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For immediate release | April 30, 2021

Capital Power reports strong first quarter results and expects 2021 results to exceed annual financial guidance

Quarterly results confirm the robustness of the Alberta power market

EDMONTON, Alberta – April 30, 2021 – Capital Power Corporation (TSX: CPX) today released financial results for the quarter ended March 31, 2021.

Highlights

- Generated net cash flows from operating activities of $206 million and adjusted funds from operations (AFFO) of $159 million in the first quarter of 2021
- Generated net income of $101 million and adjusted EBITDA of $303 million in the first quarter of 2021
- Forecast is on track to generate AFFO and adjusted EBITDA that is modestly above the top end of the annual guidance ranges for 2021
- Executed a 15-year renewable energy agreement with Labatt Brewing Company Ltd. of Canada (Labatt) for the 75 megawatt Enchant Solar project in Alberta
- Ceased operations of the Southport and Roxboro facilities in North Carolina following the expiry of their power purchase agreements
- Changes to the Capital Power Executive team

"Our first quarter results benefitted from excellent operating performance across the entire fleet with average facility availability of 96% and a solid contribution from our trading desk that captured an average realized Alberta power price of $77 per megawatt hour (MWh) in the quarter," said Brian Vaasjo, President and CEO of Capital Power. "This strong performance delivered financial results that exceeded management's expectations."

"The extreme cold temperatures in February set a new daily record for demand and contributed to the high average power price of $95 per MWh in the first quarter, representing the highest average power price in a quarter in nearly eight years," continued Mr. Vaasjo. "Based on the increase in Alberta forward power prices, our forecast is on track to generate AFFO and adjusted EBITDA that is modestly above the top end of the $500 million to $550 million and $975 million to $1,025 million annual guidance ranges for 2021, respectively."

"We continue to expand our renewable contracted cash flows with the recent execution of a long-term renewable energy agreement with Labatt for our Enchant Solar project. This innovative agreement includes the sale of electricity and renewable energy credits that will cover all of the electricity needed to brew Budweiser in Canada and meet Labatt's 100% renewable electricity goals."

"Following the conclusion of our April 29 Annual General Meeting, Don Lowry retired as Chair of the Board of Directors and I would like to thank him for his outstanding leadership as Board Chair since Capital Power's inception in 2009 and wish him well on his retirement."

"I would like to congratulate Darcy Trufyn, Senior Vice President, Operations, Engineering and Construction on his retirement. Darcy has been an integral part of the executive team for the past twelve years and I would like to thank him for his valuable contributions and outstanding service and wish him well in his retirement."

Operational and Financial Highlights [1] (unaudited)	**Three months ended March 31**	
(millions of dollars except per share and operational amounts)	**2021**	**2020**
Electricity generation (Gigawatt hours)	5,630	5,562
Generation facility availability	96%	91%
Revenues and other income	$ 554	$ 533
Adjusted EBITDA [2]	$ 303	$ 234
Net income [3]	$ 101	$ -
Net income attributable to shareholders of the Company	$ 103	$ 2
Basic and diluted earnings (loss) per share	$ 0.83	$ (0.11)
Normalized earnings attributable to common shareholders [2]	$ 68	$ 28
Normalized earnings per share [2]	$ 0.64	$ 0.27
Net cash flows from operating activities	$ 206	$ 103
Adjusted funds from operations [2]	$ 159	$ 118
Adjusted funds from operations per share [2]	$ 1.49	$ 1.12
Purchase of property, plant and equipment and other assets	$ 125	$ 99
Dividends per common share, declared	$ 0.5125	$ 0.4800

[1] The operational and financial highlights in this press release should be read in conjunction with the Management's Discussion and Analysis and the unaudited condensed interim financial statements for the three months ended March 31, 2021.

[2] Earnings before net finance expense, income tax expense, depreciation and amortization, impairments, foreign exchange gains or losses, finance expense and depreciation expense from joint venture interests, gains or losses on disposals and unrealized changes in fair value of commodity derivatives and emissions credits (adjusted EBITDA), normalized earnings attributable to common shareholders, normalized earnings per share, adjusted funds from operations (AFFO) and AFFO per share are non-GAAP financial measures and do not have standardized meanings under GAAP and are, therefore, unlikely to be comparable to similar measures used by other enterprises. See Non-GAAP Financial Measures.

[3] Includes depreciation and amortization for the three months ended March 31, 2021 and 2020 of $135 million and $120 million, respectively. Forecasted depreciation and amortization for the remainder of 2021 is $137 million, $137 million and $138 million for the second through fourth quarters, respectively.

Significant Events

United States power operations relating to extreme weather event

During the February 9 to 20, 2021 period, extreme winter weather caused some disruptions to our wind facilities, most notably in Texas (Buckthorn Wind) with no significant impact on the balance of Capital Power's U.S. operations. Buckthorn Wind experienced no significant physical damage, but some turbines were forced offline. As of February 22, 2021, the operations were back to normal. The net impact of the U.S. storm on Buckthorn Wind resulted in increases of $8 million (US$6 million) to adjusted EBITDA and AFFO. In addition, during the peak days of the weather event, the Company was able to leverage its commodity management expertise to physically flow power around North America to contribute a further positive financial impact.

