Q2 2019 Analyst Conference Call

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Capital Power

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Forward-looking information

Cautionary statement

Certain information in this presentation and responses to questions contains forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information as a result of certain material factors or assumptions that were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

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 are disclosed on slide 17 of this presentation and in the Company's second quarter 2019 Management's Discussion and Analysis (MD&A) prepared as of July 26, 2019 which is available under the Company's profile on SEDAR at sedar.com and on the Company's website at capitalpower.com.

Non-GAAP financial measures

The Company uses (i) earnings before net finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, finance expense and depreciation expense from its joint venture interests, gains or losses on disposals and unrealized changes in fair value of commodity derivatives and emission credits (adjusted EBITDA), (ii) adjusted funds from operations, (iii) adjusted funds from operations per share, (iv) normalized earnings attributable to common shareholders, and (v) normalized earnings per share as financial performance measures.

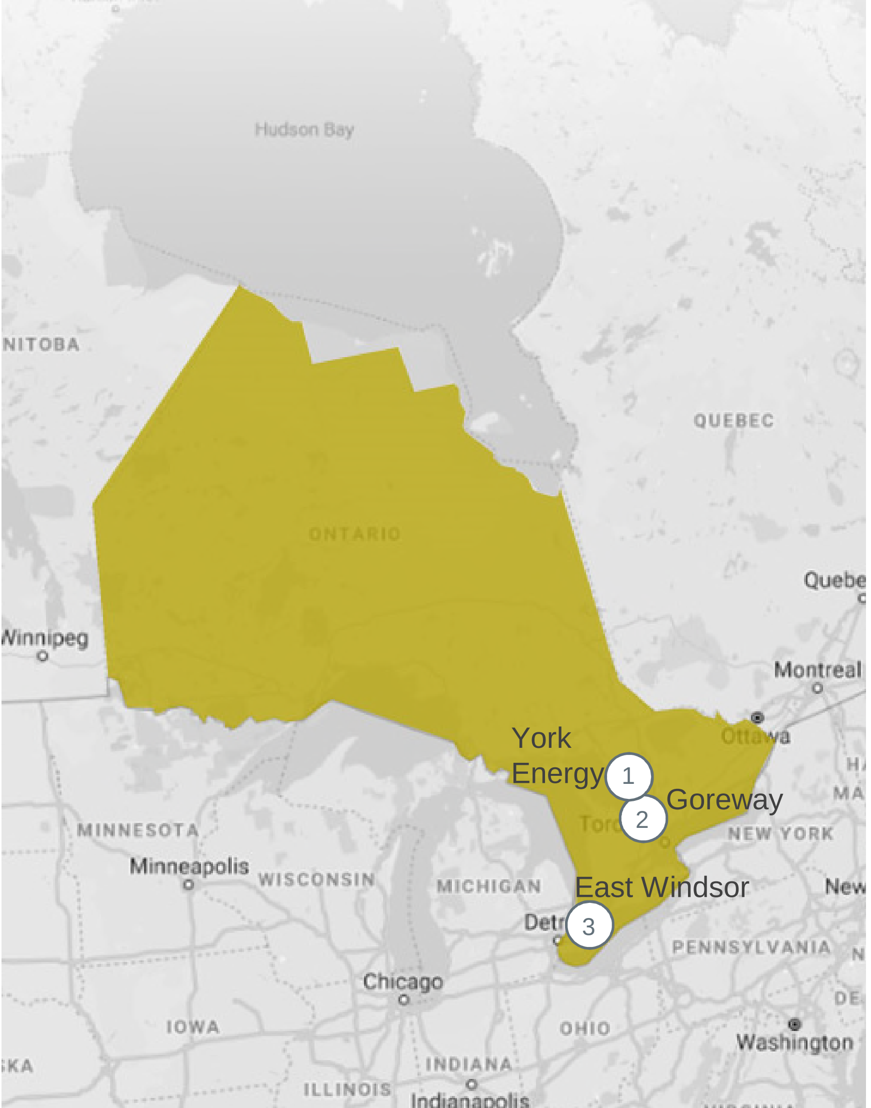
These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable 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 disclosed in the Company's Management's Discussion and Analysis prepared as of July 26, 2019 for the second quarter of 2019, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at capitalpower.com.

