# Investor Presentation | September 2019


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Capital Power

RESPONSIBLE ENERGY FOR TOMORROW

# Growth-oriented North American power producer

- 6,300 MWs of owned capacity including projects under construction
- Strong pipeline of contracted growth opportunities
- Highly-contracted portfolio
- Committed to investment grade credit rating
- History of dividend growth with 7% annual growth guidance out to 2021

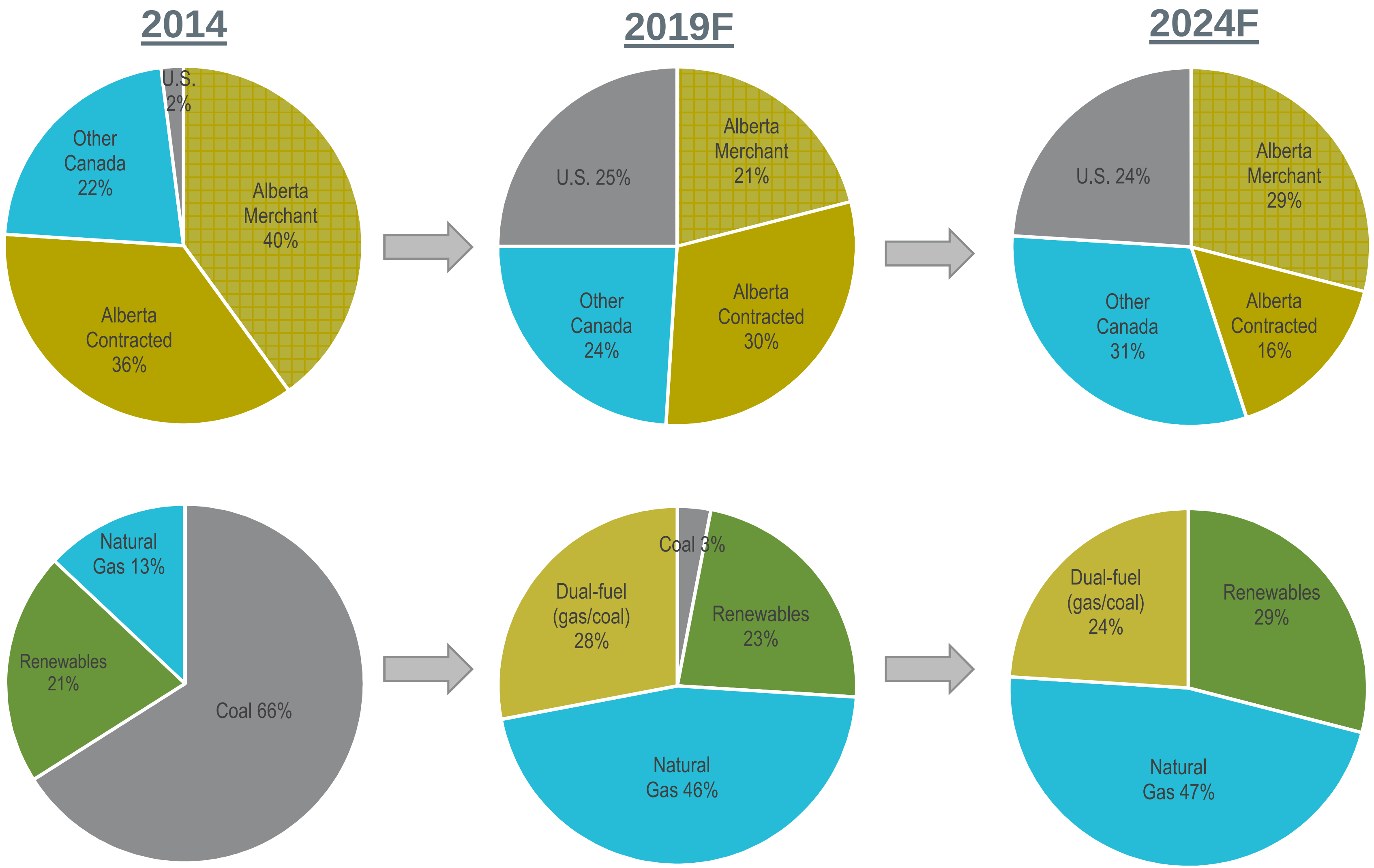
# Our business

| | Today | Tomorrow |
|---|---|---|
| **Investing in emission free renewables** | • Building new facilities in Canada and U.S. | • Integration of storage technologies |
| **Investing in critical natural gas generation** | • Acquiring key facilities in Canada and U.S. | • Reduce emissions profile through carbon utilization |
| **Transitioning heritage coal generation to natural gas** | • Complete 10% emission reduction program<br>• Move to 100% natural gas capability | • Reduce emission through 100% natural gas<br>• Reduce emissions profile through carbon utilization |

# Our assets

**Geographical split**
Diversifying growth outside of Alberta and reducing merchant exposure

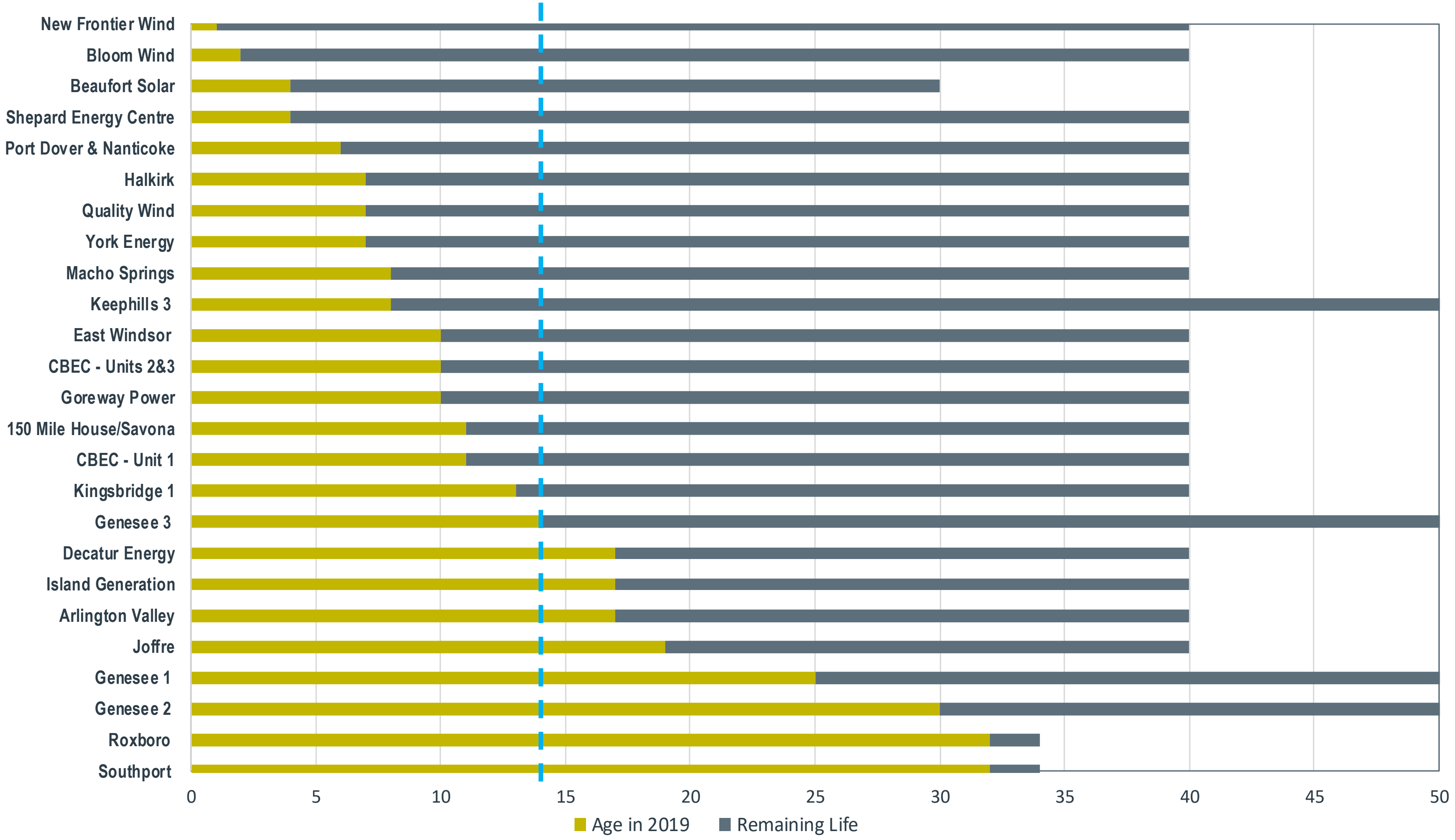
**Fuel-mix split**
Transitioning away from coal; focusing on natural gas, renewables, and dual-fuel generation




1) Percentages based on Capital Power's share of adjusted EBITDA excluding G&A expenses and including off-coal compensation and finance lease principal payments.
2) Renewables include wind, biomass/solid fuels, solar, waste heat.
3) Dual-fuel - all 3 units of Genesee are included.

# Young fleet with long asset lives

Average age 14 years(1)