The favourable impacts of the weather event were largely driven by the settlement of the offtake and commodity swaps for Buckthorn Wind for the noted period of extreme weather. However, Buckthorn Wind's counterparty is contesting the settlement, arguing that settlement should have been based upon a different reference price. Historically these two prices have been similar, but as a result of the recent extreme weather, the Company became aware of a divergence in these prices during scarcity events. Both parties invoked dispute-resolution procedures before the close of quarter and the Company subsequently initiated litigation. Based on the contract terms of the offtake and commodity swaps, the Company considers the probability of ultimate settlement using the reference price advocated by the counterparty as being unlikely. In the event that the dispute is resolved unfavourably to the Company, the net exposure to the Company's revenues would be a reduction of up to approximately $18 million (US$15 million).

Approval of normal course issuer bid

During the first quarter of 2021, the Toronto Stock Exchange approved Capital Power's normal course issuer bid to purchase and cancel up to 10.7 million of its outstanding common shares during the one-year period from February 26, 2021 to February 25, 2022.

Subsequent Events

Executive appointments

On April 30, 2021, Capital Power and the Board of Directors announced the following executive position appointments effective June 1, 2021:

- Bryan DeNeve, Senior Vice President Operations,
- Chris Kopecky, Senior Vice President and Chief Legal, Development and Commercial Officer, and
- Steve Owens, Senior Vice President Construction and Engineering.

Kate Chisholm, Sandra Haskins and Jacquie Pylypiuk will continue to serve in their current roles. Darcy Trufyn, currently Senior Vice President, Operations, Engineering and Construction will be retiring effective June 30, 2021.

Executed 15-year contract for Enchant Solar project

On April 19, 2021, the Company announced that it executed a 15-year renewable energy agreement to sell 51% of the electricity generated from the 75 megawatt Enchant Solar project (Enchant Solar) in Alberta to Labatt, along with bundled renewable energy certificates (RECs). Of the contracted capacity under this agreement, approximately one-quarter will be bundled with project-generated RECs directly from Enchant Solar and three-quarters will be packaged with RECs sourced from Eastern Canada. The terms of this agreement are consistent with the previously disclosed financial expectations for Enchant Solar.

Construction of Enchant Solar is set to commence in the second quarter of 2022 with commercial operations expected in the fourth quarter of 2022.

Analyst conference call and webcast

Capital Power will be hosting a conference call and live webcast with analysts on April 30, 2021 at 9:00 am (MT) to discuss the first quarter financial results. The conference call dial-in number is:

(800) 319-4610 (toll-free from Canada and USA)

Interested parties may also access the live webcast on the Company's website at www.capitalpower.com with an archive of the webcast available following the conclusion of the analyst conference call.

Non-GAAP Financial Measures

The Company uses (i) adjusted EBITDA, (ii) AFFO, (iii) AFFO 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.

Adjusted EBITDA

Capital Power uses adjusted EBITDA to measure the operating performance of facilities and categories of facilities from period to period. Management believes that a measure of facility operating performance is more meaningful if results not related to facility operations such as impairments, foreign exchange gains or losses and gains or losses on disposals are excluded from the adjusted EBITDA measure.

A reconciliation of adjusted EBITDA to net income (loss) is as follows:

(unaudited, $ millions)	Three months ended							
	Mar 2021	**Dec 2020**	**Sep 2020**	**Jun 2020**	**Mar 2020**	**Dec 2019**	**Sep 2019**	**Jun 2019**
Revenues and other income	554	516	453	435	533	683	517	366
Energy purchases and fuel, other raw materials and operating charges, staff costs and employee benefits expense, and other administrative expense	(264)	(321)	(144)	(233)	(323)	(309)	(231)	(134)
Remove unrealized changes in fair value of commodity derivatives and emission credits included within revenues and energy purchases and fuel	7	19	(31)	9	18	(28)	(8)	(48)
Adjusted EBITDA from joint venture [1]	6	6	6	6	6	6	6	7
Adjusted EBITDA	**303**	**220**	**284**	**217**	**234**	**352**	**284**	**191**
Depreciation and amortization	(135)	(122)	(115)	(121)	(120)	(118)	(135)	(122)
Unrealized changes in fair value of commodity derivatives and emission credits	(7)	(19)	31	(9)	(18)	28	8	48
Impairments	-	(13)	-	-	(13)	-	(401)	-
Gains on acquisition and disposal transactions	-	-	-	-	-	24	-	-
Foreign exchange gain (loss)	1	5	1	3	(9)	-	(1)	-
Net finance expense	(41)	(57)	(47)	(49)	(44)	(41)	(42)	(37)
Finance expense and depreciation expense from joint venture [1]	-	(4)	(4)	(6)	(13)	(1)	(7)	(7)
Income tax (expense) recovery	(20)	(9)	(44)	(12)	(17)	(63)	66	33
Net income (loss)	**101**	**1**	**106**	**23**	**-**	**181**	**(228)**	**106**
Net income (loss) attributable to:								
Non-controlling interests	(2)	(2)	(2)	-	(2)	(1)	(2)	(2)
Shareholders of the Company	103	3	108	23	2	182	(226)	108
Net income (loss)	**101**	**1**	**106**	**23**	**-**	**181**	**(228)**	**106**

[1] Total income from joint venture as per the Company's consolidated statements of income.