Alberta power market design

- Following a consultation with both AESO and stakeholders on whether to retain the existing energy-only market or create a capacity market, the Alberta government concluded its electricity market review and on July 24th announced its decision to stay on the existing energy-only market
  - Alberta's energy-only market is a proven system that has successfully attracted investment into the province
  - Will continue to provide Albertans with a reliable supply of electricity at affordable prices
- Capital Power supports government's decision to retain an energy-only market
  - Decision provides investor certainty and confidence in Alberta's electricity market system
- We are well positioned to compete in an energy-only market
  - Market and commodity management expertise
  - Young, diverse and efficient fleet of assets
  - Pipeline of development projects for which regulatory approvals have already been received

Ontario Natural Gas Portfolio | **1159 MW**



Ontario power market

- In July 2019, Ontario IESO announced they were cancelling further work on a capacity market
  - Decision took into account stakeholder feedback and concerns
- Ontario IESO reviewed their long-term planning outlook and over next 10 years, expect sufficient capacity to exist in the market if resources are reacquired when their contracts expire
- Process to recontract assets has yet to be defined, but is likely to include a combination of bilateral contract extensions and competitive processes
- Given physical locations and services provided to IESO, positive re-contracting outlook for Capital Power’s three natural gas facilities with PPA expiries in 2029-2032

Q2/19 highlights

- Acquired Goreway facility, 875 MW natural gas facility in Ontario that is contracted until 2029
  - Successful integration of asset to date
- Increased the common share dividend by 7.3% to $1.92 per year representing the 6th consecutive annual increase
  - Guidance for 7% annual increase to 2021
- Raised $625M in gross proceeds from a private placement debt financing and common and preferred share offerings to fund growth
- Committed to increase equity interest from 5% to 9% in C2CNT that is focused on transforming captured carbon into leading-edge materials
  - Options in 2020 to increase equity interest to 40%

Genesee dual-fuel capability

Dual-fuel optionality expected to significantly increase cash flow and further reduce emissions