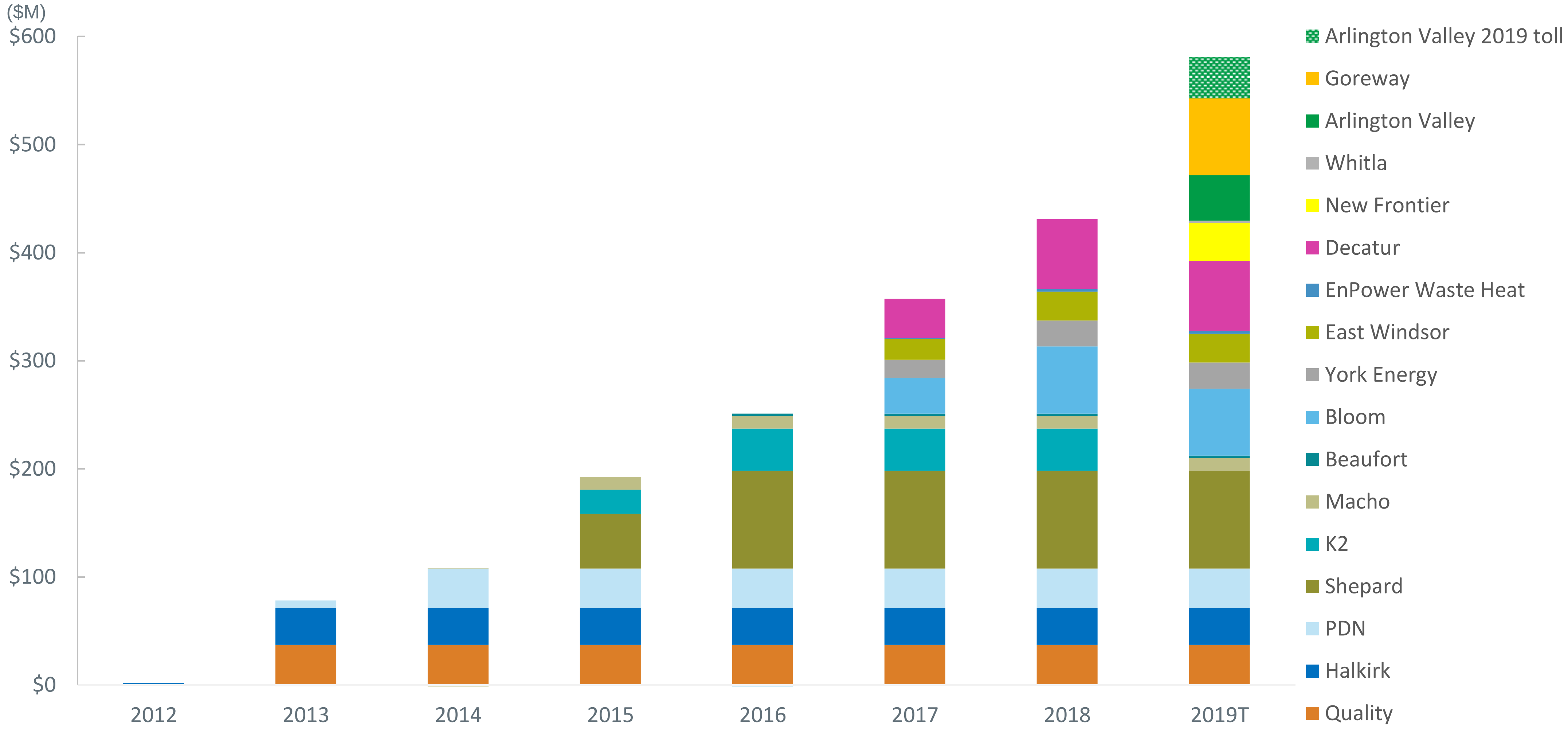

**2%** of current generation portfolio expected to retire in the next decade

**10 years**(2,3) Average PPA term remaining

**95%** 5-year average availability (2019 target of 95%)

1) Megawatt-weighted average.
2) As of August 2019 based on targeted Adjusted EBITDA.
3) EBITDA-weighted average, includes Off-Coal Agreement with the Province of Alberta and excludes Genesee 1&2, Southport and Roxboro PPAs.

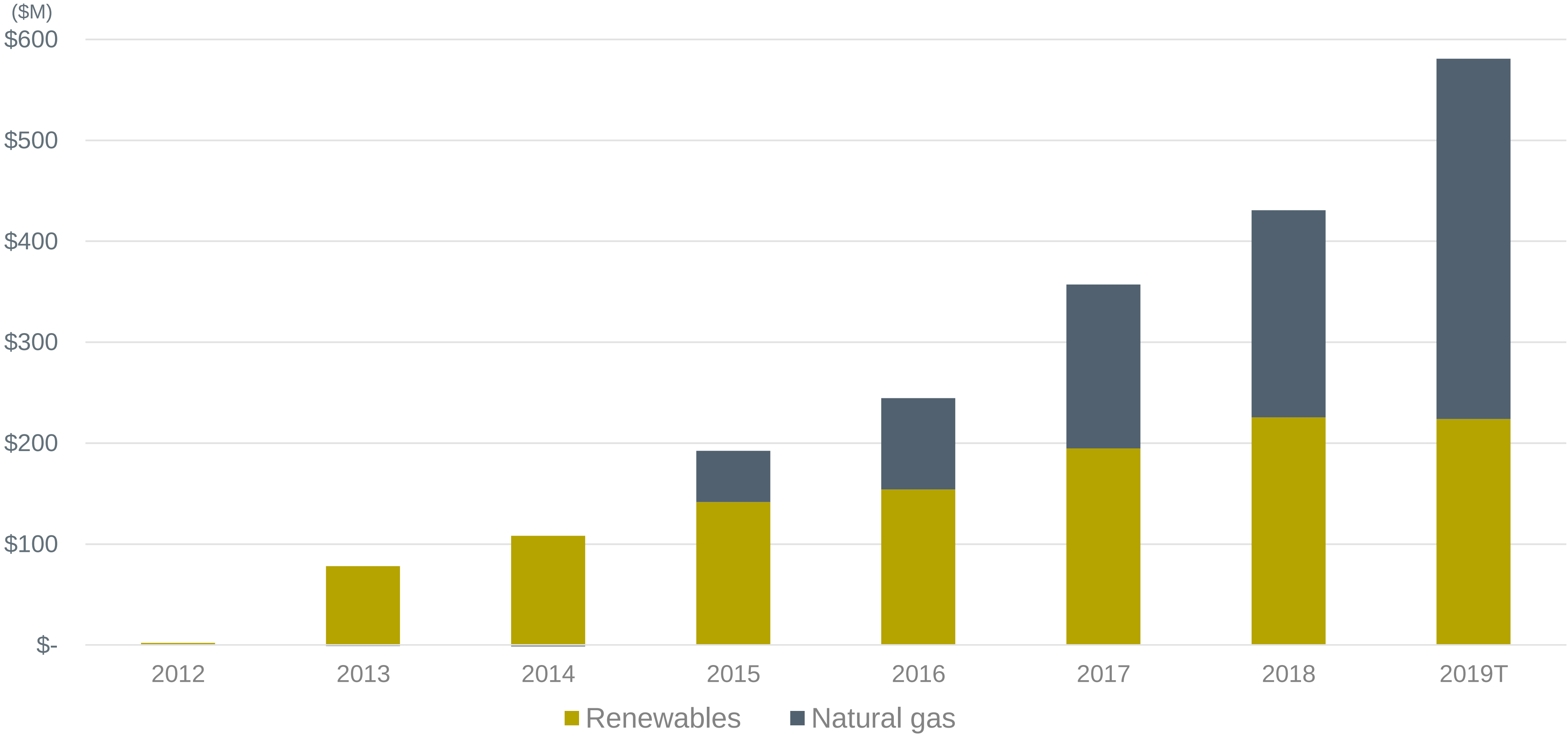
# Adjusted EBITDA growth from new assets(1-5)




**Growth capex since 2012 averages ~$650M(5) per annum**

1) Margins have been averaged over the periods except in the year of commissioning/acquisition. 2) Capital Power's share of adjusted EBITDA for all assets. 3) Includes both merchant and contracted components of Shepard and Halkirk. The merchant components include contributions from trading activity attributable to the plants' production. 4) Includes finance lease principal payments for 2012-2018. 5) Includes gross capex from tax-equity investments.

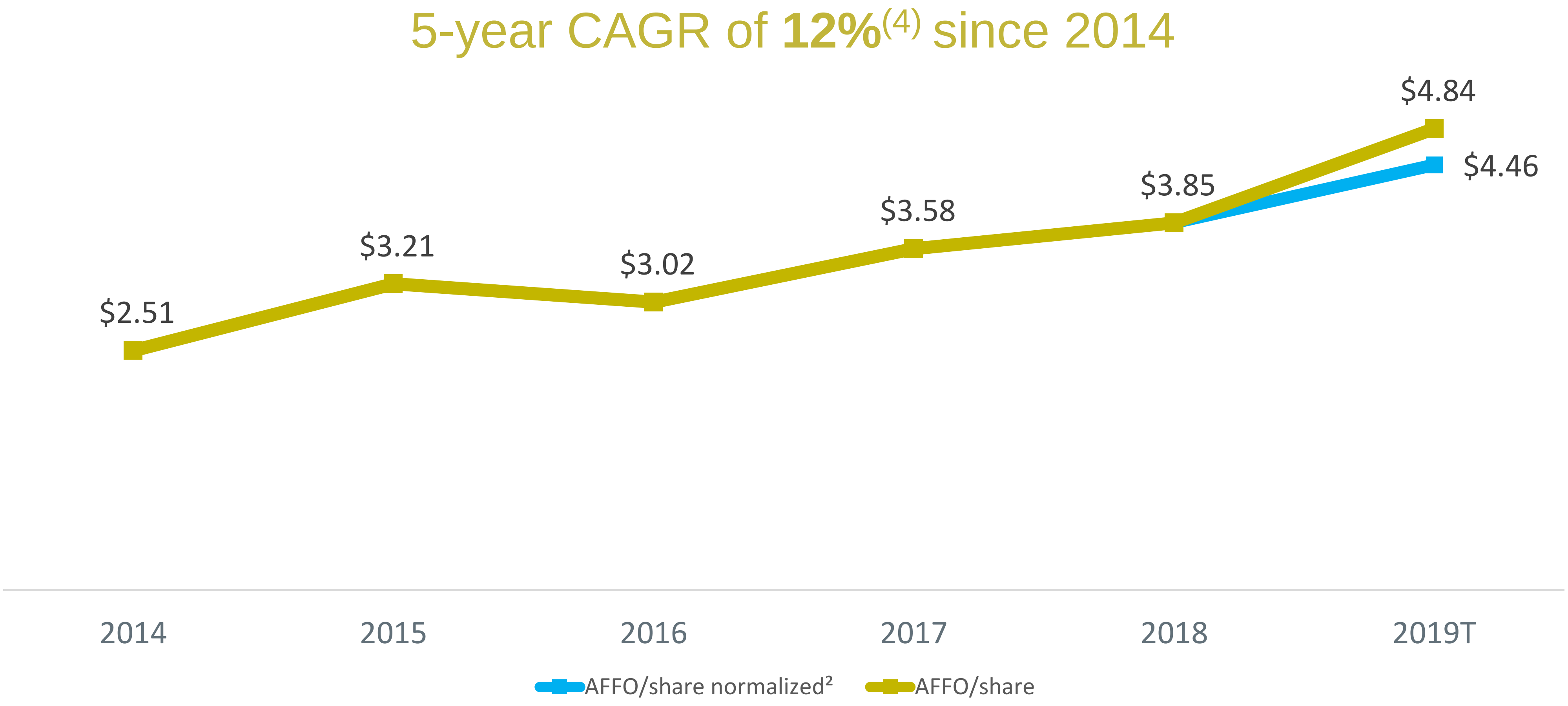
# Adjusted EBITDA growth from new assets(1-3)