Adjusted funds from operations and adjusted funds from operations per share

AFFO is a measure of the Company's ability to generate cash from its current operating activities to fund growth capital expenditures, the repayment of debt and the payment of common share dividends.

AFFO represents net cash flows from operating activities adjusted to:

- remove timing impacts of cash receipts and payments that may impact period-to-period comparability which include deductions for net finance expense and current income tax expense, the removal of deductions for interest paid and income taxes paid and removing changes in operating working capital,
- include the Company's share of the AFFO of its joint venture interests and exclude distributions received from the Company's joint venture interests which are calculated after the effect of non-operating activity joint venture debt payments,
- include cash from coal compensation that will be received annually,
- remove the tax equity financing project investors' shares of adjusted funds from operations associated with assets under tax equity financing structures so only the Company's share is reflected in the overall metric,
- deduct sustaining capital expenditures and preferred share dividends,

- exclude the impact of fair value changes in certain unsettled derivative financial instruments that are charged or credited to the Company's bank margin account held with a specific exchange counterparty, and
- include net expected cash outflows for the Company's share of Line Loss Rule (LLR) Proceeding amounts in the period each tranche is paid by the Company.

AFFO per share is determined by applying AFFO to the weighted average number of common shares used in the calculation of basic, diluted and normalized earnings per share.

A reconciliation of net cash flows from operating activities to adjusted funds from operations is as follows:

(unaudited, $ millions)	Three months ended March 31	
	2021	**2020**
Net cash flows from operating activities per condensed interim consolidated statements of cash flows	**206**	**103**
Add (deduct) items included in calculation of net cash flows from operating activities per condensed interim consolidated statements of cash flows:		
Interest paid	41	28
Realized gain on settlement of interest rate derivatives	-	(1)
Change in fair value of derivatives reflected as cash settlement	4	10
Distributions received from joint venture	(3)	(2)
Miscellaneous financing charges paid [1]	1	2
Income taxes paid	5	26
Change in non-cash operating working capital	(20)	18
	28	81
Net finance expense [2]	(35)	(34)
Current income tax expense [3]	(3)	(6)
Sustaining capital expenditures [4]	(18)	(16)
Preferred share dividends paid	(13)	(13)
Remove tax equity interests' respective shares of adjusted funds from operations	(4)	(2)
Adjusted funds from operations from joint venture	4	5
Line Loss Rule Proceeding [5]	(6)	-
Adjusted funds from operations	**159**	**118**
Weighted average number of common shares outstanding (millions)	106.8	105.4
Adjusted funds from operations per share ($)	**1.49**	**1.12**

1 Included in other cash items on the condensed interim consolidated statements of cash flows to reconcile net income to net cash flows from operating activities.

2 Excludes unrealized changes on interest rate derivative contracts, amortization, accretion charges and non-cash implicit interest on tax equity investment structures.

3 For the three months ended March 31, 2020, excludes current income tax recoveries related to the Genesee 3 and Keephills 3 swap transaction of $20 million as these amounts are considered investing activities.

4 Includes sustaining capital expenditures net of partner contributions of $5 million and $1 million for the three months ended March 31, 2021 and 2020, respectively.

5 Net expected cash outflow for the second tranche of invoices for the LLR Proceeding covering the years 2010-2013. The invoicing process results in gross billings to Capital Power of which amounts not attributable to Capital Power have been invoiced and have begun to be recovered from the appropriate parties for their respective shares. Actual net cash outflows of $13 million for the LLR Proceeding amounts are reflected in net cash flows from operating activities through the change in non-cash operating working capital in the Consolidated Statements of Cash Flows for the three months ended March 31, 2021, which is removed in the calculation of adjusted funds from operations. The actual net cash outflows reflect the Company's $6 million obligation related to the 2010-2013 invoice tranche and the amount paid by the Company but expected to be recovered from the Alberta Balancing Pool (net $7 million to Capital Power) (see Contingent Liabilities and Provisions).

Normalized earnings attributable to common shareholders and normalized earnings per share

The Company uses normalized earnings attributable to common shareholders and normalized earnings per share to measure performance by period on a comparable basis. Normalized earnings per share is based on earnings (loss) used in the calculation of basic earnings (loss) per share according to GAAP and adjusted for items that are not reflective of performance in the period such as unrealized fair value changes, impairment charges, unusual tax adjustments, gains and losses on disposal of assets or unusual contracts, and foreign exchange gain or loss on the revaluation of U.S. dollar denominated debt. The adjustments, shown net of tax, consist of unrealized fair value changes on financial instruments that are not necessarily indicative of future actual realized gains or losses, non-recurring gains or losses, or gains or losses reflecting corporate structure decisions.

