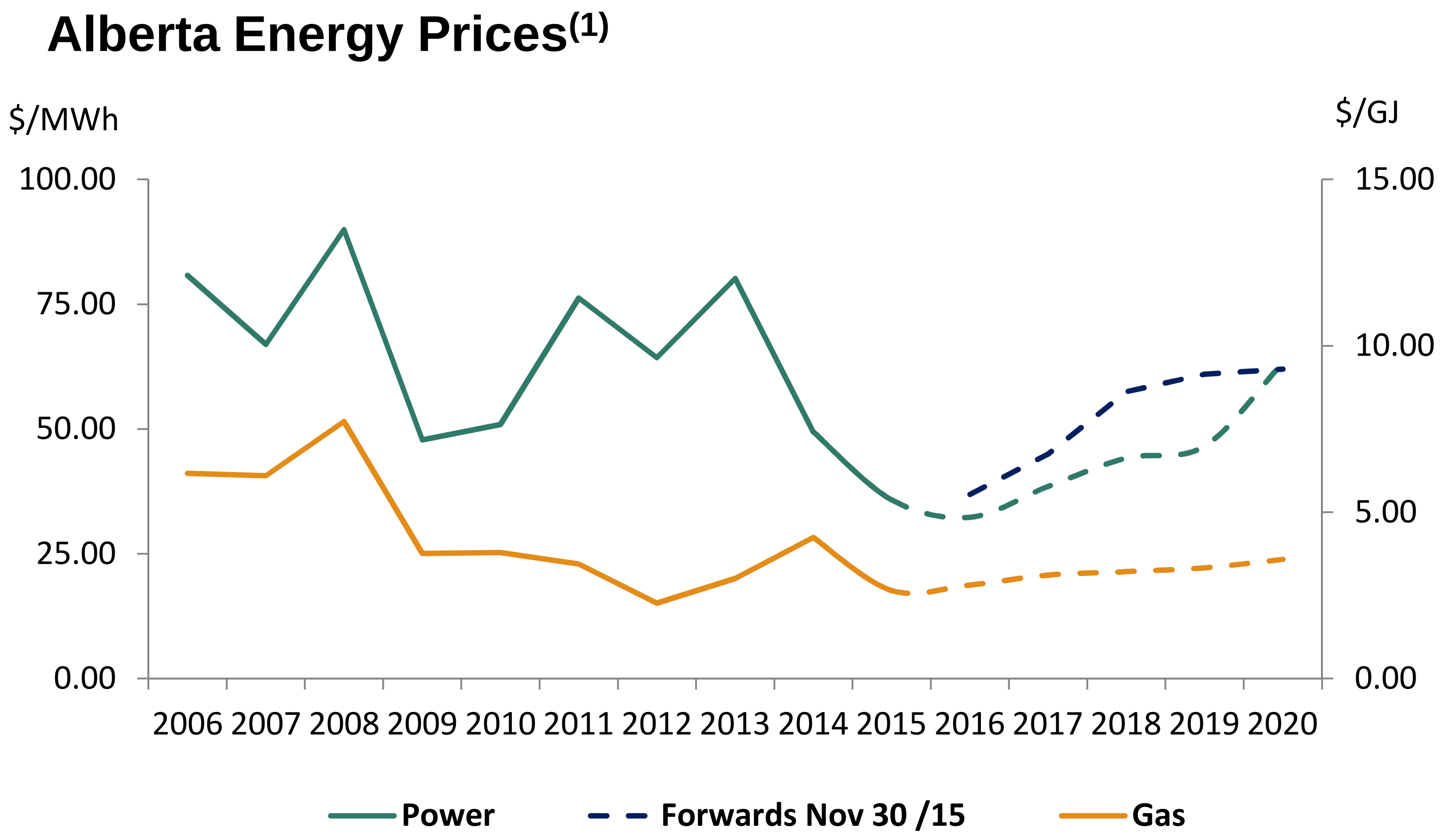
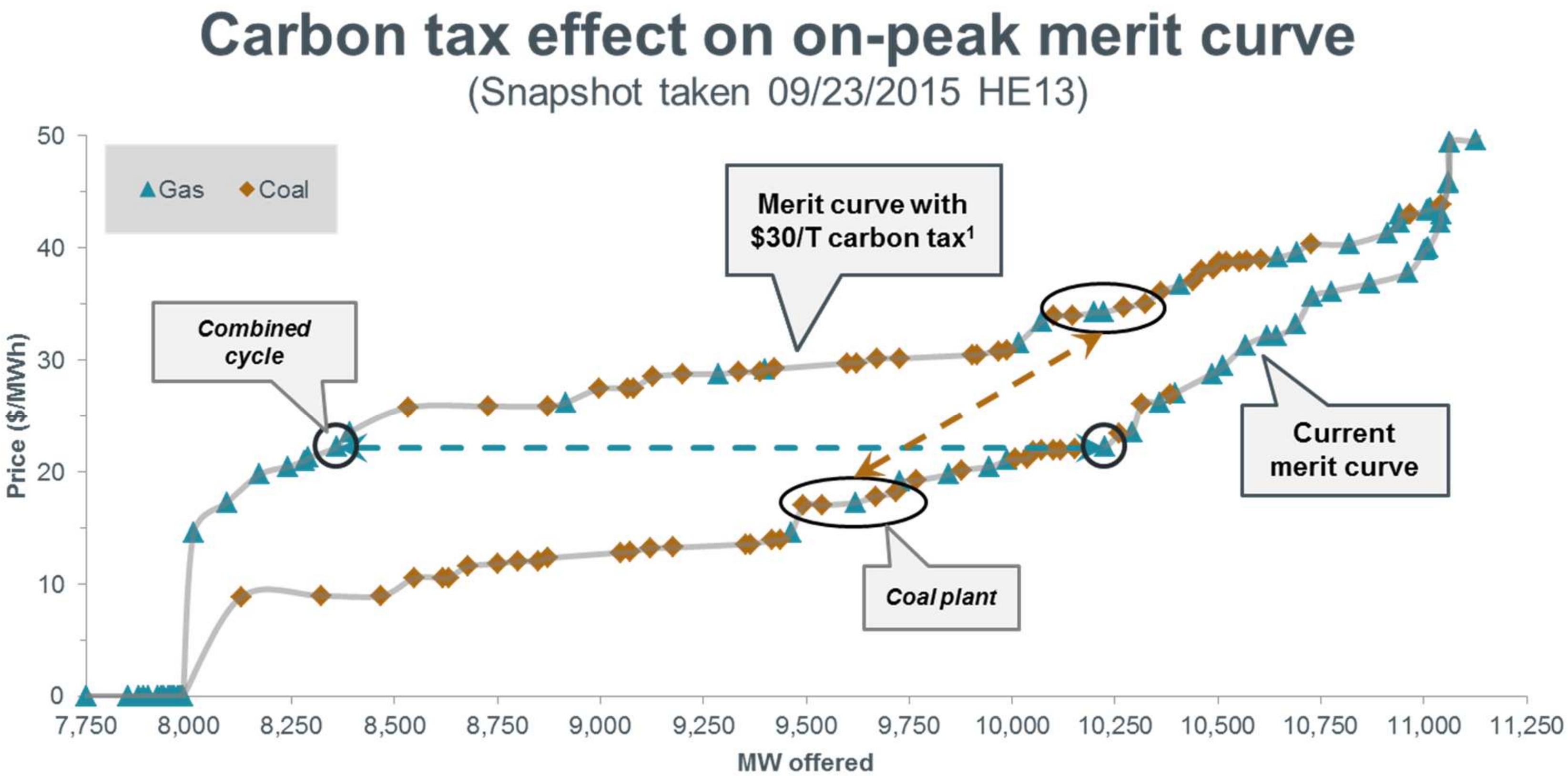
Alberta market forecasts



1) Power and gas forecasts represent the average forecasts of three leading 3rd party consulting firms as of Nov 20/15.

Carbon tax: impact on pool price

- Some variable cost increase will be passed through power prices

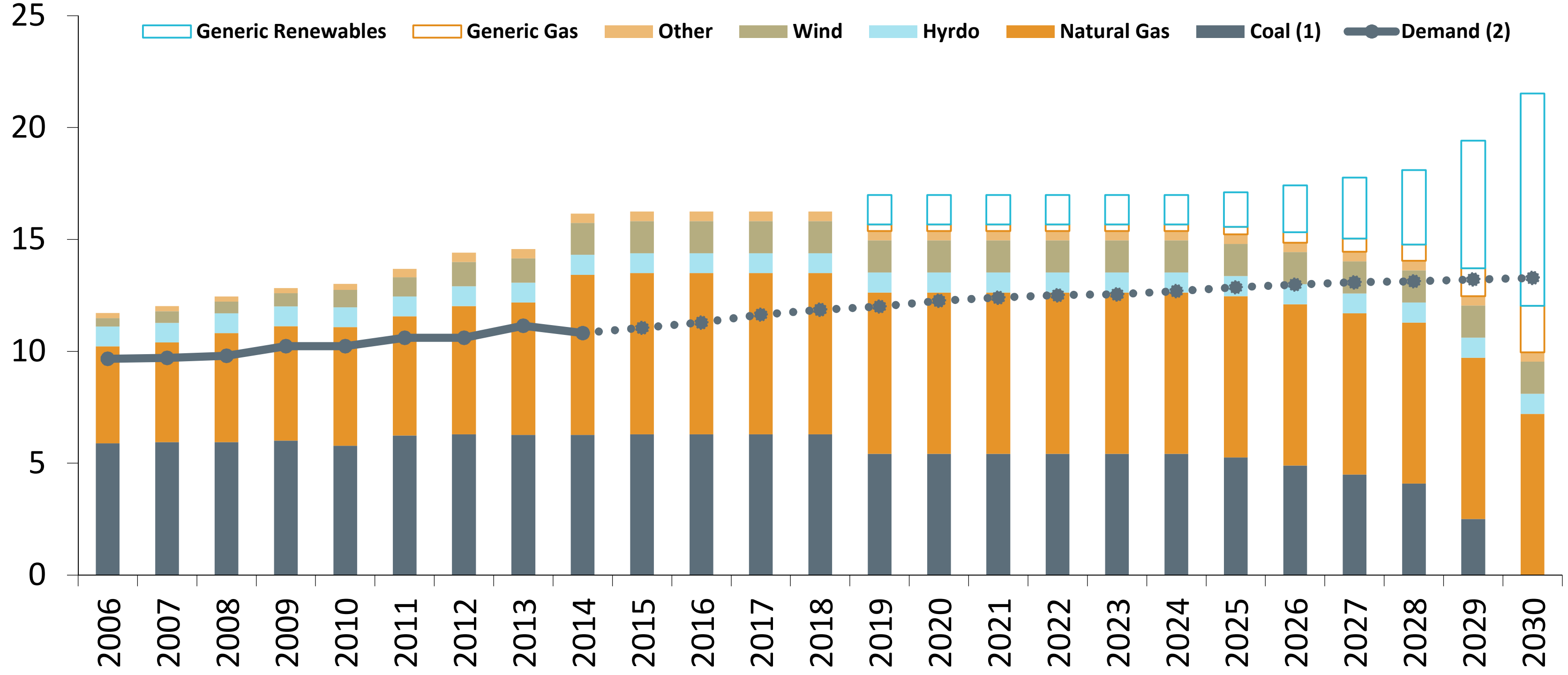


1) Assumes allocation based on Cleanest Gas Standard of 0.4T/MWh, and the following intensities (T/MWh): coal = 1.05, Simple cycle & cogen = 0.55, Combined cycle = 0.45

Illustrative view of new supply

Alberta supply and demand

(Gigawatts)



1) Retirements between 2015 and 2030 reflect Federal Capital Stock Turnover dates.
2) AESO 2014 Long Term Outlook Low Growth Scenario.

Alberta opportunity set

"6 GW of coal = 4 GW of renewables and 2 GW of gas"

Significant investment required:

- 4 GWh of renewable energy
  - 150 MW / site
  - 33% capacity factor – 10-12 GW capacity
  - > 80 sites = $24B
- 2 GW of gas replacement energy
  - 4 NGCC sites = $4B
  - PLUS: gas peaker for wind intermittency
  - PLUS: gas fired for growing demand

Well-positioned to participate in new generation

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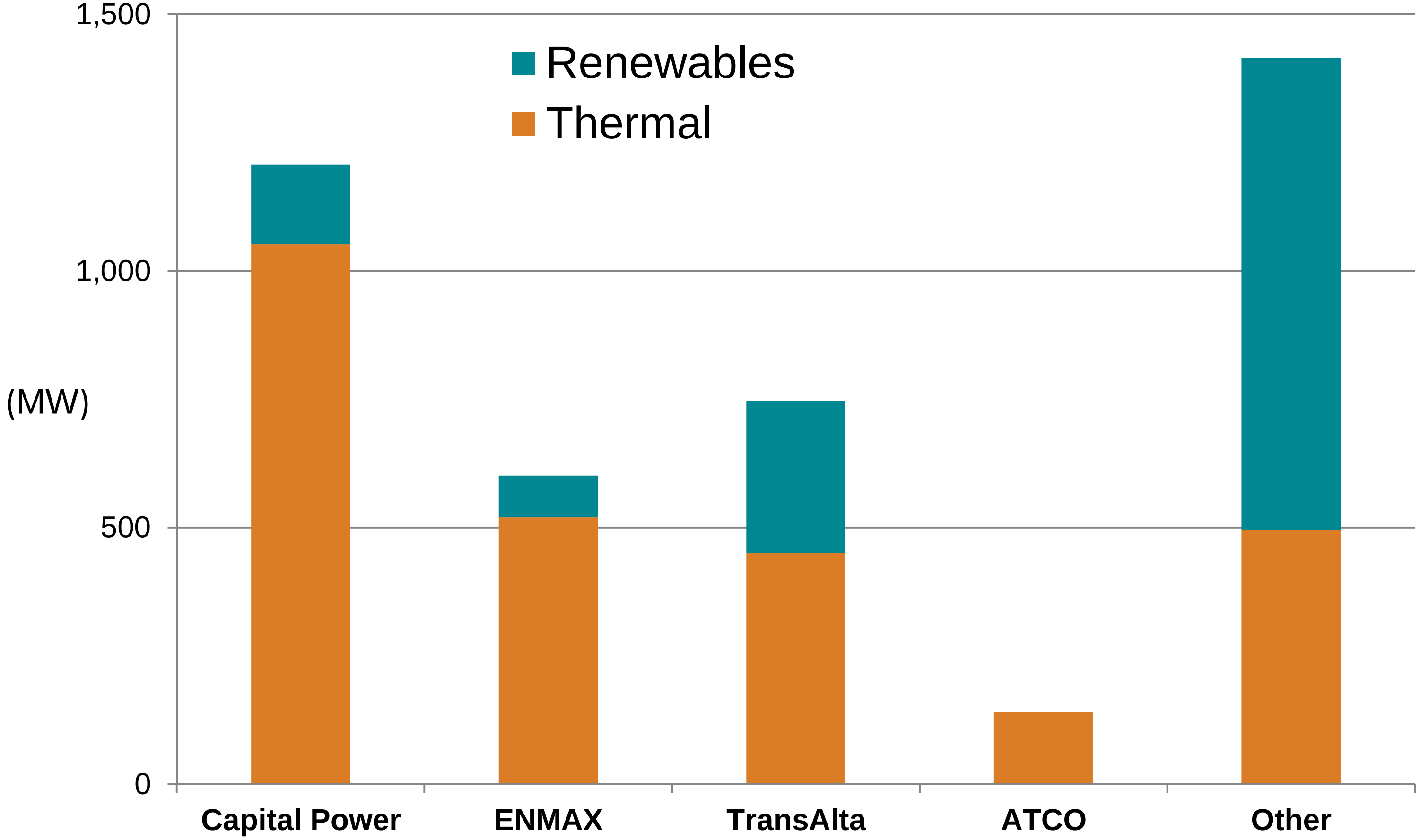
Capital Power is the leading IPP developer in the AB market

Generation built in Alberta since 2004[1]



1) Excludes generation for oilsand developments and coal-fired unit expansions.