**Acquired 5 contracted natural gas assets totalling 2,534 MWs since 2016**

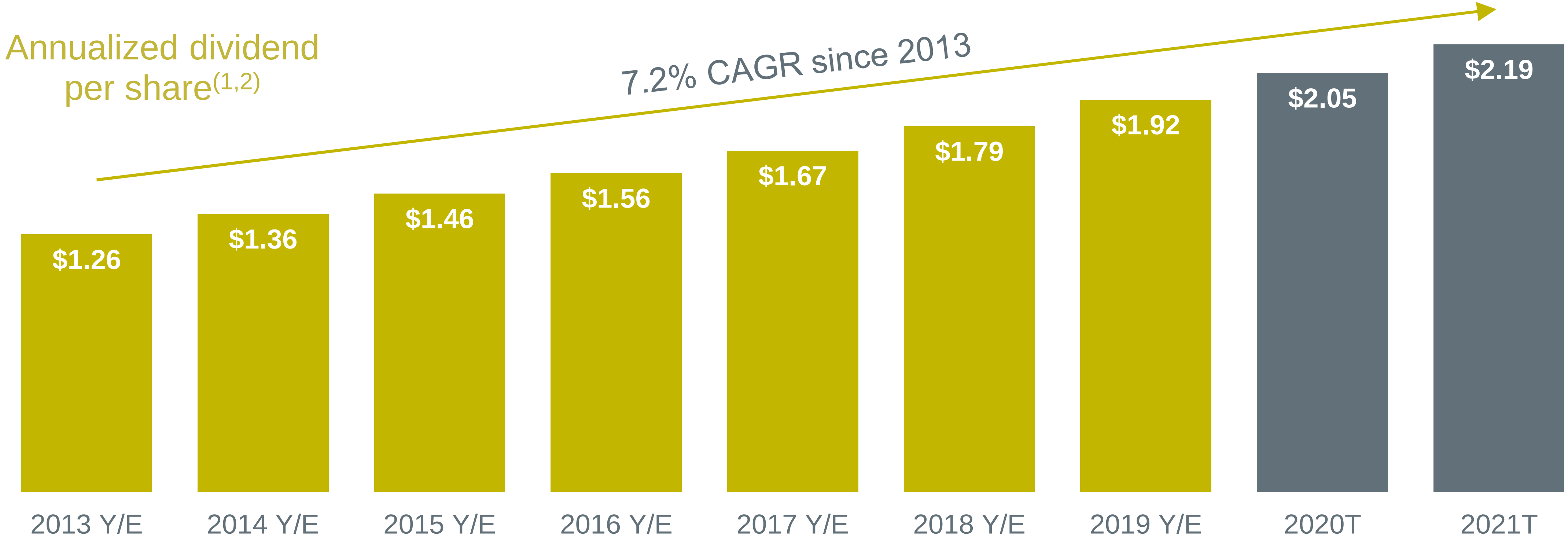
1) Margins have been averaged over the periods except in the year of commissioning/acquisition. 2) Capital Power's share of adjusted EBITDA for all assets. 3) Includes both merchant and contracted components of Shepard and Halkirk. The merchant components include contributions from trading activity attributable to the plants' production. 4) Includes finance lease principal payments for 2012-2018. 5) Includes gross capex from tax-equity investments.

# Growing AFFO(1,3) per share




1) Represents Adjusted FFO (2018 method), less the portion allocated to the non-controlling interest (calculated consistent with the proportion of income and distributions allocated to the non-controlling interest in each period). Commencing in 2016, there is no longer a non-controlling interest, therefore, for 2016 onward this metric reflects adjusted FFO (2018 method).
2) 2019 normalized for non-recurring component of 2019 Arlington Valley toll payment.
3) 2019 is based on midpoint of $485M - $535M guidance range.
4) 5-year CAGR from 2014 to 2019 based on normalized AFFO per share for 2019.

# Dividend growth guidance to 2021

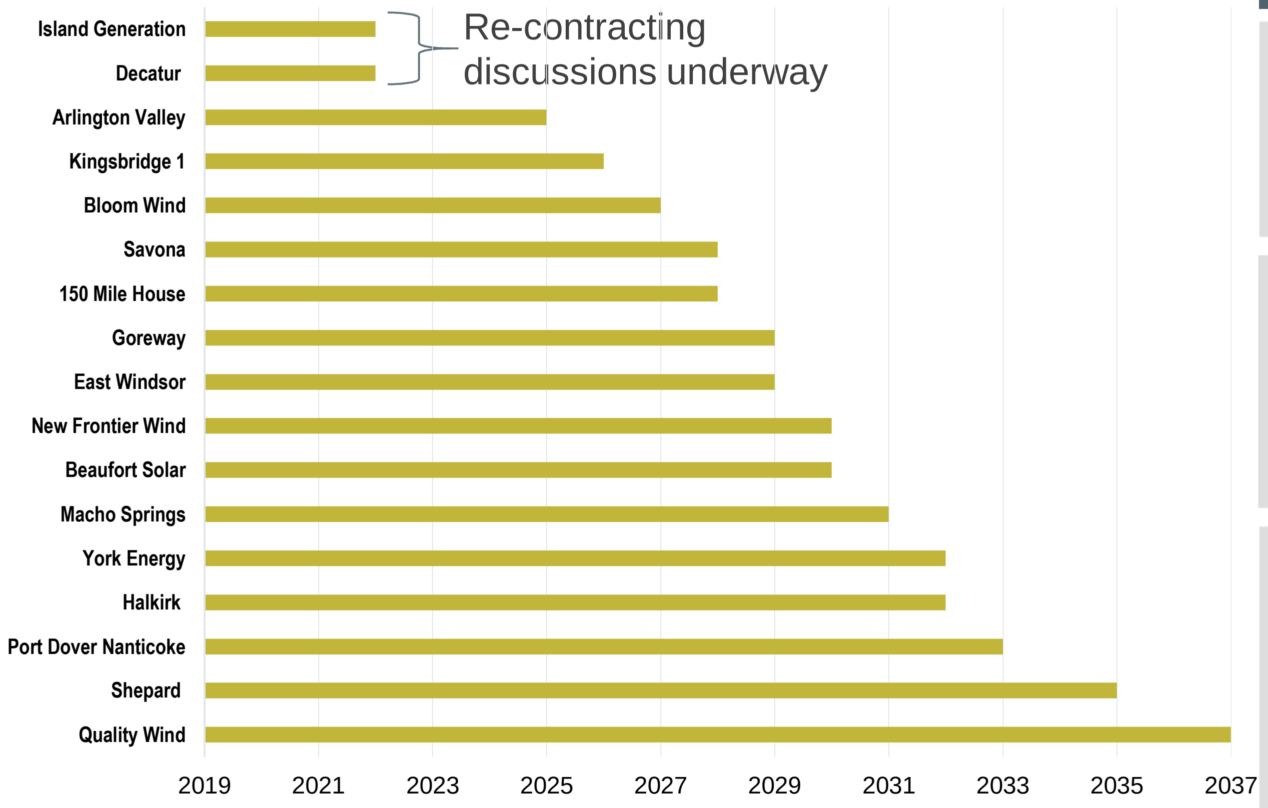



***Delivering consistent annual dividend growth supports EBITDA multiple expansion***

1) Subject to market conditions, economic outlook, cash flow forecast, and Board approval at the time.
2) 2013 to 2019 annualized dividend based on year-end quarterly common shares dividend declared.

# Re-contracting of near term PPAs

## PPA Expiries




| Facility | PPA Expiry & Counterparty | Re-contracting Outlook |
|---|---|---|
| Island Generation (BC) | 2022 (BC Hydro) | ▪ Provides critical back-up and reliability services to Vancouver Island |
| Decatur (Alabama) | 2022 (Tennessee Valley Authority) | ▪ Strong history of re-contracting<br>▪ Need for capacity due to supply retirements and load growth |
| Arlington Valley (Arizona) | 2025 (Arizona Public Service Co.) | ▪ Well-positioned asset required for transmission<br>▪ Attractive Desert Southwest market with growing demand and low investment risk environment |