(unaudited, $ millions except per share amounts and number of common shares)	Three months ended							
	Mar 31 2021	**Dec 31 2020**	**Sep 30 2020**	**Jun 30 2020**	**Mar 31 2020**	**Dec 31 2019**	**Sep 30 2019**	**Jun 30 2019**
Basic earnings (loss) per share ($)	**0.83**	**(0.09)**	**0.89**	**0.10**	**(0.11)**	**1.61**	**(2.25)**	**0.93**
Net income (loss) attributable to shareholders of the Company per condensed interim consolidated statements of income (loss)	**103**	**3**	**108**	**23**	**2**	**182**	**(226)**	**108**
Preferred share dividends including Part VI.1 tax	(14)	(13)	(14)	(13)	(14)	(12)	(14)	(12)
Earnings (loss) attributable to common shareholders	89	(10)	94	10	(12)	170	(240)	96
Unrealized changes in fair value of derivatives [1]	(10)	12	(28)	3	30	(28)	(3)	(30)
Reduction in applicable jurisdictional tax rates	(10)	-	-	-	-	-	-	-
Provision for Line Loss Rule Proceeding [2]	(1)	1	-	3	-	4	-	-
Restructuring charges	-	-	2	-	-	-	-	-
Other tax adjustment	-	-	1	-	-	-	-	-
Impairments	-	10	-	-	10	-	-	-
Termination of East Windsor steam contract	-	-	-	2	-	-	-	-
Net (gain) loss on swap transaction	-	-	-	-	-	(115)	307	-
Alberta tax rate change	-	-	-	-	-	-	-	(51)
Normalized earnings attributable to common shareholders	**68**	**13**	**69**	**18**	**28**	**31**	**64**	**15**
Weighted average number of common shares outstanding (millions)	106.8	105.7	105.1	105.1	105.4	105.3	106.5	103.6
Normalized earnings per share ($)	**0.64**	**0.12**	**0.66**	**0.17**	**0.27**	**0.29**	**0.60**	**0.14**

1 Includes impacts of the interest rate non-hedge held within a joint venture and recorded within income (loss) from joint venture on the Company's condensed interim consolidated statements of income.

2 See Contingent Liabilities and Provisions.

Forward-looking Information

Forward-looking information or statements included in this press release 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 press release 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 press release includes disclosures regarding (i) status of the Company's 2021 AFFO and adjusted EBITDA guidance, (ii) forecasted depreciation for the remainder of 2021, (iii) expectations pertaining to the financial guidance, timing of construction and timing of commercial operations commencement of Enchant Solar, (iv) expectations around the resolution of the pricing dispute on the Buckthorn Wind offtake and commodity swaps (see Significant Events) and (v) matters relating to the LLR Proceeding, including the recovery from appropriate parties.

These statements are based on certain assumptions and analyses made by the Company considering 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: (i) electricity, other energy and carbon prices, (ii) performance, (iii) business prospects (including potential re-contracting of facilities) and opportunities including expected growth and capital projects, (iv) status of and impact of policy, legislation and regulations, (v) effective tax rates, and (vi) matters relating to the LLR Proceeding, including the recovery of payments from appropriate parties.

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: (i) changes in electricity, natural gas and carbon prices in markets in which the Company operates and the use of derivatives, (ii) regulatory and political environments including changes to environmental, climate, financial reporting, market structure and tax legislation, (iii) generation facility availability, wind capacity factor and performance including maintenance expenditures, (iv) ability to fund current and future capital and working capital needs, (v) acquisitions and developments including timing and costs of regulatory approvals and construction, (vi) changes in the availability of fuel, (vii) ability to realize the anticipated benefits of acquisitions, (viii) limitations inherent in the Company's review of acquired assets, (ix) changes in general economic and competitive conditions and (x) changes in the performance and cost of technologies and the development of new technologies, new energy efficient products, services and programs. See Risks and Risk Management in the Company's Management's Discussion and Analysis for both the three months ended March 31, 2021, prepared as of April 29, 2021 and the Company's Integrated Annual Report for the year ended December 31, 2020, prepared as of February 18, 2021, 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.

About Capital Power

Capital Power (TSX: CPX) is a growth-oriented North American wholesale power producer with a strategic focus on sustainable energy headquartered in Edmonton, Alberta. We build, own, and operate high-quality, utility-scale generation facilities that include renewables and thermal. We have also made significant investments in carbon capture and utilization to reduce carbon impacts and are committed to be off coal in 2023. Capital Power owns over 6,400 megawatts (MW) of power generation capacity at 26 facilities across North America. Projects in advanced development include 425 MW of owned renewable generation capacity in North Carolina and Alberta and 560 MW of incremental natural gas combined cycle capacity from the repowering of Genesee 1 and 2 in Alberta.

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CAPITAL POWER CORPORATION

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A), prepared as of April 29, 2021, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Capital Power Corporation and its subsidiaries for the three months ended March 31, 2021, the audited consolidated financial statements and Company Overview, Our Strategy and Business Report sections of the Integrated Annual Report of Capital Power Corporation for the year ended December 31, 2020 (the 2020 Integrated Annual Report), the Annual Information Form of Capital Power Corporation dated February 23, 2021, and the cautionary statements regarding forward-looking information which begin on page 9.

In this MD&A, any reference to the Company or Capital Power, except where otherwise noted or the context otherwise indicates, means Capital Power Corporation together with its subsidiaries.

In this MD&A, financial information for the three months ended March 31, 2021 and the three months ended March 31, 2020 is based on the unaudited condensed interim consolidated financial statements of the Company for such periods which were prepared in accordance with Canadian generally accepted accounting principles (GAAP) and are presented in Canadian dollars unless otherwise specified. In accordance with its terms of reference, the Audit Committee of the Company's Board of Directors reviews the contents of the MD&A and recommends its approval by the Board of Directors. The Board of Directors approved this MD&A as of April 29, 2021.