Genesee highlights

Genesee Energy Centre

- In the new environment
  - Infrastructure ✓
  - Stakeholder relations ✓
  - Footprint ✓
  - Transmission ✓
  - Water ✓
  - Trained workforce ✓

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Genesee highlights

Genesee Energy Centre

- Mitigate GHG volumes
  - Operational efficiency
  - Fuel conversion
- Life extension
  - Carbon capture and storage
  - Conversion to natural gas
- Possible new opportunities
  - NGCC – Genesee 4&5
  - Peaking facilities
  - Solar

Halkirk 2 "H2"

- 150 MW wind facility next to the existing Halkirk facility
- Investment of ~$300M
- AESO interconnection application filed
- Application for permits and supporting studies underway
- Operational and construction cost savings with experience from Halkirk 1
- Locational advantage with wind diversity resulting in expected higher capture factor

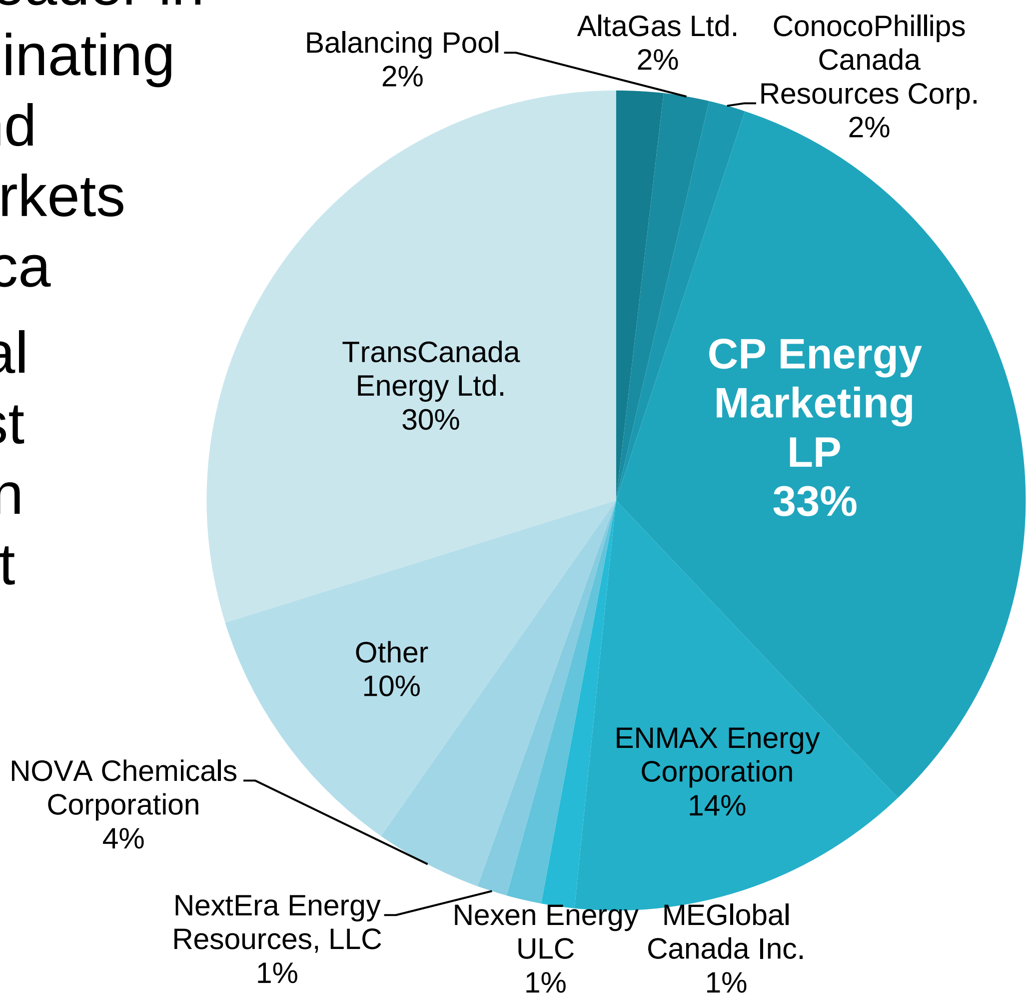
Capital Power's Alberta advantage

- Project development and construction experience
  - Leading developer and constructor
  - Proven construction management experience – on schedule and on or lower than budget
- Robust development pipeline
  - Halkirk 2 and other greenfield renewable sites
    - Development of other sites
    - Acquisitions or JV with junior developers
  - Brownfield sites
    - Genesee complex
    - Clover Bar Energy Centre
- Portfolio and trading expertise
- Financial capacity

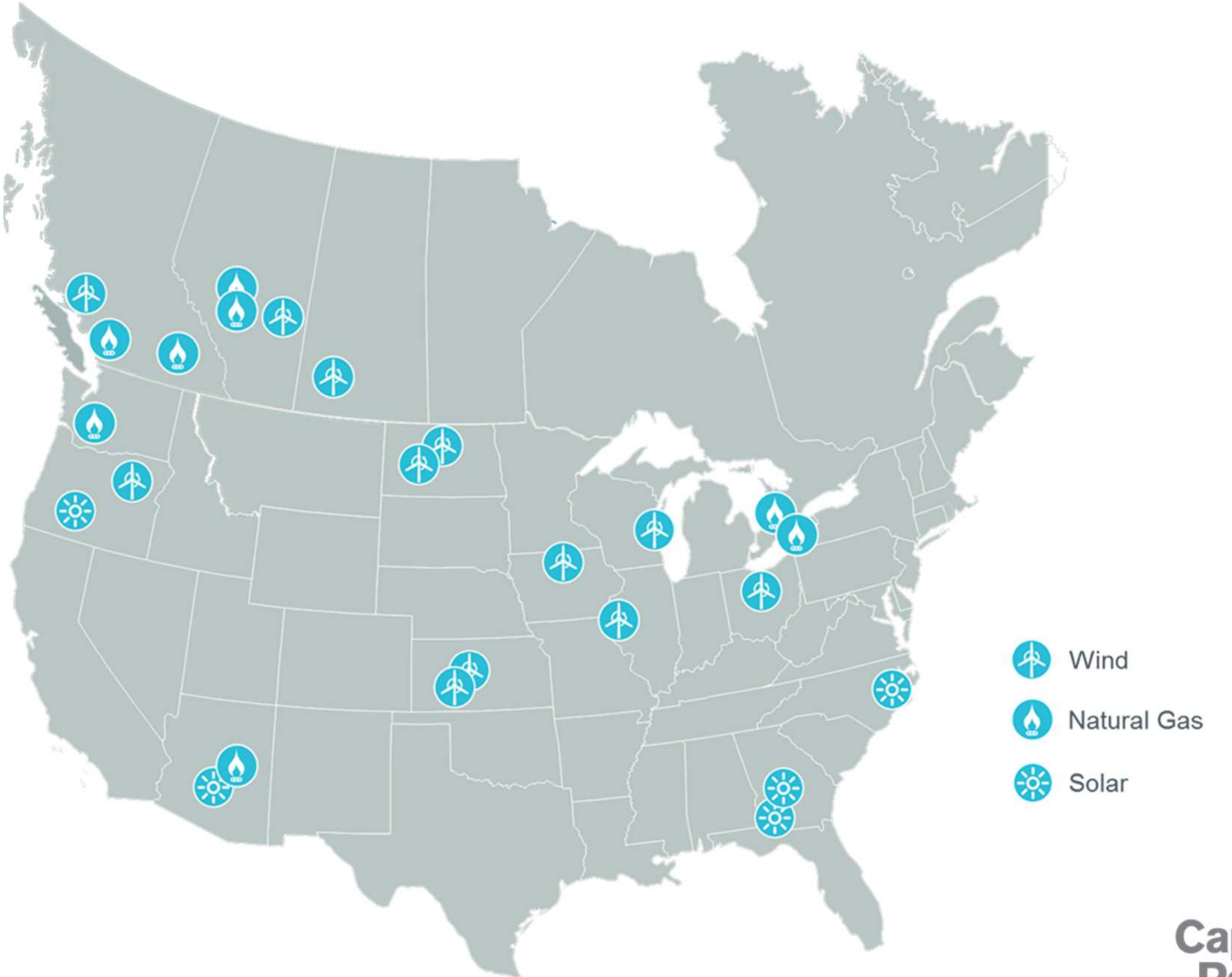
Well-positioned to seize renewable and natural gas build opportunities

Alberta carbon offset trading

- Capital Power is a leader in developing and originating offsets in Alberta and active in carbon markets across North America
- In May 2015, Capital Power held the most Alberta offsets, even excluding significant forward contracts

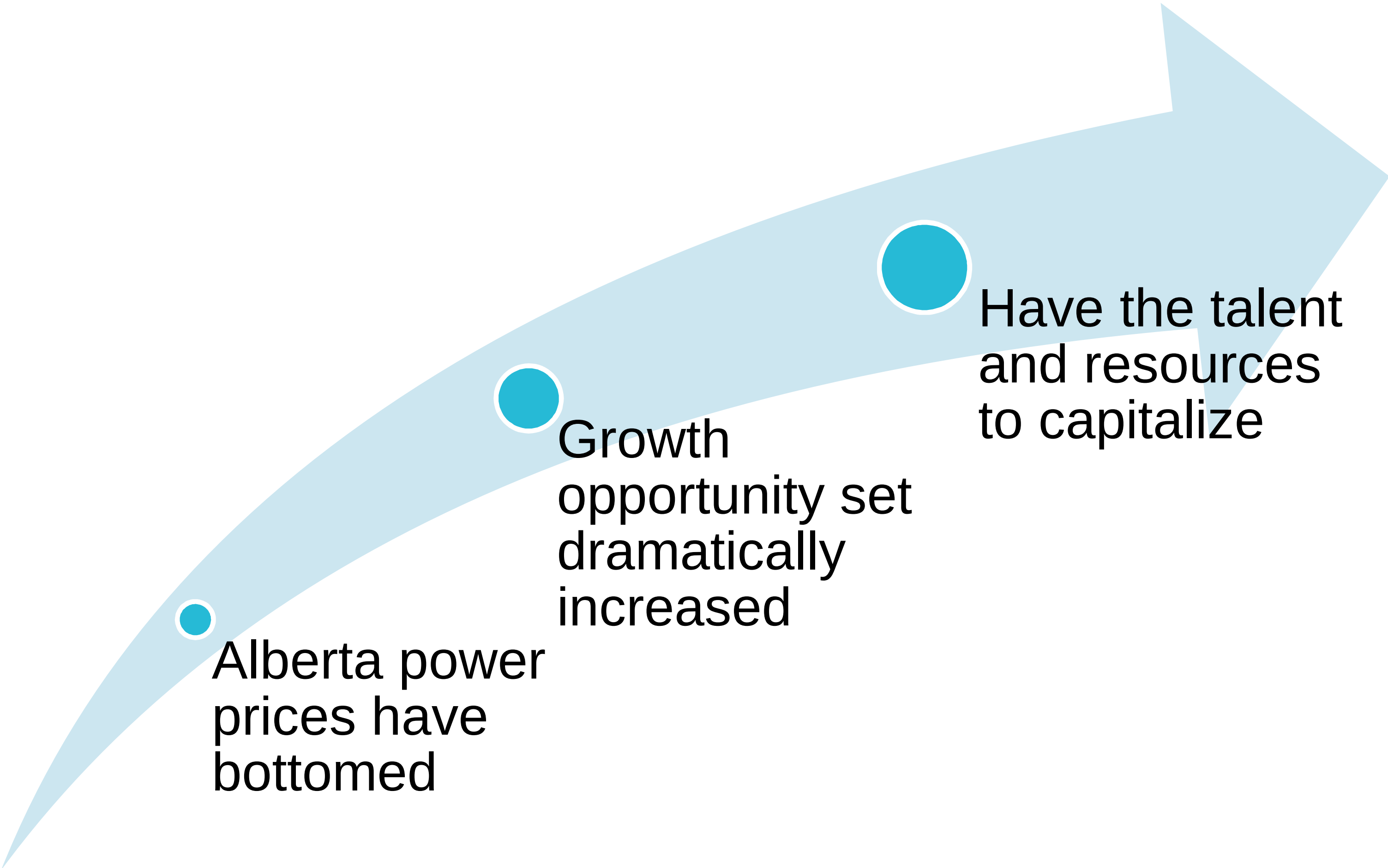


Growth opportunities



Bright future

Key takeaways



Optimizing Operations

Darcy Trufyn, SVP Operations,
Engineering & Construction

Asset optimization

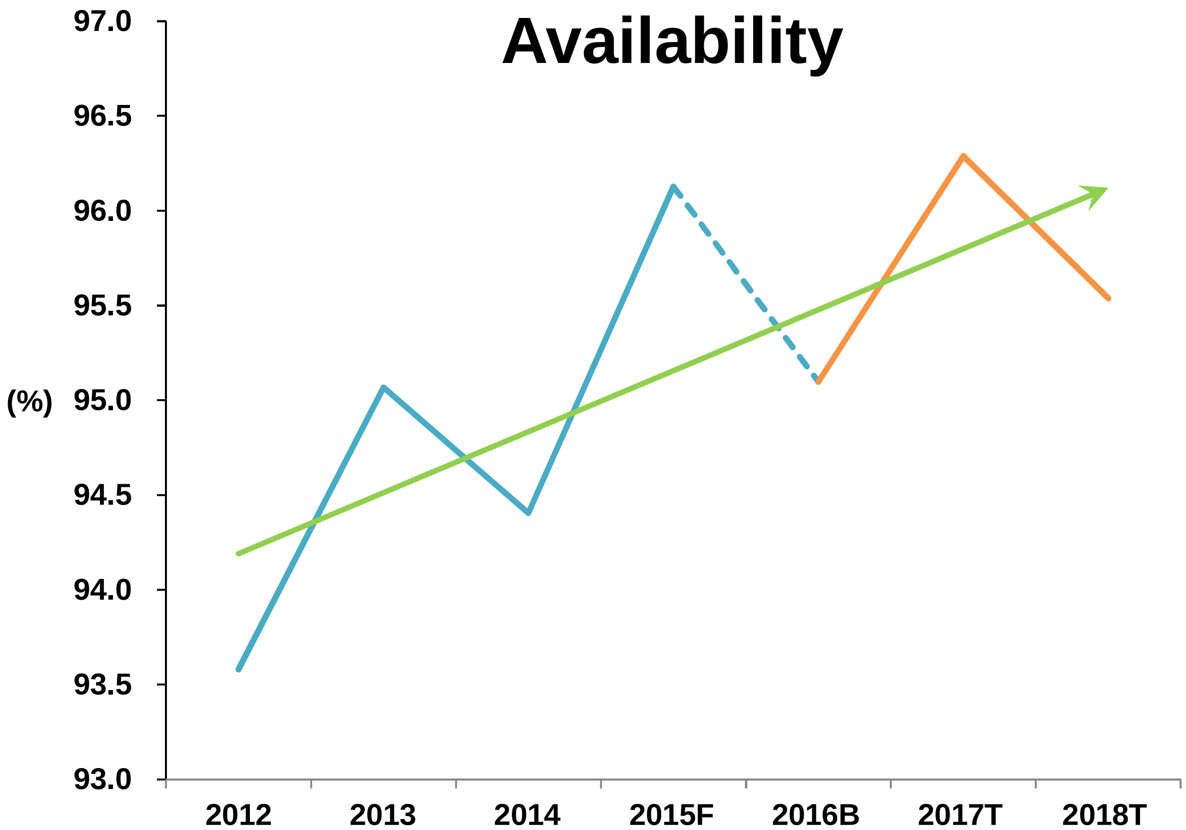
Our journey continues

- 2016 is year 4 of our 5 year optimization program
- Continuous improvements achieved: spending smarter and increasing availability
- Substantial reduction/mitigation of risks
- Industry leading Health, Safety, Environment (HSE) performance
- Validating improvements through additional benchmarking

