Q1/20 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 15 of this presentation and in the Company's first quarter 2020 Management's Discussion and Analysis (MD&A) prepared as of May 1, 2020 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 May 1, 2020 for the first quarter of 2020, which is available under the Company's profile on SEDAR at SEDAR.com and on the Company's website at capitalpower.com.

2020 Q1 highlights and outlook

- Solid Q1 results – meeting management expectations
- Outlook for 2020 confirming financial and dividend guidance
- Very strong financial position and liquidity
- Effective COVID-19 management – keep employees healthy, reduce risk and keep plants operating
- Very good progress for renewable and growth strategy

Managing effectively during COVID-19

- Implemented business continuity and risk management plans
- Health and safety of our employees
  - Working from home for office and all non-essential plant employees
  - Numerous hygiene and social distancing protocols adopted in the plants
  - Functioning very well
- Managing our operational risk
  - Continued planned outages at Southport, Roxboro, Arlington, Decatur and Goreway
  - Modified Decatur outage and moved Genesee 2 outage to 2021
  - Moved to capability to operate simple cycle plants from laptop

Growth and renewable highlights

Added 251 MWs in renewables

- Completed 150 MW Cardinal Point Wind project on-schedule and on-budget (USD)
- Acquired 101 MW Buckthorn Wind in Texas with 15-year weighted average contract life remaining

Signed agreement with Vestas for 10-year extension of LTSAs

- Covers fleet-wide maintenance for all of our Vestas-equipped wind facilities
- Expanded scope of services, expected 26% cost reduction compared to current service and maintenance agreements
- Expected to increase adjusted EBITDA and AFFO by $8M and $6M annually once the new LTSAs take effect between 2021 and 2023

Agreement reached with Vestas to supply turbines for Whitla Wind 2

Financial highlights

Q1/20 financial results in line with our expectations

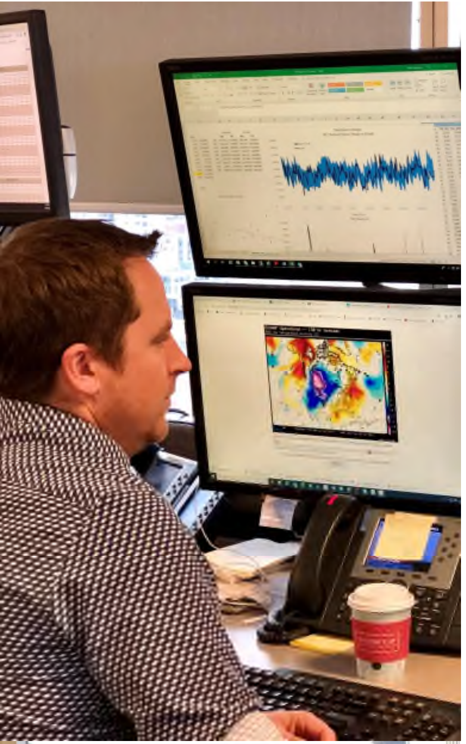
- Busiest quarter for planned outages reflected in the 91% average availability
  - Expect to generate positive net cash flows for remainder of the year
- Major outage planned for Genesee 2 deferred to 2021 due to COVID-19
- Genesee 4&5 project terminated – write-off $13M in costs
- Average Alberta power price of $67/MWh in Q1/20 included one month of higher pricing from cold temperatures and baseload facility outages

Portfolio optimization	Q1/20	Q1/19
Average AB spot price	$67/MWh	$69/MWh
Average realized price	$62/MWh	$58/MWh
% realized versus spot price	-7%	-16%

Financial performance – Q1/20

$M, except per share amounts	Q1/20	Q1/19	Change
Revenues and other income	$533	$397	34%
Adjusted EBITDA	$234	$202	16%
Basic (loss) earnings per share	($0.11)	$0.49	(122%)
Normalized EPS	$0.27	$0.29	(7%)
Net cash flows from operating activities	$103	$196	(47%)
Adjusted funds from operations (AFFO)	$118	$117	1%
AFFO per share	$1.12	$1.15	(3%)

Higher Adjusted EBITDA from acquisition of Goreway in Q2/19 and addition of Whitla Wind 1



Portfolio optimization

Alberta commercial portfolio positions

- 91% of baseload generation hedged for the remainder of 2020 at an average price in mid-$50/MWh
- Forward prices for the balance of 2020 are $48/MWh

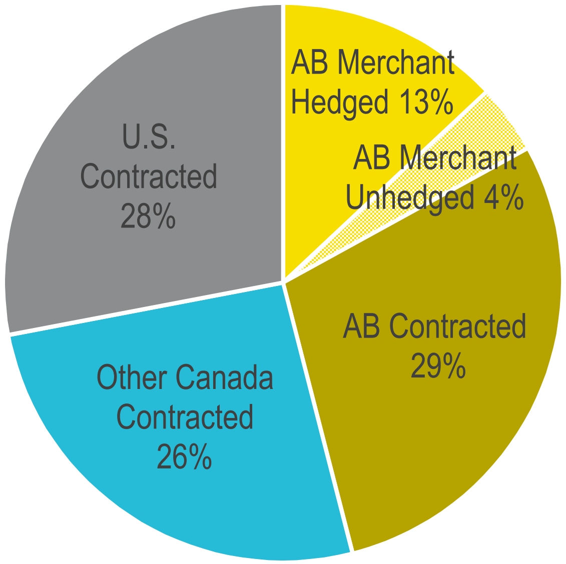
	2021	2022	2023
% sold forward[1]	7%	15%	9%
Contracted prices[1] ($/MWh)	Low-$60	Low-$50	Low-$50
Current average forward prices[2] ($/MWh)	$53	$53	$51