Ontario Natural Gas Portfolio | **1,159 MW**

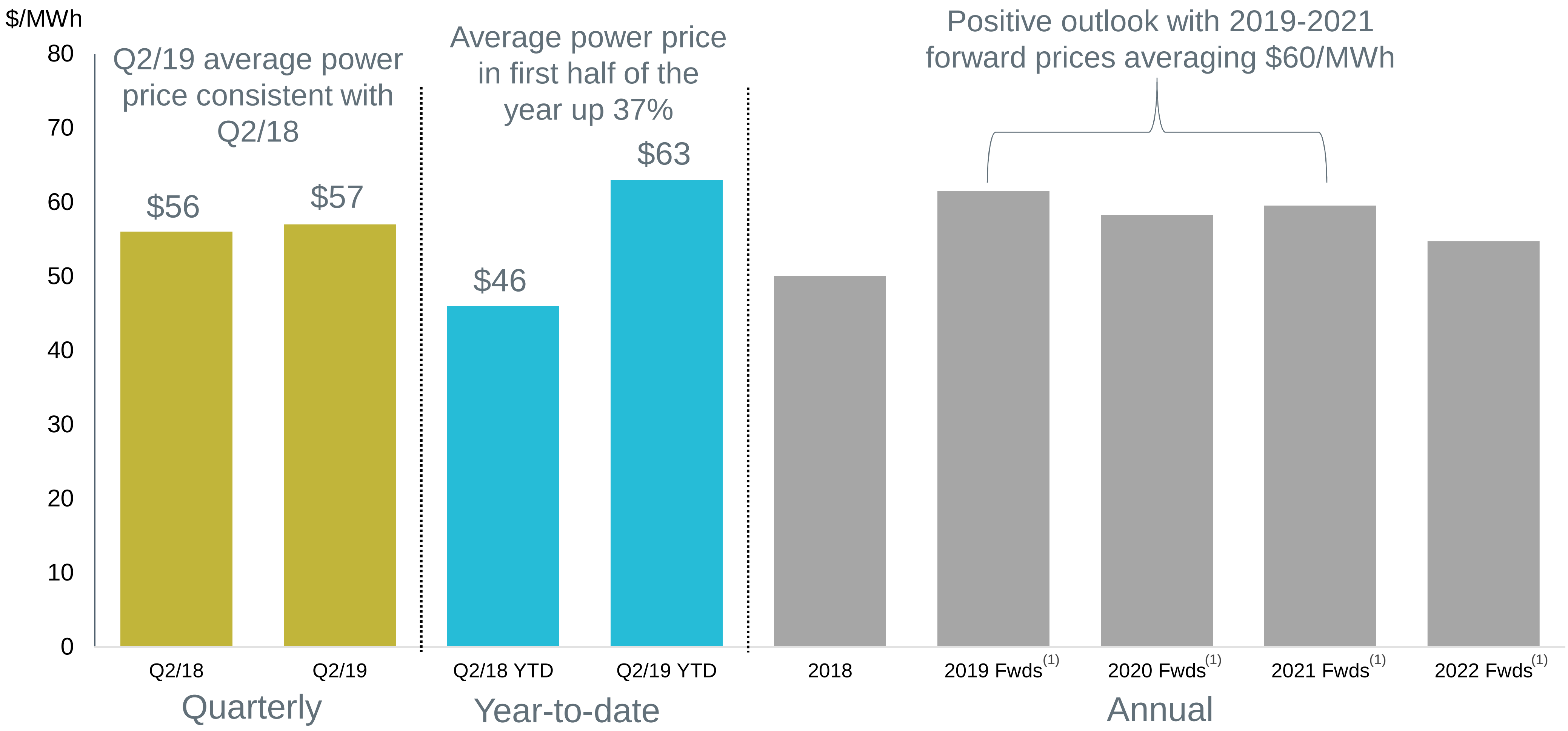

# Ontario power market

- 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

# Alberta Power Market

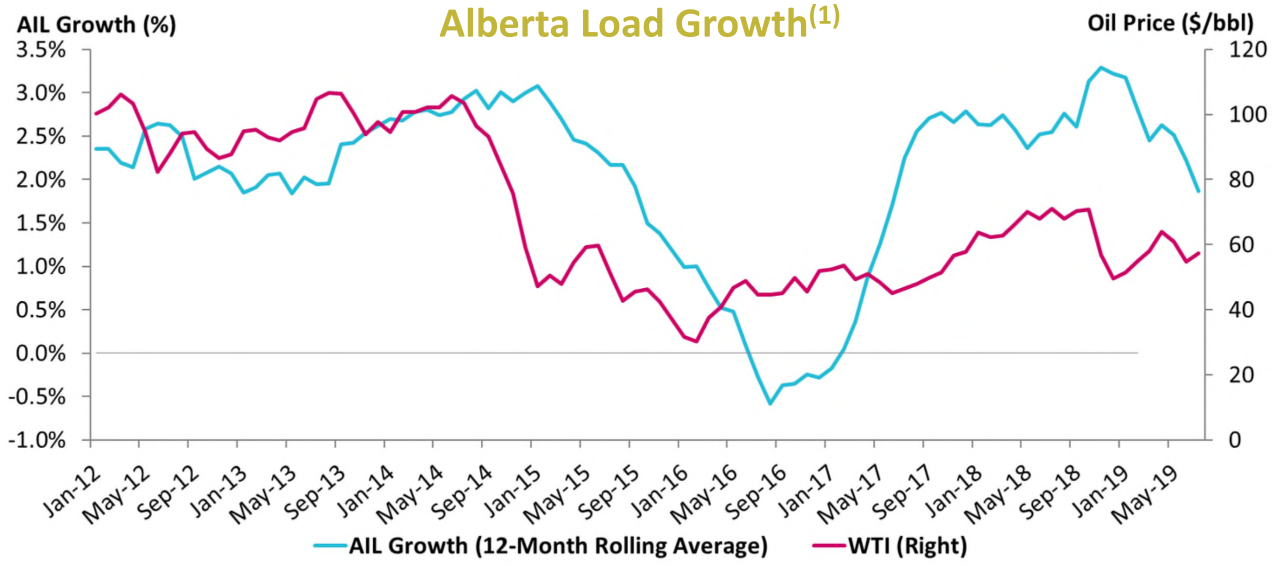
- Positive outlook for power prices
- Demand growth outlook of 1-2%
- Decline in baseload supply
- Energy-only market has successfully attracted investments into Alberta

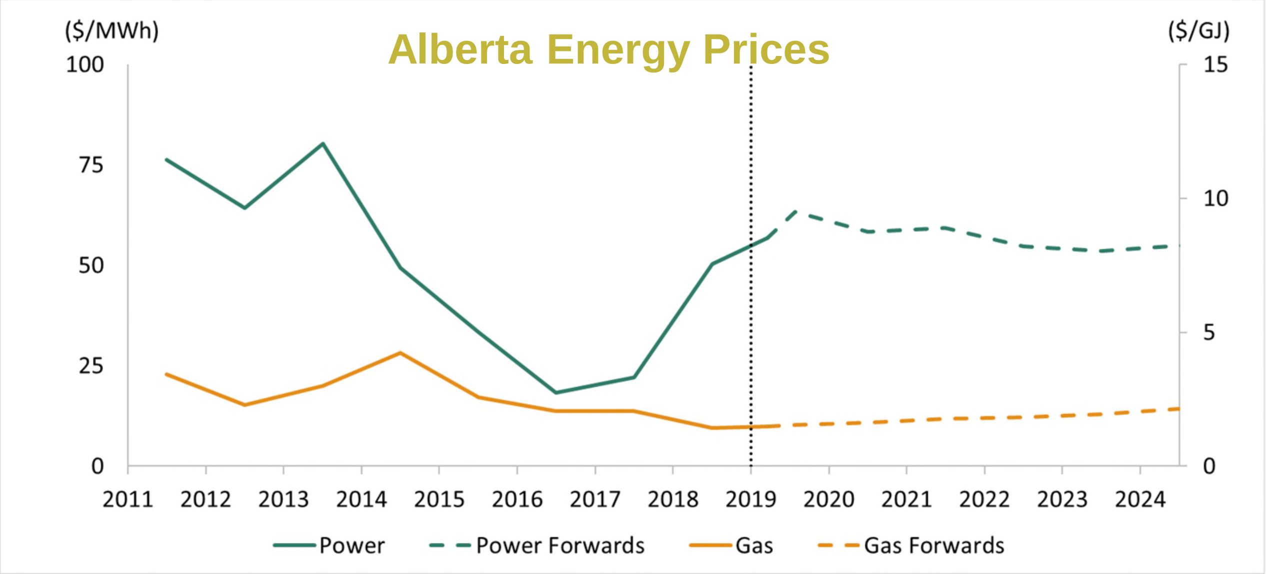
# Positive outlook in Alberta power prices




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

# Positive Alberta power market fundamentals




- Alberta load growth is temporarily levelling off with the government imposed oil curtailments
- PPA termination and mothballing of coal units has led to sustainable power prices
- Forward gas prices remain low

1) Alberta Internal Load normalized for weather. Source: Capital Power, EIA.

# Portfolio optimization

## Alberta commercial portfolio positions

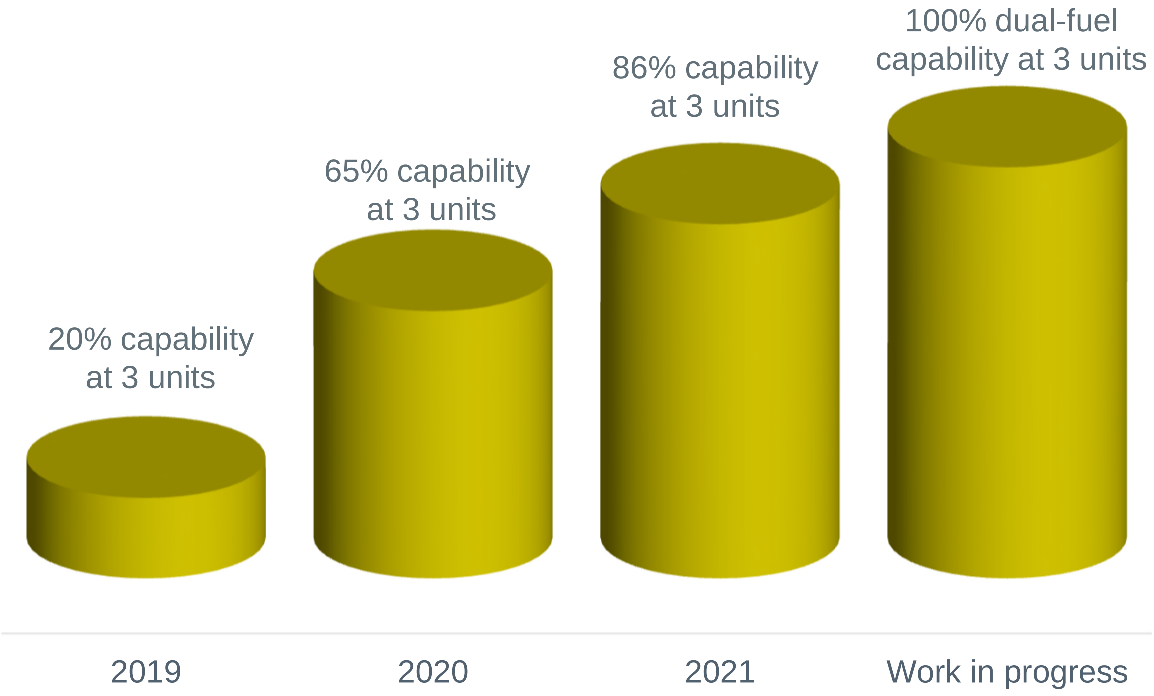
| | 2020 | 2021 | 2022 |
|---|---|---|---|
| % sold forward(1) | 41% | 4% | 9% |
| Contracted prices(1) ($/MWh) | Mid-$50 | Low-$60 | Low-$50 |
| | | | |
| Current average forward prices(2) ($/MWh) | $58 | $60 | $55 |

- 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.

# Genesee dual-fuel capability

## Optimizing fuel mix between natural gas and coal to maximize economic returns and further reduce greenhouse gas emissions




- $50M capital costs to completely transform Genesee 1 & 2 to dual-fuel and 40% gas capability for Genesee 3
- Financial benefits highly dependant on carbon cost and natural gas price assumptions
- AFFO estimated to increase $10M in 2020 and $20M in 2021
- Conversion work can be completed within regular planned outages
- Approval received for the construction of new high-pressure natural gas pipeline; expected completion by Q2/20
- Coal operations at Genesee currently planned to continue up to end of 2029; facility will continue as a 100% natural gas-fired facility up to an additional 10 years after 2029

Agreement with TransAlta to swap interests in Keephills 3 / Genesee 3; Capital Power will have 100% ownership and control of Genesee in Q4/19

# Capital Power is well-positioned in Alberta

## Continuation of energy-only market supports market-driven power prices

| Young Assets | High Availability | Advantaged Locations | Conversion Optionality | Market Knowledge |
| --- | --- | --- | --- | --- |

- Competitive fixed and variable costs
- High capture prices due to high availability and strategically located wind assets
- Implementation of dual-fuel capability increases value through optionality
- Potential for good operators to capture more value

# Growth Strategy

- Strong renewable pipeline including 1,200 MW of U.S. wind development
- Potential natural gas plant acquisitions
- Growth target of $500M committed capital per year for contracted opportunities


# Goreway Power Station

## Young, high-quality natural gas facility with excellent operating history

- **Capacity:** 875 MW
- **Location:** Brampton, Ontario within the GTA load centre on 21 hectares of land
- **Commercial Operations:** June 2009 (~10 years old)
- **Equipment:** Best in class gas-fired generation equipment
  - Upgraded GE 7FB.04 combustion turbines
  - 3 Deltak heat recovery steam generators
  - Siemens steam turbine