Getting "more for less"

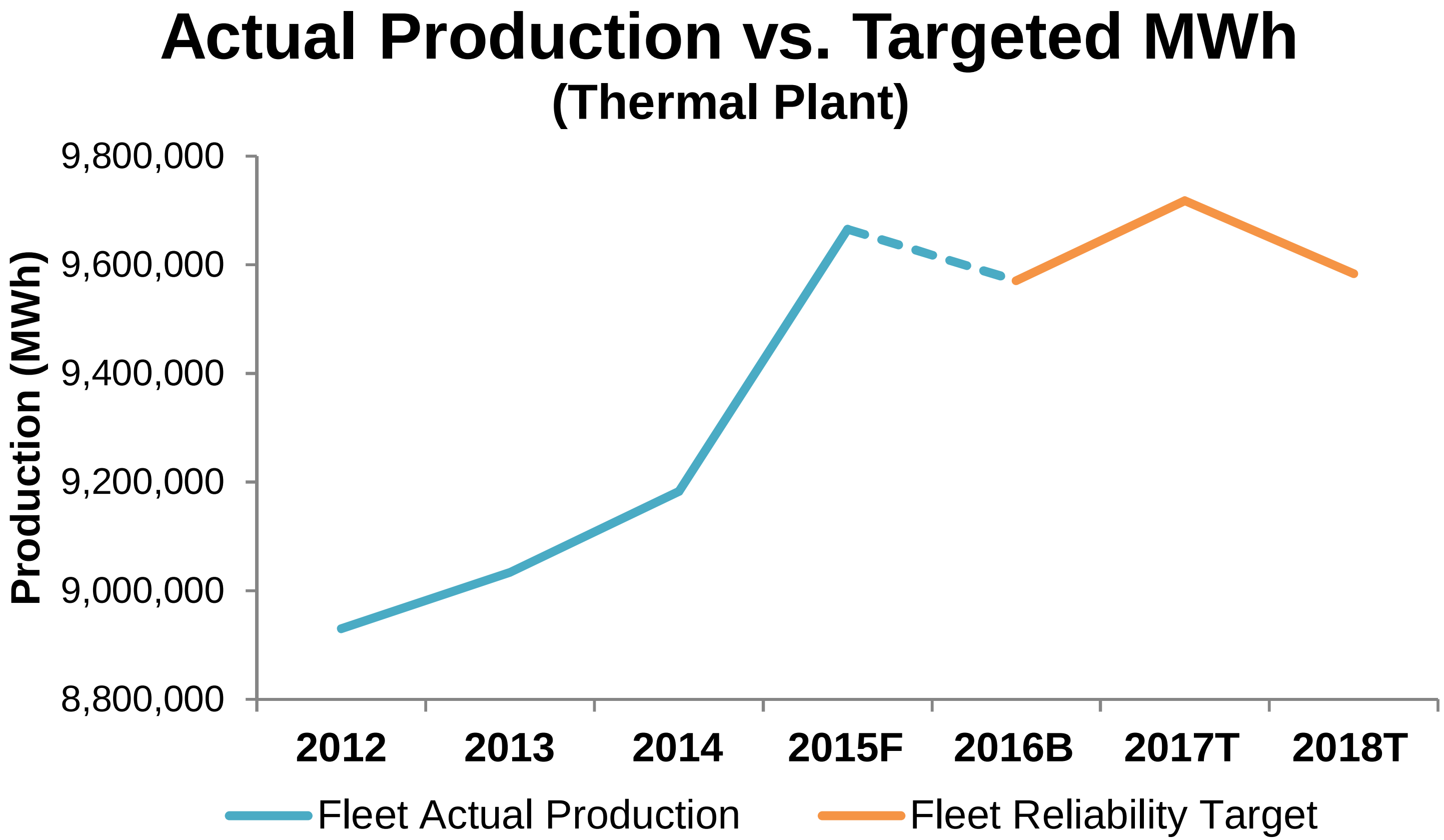
Fleet performance



Operations Excellence + Reliability = Increased Availability

1) Genesee has two planned outages on even years and one planned outage on odd years.

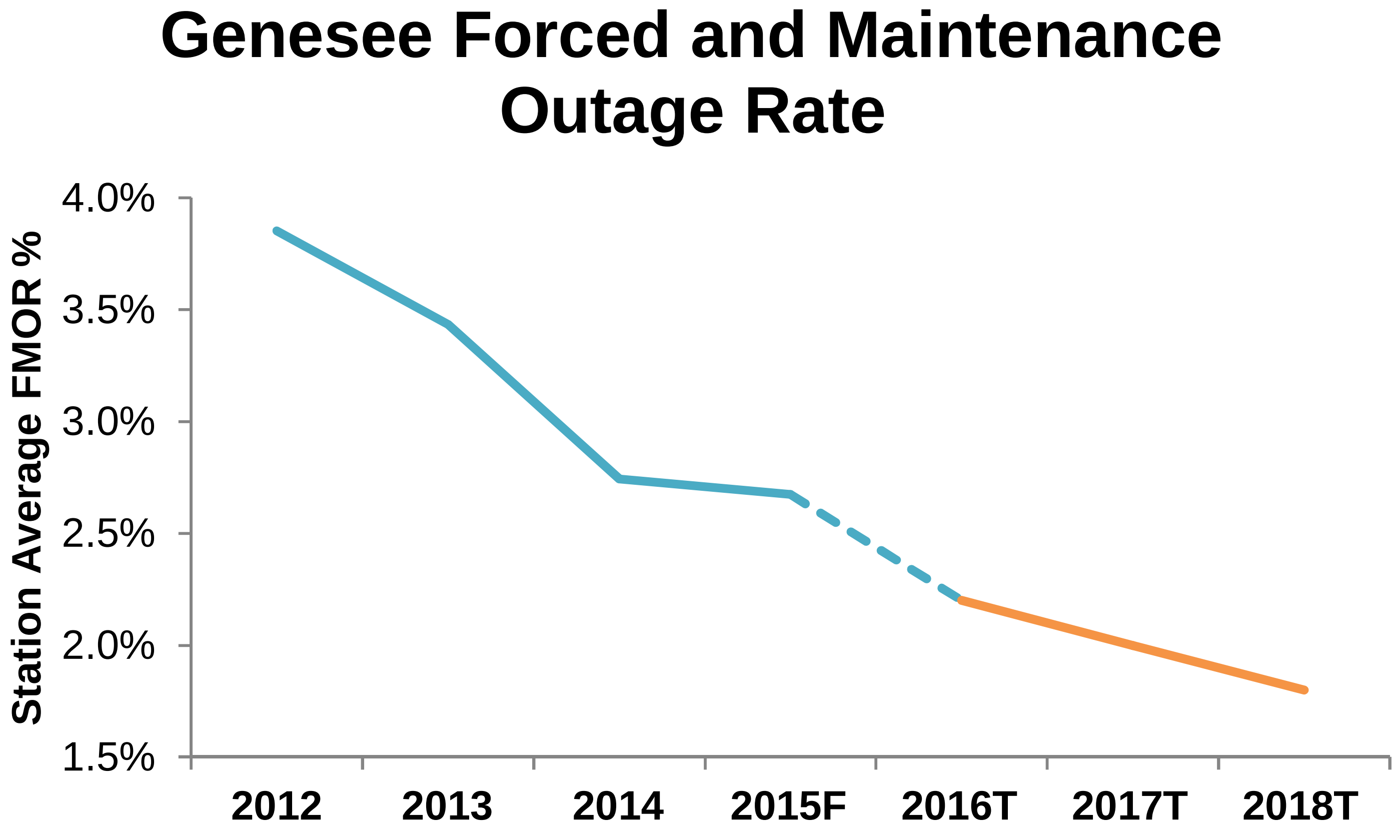
Maximizing revenue potential



Improved reliability = higher fleet output

1) Clover Bar Energy Centre's capacity factor normalized to 17% for targets.
2) Excludes Island Generation facility.

Genesee – proven excellence

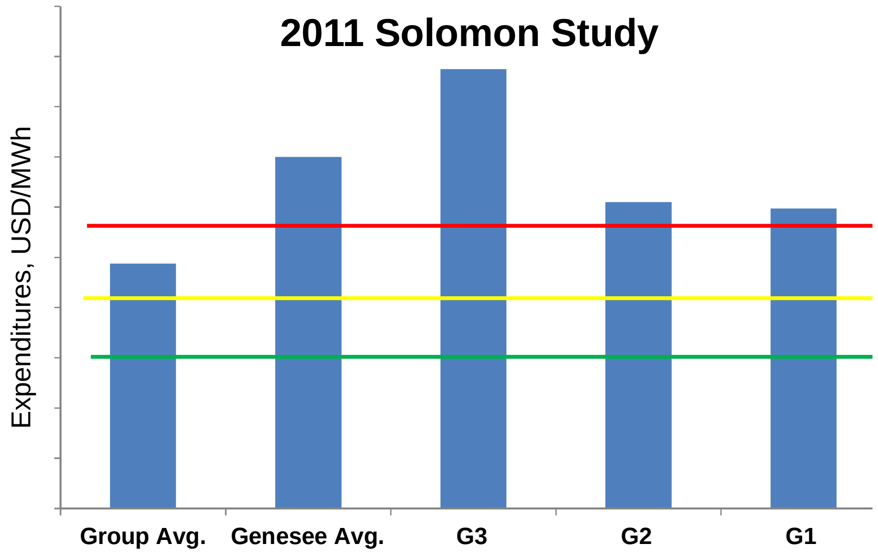


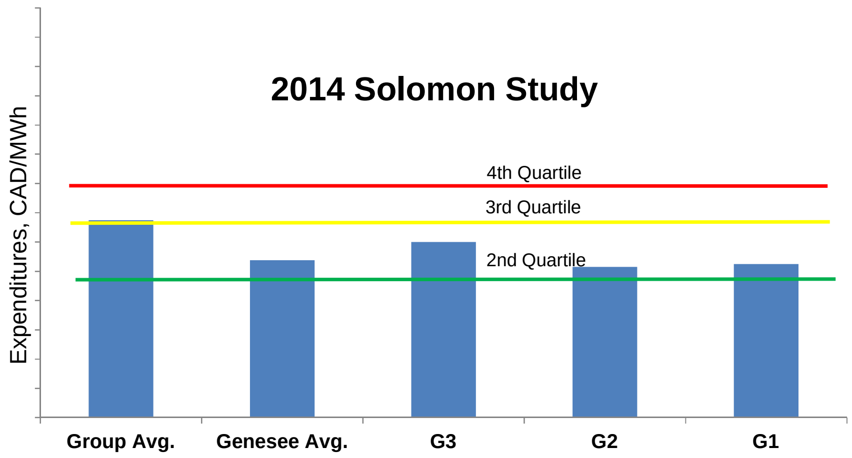
Top quartile performance

Genesee benchmarking

Plant manageable expenditures

Coal 210-549 MW



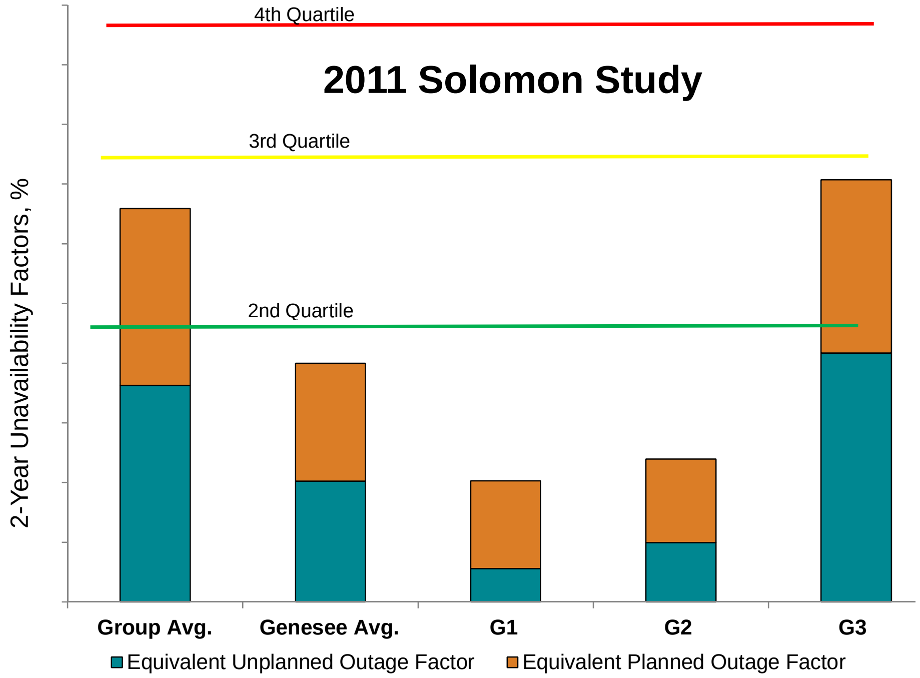


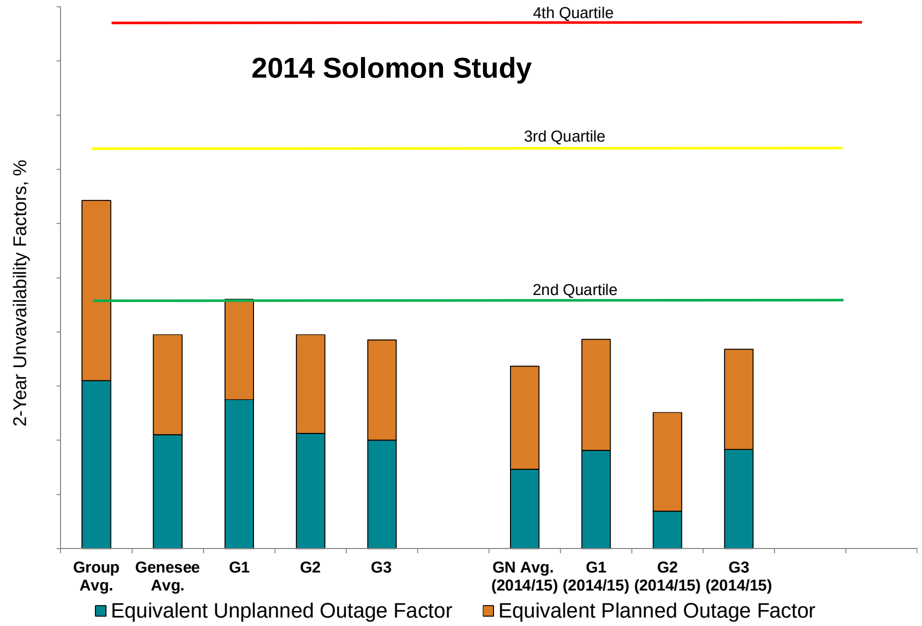
Genesee: substantial improvement in cost effectiveness