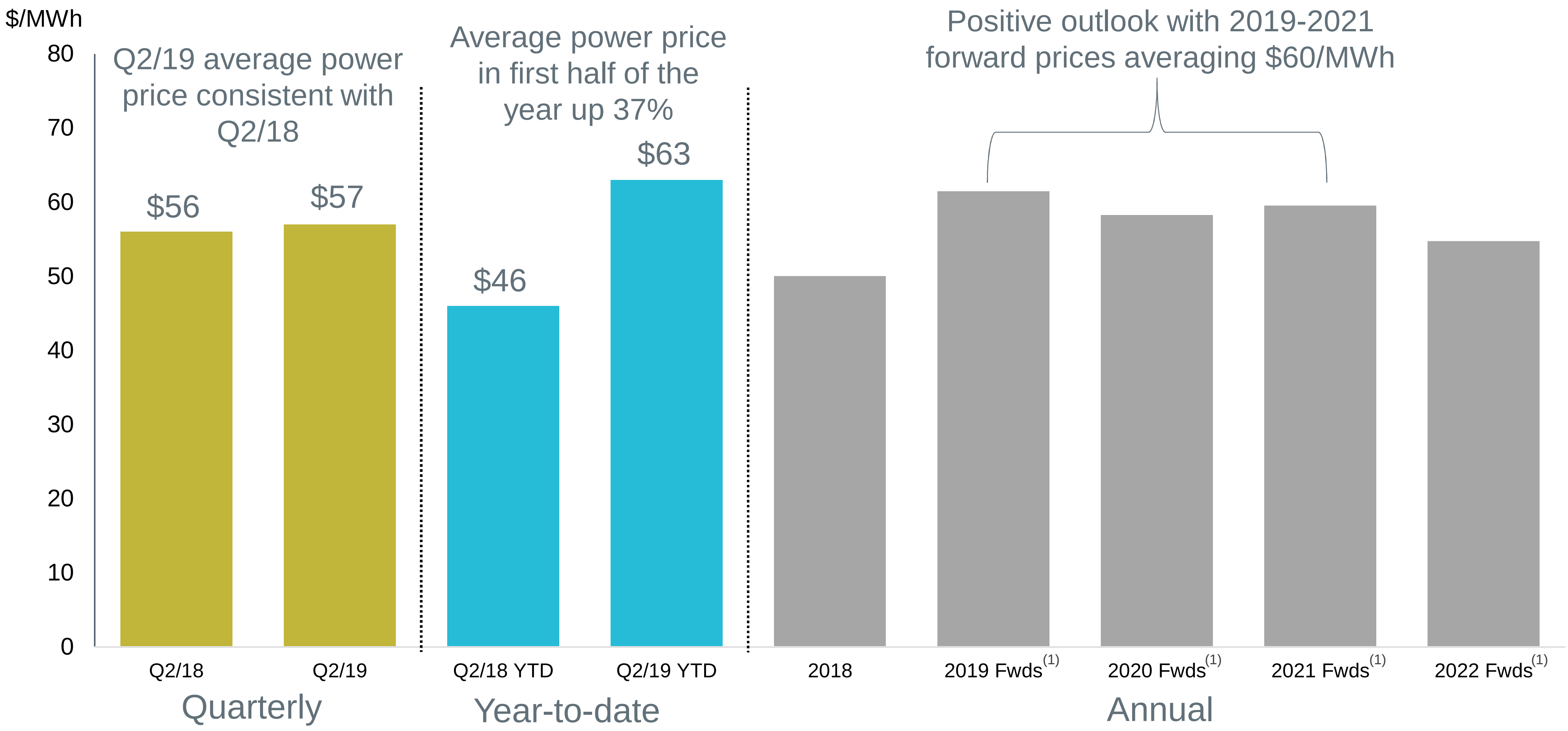
- Accelerated plans to increase natural gas capability at the Genesee facility and transform Genesee 1 and 2 to 100% dual-fuel optionality
- Transformation of the units to 100% dual-fuel will occur during regular scheduled maintenance outages with the timing and maximum natural gas utilization outlined below

Schedule[1]	Current	Mid-2020	Q3/20	Spring 2021	Work in progress
Genesee 2	Utilize up to 20% gas	100% dual-fuel	-	-	-
Genesee 1	Utilize up to 20% gas	Up to 45% gas	Up to 45% gas	100% dual-fuel	-
Genesee 3	Utilize up to 18% gas	Up to 34% gas	Up to 40% gas	Up to 40% gas	100% dual-fuel

- Total project cost of $50M to completely transform Genesee 1 and 2 to dual-fuel capability and up to 40% gas for Genesee 3
- AFFO estimated to increase ~$10M in 2020 and ~$20M in 2021. Financial benefits highly dependent on carbon cost and natural gas price assumptions
- 20% to 33% reduction in annual greenhouse gas emissions[2]

1) Subject to receipt of requisite regulatory approvals and joint venture owner approvals for Genesee 3.
2) Assumes operation of the units between 50% - 100% of hours on natural gas compared to operating on coal only.

Positive outlook in Alberta power prices



1) Forward prices as of July 26, 2019. 2019 Forwards is a blend of January-July settled pricing and August-December forward prices.

Financial performance – Q2/19

$M, except per share amounts	Q2/19	Q2/18	Change
Revenues and other income	$366	$369	-1%
Adjusted EBITDA	$191	$207	-8%
Basic earnings per share	$0.93	$0.55	69%
Normalized EPS	$0.14	$0.20	-30%
Adjusted funds from operations (AFFO)	$85	$76	12%
AFFO per share	$0.82	$0.74	11%

Lower Adjusted EBITDA largely driven by major planned outage at Genesee 1

Financial performance – Q2/19 YTD

$M, except per share amounts	Q2/19 YTD	Q2/18 YTD	Change
Revenues and other income	$763	$682	12%
Adjusted EBITDA	$393	$386	2%
Basic earnings per share	$1.42	$0.85	67%
Normalized EPS	$0.44	$0.48	-8%
Adjusted funds from operations (AFFO)	$202	$161	25%
AFFO per share	$1.97	$1.55	27%