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FORWARD-LOOKING INFORMATION

Forward-looking information or statements included in this MD&A 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 MD&A 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 MD&A includes expectations regarding:

- our 2021 performance targets and current period updates to our expectations, including for facility availability, sustaining capital expenditures, adjusted funds from operations (AFFO) and adjusted EBITDA;
- our company-wide targets specific to climate-related performance, including reduction of emissions and emissions intensity, repowering of Genesee 1 and Genesee 2, completion of the Genesee Carbon Conversion Centre, commercial application of carbon conversion technologies and plans to be off coal in 2023;
- future revenues, expenses, earnings, adjusted EBITDA and AFFO;
- 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;
- the timing and costs for development projects (including the repowering of Genesee 1 and 2 , phases 2 and 3 of Whitla Wind, Strathmore Solar, Bear Branch Solar, Hornet Solar, Hunter's Cove Solar and Enchant Solar);
- facility availability and planned outages;
- capital expenditures for facility maintenance and other (sustaining capital, future growth projects, commercial initiatives);
- the impact of market designs on the Company's core markets;
- matters related to the LLR Proceeding including timing of payments to the AESO and recovery from appropriate parties and potential impacts to the Company arising from the foregoing;
- the resolution of the pricing dispute on the Buckthorn Wind offtake and commodity swaps (see Significant Events); and
- the impact of the COVID-19 pandemic.

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;
- the development and performance of technology;
- foreign exchange rates;
- matters relating to the LLR Proceeding, including the timing of payments to the AESO and recovery from appropriate parties; 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, natural gas and carbon prices in markets in which the Company operates and the use of derivatives;
- regulatory and political environments including changes to environmental, climate, financial reporting, market structure 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 the availability of fuel;
- ability to realize the anticipated benefits of acquisitions;
- limitations inherent in the Company's review of acquired assets;

- changes in general economic and competitive conditions;
- changes in the performance and cost of technologies and the development of new technologies, new energy efficient products, services and programs; and
- risks and uncertainties discussed under the Risks and Risk Management section.

See Risks and Risk Management in the Company's 2020 Integrated Annual Report 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 date made. 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.

OVERVIEW OF BUSINESS AND CORPORATE STRUCTURE

Capital Power is a growth-oriented North American wholesale power producer with a strategic focus on sustainable energy headquartered in Edmonton, Alberta. We build, own, and operate high-quality, utility-scale generation facilities that include renewables and thermal. We have also made significant investments in carbon capture and utilization to reduce carbon impacts and are committed to be off coal in 2023. Capital Power owns over 6,400 megawatts (MW) of power generation capacity at 26 facilities across North America. Projects in advanced development include 425 MW of owned renewable generation capacity in North Carolina and Alberta and 560 MW of incremental natural gas combined cycle capacity from the repowering of Genesee 1 and 2 in Alberta.

The Company's power generation operations and assets are owned by Capital Power L.P. (CPLP), Capital Power L.P. Holdings Inc., and Capital Power (US Holdings) Inc., all wholly owned subsidiaries of the Company.

CORPORATE STRATEGY

The Company's corporate strategy remains unchanged from that disclosed in its 2020 Integrated Annual Report.

PERFORMANCE OVERVIEW

The Company measures its performance in relation to its corporate strategy through financial and non-financial targets that are approved by the Board of Directors of Capital Power. The measurement categories include corporate measures and measures specific to certain groups within the Company. The corporate measures are company-wide and include adjusted funds from operations and safety. The group-specific measures include facility operating margin and other operations measures, committed capital, construction and maintenance capital on budget and on schedule, and facility site safety.

Operational excellence

Performance measure	2021 target	Actual results for the three months ended March 31, 2021
Facility availability average	93% or greater	96%
Sustaining capital expenditures	$80 to $90 million	$18 million [1]

[1] Includes sustaining capital expenditures net of joint venture contributions of $5 million.

The Company's facility availability averaged 96% which reflected a planned outage at Decatur Energy. Unplanned outages also occurred at Genesee.

Sustaining capital expenditures for the three months ended March 31, 2021 were lower than target for the year to date primarily due to various budgeted sustaining capital projects for which spending will occur later in the year. Full year sustaining capital expenditures are expected to be consistent with the target range.

Disciplined growth

Performance measure	2021 target	Status as at March 31, 2021
Repowering of Genesee 1 and 2	Pending regulatory approval, expect construction to begin in the third quarter of 2021, with an anticipated in-service date in late 2023 for the repowered Genesee 1 and 2024 for Genesee 2.	Construction is expected to begin in the third quarter of 2021 and the anticipated in-service dates remain consistent with target.
Renewable projects:	Target completion dates on time and on budget for 2021 projects and progress on the development of 2022 projects to be on track with budget and completion dates.	The renewable projects below remain on budget and are on track with their targeted in-service dates.
Whitla Wind 2 (Alberta)	Fourth quarter of 2021	
Whitla Wind 3 (Alberta)	Fourth quarter of 2021	
Strathmore Solar (Alberta)	Early 2022	
Enchant Solar (Alberta)	Fourth quarter of 2022	
Hornet Solar (North Carolina)	Fourth quarter of 2022	
Hunter's Cove Solar (North Carolina)	Fourth quarter of 2022	
Bear Branch Solar (North Carolina)	Fourth quarter of 2022	
Other growth	$500 million of committed capital	The Company continues to explore growth opportunities and expects to be able to achieve this target during the year.