Genesee benchmarking

Technical unavailability

Coal – Lignite & Subbituminous



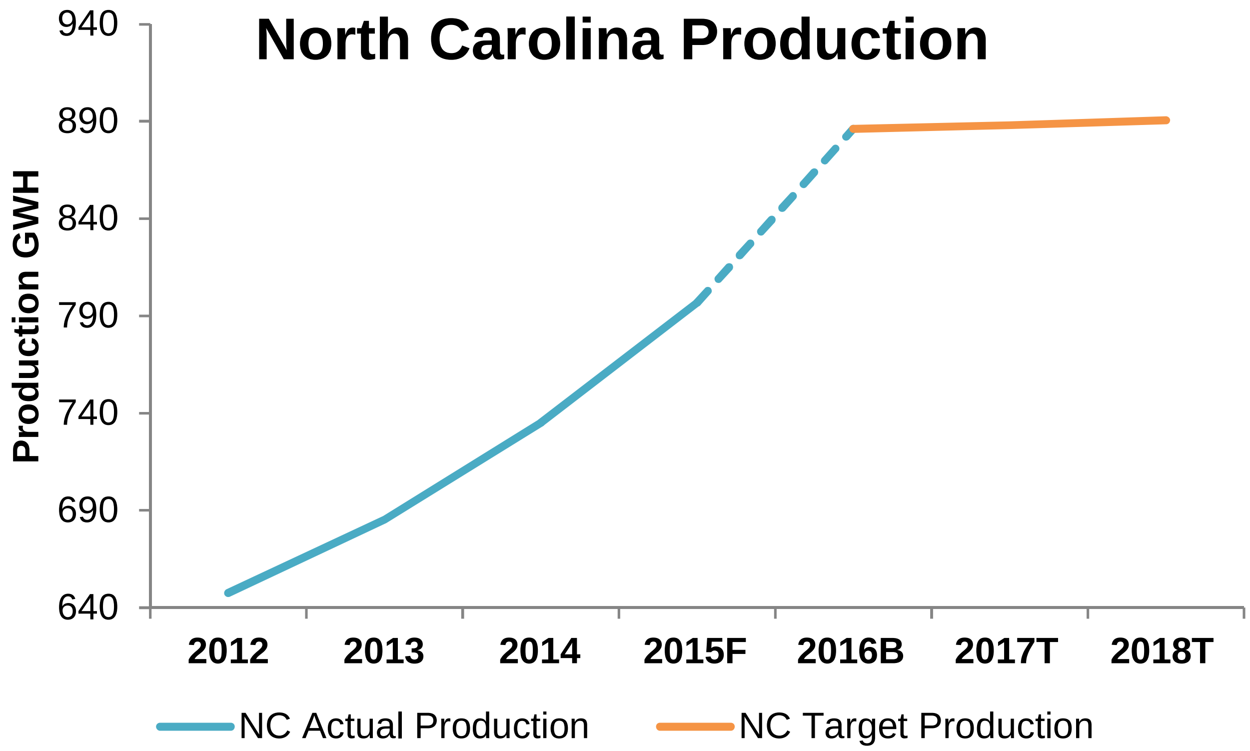


Genesee: benchmarked first quartile availability

Solid fuel facilities – North Carolina

Southport: 84 MW + steam; Roxboro: 48 MW

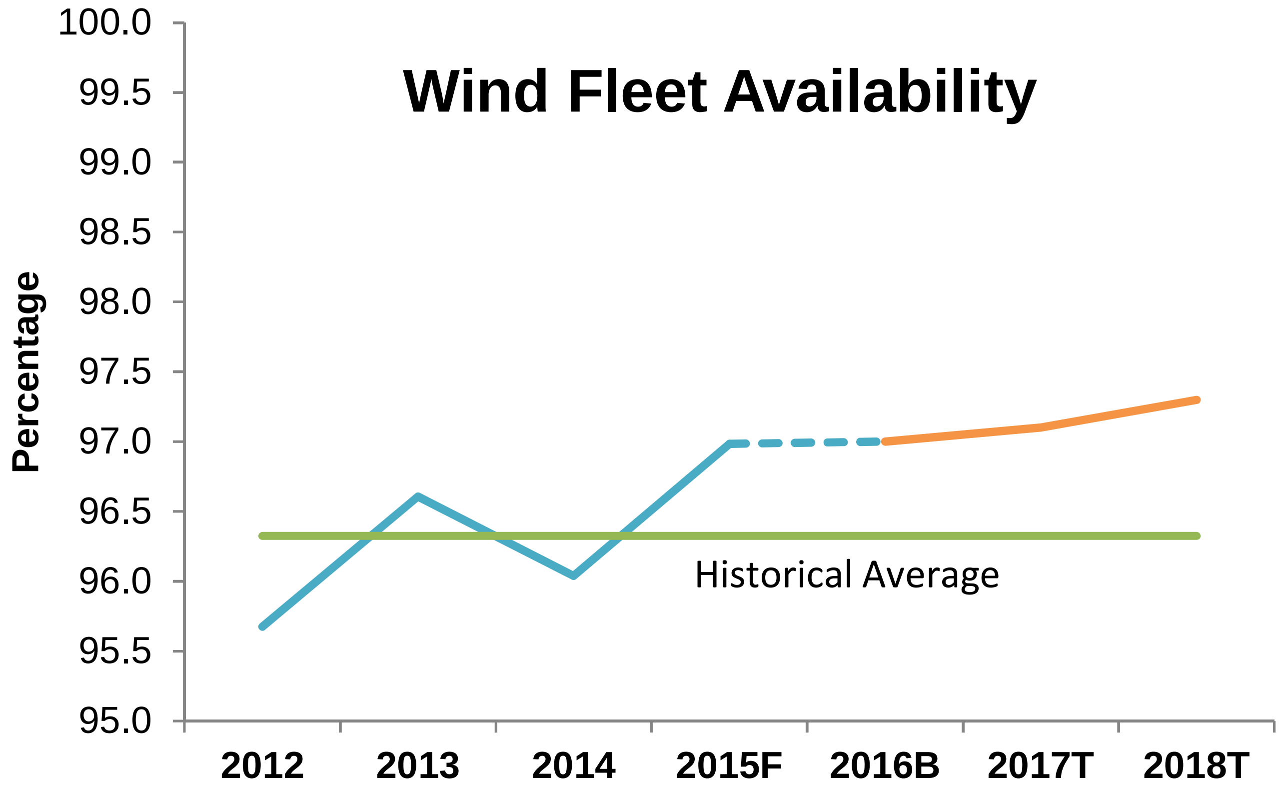
Both plants use tri-fuel blend (wood/tire-derived fuel/coal)



Continued year-over-year production improvement

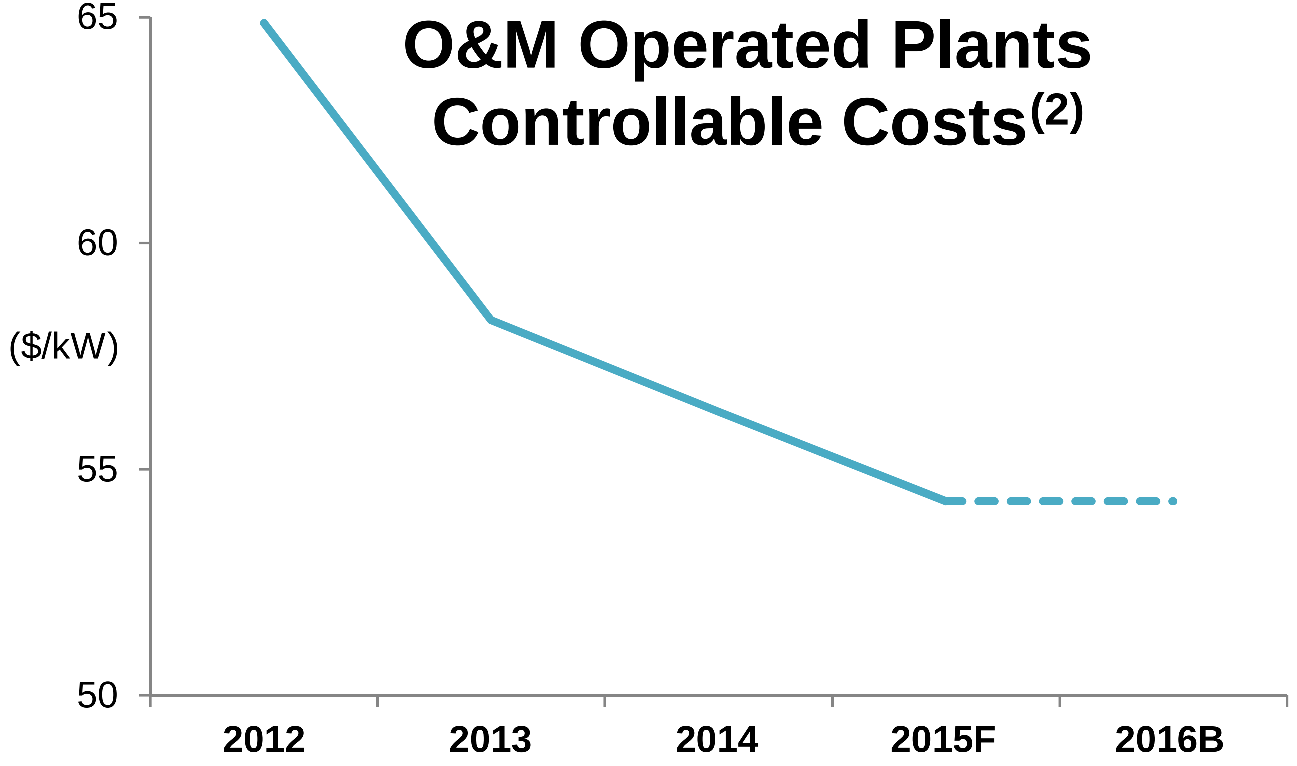
Renewables facilities

Quality Wind: 142 MW **PD&N:** 105 MW **K2 Wind:** 90 MW
Halkirk: 150 MW **Kingsbridge 1:** 40 MW **Macho Springs:** 50 MW



Focus on improved output at our wind facilities

Cost – bending the curve(1)



Committed to spending smarter; will not compromise high maintenance standards that allow us to achieve high plant availability

1) Normalized to 2015 dollars.
2) Controllable costs excludes fuel, insurance and property taxes.

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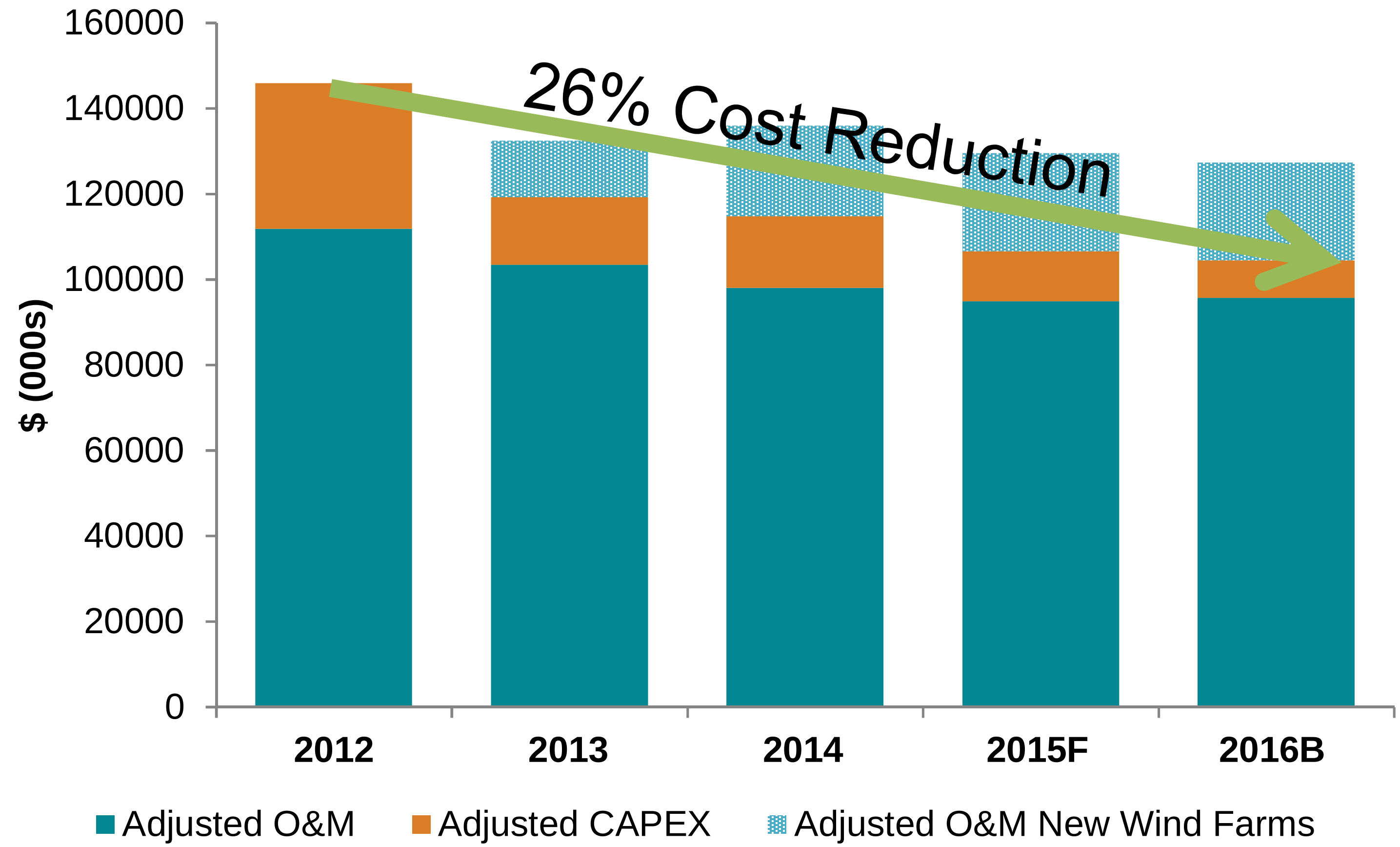
Cost – fleet O&M and sustaining capital[1]

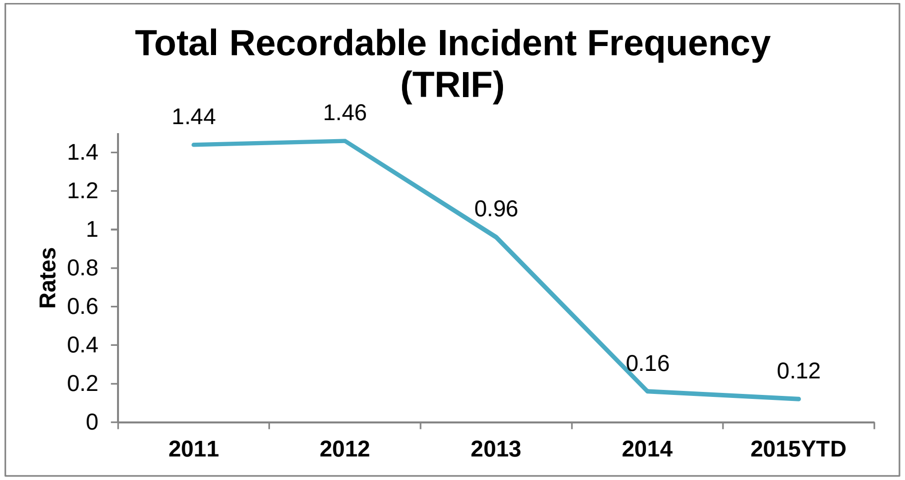
Focus on spending smartly in this low pool price environment

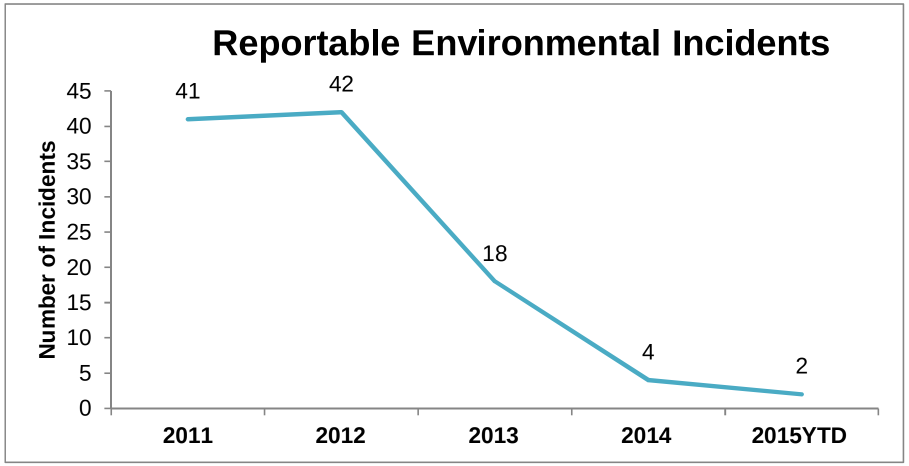
Total non-fuel O&M and CAPEX spending excluding planned outages



1) Adjusted for current fleet in 2015 dollars.