Strong AFFO per share growth of 27%

Portfolio optimization
Alberta commercial portfolio positions

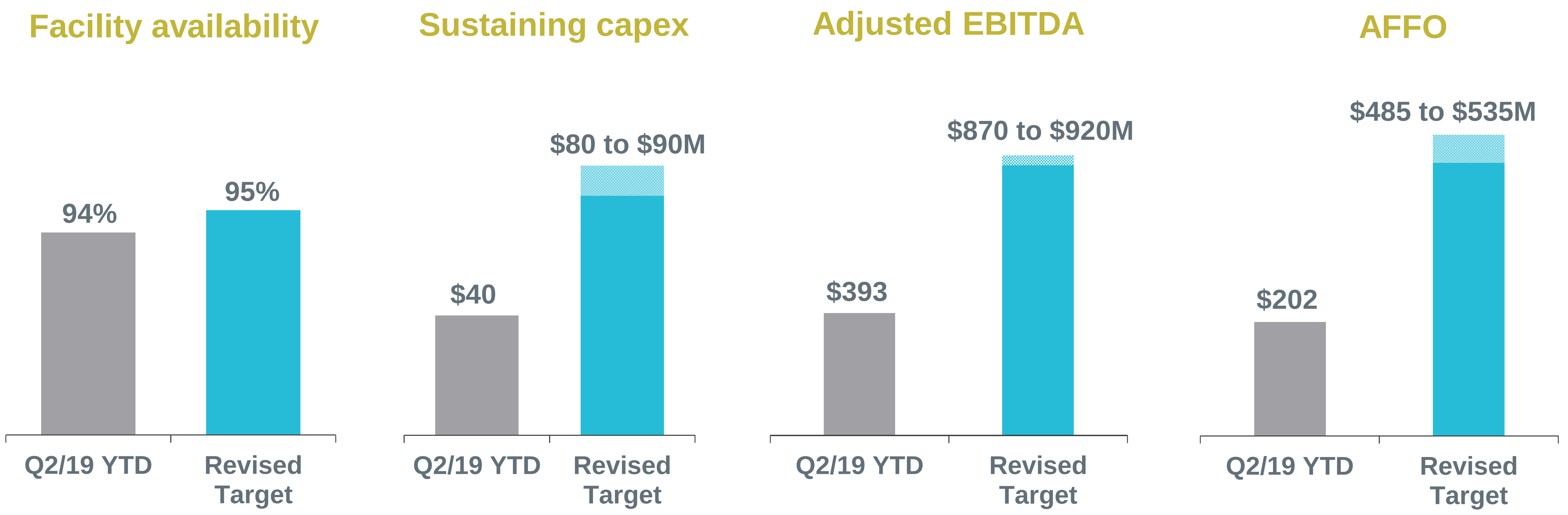
	2020	2021	2022
% sold forward[(1)]	41%	4%	9%
Contracted prices[(1)] ($/MWh)	Mid-$50	Low-$60	Low-$50
Current average forward prices[(2)] ($/MWh)	$58	$60	$55

- 2020-22 forward prices have trended upwards since the end of Q1/19; up $7 to $12 in 2020 and 2021
- Increased our hedges in all three years
  - Notably, sold forward an additional 108 MW in 2020 (from 24% in Q1/19 to 41% with an average price in the mid-$50/MWh from low-$50/MWh)

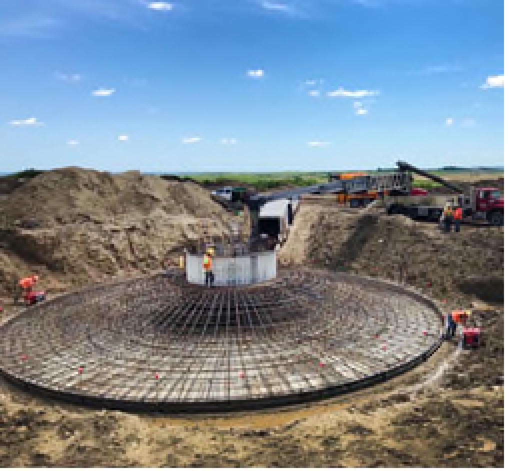
1) As of June 30, 2019. Based on the Alberta baseload facilities plus a portion of Joffre and the uncontracted portion of Shepard.
2) As of July 26, 2019.