***Completed acquisition in June 2019***

# Strategic acquisition of Goreway Power in Ontario

## $1B acquisition materially increases contracted adjusted EBITDA and accretive to AFFO per share

- **Transaction:** Acquired Goreway Power Station from JERA Co. Inc. and Toyota Tsusho Corporation for $410M cash consideration and assumption of $590M of project debt
- **PPA:** 10 years remaining (20-year PPA with Ontario IESO to Jun/29)
- **Financing:** Net proceeds from $150M subscription receipt offering, $150M preferred shares, and $325M private placement debt financing
- **Accretion:** Based on expected financing, immediate accretion of $0.27 to AFFO per share in 2020 representing growth of 6%
- **Synergies:** Now have 3 gas plants in Ontario; portfolio approach for sale of energy & ancillary market revenues, gas procurement cost savings, and operational synergies

**Financial Projections**

<u>Full year 2020</u>

- Adjusted EBITDA: $124M
- AFFO: $50M

<u>Average for 2020-2023</u>

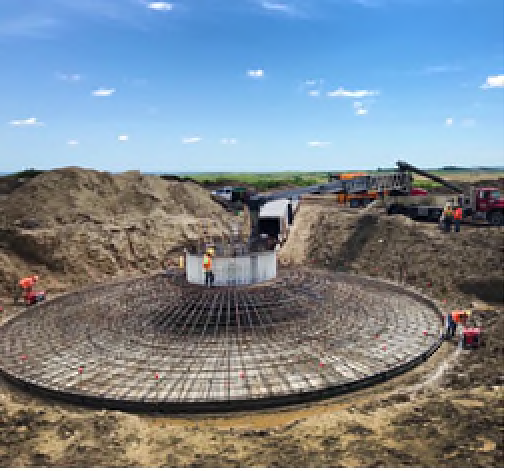
- Adjusted EBITDA: $127M
- AFFO: $56M

**Valuation**

- ~7.9x EV/EBITDA multiple (2020E EBITDA)

**Credit Ratings**

- Neutral impact (S&P, DBRS)



# Two wind projects under construction

## 350 MW of long-term contracted wind facilities to be added by Q1/20

### 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

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

# Visible pipeline of growth opportunities in targeted markets


**>2,000 MW**
Potential wind developments

**>3,500 MW**
Potential gas developments

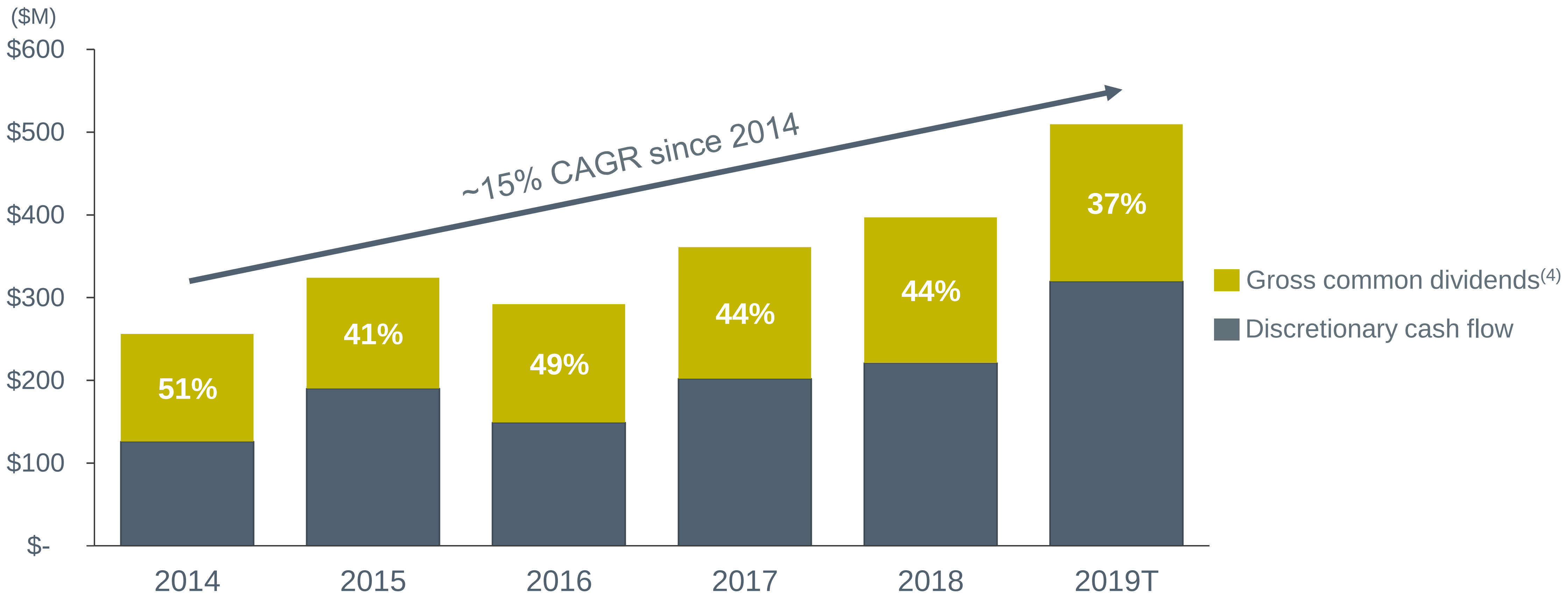
**>250 MW**
Potential solar developments

# Financial

- AFFO growth supports dividend growth
- Ability to fund targeted $500M growth per year without accessing equity markets
- Maintain investment grade credit rating

# AFFO[1,2] growth & conservative payout supports dividend growth

## Expect to generate ~$320M[3] in discretionary cash flow in 2019

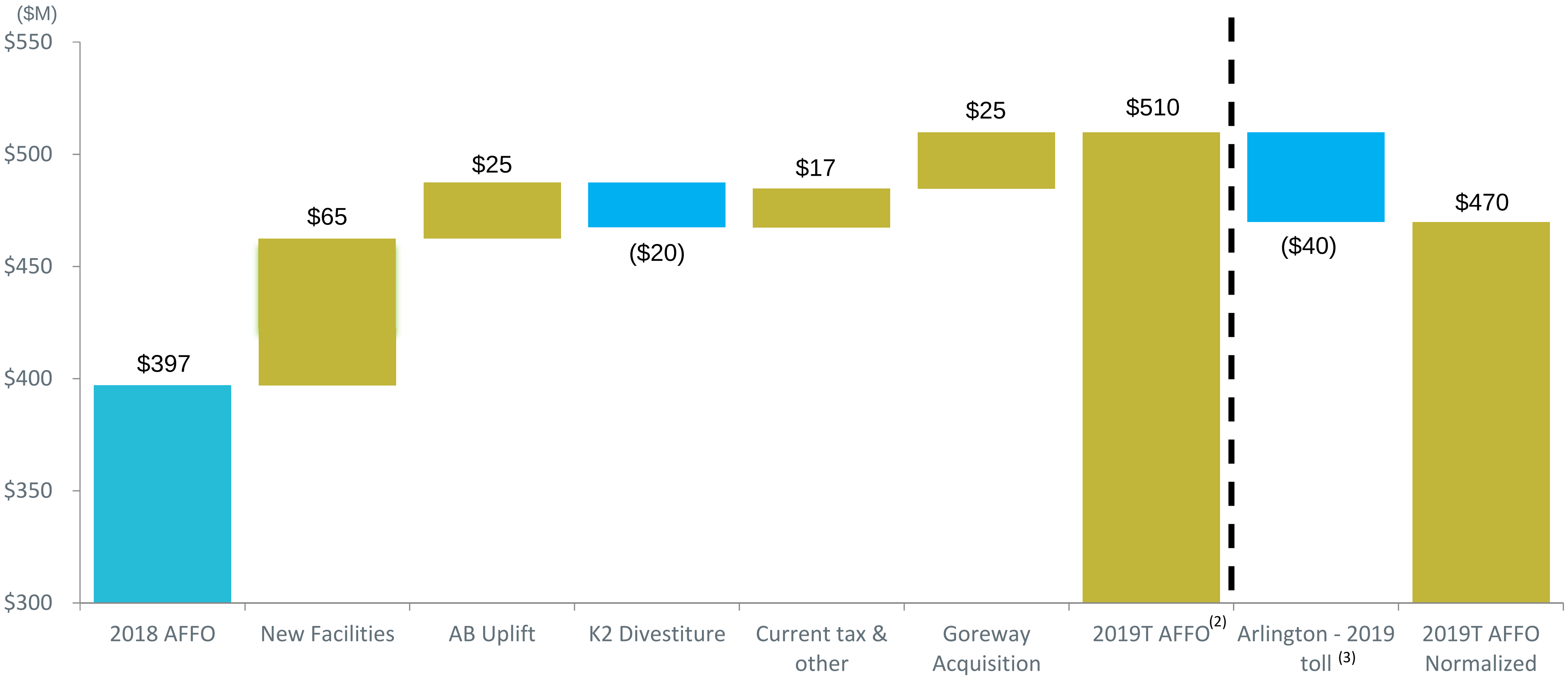



**Long-term AFFO payout ratio target of 45-55%**

1) AFFO is a non-GAAP measure. 2) Historical AFFO figures restated using Adjusted AFFO (2018 method). 3) DCF excludes project debt principal repayments (2019: $55M). 4) Includes cash dividends, dividends retained under DRIP, and distributions to EPCOR. 5) 2019 represents midpoint of updated $485 - $535M guidance range.

# AFFO[1] for 2019

## 18% normalized increase driven by development and acquisitions




1) AFFO is a non-GAAP financial measure.
2) Based on midpoint of the $485M - $535M guidance range.
3) Non-recurring component of 2019 Arlington Valley toll payment.