HSE performance





ZERO MEANS *EVERYTHING*

Industry leader in safety and environment

1) TRIF = (total recordable injuries / total exposure hours) x 200,000 where recordable injuries include medical treatment, lost time injury, fatality, and other recordable incidents (restricted work and loss of consciousness).
2) TRIF includes contractor hours.
3) Annual TRIF represents rating for plants, support facilities, and projects operated /managed by Capital Power at the time.

Construction and Engineering

Proven in-house expertise

- Beaufort Solar – 15 MW solar farm located near Washington, North Carolina with 15 year contract with Duke Energy. On track for mid-December completion. **Another Capital Power project completed on time and under budget.**
- Genesee 4 key project team in place
- Operations, construction and engineering processes, procedures tools and systems standardized across the fleet and on all projects
- In-house engineering expertise = ability to design and create cost effective/competitive solutions

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Positioned for the future

Capital Power continues to optimize assets based on 4 pillars

- ✓ **Output** – Fleet production has increased by 8% since 2011 as a result of the reliability program
- ✓ **Cost** – Spending smarter on O&M and CAPEX has led to a 26%[(1)] reduction in spending between 2012 and 2016
- ✓ **Risk** – Substantial reduction and mitigation of risk
- ✓ **EH&S** – Recognized by the CEA in 2015 for "National Safety Excellence"

1) Data normalized for variations in fleet size and CPI.

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2016 Guidance
Impacts from AB Climate Leadership Plan
Dividend Guidance

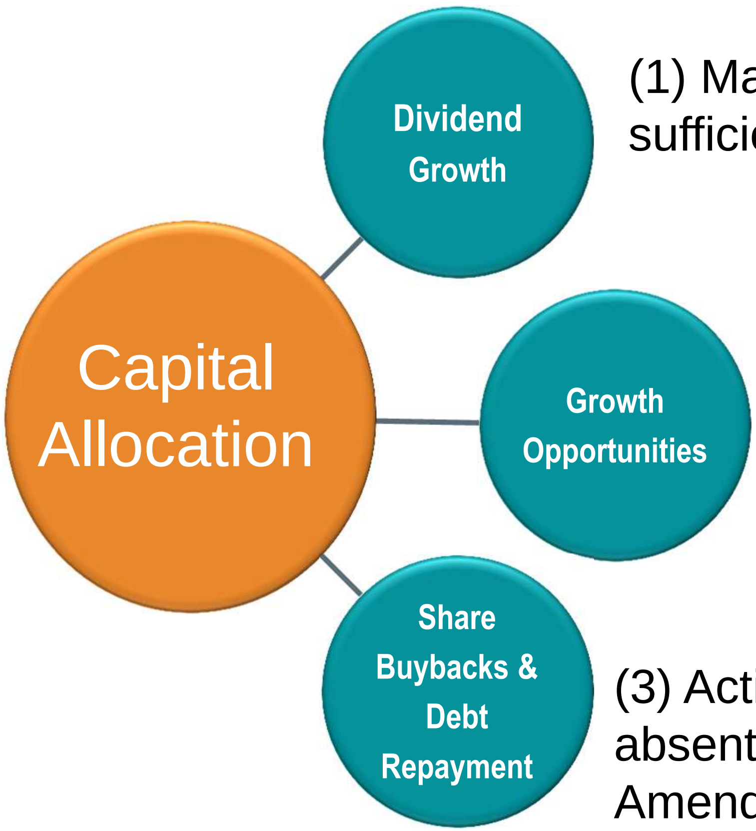
Finance Overview

Bryan DeNeve, SVP Finance & CFO

Financial strategy

Maintain ongoing access to cost competitive capital to fund sustainable growth throughout business cycle

Capital allocation



(1) Maintain growing dividend backed by sufficient contracted cash flow base

(2) Fund growth opportunities in the near term with discretionary cash flow

(3) Active in debt reduction and share buybacks absent an acquisition or development opportunity. Amended Normal Course Issuer Bid (NCIB) to repurchase up to 3 million shares through Apr/16

AB commercial portfolio positions

Alberta portfolio hedged positions (% sold forward)

As of Nov 30/15	2016	2017	2018
Percentage sold forward	100%	35%	12%
Average contracted prices[1] ($/MWh)	High-$40	Mid-$50	Low-$60
Average forward prices ($/MWh)	$37	$45	$57

- Percentage sold forward based on Alberta baseload plants and the acquired Sundance PPA, plus a portion of Joffre and uncontracted portion of Shepard baseload
- Potential to capture market upside with peaking and wind facilities

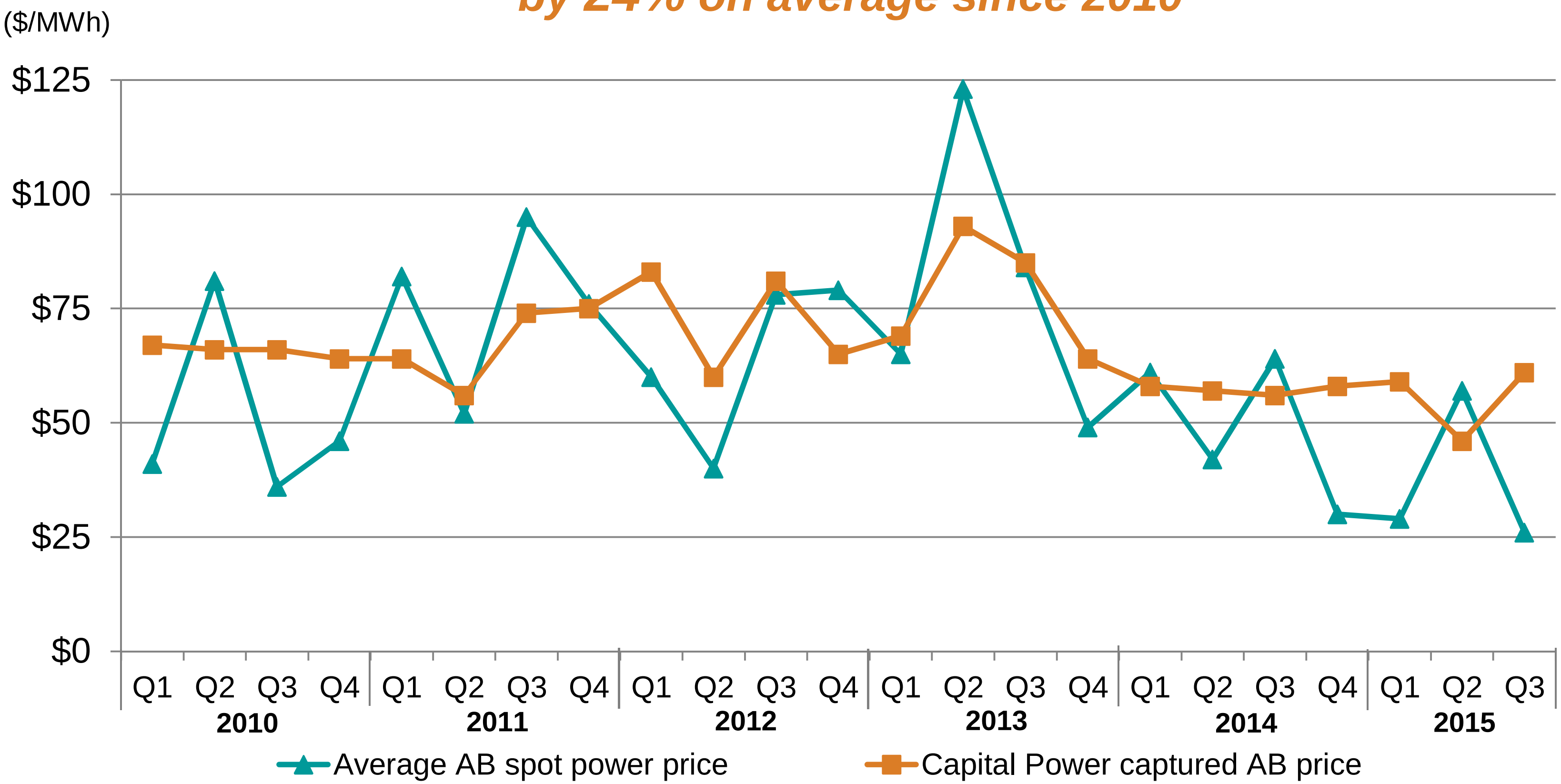
Well positioned to capture uplift in Alberta power prices as a result of CCR in 2018 and beyond

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.

Alberta power market trading

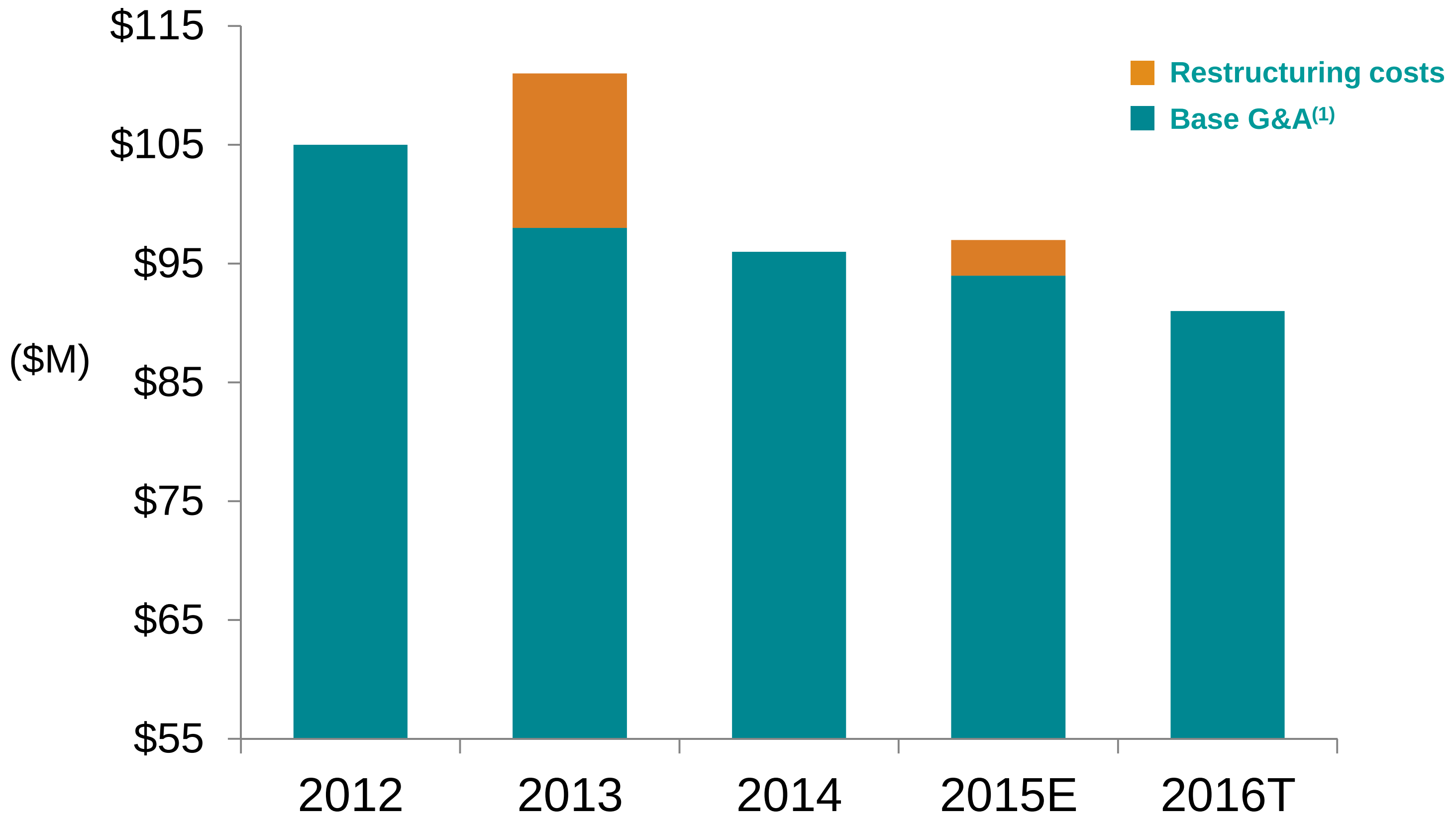
- Portfolio optimization activities focused on managing exposure to commodity risks, reducing volatility and creating incremental value

Average realized power price has exceeded spot power prices by 24% on average since 2010



Corporate expenses

Ongoing objectives to realize efficiencies

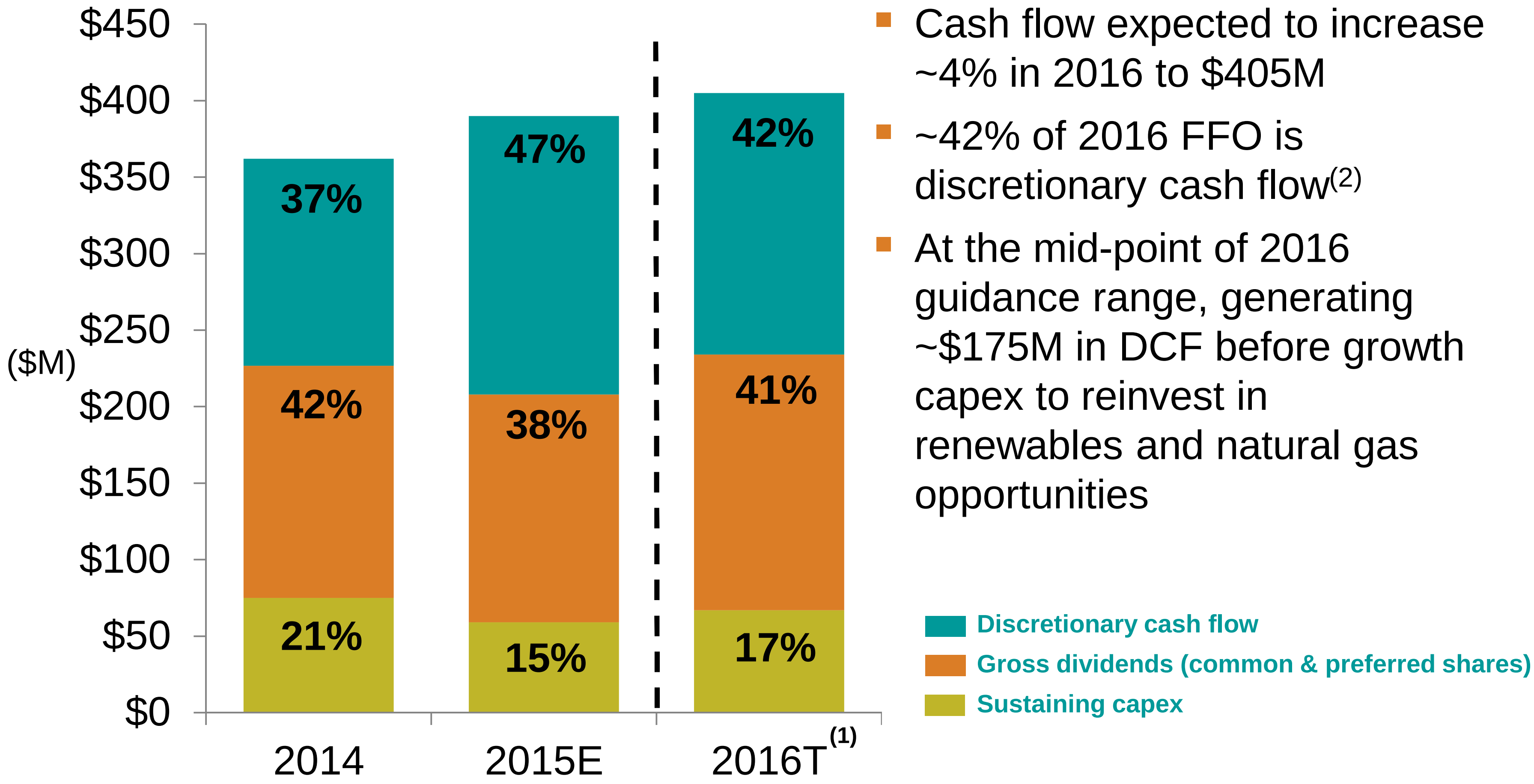


Base G&A expenses decreases by 13% while inflation increases by 8.5% since 2012

1) Base G&A expenses excludes a one time recovery of $20M received in 2014 related to an amendment of the Genesee Coal Mine agreement.

