Q3 2019 Analyst Conference Call

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Capital Power

RESPONSIBLE ENERGY
FOR TOMORROW

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 13 of this presentation and in the Company's third quarter 2019 Management's Discussion and Analysis (MD&A) prepared as of October 25, 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.

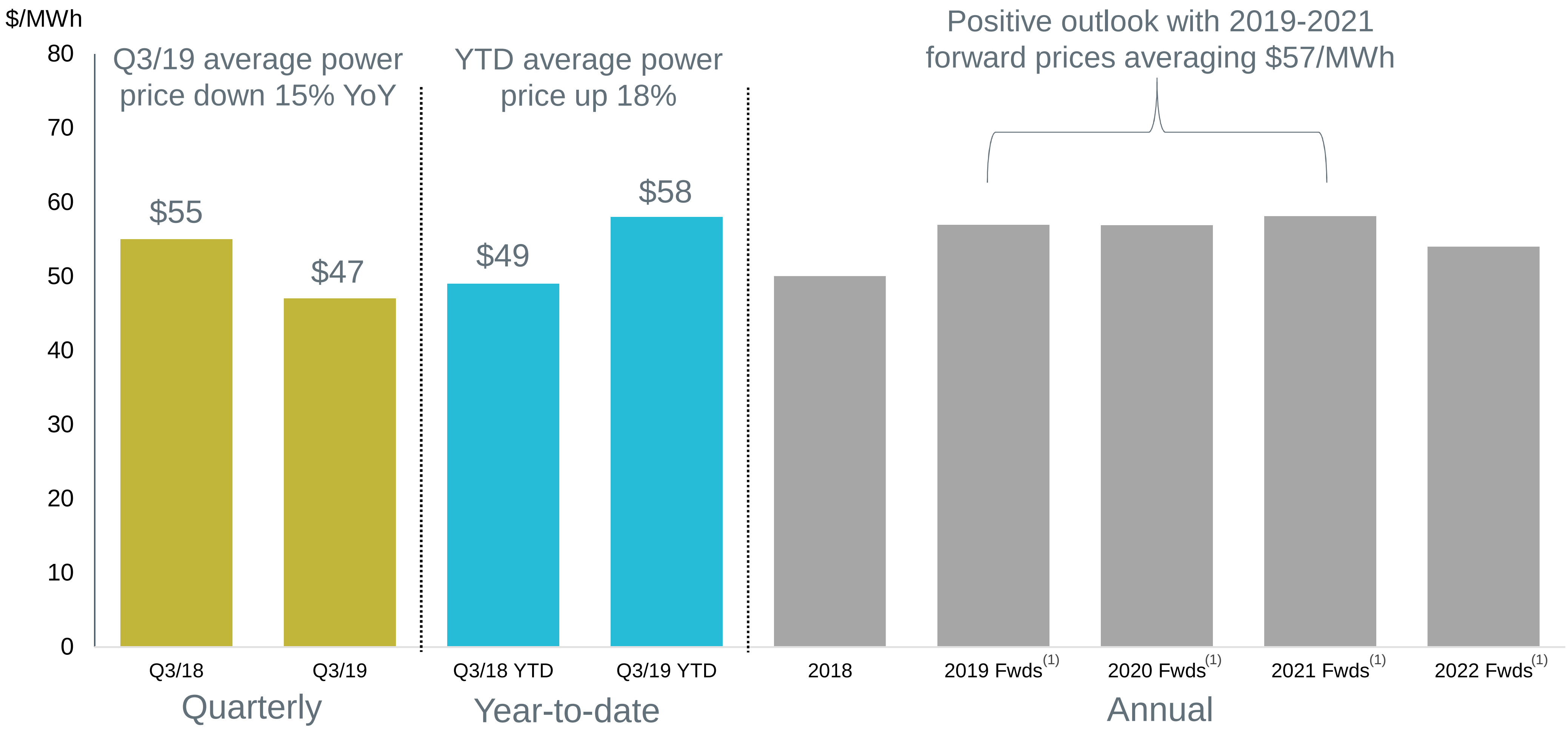
These terms are not defined financial measures according to GAAP and do not have standardized meanings prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures used by other enterprises. These measures should not be considered alternatives to net income, net income attributable 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 October 25, 2019 for the third 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.