1) As of March 31, 2020. Based on the Alberta baseload facilities plus a portion of Joffre and the uncontracted portion of Shepard.
2) As of May 1, 2020.

Very strong financial position and liquidity

- Strong cash flow generation with majority contracted
  - Expect to generate $300M+ in discretionary cash flow(1) in 2020
  - Majority of cash flows contracted with an average PPA life remaining of 10 years
  - Contracts with largely investment grade counterparties
  - Loss provision of under $1M for expected credit losses
- Strong financial position and liquidity
  - $900M available capacity on $1.0B of committed credit facilities that mature in 2024
  - Do not anticipate the need to access the capital markets other than to potentially refinance $250M in debt maturing in November
  - DBRS confirmed “BBB low” credit rating

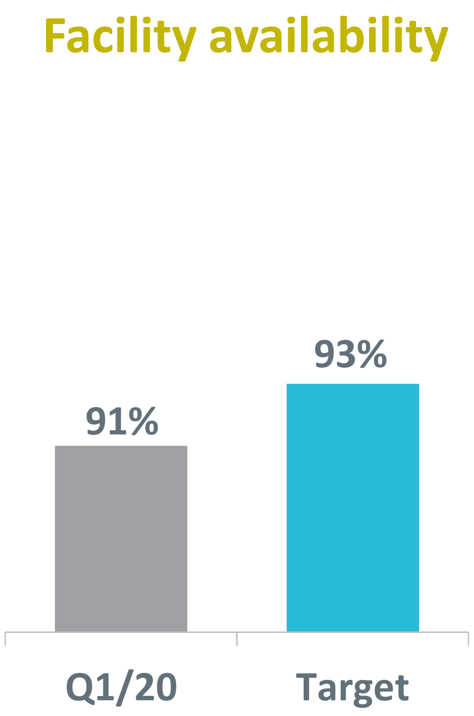
Adjusted EBITDA Forecast (Q2-Q4 2020)

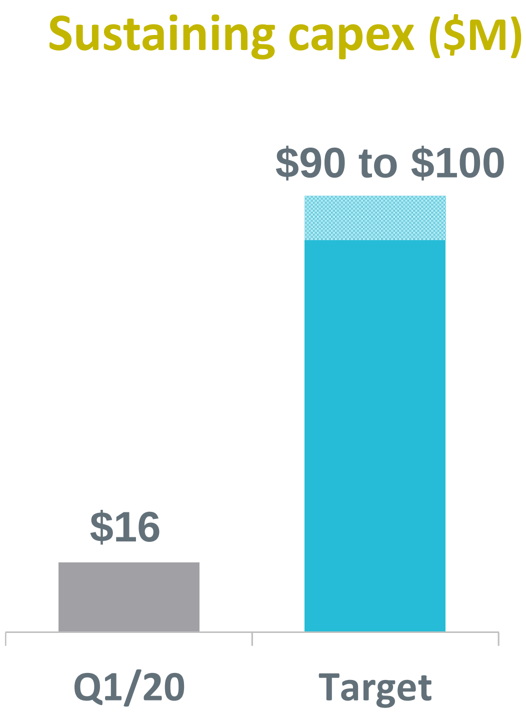


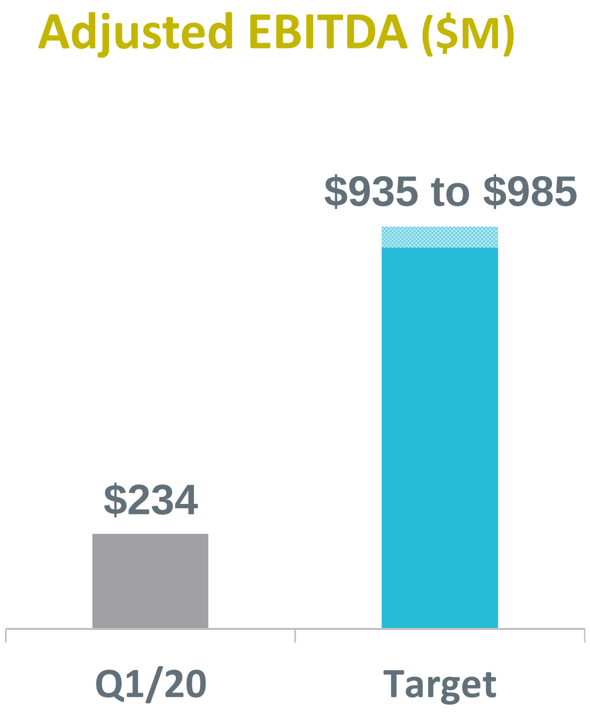
Reaffirming our 2020 financial and dividend growth guidance

