CAPITAL POWER

CIBC Institutional Investor Conference
Whistler, BC

Brian Vaasjo, President & CEO

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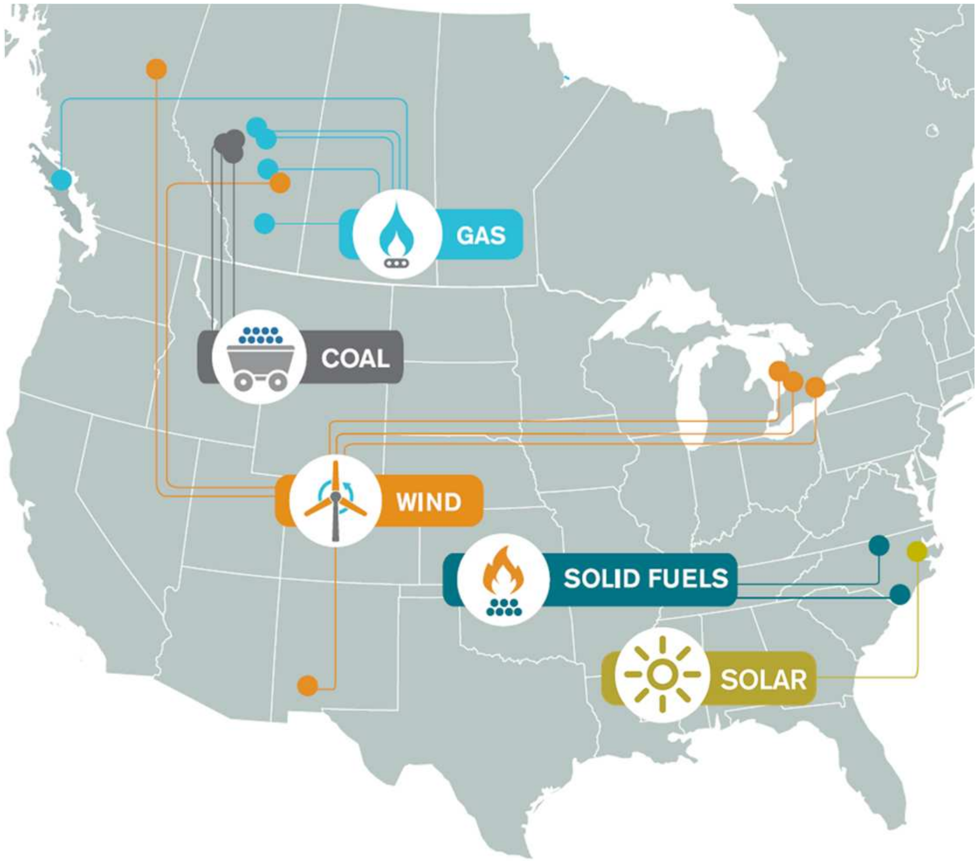
Capital Power overview

- Growth-oriented North American IPP with ownership interest in 18 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[2]
- TSX (CPX); market cap of \$1.7B[3]; average daily trading of 520K[3] shares



1) Based on MW owned capacity as of Dec 31/15; excludes Sundance PPA (371 MW).
2) Subject to Board approval.
3) Market capitalization as of Dec 31/15. Based on average daily trading volume on all stock exchanges in 2015.

Alberta Climate Leadership Plan

Carbon Competitiveness Regulation (CCR)

- Current Specified Gas Emitters Regulation (SGER) replaced with CCR in 2018
- Electricity generators will pay $30/tonne starting in 2018 for greenhouse gas emissions above electricity sector performance standard
- Impact on Genesee 3 / Keephills 3 will be offset by higher pool prices and by utilizing our inventory of low-cost carbon offset credits through 2020

Increase in power prices will partially offset higher carbon costs

Alberta Climate Leadership Plan

Accelerated phase-out of coal facilities to be replaced 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
- Wind expected to be the more dominant fuel type in near-term
- Based on current expectations, process likely to start in 2016 with first in-service date at the end of 2019

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

Alberta Climate Leadership Plan

Maintenance of Alberta market design

- 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

Alberta's deregulated market maintained providing regulatory certainty for existing generating assets

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Alberta Climate Leadership Plan