# Cash flow and financing outlook

## Sufficient funding for current growth projects

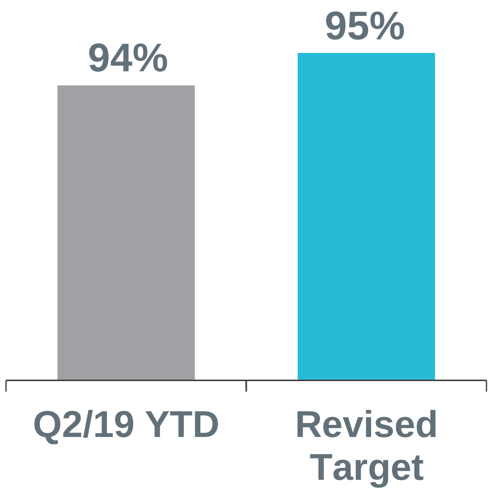
| Sources of cash flow | 2019T ($M) |
|---|---|
| Funds from operations[1] + off-coal compensation | $645 |
| Proceeds from disposal of K2 Wind | $215 |
| January Canadian MTN issuance | $300 |
| Subscription Receipts for common shares | $150 |
| Preferred Shares | $150 |
| Private Placement | $325 |
| | $1,785 |
| **Uses of cash flow** | |
| Dividends (common & preferred shares) | ($240) |
| Debt repayment[2] | ($555) |
| Genesee Performance Standard[3] | ($15) |
| Enhancement capex | ($25) |
| Sustaining and maintenance capex | ($85) |
| Development capex – Whitla & Cardinal Point | ($515) |
| Goreway Power Station (cash consideration) | ($410) |
| | ($1,845) |
| **Deficit** | **($60)** |

1) Funds from operations is a non-GAAP financial measure. See "Non-GAAP financial measures".
2) Excludes debt repayments to tax equity investor & equity accounted investment debt repayments. Includes principal payments on finance lease payables.
3) Genesee Performance Standard (GPS) is a program to reduce $CO_2$ and improve coal plant efficiency. Total program costs of ~$35M.

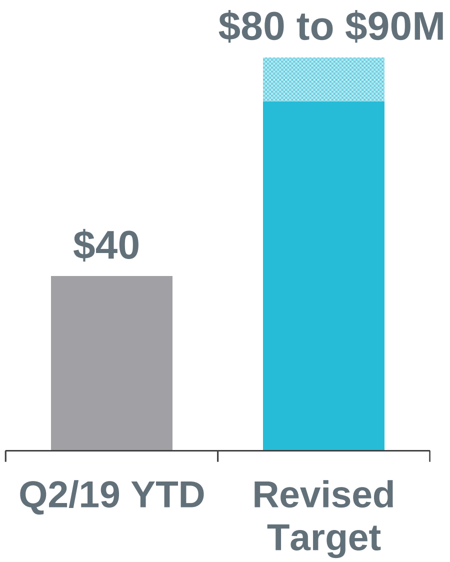
# 6-month performance versus 2019 annual targets

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

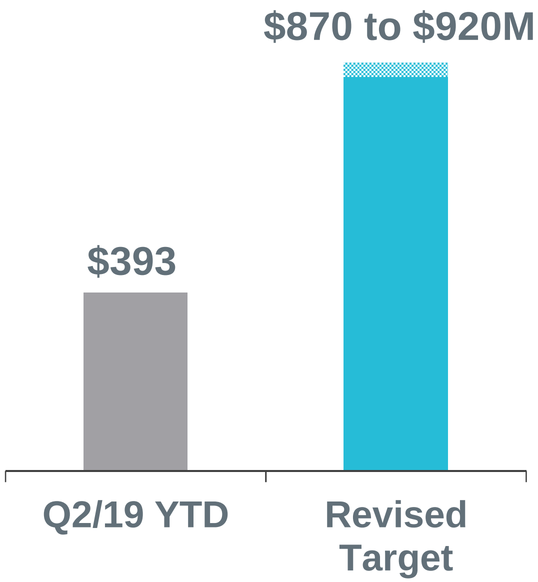
### Facility availability



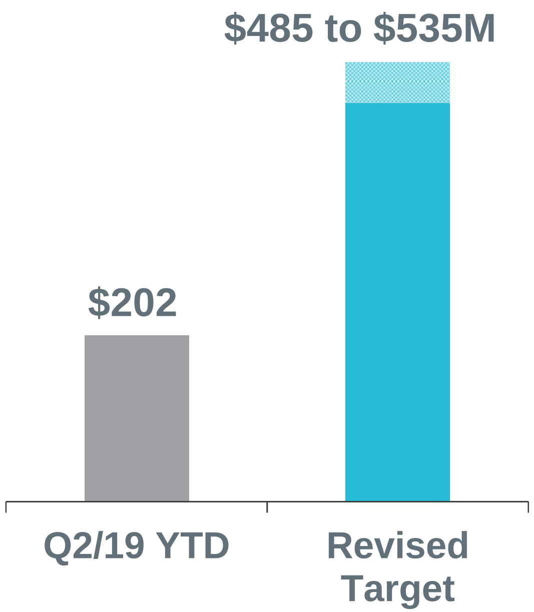

### Sustaining capex




### Adjusted EBITDA




### AFFO




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

# Sustainability and Investment Opportunity

# Sustainability – creating responsible energy for tomorrow

## Environment

- 2/3 of generation capacity from natural gas and renewables with focused growth in these areas
- Implementation of dual-fuel capability at coal facilities with eventual 100% coal to gas conversion
- World leading carbon reduction program (targeting 10% reduction in GHG emissions)
- Investing in innovative technology - carbon capture and utilization with C2CNT

## Social

- 44% women on Board and 33% on Executive team that is consistent with our policy of having 30% female representation at minimum for both our Board and Executive team
- Successful stakeholder engagement program aimed at being “neighbor of choice”
- Community investment – in past 5 years, have invested $5.1 million in our communities
- Named one of Canada’s 50 Best Corporate Citizens for eight consecutive years

## Governance

- Named one of the 2019 World’s Most Ethical Companies by Ethisphere
- Increased ESG leadership with Board mandate formally recognizing ESG as a core part of governance and business strategy
- Appointed a Chief Sustainability Officer
- 92% of shareholders voted in favor of a “Say on Pay” resolution on approach to Executive Compensation
- Reporting transparent Climate-related financial disclosure (TCFD)

# Sustainability reporting

- 2018 Corporate Sustainability Report (CSR) released July 29/19
  - 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
- Plan to release our first integrated report in Feb/20 that combines annual financial, environment, social and governance disclosures


1) Based on our current fleet.

# Strategically evolving our portfolio

| | Generation technology[1,2] | Contracted capacity[1,2] | North American footprint[1,2] | AFFO per share[2] |
|---|---|---|---|---|
| 2014 | 33% Gas and renewables | 58% Contracted | 76% Alberta | $2.51 |
| 2019 | 67% Gas and renewables | 79% Contracted | 51% Alberta | $4.84[3] |
| | **Renewables and gas growth** | **Greater visibility** | **Geographic diversification** | **Increased cash flow per share** |

1) Based on Adjusted EBITDA excluding G&A expenses and including off-coal compensation and finance lease principal payments.
2) Adjusted EBITDA and AFFO per share are non-GAAP financial measures.
3) Based on midpoint of the $485M - $535M guidance range.

# Investment opportunity

## Delivering on or exceeding 2019 Targets

- Goreway Power acquisition
- Guiding to the top end of AFFO financial target

## Proven track record and guidance for sustainable dividend growth

- AFFO per share growth of 12%
- 2013 to 2021 annualized dividend growth of 7%

## Excellent long term outlook

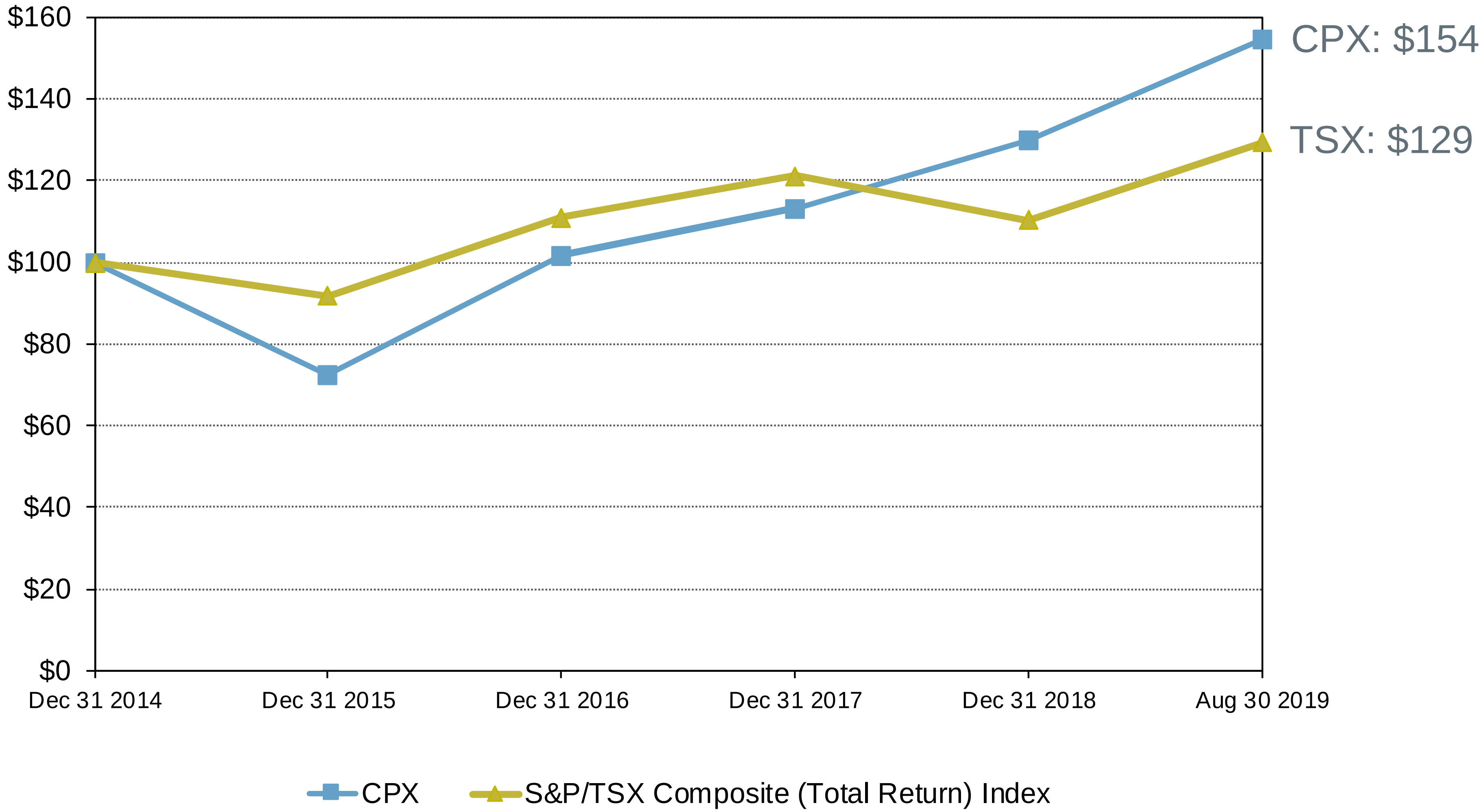
- Foundation of great assets
- Pipeline of growth opportunities
- Constructive trends

# Appendices

- Total shareholder return
- Alberta portfolio optimization
- Alberta’s coal fleet
- DCF supports dividend growth
- Credit rating metrics
- Debt maturity schedule
- Summary of assets
- Projects under development/construction