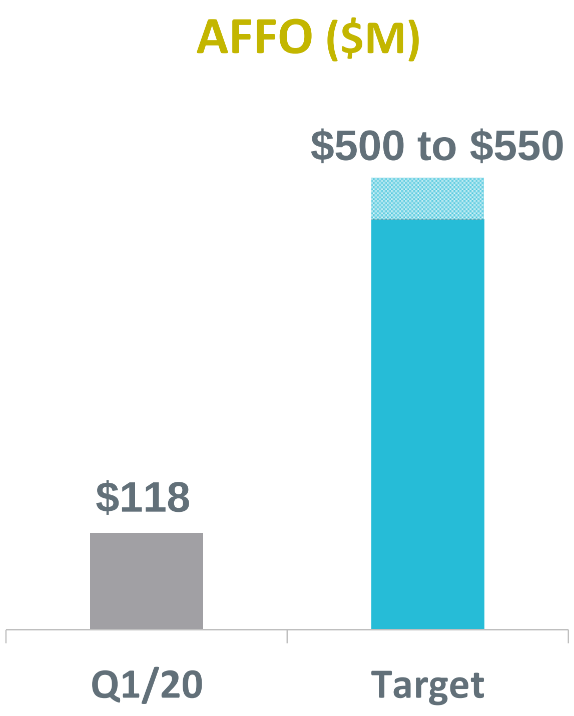
1) Discretionary cash flow = AFFO less dividends

Q1/20 performance versus 2020 annual targets









No changes to 2020 financial guidance, AFFO expected to be near the mid-point of guidance range

2020 development and construction targets

Targets	Status
Cardinal Point Wind (Illinois, 150 MW) Complete construction within \$289-\$301M (CAD), \$236-\$246M (USD) budget for COD in Mar/20	✓ Total USD project cost expected near low end of budget range ✓ Completed on-schedule with COD on Mar 16/20 ✓ Received net tax equity financing of \$221M from two U.S. financial institutions ✓ 12-year PPA with an investment grade U.S. financial institution for 85% of the facility's output
Whitla Wind 2 (Alberta, 97 MW) Complete construction within \$165M budget for COD in 2021	✓ Project currently tracking on-budget and on-schedule
Other growth \$500M of committed capital for growth with a target of one renewable development project	✓ Buckthorn Wind (Texas, 101 MW) Acquisition purchase price of \$84M cash consideration, assumption of tax equity debt of \$96M, and contingent consideration (maximum \$8M) 15-year weighted average contract life remaining

Investment thesis

Long-term drivers of our business prove resilient

- Young fleet with long asset lives with a focus on strong operational performance and optimizing assets
- Highly contracted and diversified portfolio by geography and fuel mix
- Strong cash flow generation including $300M+ in discretionary cash flow[1] in 2020
- Commitment to maintaining investment grade credit rating
- Investing in emission free renewables and critical natural gas generation
- Transitioning Genesee coal generation to natural gas and investing in carbon capture and utilization – aspiration to be carbon neutral on or before 2050

1) Discretionary cash flow = AFFO less dividends

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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 in this presentation includes expectations regarding:

- future revenues, expenses, earnings, adjusted EBITDA 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 2 of the Whitla 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 financial impacts of the acquisition of Buckthorn Wind, including the impacts to adjusted EBITDA and adjusted funds from operations,
- the likelihood of meeting the threshold and paying out contingent consideration related to Buckthorn Wind,
- the dates on which the Buckthorn Wind tax equity investor reaches the agreed upon target rate of return,
- the final cost and financial impacts of Cardinal Point Wind in its first full year of operations, including the impacts to adjusted EBITDA and adjusted funds from operations,
- impacts of the Vestas Long-Term Service Agreement (LTSA) extension agreement including cost reductions, impacts on adjusted EBITDA and AFFO and timing of finalizing facility LTSAs as well as the years they will become effective,
- the impact of market designs on the Company's core markets,
- the Line Loss Rule Proceeding including timing of retrospective loss factors being finalized, participation in applicable regulatory processes, and potential impacts to the Company, and
- the impact of the COVID-19 pandemic and the decline in oil prices.

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 prices 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,
- foreign exchange rates,
- anticipated performance of Buckthorn Wind,
- anticipated performance of Cardinal Point Wind, and
- other matters discussed under the Performance Overview, Outlook and Risks and Risk Management sections.

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,
- generation facility availability, wind capacity factor and performance including maintenance expenditures,
- 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 Buckthorn Wind acquisition,
- limitations inherent in the Company's review of acquired assets,
- changes in general economic and competitive conditions, and
- risks and uncertainties discussed under the Risks and Risk Management section.

See Risks and Risk Management in the Company's December 31, 2019 annual MD&A and Risks and Risk Management, 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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