Compensation for accelerated phase-out of coal

- Alberta Government committed to avoid “unnecessarily stranding capital” and “treat companies fairly”
- 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 is ~$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 (57% reduction)
- 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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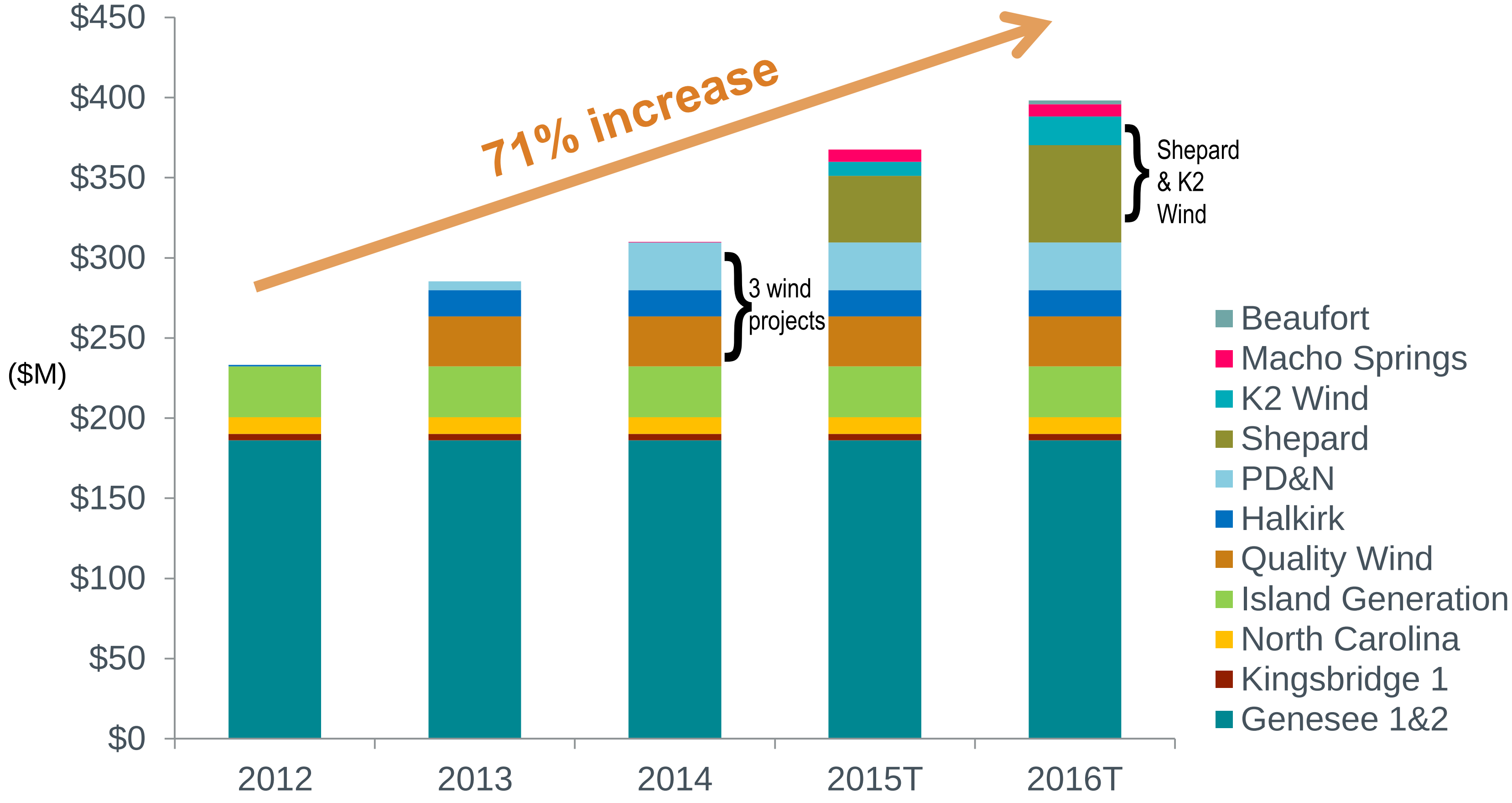
Improving contracted cash flow(1,2,3)

Substantial expansion in contracted operating margin from 2012 to 2016



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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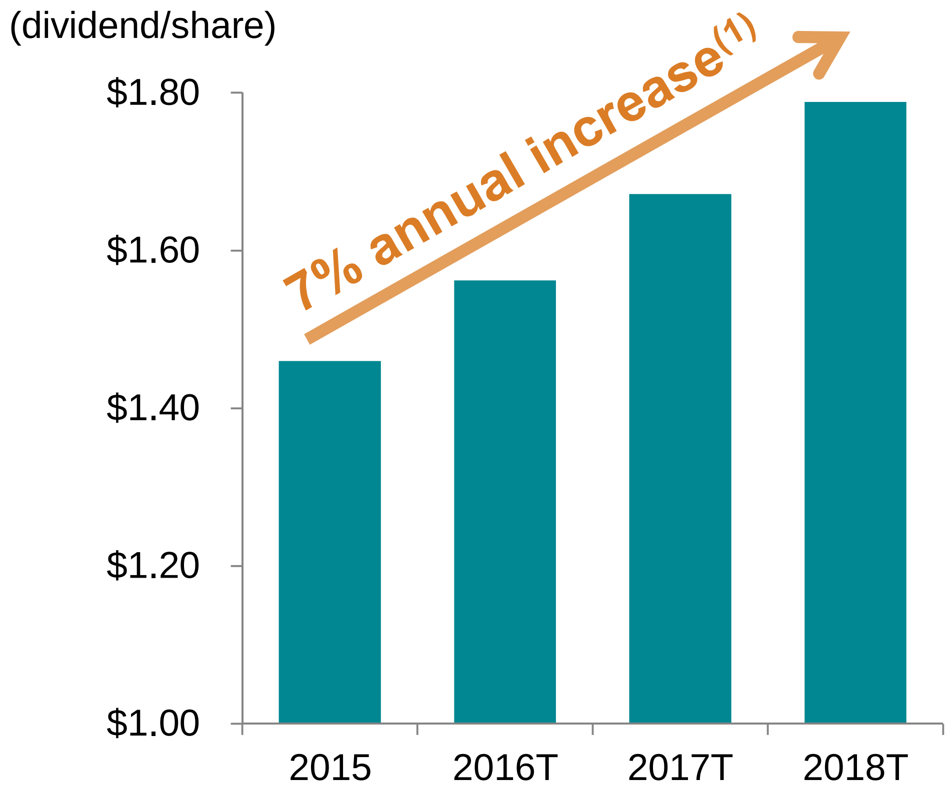
Dividend growth guidance



- 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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