Financial stability and strength

Performance measure	2021 target	Actual results to March 31, 2021
Adjusted funds from operations [1,2]	$500 million to $550 million	$159 million
Adjusted EBITDA [1]	$975 million to $1,025 million	$303 million

1 AFFO and adjusted EBITDA are non-GAAP financial measures. See Non-GAAP Financial Measures.

2 Adjusted funds from operations target excludes impact from the Line Loss Rule (LLR) Proceeding. Actual results for the three months ended March 31, 2021 reflect a cash outflow of $6 million related to the LLR Proceeding.

OUTLOOK

The following discussion should be read in conjunction with the forward-looking information section of this MD&A which identifies the material factors and assumptions used to develop forward-looking information and their material associated risk factors.

At its Investor Day held in December 2020, the Company provided financial guidance for 2021 AFFO in the range of $500 million to $550 million and 2021 adjusted EBITDA in the range of $975 million to $1,025 million (see Non-GAAP Financial Measures). Based on the actual results for the first quarter of 2021 and the Company's forecast for the future three quarters, the Company expects AFFO and adjusted EBITDA for 2021 to be modestly above the top-end of the $500 million to $550 million and $975 million to $1,025 million annual guidance ranges for 2021, respectively.

Priorities for the Company in 2021 include supporting our sustainability targets through the development of the Genesee Carbon Conversion Centre and the strategic development of natural gas and renewable assets. This includes advancement of the repowering of Genesee 1 and 2 and ongoing development of our wind and solar projects.

In 2021, Capital Power's availability target of 93% reflects major scheduled maintenance outages for Genesee 2, Decatur Energy and Shepard compared to those scheduled for Genesee 2 (subsequently deferred to 2021), Arlington Valley, Decatur Energy and Southport in 2020.

The Alberta portfolio position, contracted prices and forward Alberta pool prices for 2022, 2023 and 2024 (all as at March 31, 2021) were:

Alberta commercial portfolio positions and power prices	Full year 2022	Full year 2023	Full year 2024
Percentage of baseload generation sold forward [1]	30%	24%	10%
Contracted price [2]	Mid-$50	Mid-$50	Mid-$50
Forward Alberta pool prices	$62	$53	$51

[1] Based on the Alberta baseload facilities plus a portion of Joffre and the uncontracted portion of Shepard.

[2] Forecasted average contracted prices may differ significantly from future average realized prices as future realized prices are driven by a combination of previously contracted prices and settled prices.

The 2021 targets and forecasts are based on numerous assumptions including power and natural gas price forecasts. However, they do not include the effects of potential future acquisitions or development activities, or potential market and operational impacts relating to unplanned facility outages including outages at facilities of other market participants, and the related impacts on market power prices.

At its Investor Day held in December 2020, the Company confirmed its annual dividend growth guidance for 2021 and 2022 at 7% and 5%, respectively. Each annual increase is subject to changing circumstances and approval by the Board of Directors of Capital Power at the time of the increase.

See Liquidity and Capital Resources for discussion of future cash requirements and expected sources of funding.

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) AFFO, (iii) AFFO 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.

Adjusted EBITDA

Capital Power uses adjusted EBITDA to measure the operating performance of facilities and categories of facilities from period to period. Management believes that a measure of facility operating performance is more meaningful if results not related to facility operations such as impairments, foreign exchange gains or losses and gains or losses on disposals are excluded from the adjusted EBITDA measure.

A reconciliation of adjusted EBITDA to net income (loss) is as follows:

(unaudited, $ millions)	Three months ended							
	Mar 31 2021	**Dec 30 2020**	**Sep 30 2020**	**Jun 30 2020**	**Mar 31 2020**	**Dec 31 2019**	**Sep 30 2019**	**Jun 31 2019**
Revenues and other income	554	516	453	435	533	683	517	366
Energy purchases and fuel, other raw materials and operating charges, staff costs and employee benefits expense, and other administrative expense	(264)	(321)	(144)	(233)	(323)	(309)	(231)	(134)
Remove unrealized changes in fair value of commodity derivatives and emission credits included within revenues and energy purchases and fuel	7	19	(31)	9	18	(28)	(8)	(48)
Adjusted EBITDA from joint venture [1]	6	6	6	6	6	6	6	7
Adjusted EBITDA	**303**	**220**	**284**	**217**	**234**	**352**	**284**	**191**
Depreciation and amortization	(135)	(122)	(115)	(121)	(120)	(118)	(135)	(122)
Unrealized changes in fair value of commodity derivatives and emission credits	(7)	(19)	31	(9)	(18)	28	8	48
Impairments	-	(13)	-	-	(13)	-	(401)	-
Gains on acquisition and disposal transactions	-	-	-	-	-	24	-	-
Foreign exchange gain (loss)	1	5	1	3	(9)	-	(1)	-
Net finance expense	(41)	(57)	(47)	(49)	(44)	(41)	(42)	(37)
Finance expense and depreciation expense from joint venture [1]	-	(4)	(4)	(6)	(13)	(1)	(7)	(7)
Income tax (expense) recovery	(20)	(9)	(44)	(12)	(17)	(63)	66	33
Net income (loss)	**101**	**1**	**106**	**23**	**-**	**181**	**(228)**	**106**
Net income (loss) attributable to:								
Non-controlling interests	(2)	(2)	(2)	-	(2)	(1)	(2)	(2)
Shareholders of the Company	103	3	108	23	2	182	(226)	108
Net income (loss)	**101**	**1**	**106**	**23**	**-**	**181**	**(228)**	**106**

[1] Total income from joint venture as per the Company's consolidated statements of income.