Continued strong cash flow generation

Funds from operations (FFO)(1)



- Cash flow expected to increase ~4% in 2016 to $405M
- ~42% of 2016 FFO is discretionary cash flow(2)
- At the mid-point of 2016 guidance range, generating ~$175M in DCF before growth capex to reinvest in renewables and natural gas opportunities

1) 2016 FFO target represents the mid-point of $380M - $430M guidance range. FFO is a non-GAAP financial measure. See page 74.
2) Discretionary cash flow (DCF) is a non-GAAP financial measure. DCF = FFO - sustaining capex - total common and preferred share dividends.

Cash flow and financing outlook

Generating surplus FFO after dividends and sustaining CAPEX

Sources of cash flow ($M)	2016E
Funds from operations[(1)]	$405
Proceeds from debt offering & short-term borrowings (net of debt repayment)	$135
Uses of cash flow ($M)	
Dividends (common shares)	$(145)
Dividends (preferred shares)	$(20)
Sustaining capex	$(65)
Growth capex provision	$(275)
Net change in cash	**~$35**

No common share equity required in 2016

1) Funds from operations in 2016 represents mid-point of guidance range.

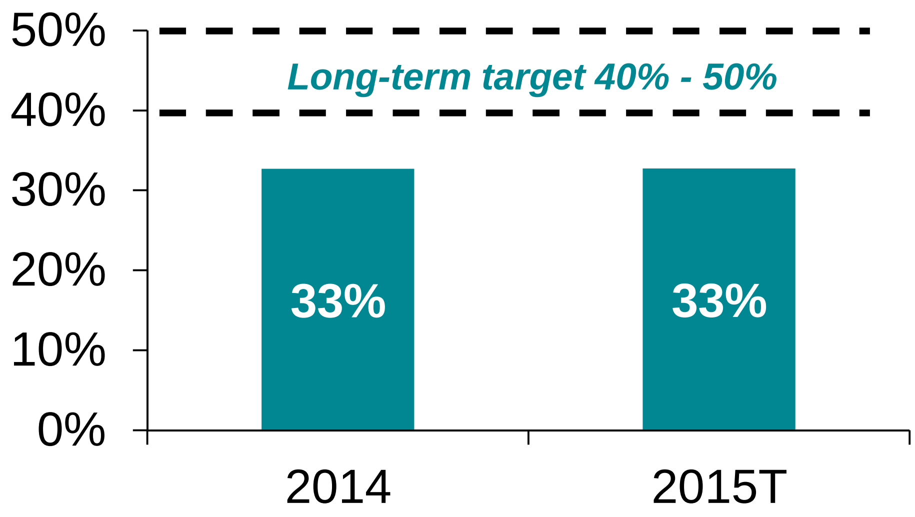
Financial strength

Strong balance sheet and investment grade credit rating

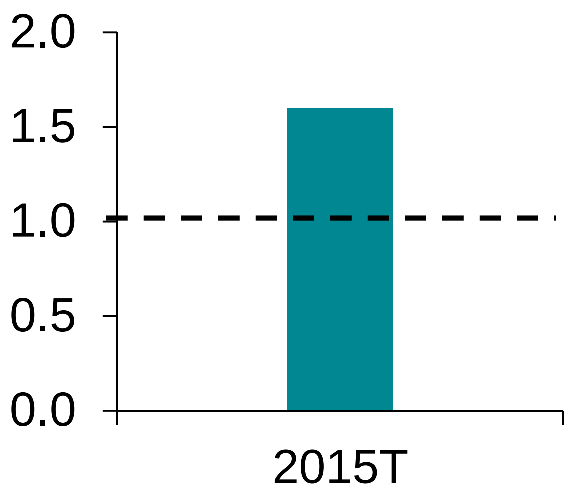
- Investment grade credit ratings recently reaffirmed by S&P and DBRS
- Debt-to-capital ratio remains below long-term target of 40% - 50%

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

Debt to total capitalization



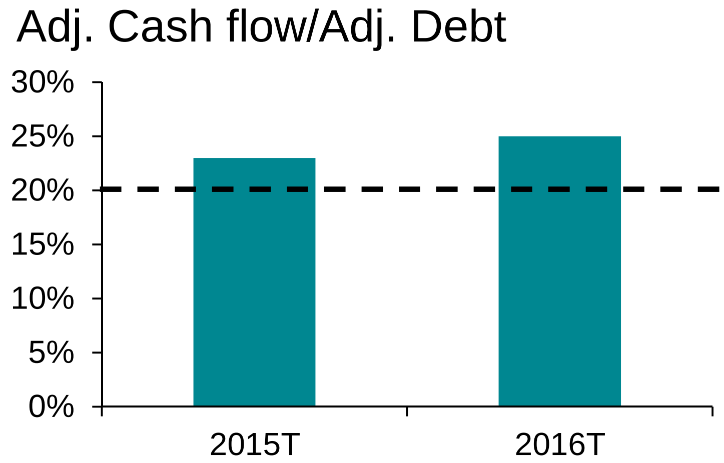
Corporate Liquidity[1]

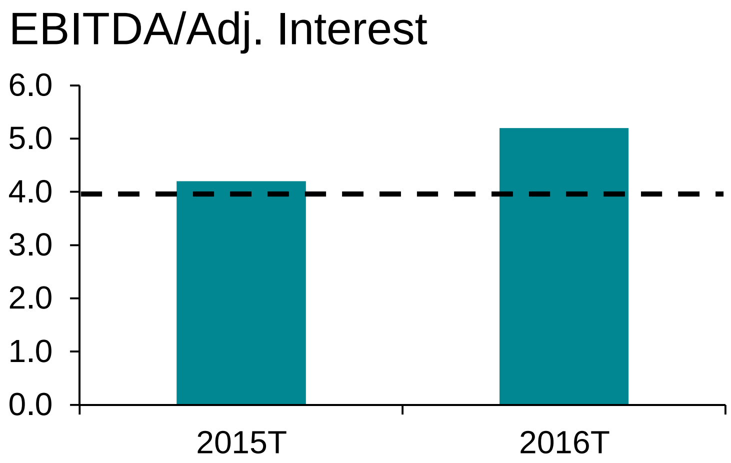


1) December 31, 2015 forward-looking estimate.

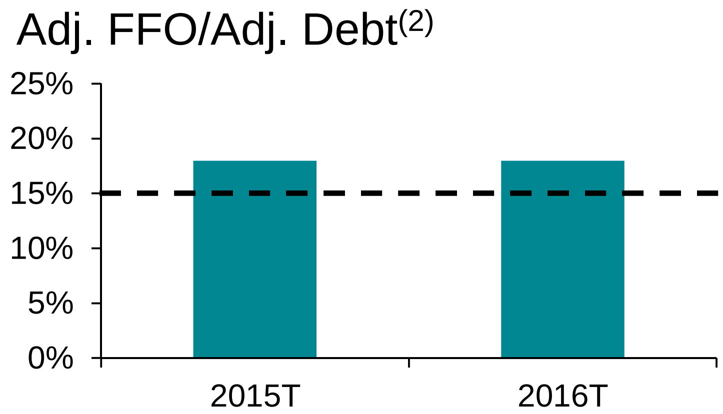
Credit metrics[1]

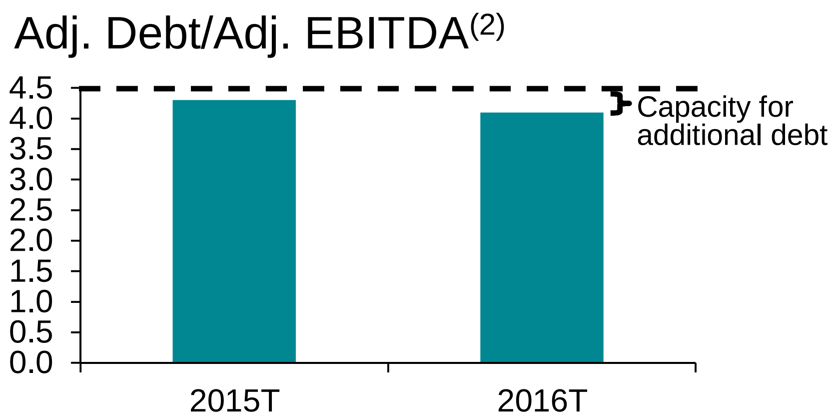
Above DBRS financial criteria for current rating





Within S&P financial criteria for investment grade rating

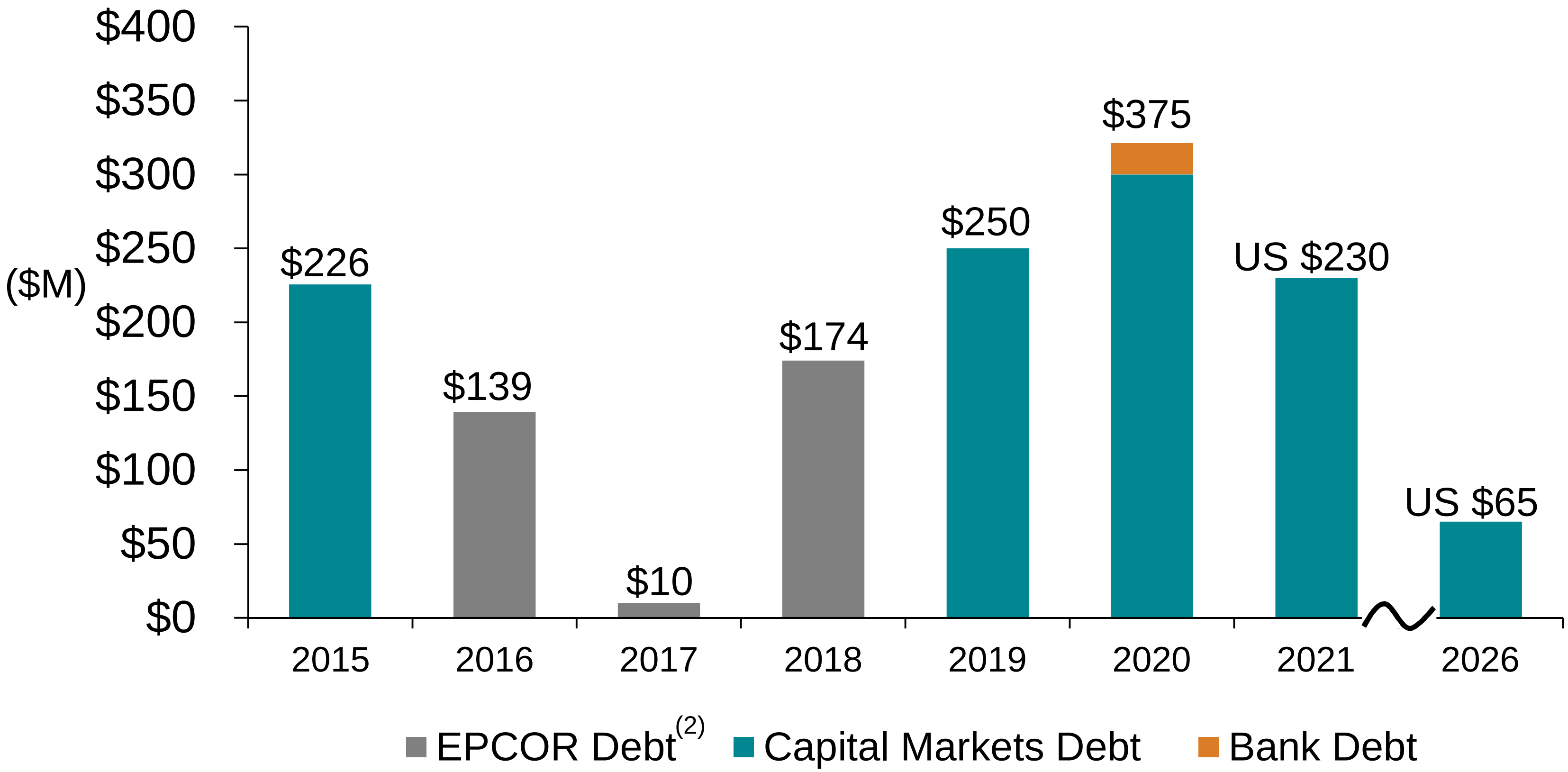




1) Metrics applicable to Capital Power L.P.
2) Based on S&P's weighted average ratings methodology.

Debt maturity schedule(1)

$1B in committed credit facilities with 5-year tenor maturing 2020, of which $964M is available



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

1) As of September 30, 2015, excludes non recourse debt and tax-equity financing (CAD $26M for Joffre and USD $54M for Macho Springs).
2) Callable debt, however does not mature until 2016 ($139M), 2017 ($10M), and 2018 ($174M).