Q3/19 highlights

- Assumed full control of Genesee Generating Station
  - Entered into an agreement to acquire remaining 50% interest in Genesee 3 from TransAlta Corporation in exchange for the divestiture of our 50% share in Keephills 3 and $10M cash
  - Transaction closed on Oct 1/19
  - Strategic freedom to make decisions that further optimize value including accelerating dual-fuel capability to maximize flexibility in using natural gas as fuel
- Excellent operating performance with 96% facility availability for the fleet
  - Planned outage at Joffre that reduced its availability to 82%
- Share buyback of 1.6 million common shares for $50M under Normal Course Issuer Bid
  - 2.0 million common shares repurchased in 2019 YTD for $60M

Positive outlook for Alberta power prices



1) Forward prices as of October 25, 2019. 2019 Forwards is a blend of January-October settled pricing and November-December forward prices.

Financial highlights

- Results in line with our expectations, generated $225M in AFFO – a record quarter
- Trading desk captured a 26% higher realized average power price versus spot price

Portfolio optimization	Q3/19	Q3/18
Average AB spot price	$47/MWh	$55/MWh
Average realized price	$59/MWh	$54/MWh
% realized versus spot price	26%	-2%

Accounting for Genesee 3 / Keephills 3 Swap (transaction closed Oct 1/19)

- Net impact: Non-cash pre-tax net loss of $227M from derecognition of K3, which has higher net book value than G3, partially offset by the accelerated recognition of off-coal compensation (deferred revenue aligned with lower cost base of G3)
- Q3/19 – recorded pre-tax impairment of $401M on K3 (assets held for sale)
- Q4/19 – will record the acquisition of the remaining 50% of G3
  - Estimated gain of $60M (gain on remeasurement of existing interest in G3)
  - Net reduction to carrying amounts of coal-fired assets results in a one-time adjustment of $114M to accelerate the recognition of AB government off-coal compensation that aligns with the reduction in the new lower carrying amount of coal-fired assets

Financial performance – Q3/19

$M, except per share amounts	Q3/19	Q3/18	Change
Revenues and other income	$517	$395	31%
Adjusted EBITDA	$284	$179	59%
Basic (loss) earnings per share	$(2.25)	$0.08	-2913%
Normalized EPS	$0.60	$0.33	82%
Net cash flows from operating activities	$209	$65	222%
Adjusted funds from operations (AFFO)	$225	$156	44%
AFFO per share	$2.11	$1.52	39%

Recent acquisitions and New Frontier Wind have contributed to a 59% increase in Adjusted EBITDA and a record quarter for AFFO

Financial performance – Q3/19 YTD

$M, except per share amounts	Q3/19 YTD	Q3/18 YTD	Change
Revenues and other income	$1,280	$1,077	19%
Adjusted EBITDA	$677	$565	20%
Basic (loss) earnings per share	$(0.90)	$0.93	-197%
Normalized EPS	$1.05	$0.81	30%
Net cash flows from operating activities	$519	$317	64%
Adjusted funds from operations (AFFO)	$427	$317	35%
AFFO per share	$4.11	$3.07	34%