Adjusted funds from operations and adjusted funds from operations per share

AFFO is a measure of the Company's ability to generate cash from its current operating activities to fund growth capital expenditures, the repayment of debt and the payment of common share dividends.

AFFO represents net cash flows from operating activities adjusted to:

- remove timing impacts of cash receipts and payments that may impact period-to-period comparability which include deductions for net finance expense and current income tax expense, the removal of deductions for interest paid and income taxes paid and removing changes in operating working capital,
- include the Company's share of the AFFO of its joint venture interests and exclude distributions received from the Company's joint venture interests which are calculated after the effect of non-operating activity joint venture debt payments,
- include cash from coal compensation that will be received annually,
- remove the tax equity financing project investors' shares of adjusted funds from operations associated with assets under tax equity financing structures so only the Company's share is reflected in the overall metric,
- deduct sustaining capital expenditures and preferred share dividends,
- exclude the impact of fair value changes in certain unsettled derivative financial instruments that are charged or credited to the Company's bank margin account held with a specific exchange counterparty, and
- include net expected cash outflows for the Company's share of Line Loss Rule (LLR) Proceeding invoices in the period each tranche is paid by the Company.

AFFO per share is determined by applying AFFO to the weighted average number of common shares used in the calculation of basic, diluted and normalized earnings per share.

A reconciliation of net cash flows from operating activities to adjusted funds from operations is as follows:

(unaudited, $ millions)	Three months ended March 31	
	2021	**2020**
Net cash flows from operating activities per condensed interim consolidated statements of cash flows	**206**	**103**
Add (deduct) items included in calculation of net cash flows from operating activities per condensed interim consolidated statements of cash flows:		
Interest paid	41	28
Realized gain on settlement of interest rate derivatives	-	(1)
Change in fair value of derivatives reflected as cash settlement	4	10
Distributions received from joint venture	(3)	(2)
Miscellaneous financing charges paid [1]	1	2
Income taxes paid	5	26
Change in non-cash operating working capital	(20)	18
	28	81
Net finance expense [2]	(35)	(34)
Current income tax expense [3]	(3)	(6)
Sustaining capital expenditures [4]	(18)	(16)
Preferred share dividends paid	(13)	(13)
Remove tax equity interests' respective shares of adjusted funds from operations	(4)	(2)
Adjusted funds from operations from joint venture	4	5
Line Loss Rule Proceeding [5]	(6)	-
Adjusted funds from operations	**159**	**118**
Weighted average number of common shares outstanding (millions)	106.8	105.4
Adjusted funds from operations per share ($)	**1.49**	**1.12**

[1] Included in other cash items on the condensed interim consolidated statements of cash flows to reconcile net income to net cash flows from operating activities.

[2] Excludes unrealized changes on interest rate derivative contracts, amortization, accretion charges and non-cash implicit interest on tax equity investment structures.

[3] For the three months ended March 31, 2020, excludes current income tax recoveries related to the Genesee 3 and Keephills 3 swap transaction of $20 million as these amounts are considered investing activities.

[4] Includes sustaining capital expenditures net of partner contributions of $5 million and $1 million for the three months ended March 31, 2021 and 2020, respectively.

[5] Net expected cash outflow for the second tranche of invoices for the LLR Proceeding covering the years 2010-2013. The invoicing process results in gross billings to Capital Power of which amounts not attributable to Capital Power have been

invoiced and have begun to be recovered from the appropriate parties for their respective shares. Actual net cash outflows of $13 million for the LLR Proceeding amounts are reflected in net cash flows from operating activities through the change in non-cash operating working capital in the Consolidated Statements of Cash Flows for the three months ended March 31, 2021, which is removed in the calculation of adjusted funds from operations. The actual net cash outflows reflect the Company's $6 million obligation related to the 2010-2013 invoice tranche and the amount paid by the Company but expected to be recovered from the Alberta Balancing Pool (net $7 million to Capital Power) (see Contingent Liabilities and Provisions).

Normalized earnings attributable to common shareholders and normalized earnings per share

The Company uses normalized earnings attributable to common shareholders and normalized earnings per share to measure performance by period on a comparable basis. Normalized earnings per share is based on earnings (loss) used in the calculation of basic earnings (loss) per share according to GAAP and adjusted for items that are not reflective of performance in the period such as unrealized fair value changes, impairment charges, unusual tax adjustments, gains and losses on disposal of assets or unusual contracts, and foreign exchange gain or loss on the revaluation of U.S. dollar denominated debt. The adjustments, shown net of tax, consist of unrealized fair value changes on financial instruments that are not necessarily indicative of future actual realized gains or losses, non-recurring gains or losses, or gains or losses reflecting corporate structure decisions.