Debt restructuring

Proposed exchange of Capital Power L.P. MTNs for Capital Power MTNs

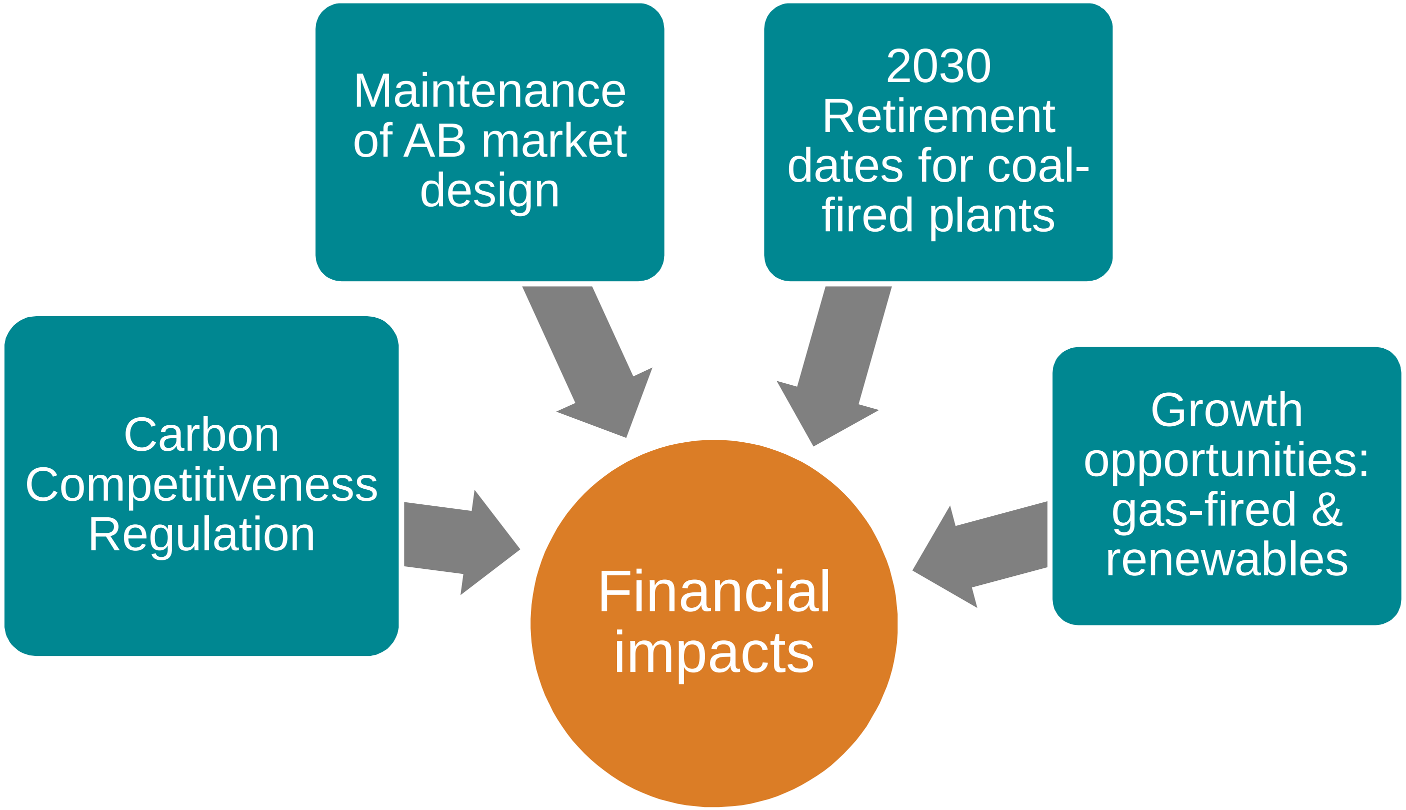
- Applicable to the following issued and outstanding notes of CPLP

MTN series	Interest rate payable	Due date
Series 3	4.85% payable semi-annually	Feb 21, 2019
Series 1	5.276% payable semi-annually	Nov 16, 2020

- Benefits
  - Simplify organization structure
  - Reduce reporting obligations – ending CPLP as a reporting issuer and transition long-term credit ratings to only CPX
  - Provide noteholders with better liquidity over time and structural enhancement
- Meeting for CPLP Noteholders scheduled on Dec 17, 2015

Alberta Climate Leadership Plan

Financial impacts



Well positioned to address impacts and opportunities

Carbon competitiveness regulation

- Required to comply with Specified Gas Emitters Regulation (SGER) through to the end of 2017. Levy under Carbon Competitiveness Regulation (CCR) effective starting in 2018.

<table>
<tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th></tr>
<tr><td>Compliance regulation</td><td>SGER</td><td colspan="3">CCR</td></tr>
<tr><td>Compliance requirement</td><td>20%</td><td colspan="3">55% to 65%
(Down to best gas standard)</td></tr>
<tr><td>Market compliance cost ($/tonne)</td><td>$30</td><td>$30</td><td colspan="2">$30+inflation+2%
(based on Panel's recommendation)</td></tr>
</table>

- Impact on Genesee 3 / Keephills 3 will be offset by higher pool prices and inventory of low-cost carbon offset credits through 2020
- CPX bears the Genesee 1 & 2 compliance costs post-2020 after PPA expiry

Use of existing offset credits and higher pool prices will more than offset higher compliance costs through 2020

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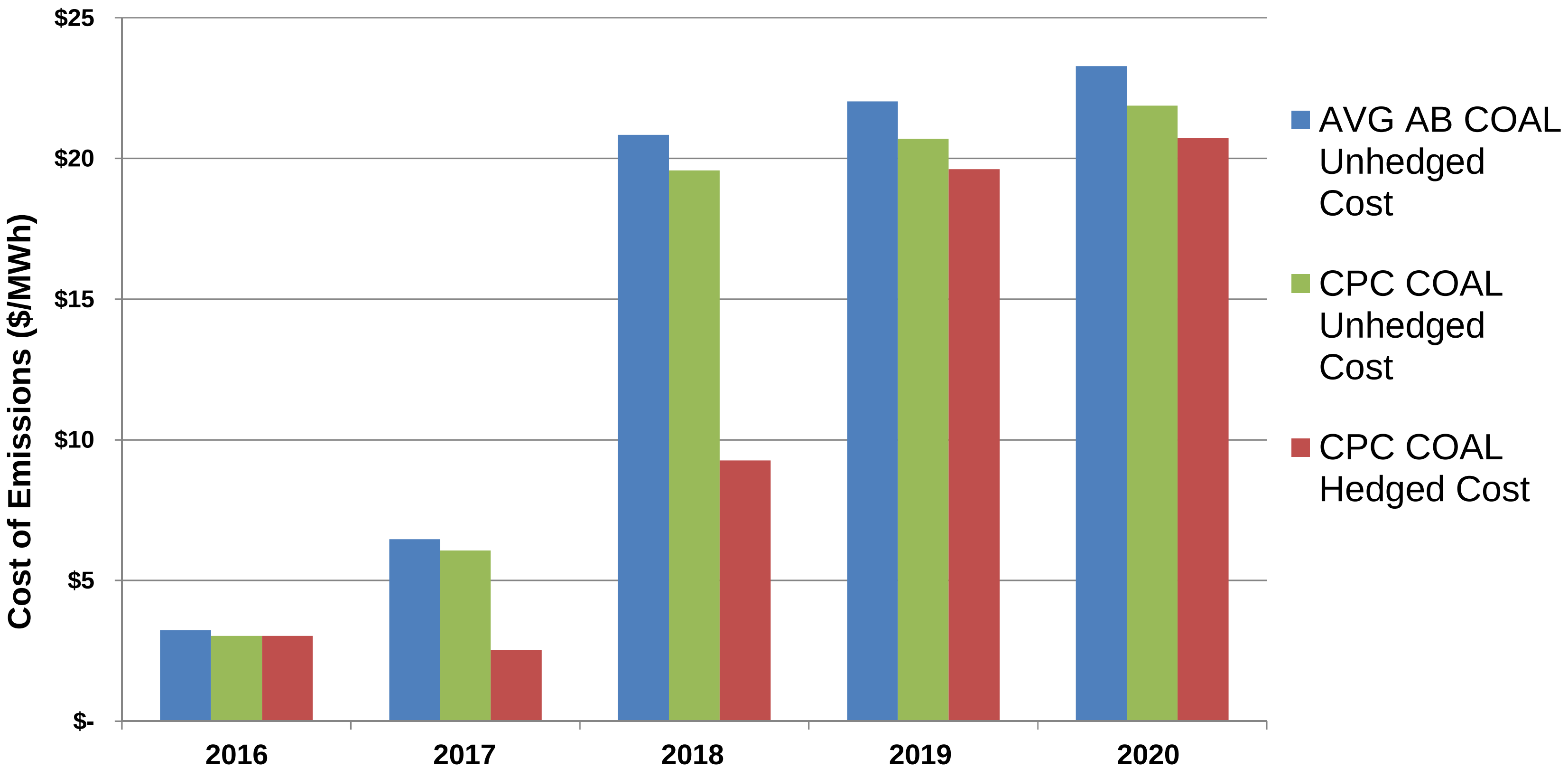
Carbon tax – cost of coal compliance

Cost of compliance versus tax



Lower compliance costs achieved by offset development & procurement strategies and lower GHG intensities

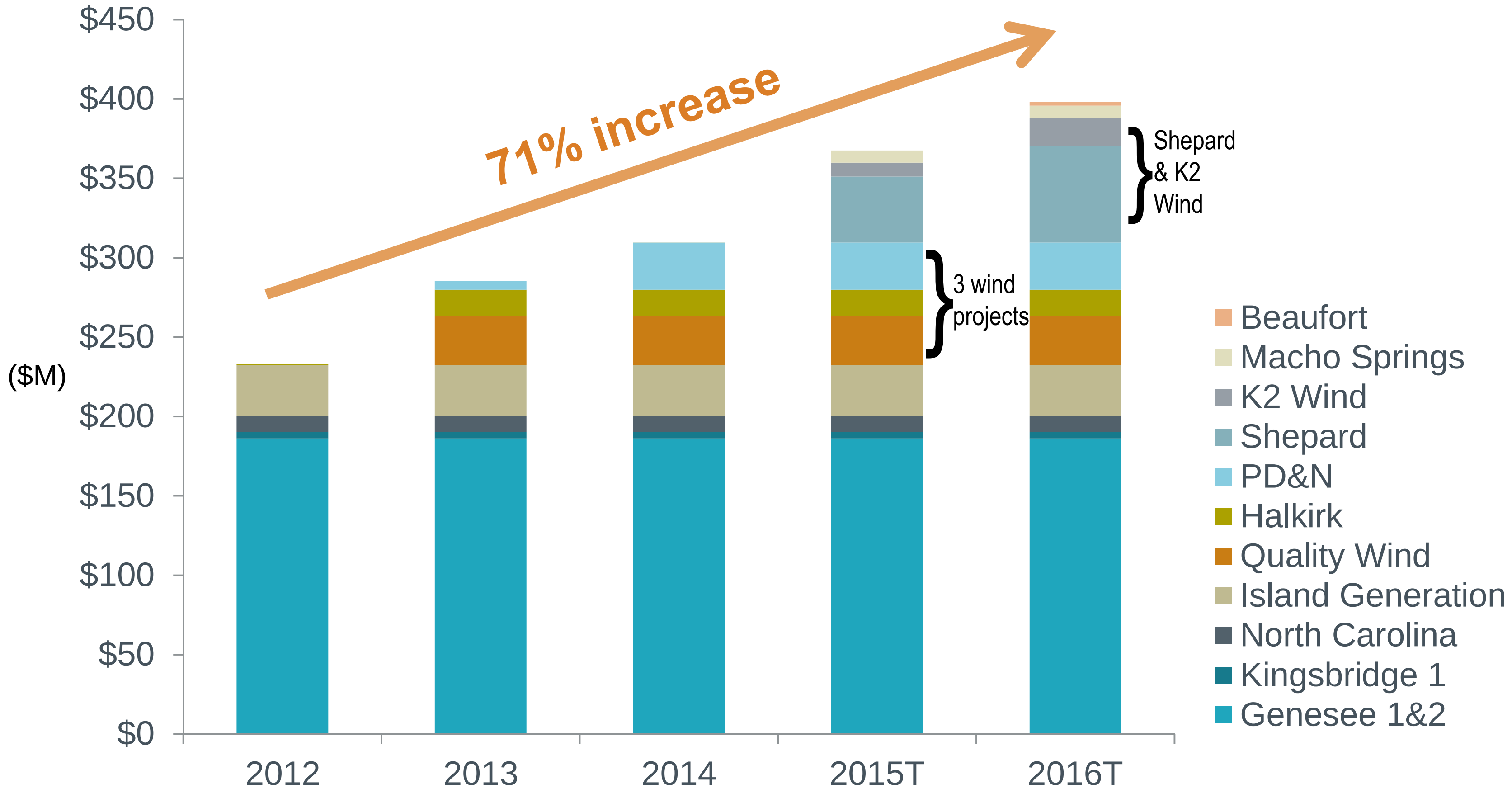
Estimated incremental impacts of CCR[1]

EBITDA impact ($M)	2018	2019	2020	2021
Total coal EBITDA impact due to CCR	$30	($25)	($65)	($120)
EBITDA increase from natural gas & wind facilities	$50	$30	$30	$20
Total portfolio EBITDA impact	$80	$5	($35)	($100)

CCR slightly beneficial in near term and more significant impact in medium term

1) Carbon Competitiveness Regulation does not include the impact of expected compensation for early coal retirement.

Improving contracted cash flow[1,2,3]



Substantial expansion in contracted operating margin from 2012-16

1) Margins have been averaged over the periods except in the year of commissioning.
2) Only includes contracted portions of Halkirk and Shepard plants.
3) Cash distributions from K2 Wind and EBITDA for all other plants.

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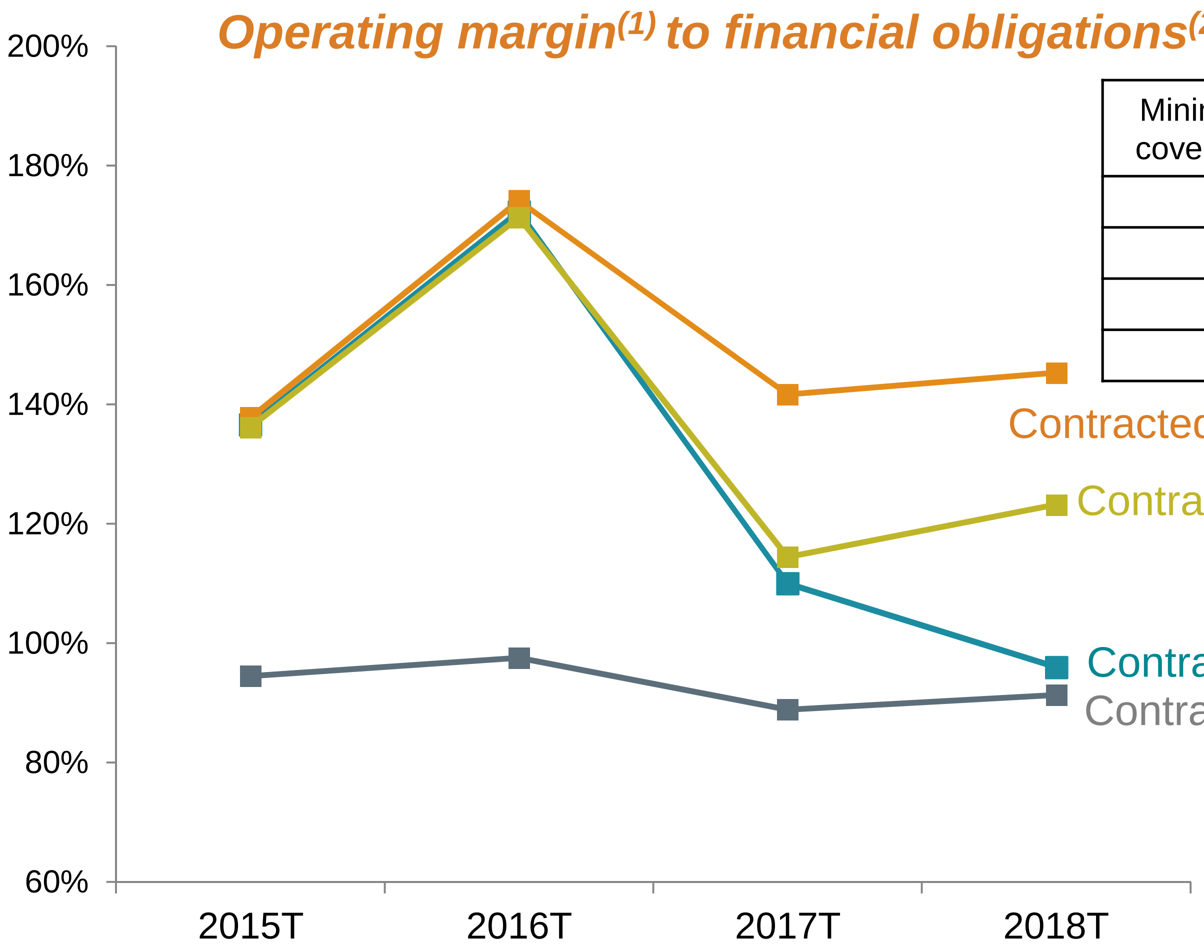
Financial obligations & dividends significantly covered by contracted cash flow



Minimum Alberta power prices required to cover financial obligations and dividends[3]	
2015F	$0/MWh
2016F	$0/MWh
2017F	Low $30s
2018F	Low $40s

1) Merchant margin is calculated using $40/MWh and $70/MWh and is based on hedged position as at November 30, 2015.
2) Based on existing plants plus committed development projects. Financial obligations include interest payments (including interest during construction), sustaining contracted capital expenditures and general & administration expenses.
3) Dividends include common and preferred dividends. Assumes consistent common dividend growth in 2016-18.
4) Forwards as of November 30, 2015.