YoY increases in key financial metrics including AFFO per share of 34%

Portfolio optimization
Alberta commercial portfolio positions

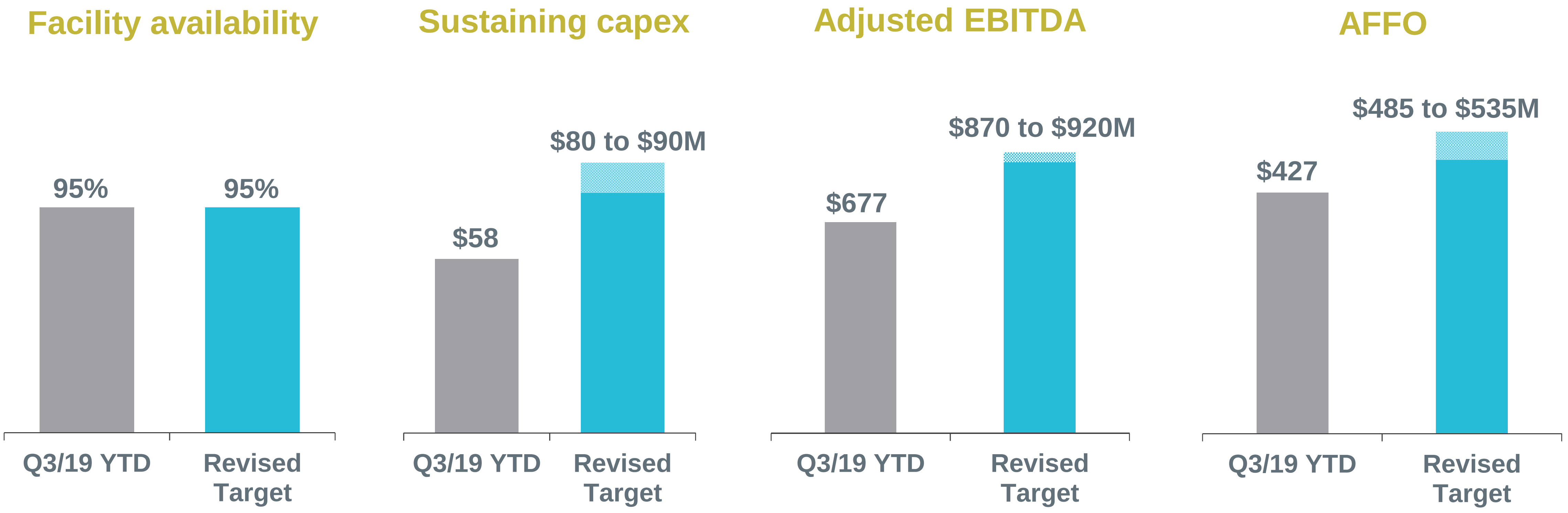
	2020	2021	2022
% sold forward[1]	53%	2%	10%
Contracted prices[1] ($/MWh)	Mid-$50	High-$60	Low-$50
Current average forward prices[2] ($/MWh)	$57	$58	$54

- Alberta baseload merchant position now more than half hedged in 2020
  - From 41% in Q2/19 to 53% at an average price in the mid-$50/MWh

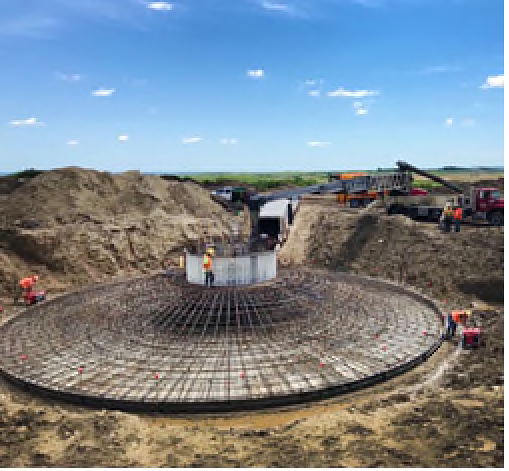
1) As of September 30, 2019. Based on the Alberta baseload facilities plus a portion of Joffre and the uncontracted portion of Shepard.
2) As of October 25, 2019.

9-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.

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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,
- expectations pertaining to the financial impacts of the swap of interests in the Genesee 3 and Keephills 3 facilities, including expectations regarding the impacts to adjusted funds from operations and the expected accounting impacts of the transaction including the pre-tax net loss on the transaction, 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 Q3/19 Management's Discussion and Analysis,
- anticipated performance of the acquired Goreway facility, and
- the anticipated future performance of the Genesee 3 and Keephills 3 facilities used to assess the financial impacts of the swap of interests.

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,
- ability to realize the anticipated benefits of the swap of interests in the Genesee 3 and Keephills 3 facilities,
- 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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