# Total shareholder return

## CPX has delivered an average annual TSR of 11.6% since 2014[1]

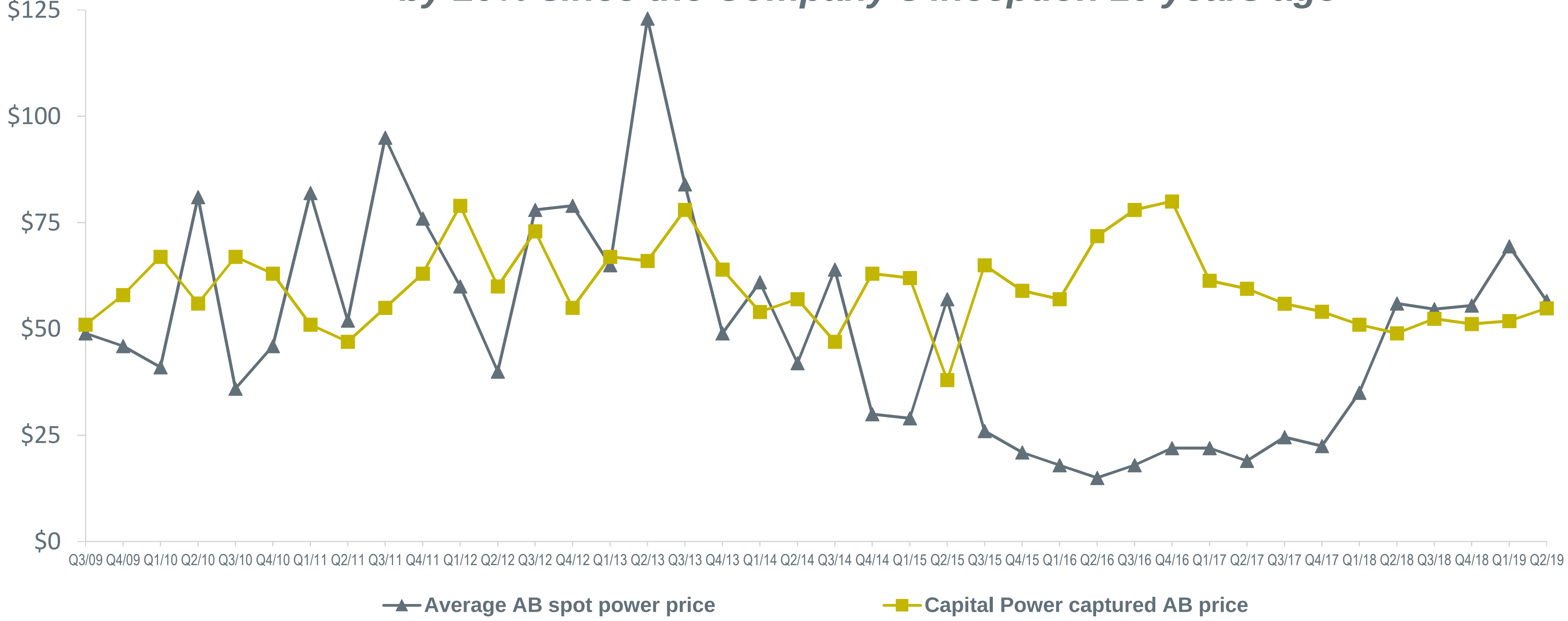



1) Assumes $100 invested in CPX on Dec 31, 2014 and reinvestment of dividends.

# Maximizing the Alberta commodity portfolio

## Creating incremental value and stability through market expertise

***Average realized power prices(1) have exceeded spot power prices by 20% since the Company's inception 10 years ago***




1) Based on the Alberta baseload plants and the acquired Sundance PPA plus the uncontracted portion of Shepard Energy Centre baseload. Effective Mar/16, Sundance PPA is no longer a part of Capital Power's baseload generation due to termination of the Sundance PPA.

# Alberta's coal fleet

## Retirements under federal / provincial regulations and conversion to gas

| Facility | AESO max capacity (MW) | Age in 2019 (yrs) | End of coal life (CLP)[1] | Current Status | Coal to gas conversion Expectation | PPA status |
|---|---|---|---|---|---|---|
| Battle River 3 | 149 | 50 | 2019 | Online | Co-firing with gas | Merchant |
| Sundance 1 | 288 | 49 | 2019 | Retired Jan 2018 | | PPA expired end of 2017 |
| H.R. Milner | 144 | 47 | 2019 | Online | Co-firing with gas | Merchant |
| Sundance 2 | 288 | 46 | 2019 | Retired Jul 2018 | | PPA expired end of 2017 |
| Battle River 4 | 155 | 44 | 2025 | Online | ~50% Co-firing with gas[3] | Merchant |
| Sundance 3 | 368 | 43 | 2026 | Mothballed until Nov/21 | AUC approved; CtG 2020-23 | Returned to TA in Apr/18 |
| Sundance 4 | 406 | 42 | 2027 | Online | AUC approved; CtG 2020-23 | Returned to TA in Apr/18 |
| Sundance 5 | 406 | 41 | 2028 | Mothballed until Nov/21 | AUC approved; CtG 2020-23 | Returned to TA in Apr/18 |
| Sundance 6 | 401 | 39 | 2029 | Online | AUC approved; CtG 2020-23 | Returned to TA in Apr/18 |
| Battle River 5 | 385 | 38 | 2029 | Online | AUC approved; CtG 2019[3] | Returned to ATCO Oct/18 |
| Keephills 1 | 395 | 36 | 2029 | Online | AUC approved; CtG 2020-23 | Balancing Pool; Dec/20 expiry |
| Keephills 2 | 395 | 35 | 2029 | Online | AUC approved; CtG 2020-23 | Balancing Pool; Dec/20 expiry |
| Sheerness 1 | 400 | 33 | 2030 | Online | AUC approved; CtG 2019-22 | Balancing Pool; Dec/20 expiry |
| **Genesee 2** | **400** | **30** | **2030** | **Online** | **Co-firing; 100% dual-fuel 2020** | **Balancing Pool; Dec/20 expiry** |
| Sheerness 2 | 390 | 29 | 2030 | Online | AUC approved CtG; 2019-22 | Balancing Pool; Dec/20 expiry |
| **Genesee 1** | **400** | **25** | **2030** | **Online** | **Co-firing; 100% dual-fuel 2021** | **Balancing Pool; Dec/20 expiry** |
| **Genesee 3[2]** | **466** | **14** | **2030** | **Online** | **Co-firing; up to 40% gas 2021** | **Merchant** |
| **Keephills 3[2]** | **463** | **8** | **2030** | **Online** | **AUC applied CtG 2020-23** | **Merchant** |

1) Current coal regulations under Climate Leadership Plan (Alberta)
2) Capital Power and TransAlta Corporation are 50% owners on Genesee 3 (G3) and Keephills 3 (K3). Effective Q4/19, Capital Power will own 100% of G3 and TransAlta will own 100% of K3.
3) ATCO's disclosure (May 8, 2019 Annual General Meeting)

# Discretionary cash flow supports dividend growth target[1]

**$500M**
Capital

**$50M**
EBITDA

**$36M[2]**
AFFO

**8.1%**
AFFO/share Growth

**7%**
Dividend Growth

**AFFO growth from discretionary cash flow covers 7% annual dividend growth without dilution to existing shareholders**

1) Assumes a 10x EBITDA multiple and a capital structure of 50% DCF, and 50% debt issued at 7 year indicative rate of 4.8%. AFFO growth is compared to the 2019 target midpoint of $445M, normalized for non-recurring component of Arlington Valley toll.
2) AFFO includes a reduction of $2M from expected maintenance CAPEX.

# Financial strength

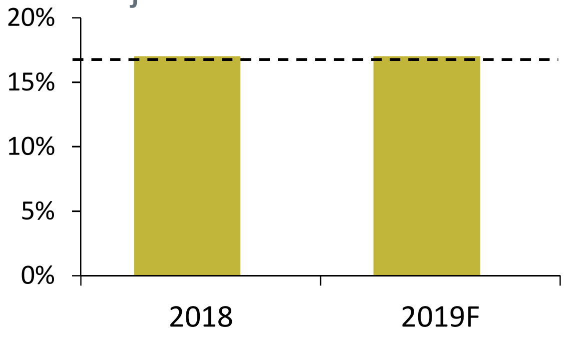
## Strong balance sheet and commitment to investment grade credit ratings

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

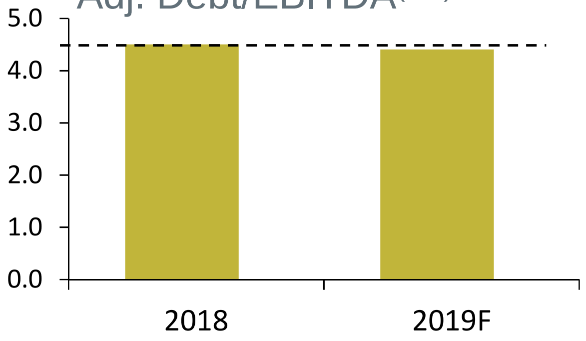
- Strong liquidity from cash flow from operations and $1B of committed credit facilities with 5-year tenor
- Including Goreway acquisition, forecast metrics remain within rating agency expectations
- As a result, both rating agencies have confirmed Goreway acquisition is neutral to existing credit ratings

***Within S&P financial criteria for current rating***

Adj. FFO/Debt(1-3)

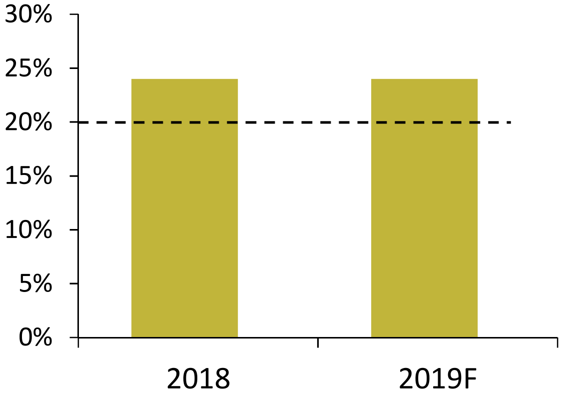



Adj. Debt/EBITDA(1-3)

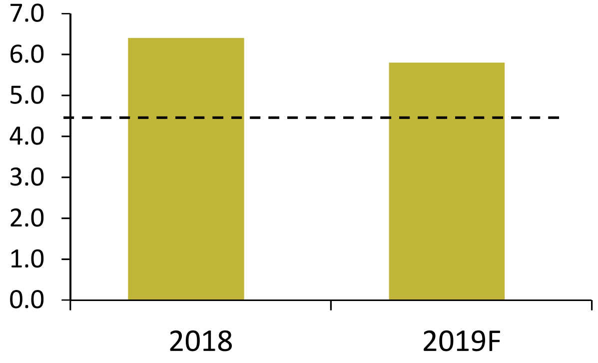



***Within DBRS financial criteria for current rating***

Adj. Cash flow/Debt(1,3)