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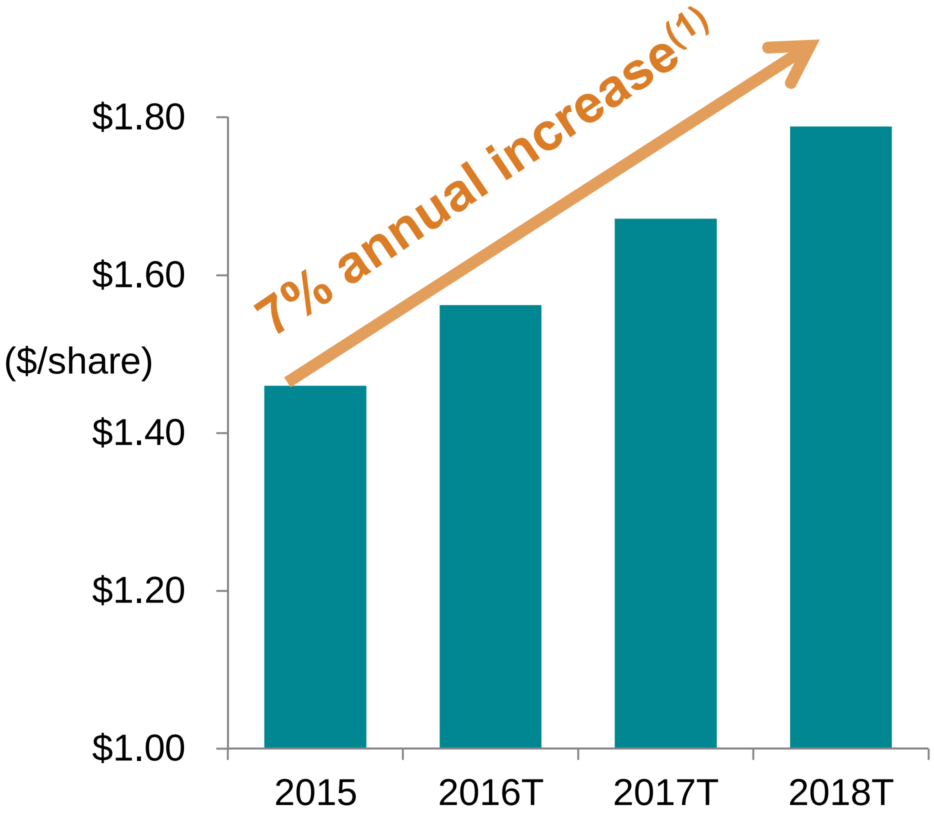
Target annual dividend increase



- Generating $340M in free cash flow[2] in 2016 before growth capex at the bottom of the cycle
- Dividend payout ratio to FFO averages 39% from 2016 to 2018
- Pipeline of opportunities to expand contracted footprint throughout North America

Well positioned to deliver consistent annual dividend growth

1) Subject to market conditions, economic outlook, cash flow forecast, and Board approval at the time.
2) Free cash flow (FCF) is a non-GAAP financial measure and is defined as FFO – sustaining capex .

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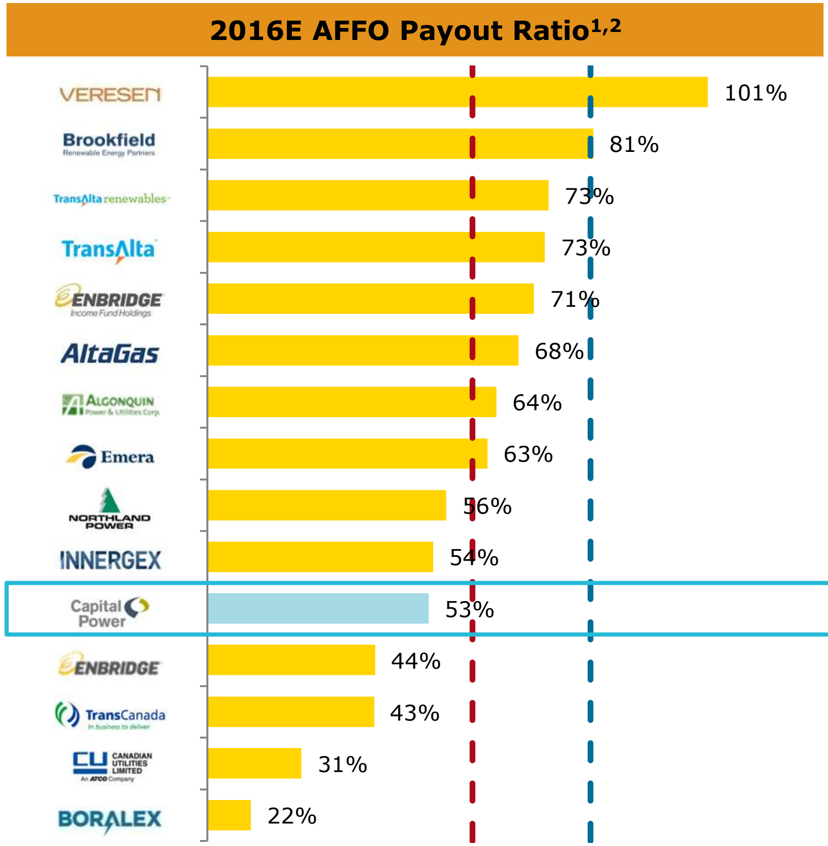
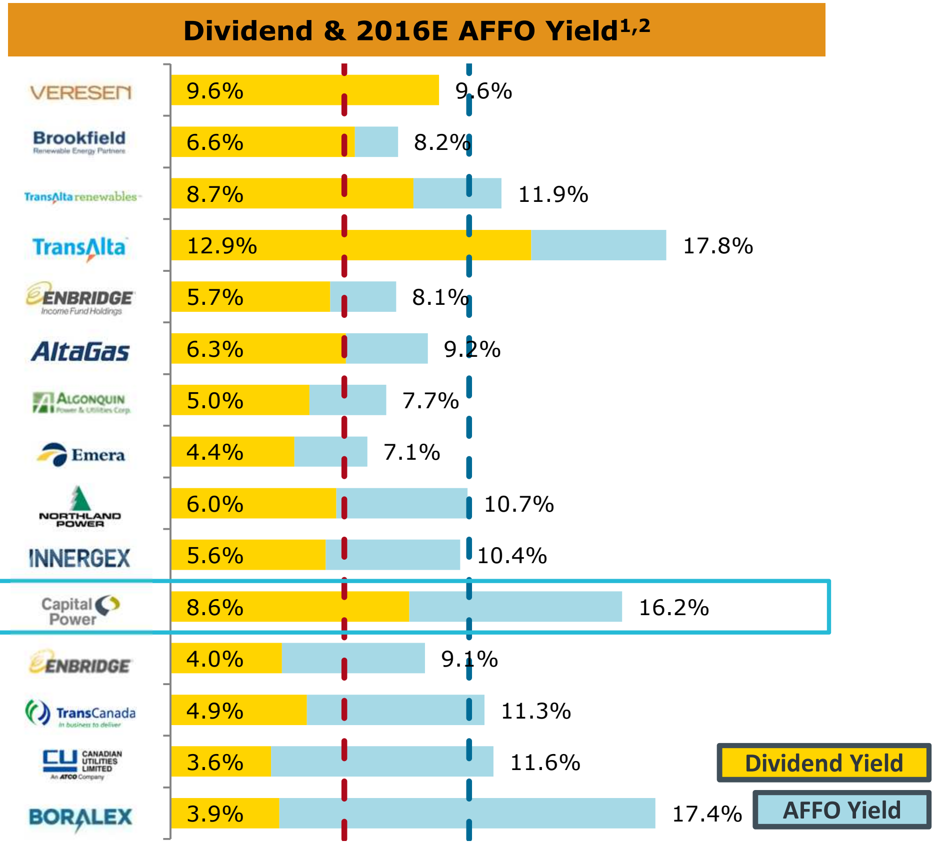
Attractive yields relative to peers

Capital Power's AFFO payout ratio is below peer average



- - Average[3] = 60%
- - Commodity exposed average[3,4] = 81%



- - Dividend Yield Average[3] = 6.2%
- - AFFO Yield Average[2,3] = 10.7%

[1] Source: FactSet as at November 27, 2015 and with assistance of CIBC World Markets Inc.

[2] Based on consensus analyst estimates. Adjusted funds from operations ("AFFO") calculated as cash flow from operations before working capital less maintenance capex and preferred dividends.

[3] Averages exclude Capital Power.

[4] Commodity exposed average includes AltaGas, TransAlta, Veresen.

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Financial outlook for 2016

Managing low Alberta power prices

- 100% of the AB Commercial portfolio sold forward in 2016 at high-$40/MWh
- Ability to capture potential increases in AB power prices through non-baseload facilities

Year-over-year increase in capacity and production

- Full year of operations from Shepard and K2 Wind
- Addition of Beaufort Solar, which is contracted for 15 years through a PPA
- Continued strong availability from existing fleet

Cost saving initiatives

- Optimizing use of credit facilities to capitalize on low interest rate environment
- Reduction in G&A expenses – spending smarter

Effective use of capital to maximize shareholder value

- Repurchased 5M shares to date leading to increase in shareholder value
- Amended NCIB to repurchase up to 3M shares through to Apr/16 in the absence of additional growth opportunities

Cash flow per share[1] growth of 8%

1) Cash flow per share is a Non-GAAP financial measure. Cash flow per share is calculated as FFO divided by the weighted average common shares of Capital Power that are outstanding during the period.

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2016 Corporate Priorities

Corporate priorities

Brian Vaasjo, President & CEO

2016 Corporate priorities

Deliver strong operational performance from a young, well-maintained generation fleet

Operational targets

94%	**Capacity-weighted plant availability** (reflects major planned outages at Genesee 2 & 3, Clover Bar Energy Centre, Joffre, and Shepard Energy Centre)
$65M	**Maintenance capital** (plant maintenance capital and sustaining capital expenditures)
$200M to $220M	**Plant operating and maintenance expenses**

2016 Corporate priorities

Enhance value for shareholders by delivering accretive growth from new developments

Development and construction targets

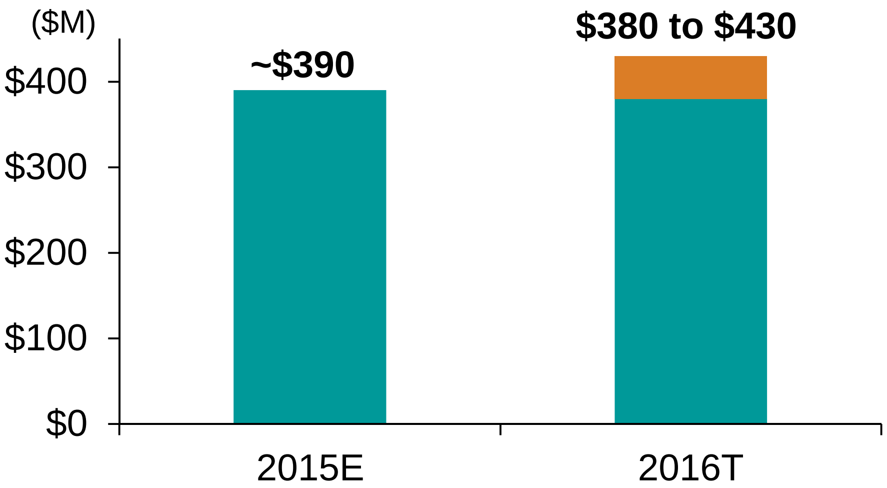
- Genesee 4&5 progress
- Execute a PPA for new development



2016 Corporate priorities

Financial target

Funds from operations[1]



2015-16 year-over-year changes

- Full year of operations from Shepard and K2 Wind
- Addition of Beaufort Solar
- Lower finance expense
- Partially offset by higher GHG compliance costs (deferring use of low-cost carbon credits for latter years)

1) Funds from operations is a non-GAAP financial measure, see page 74.

Highlights for 2016

- No financial impact by Alberta Climate Change Leadership Plan
- Work with Alberta government to receive fair compensation from accelerated retirement of coal facilities
- Generate ~4% growth in FFO versus 2015 (8% per share)
- Increase dividend in-line with annual dividend growth target
- Continue progress on Genesee 4&5
- Capitalize on growth opportunities from Alberta’s Climate Leadership Plan
- Advance pipeline of development projects to build on contracted cash flows outside of Alberta

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Attractive value proposition

- Excellent existing operations
- Continued growth in funds from operations
  - Able to increase the annual dividend through 2018 at 7%
- Significant growth opportunities
  - Genesee 4&5 best positioned to be the next large natural gas-fired generation project to be built in the province
  - Well-positioned to add renewable generation in the Alberta market
  - Numerous opportunities outside of Alberta

Well-positioned for the future

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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 (FFO), (iii) normalized earnings attributable to common shareholders, and (iv) 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, therefore, are 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 prepared as of October 23, 2015 for the quarter ended September 30, 2015, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at 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 expectations regarding: (i) funds from operations, maintenance capital and sustaining capital expenditures, and operating and maintenance expenses, (ii) consistent growth of dividends, (iii) the impact of environmental regulations on Capital Power and its business, including, but not limited to, emissions compliance costs, (iv) compensation to be received by Capital Power from the Government of Alberta, (v) Alberta's electricity market structure, (vi) carbon credits and the price of electricity in Alberta, (vii) Capital Power's ability to compete for new projects, (viii) the development of new projects, including, but not limited to, the Genesee 4&5 project and further development near the existing Halkirk Wind site, (ix) the completion, timing and cost of the Beaufort Solar project, and (x) plant availability. 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, 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.

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, expected future developments, and other factors it believes are appropriate. The material factors and assumptions used to develop these forward-looking statements relate to:

- electricity and other energy prices,
- performance,
- business prospects and opportunities including expected growth and capital projects,
- status of and impact of policy, legislation and regulations,
- effective tax rates, and
- other matters discussed under the Performance Overview and Outlook and Targets for 2015 sections in the Company's Q3/15 MD&A.

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:

- changes in electricity prices in markets in which the Company operates,
- changes in energy commodity market prices and use of derivatives,
- regulatory and political environments including changes to environmental, financial reporting and tax legislation,
- power plant availability and performance including maintenance of equipment,
- ability to fund current and future capital and working capital needs,
- acquisitions and developments including timing and costs of regulatory approvals and construction,
- changes in market prices and availability of fuel, and
- changes in general economic and competitive conditions.

See Risks and Risk Management in the Q3/15 MD&A for further discussion of these and other risks. 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.

Capital Power

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