6-month performance versus 2019 annual targets

2019 AFFO expected to be at the top end of the range



1) Revised targets reflects the acquisition of Goreway Power on June 4, 2019.



2019 development & construction targets

Construction

Whitla Wind
(Alberta)

- 201.6 MW (Phase 1)
- 20-year PPA
- $315 - $325M(1)
- COD in Q4/19

Cardinal Point Wind
(Illinois)

- 150 MW
- 12-year PPA
- $289 - $301M
- COD in Mar/20

Other contracted growth

- Exceeded $500M of committed capital target with the acquisition of Goreway

1) Total project costs are expected to exceed the budget due largely to foreign exchange impacts.

Sustainability – creating responsible energy for tomorrow

- 2018 Corporate Sustainability Report (CSR) released today
  - CSR continues to be fully compliant with the internationally recognized Global Reporting Initiative (GRI) Standards
- Outlines our sustainability targets
  - Constructing all new natural gas generation units to be carbon capture and/or hydrogen-ready
  - Reducing CO_2 emissions at Genesee by 50% by 2030 from 2005 levels
  - Reducing CO_2 emissions by 10% and our emission intensity by 65%, in 2030 from 2005 levels[1], in spite of increasing our generation by 145%
  - Investing in carbon capture and utilization technology such as C2CNT to eventually decarbonize our natural gas generation assets

1) Based on our current fleet.

Sustainability reporting

- **Feb 2019** – Release of inaugural Climate Change Disclosure based on TCFD(1) recommendations
- **Jul 2019** – Release of 2018 CSR on-line version that is fully compliant with the internationally recognized GRI Standards
- **Feb 2020** – Release of first integrated report, combining annual financial, environment, social and governance disclosures

1) Task force on Climate-related Financial Disclosures.

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Questions?

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 includes expectations regarding:

- future revenues, expenses, earnings and adjusted funds from operations,
- the future pricing of electricity and market fundamentals in existing and target markets,
- future dividend growth,
- the Company's future cash requirements including interest and principal repayments, capital expenditures, dividends and distributions,
- the Company's sources of funding, adequacy and availability of committed bank credit facilities and future borrowings,
- future growth and emerging opportunities in the Company's target markets including the focus on certain technologies,
- the timing of, funding of, and costs for existing, planned and potential development projects and acquisitions (including phase 1 of the Whitla Wind project, and the Cardinal Point Wind project),
- facility availability and planned outages,
- capital expenditures for facility maintenance and other (sustaining capital, future growth projects, Genesee dual-fuel capability project),
- the impacts of market designs in the Company's core markets,
- the impact of the transformation of the Genesee units to 100% dual-fuel,
- expectations pertaining to the financial impacts of the acquisition of Goreway, including the impacts to adjusted funds from operations, adjusted funds from operations per share and adjusted EBITDA, and
- expectations around the Line Loss Rule Proceeding including timing of retrospective loss factors being finalized, participation in applicable appeal processes, and potential impacts to the Company.

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 including its review of purchased businesses and assets. The material factors and assumptions used to develop these forward-looking statements relate to:

- electricity and other energy and carbon prices,
- performance,
- business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects,
- status of and impact of policy, legislation and regulations,
- effective tax rates,
- other matters discussed under the Performance Overview and Outlook sections in the Q2/19 Management's Discussion and Analysis, and
- anticipated performance of the acquired Goreway facility.

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, market structure and tax legislation,
- generation facility 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,
- ability to realize the anticipated benefits of the Goreway acquisition,
- limitations inherent in the Company's review of acquired assets, and
- changes in general economic and competitive conditions.

See Risks and Risk Management in the Company's December 31, 2018 annual 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 specified approval date. 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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