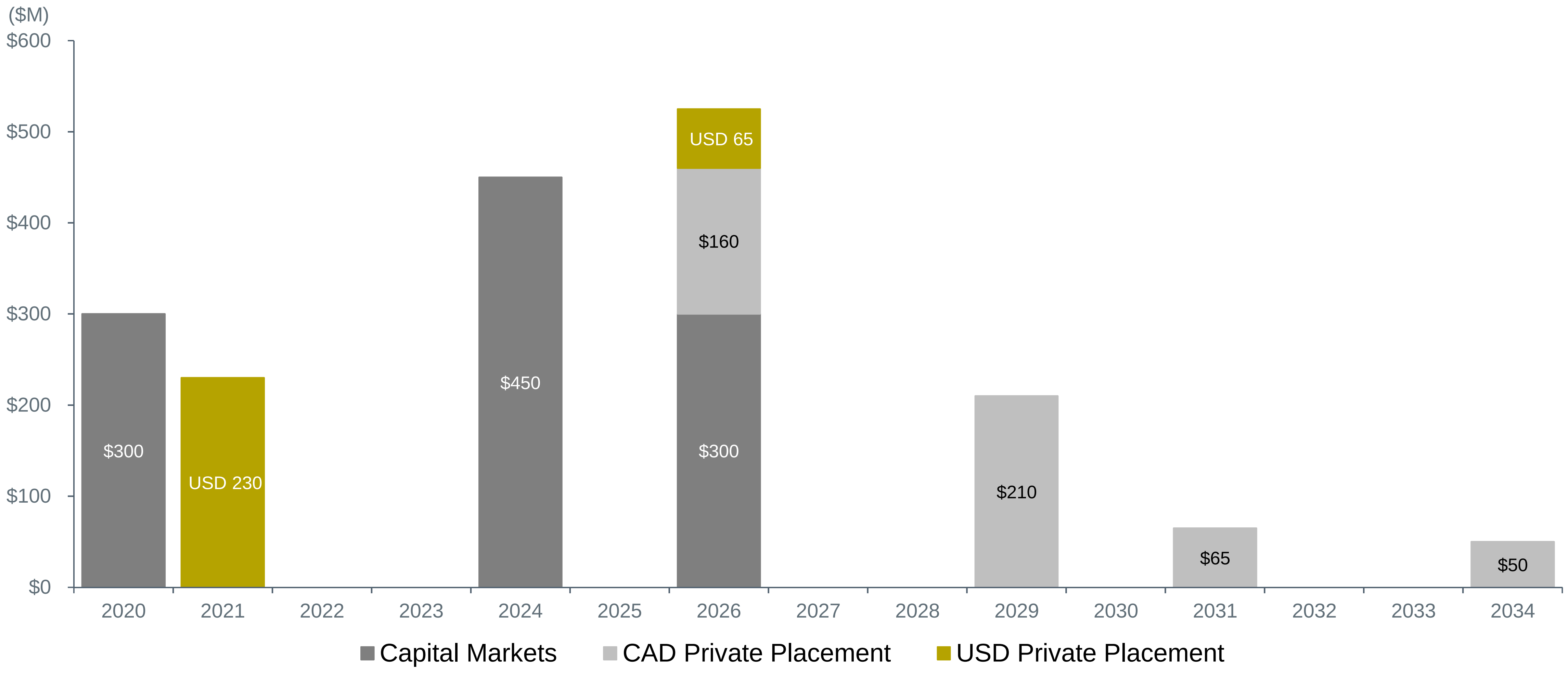

Adj. EBITDA/Interest(1,3)




1) Cash flow and adjusted EBITDA amounts include off-coal compensation.
2) Based on S&P's weighted average ratings methodology.
3) 2019F means 2019 forecast. See "Forward-looking information".

# Debt maturity schedule[1]

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




1) Debt amounts as of June 30, 2019 excludes non recourse debt, credit facility debt, and tax-equity financing.

# Summary of assets

| | Alberta Contracted | | Alberta Commercial | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Genesee 1** | **Genesee 2** | **Genesee 3** | **Keephills 3** | **Joffre** | **Clover Bar Energy Centre** | **Clover Bar Landfill** | **Halkirk** | **Shepard Energy Centre** |
| **Capacity** | 430 MW | 430 MW | 516 MW | 516 MW | 480 MW | 243 MW | 5 MW | 150 MW | 800 MW |
| **% owned / operated** | 100 / 100 | 100 / 100 | 50 / 100 | 50 / 0 | 40 / 0 | 100 / 100 | 100 / 100 | 100 / 100 | 50% / 0% |
| **Location** | Warburg | Warburg | Warburg | Wabamun | Joffre | Edmonton | Edmonton | Halkirk | Calgary |
| **Fuel & equipment** | Coal (50% ownership of coal mine) | Coal (50% ownership of coal mine) | Coal (50% ownership of coal mine) | Coal | Natural gas (Combined cycle cogeneration) | Natural gas (Two 100 MW GE LMS100 turbines; 43 MW GE LM6000) | Landfill gas | Vestas wind turbines | Natural gas (Combined cycle; two Mitsubishi G-Class natural gas turbines; steam turbine) |
| **Commercial Operations** | 1994 | 1989 | 2005 | 2011 | 2000 | Unit 1 in 2008; units 2&3 in 2009 | 2005 | 2012 | 2015 |
| **PPA Expiry & Counterparty** | 2020<br><br>Balancing Pool | 2020<br><br>Balancing Pool | Merchant | Merchant | Primarily merchant with some revenues under contract | Merchant | Merchant | Large portion of total revenues from 20-year REC sale agreement / Merchant | 20-year tolling agreement with ENMAX on 50% of Capital Power's output |

# Summary of assets

| | Ontario & British Columbia Contracted | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Island Generation** | **Quality Wind** | **Savona** | **150 Mile House** | **Port Dover & Nanticoke** | **Kingsbridge 1** | **York Energy** | **East Windsor** | **Goreway** |
| **Capacity** | 275 MW | 142 MW | 5 MW | 5 MW | 105 MW | 40 MW | 400 MW | 84 MW | 875 MW |
| **% owned / operated** | 100 / 100 | 100 / 100 | 100 / 0 | 100 / 0 | 100 / 100 | 100 / 100 | 50 / 100 | 100 / 100 | 100 / 100 |
| **Location** | Campbell River, BC | Tumbler Ridge, BC | BC | BC | Counties of Norfolk and Haldimand, Ontario | Goderich, Ontario | Township of King, Ontario | Windsor, Ontario | Brampton, Ontario |
| **Fuel & equipment** | Natural gas (Combined cycle - Alstom GT24B gas turbine & Alstom steam turbine) | Vestas wind turbines | Waste Heat | Waste Heat | Vestas wind turbines | Vestas wind turbines | Natural gas (Simple cycle; two Siemens SGT6-5000F combustion turbine generators) | Natural gas (Cogeneration; two GE LM 6000PD turbines) | Natural gas (Cogeneration; upgraded GE 7FB.04 combustion turbines) |
| **Commercial Operations** | 2002 | 2012 | 2008 | 2008 | 2013 | 2006, 2001 | 2012 | 2009 | 2009 |
| **PPA Expiry & Counterparty** | 2022<br>BC Hydro (AAA) | 2037<br>BC Hydro (AAA) | 2028<br>BC Hydro (AAA) | 2028<br>BC Hydro (AAA) | 2033<br>Ontario IESO A(high) | 2026 / 2027<br>Ontario IESO A(high) | 2032<br>BC Hydro (AAA) | 2029<br>Ontario IESO A(high) | 2029<br>Ontario IESO A(high) |

# Summary of assets

| | U.S. Contracted | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Roxboro | Southport | Macho Springs | Beaufort Solar | Decatur | Bloom Wind | Arlington Valley | New Frontier Wind |
| **Capacity** | 46 MW | 88 MW | 50 MW | 15 MW | 795 MW | 178 MW | 580 MW | 99 MW |
| **% owned / operated** | 100 / 100 | 100 / 100 | 100 / 100 | 100 (sale & leaseback) / 100 | 100 / 100 | 100 / 100 | 100 / 100 | 100 / 100 |
| **Location** | Roxboro, North Carolina | Southport, North Carolina | Luna County, New Mexico | Beaufort County, North Carolina | Decatur, Alabama | Ford and Clark Counties, Kansas | Phoenix, Arizona | McHenry County, North Dakota |
| **Fuel & equipment** | Mixture of wood residuals, tire-derived fuel and coal | Mixture of wood residuals, tire-derived fuel and coal | Vestas wind turbines | Solar | Natural gas (Combined cycle; 3X1 CCGT Siemens 501FD2 combustion turbines) | Vestas wind turbines | Natural gas (two GE 7FA combustion turbines) | Vestas wind tubines |
| **Commercial Operations** | 1987 | 1987 | 2011 | 2015 | 2002 | 2017 | 2002 | 2018 |
| **PPA Expiry & Counterparty** | 2021 Duke Energy Progress (A-) | 2021 Duke Energy Progress (A-) | 2031 Tucson Electric Power (A-) | 2030 Duke Energy Progress (A-) | 2022 Tennessee Valley Authority | 2027 Allianz Risk Transfer (AA-) | 2025 Arizona Public Service Company (A-) | 2030 Meadowlark Wind I LLC |

# Projects under development / construction

| | Alberta Commercial | Alberta Contracted | U.S. Contracted |
|---|---|---|---|
| | **Genesee 4&5** | **Whitla Wind** | **Cardinal Point Wind** |
| **Capacity** | Up to 1,060 MW | 201.6 MW | 150 MW |
| **% owned / operated** | 50 / 100 | 100 / 100 | 100 / 100 |
| **Location** | Warburg | Medicine Hat | McDonough / Warren Counties, Illinois |
| **Fuel & equipment** | Combined-cycle natural gas (Mitsubishi J-Class natural gas turbine technology) | Wind | Wind (technology to be determined) |
| **Expected Commercial Operations** | To be determined | Q4 2019 | March 2020 |
| **PPA Term and Counterparty** | 8-year tolling arrangement with ENMAX for 50% of Capital Power's share of the output. | 20-year contract-for-differences structured contract | 12-year fixed price contract |
| **Expected Capital Cost** | $1.4B for total project (excluding interest during construction and refundable transmission system contribution payments) | $315M to $325M | $289M to $301M |

# 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.

# 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.

# Investor Relations

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FOR TOMORROW