(unaudited, $ millions except per share amounts and number of common shares)	Three months ended							
	Mar 31 2021	**Dec 31 2020**	**Sep 30 2020**	**Jun 30 2020**	**Mar 31 2020**	**Dec 31 2019**	**Sep 30 2019**	**Jun 30 2019**
Basic earnings (loss) per share ($)	**0.83**	**(0.09)**	**0.89**	**0.10**	**(0.11)**	**1.61**	**(2.25)**	**0.93**
Net income (loss) attributable to shareholders of the Company per condensed interim consolidated statements of income (loss)	**103**	**3**	**108**	**23**	**2**	**182**	**(226)**	**108**
Preferred share dividends including Part VI.1 tax	(14)	(13)	(14)	(13)	(14)	(12)	(14)	(12)
Earnings (loss) attributable to common shareholders	89	(10)	94	10	(12)	170	(240)	96
Unrealized changes in fair value of derivatives [1]	(10)	12	(28)	3	30	(28)	(3)	(30)
Reduction in applicable jurisdictional tax rates	(10)	-	-	-	-	-	-	-
Provision for Line Loss Rule Proceeding [2]	(1)	1	-	3	-	4	-	-
Restructuring charges	-	-	2	-	-	-	-	-
Other tax adjustment	-	-	1	-	-	-	-	-
Impairments	-	10	-	-	10	-	-	-
Termination of East Windsor steam contract	-	-	-	2	-	-	-	-
Net (gain) loss on swap transaction	-	-	-	-	-	(115)	307	-
Alberta tax rate change	-	-	-	-	-	-	-	(51)
Normalized earnings attributable to common shareholders	**68**	**13**	**69**	**18**	**28**	**31**	**64**	**15**
Weighted average number of common shares outstanding (millions)	106.8	105.7	105.1	105.1	105.4	105.3	106.5	103.6
Normalized earnings per share ($)	**0.64**	**0.12**	**0.66**	**0.17**	**0.27**	**0.29**	**0.60**	**0.14**

[1] Includes impacts of the interest rate non-hedge held within a joint venture and recorded within income (loss) from joint venture on the Company's condensed interim consolidated statements of income.

[2] See Contingent Liabilities and Provisions.

FINANCIAL HIGHLIGHTS

(unaudited, $ millions, except per share amounts)	Three months ended March 31	
	2021	2020
Revenues and other income	554	533
Adjusted EBITDA [1]	303	234
Net income	101	-
Net income attributable to shareholders of the Company	103	2
Normalized earnings attributable to common shareholders [1]	68	28
Basic and diluted earnings (loss) per share ($)	0.83	(0.11)
Normalized earnings per share ($) [1]	0.64	0.27
Net cash flows from operating activities	206	103
Adjusted funds from operations [1]	159	118
Adjusted funds from operations per share ($) [1]	1.49	1.12
Purchase of property, plant and equipment and other assets	125	99
Dividends per common share, declared ($)	0.5125	0.4800
Dividends per Series 1 preferred share, declared ($)	0.1638	0.1913
Dividends per Series 3 preferred share, declared ($)	0.3408	0.3408
Dividends per Series 5 preferred share, declared ($)	0.3274	0.3274
Dividends per Series 7 preferred share, declared ($)	0.3750	0.3750
Dividends per Series 9 preferred share, declared ($)	0.3594	0.3594
Dividends per Series 11 preferred share, declared ($)	0.3594	0.3594

	As at	
	March 31, 2021	December 31, 2020
Loans and borrowings including current portion	3,322	3,552
Total assets	8,795	8,911

[1] The consolidated financial highlights, except for adjusted EBITDA, normalized earnings attributable to common shareholders, normalized earnings per share, AFFO and AFFO per share were prepared in accordance with GAAP. See Non-GAAP Financial Measures.

[2] Diluted earnings per share was calculated after giving effect to outstanding share purchase options.

See Consolidated Net Income and Results of Operations for discussion of the key drivers of the changes in revenues and other income, adjusted EBITDA, net income and net income attributable to shareholders of the Company.

The changes in basic and diluted earnings (loss) per share were driven by the same factors as net income which are discussed in Consolidated Net Income and Results of Operations and the changes from period to period in the weighted average number of common shares outstanding. The changes in normalized earnings per share and normalized earnings attributable to common shareholders were affected by the same drivers as basic earnings (loss) per share, but also the adjustments between income (loss) per share and normalized earnings per share described under Non-GAAP Financial Measures.

See Liquidity and Capital Resources for discussion of the key drivers of the changes in net cash flows from operating activities. AFFO for the three months ended March 31, 2021 was higher than the corresponding period in 2020 primarily due to AFFO from Buckthorn Wind which was acquired in the second quarter of 2020, the commissioning of Cardinal Point Wind in March of 2020 and higher adjusted EBITDA from our Alberta Commercial facilities as discussed in Consolidated Net Income and Results of Operations. These increases were partially offset by the net expected cash outflow for the second tranche of LLR Proceeding invoices paid during the quarter.

The increase in purchases of property, plant and equipment and other assets is discussed in Liquidity and Capital Resources.

SIGNIFICANT EVENTS

United States power operations relating to extreme weather event

During the February 9 to 20, 2021 period, extreme winter weather caused some disruptions to our wind facilities, most notably in Texas (Buckthorn Wind) with no significant impact on the balance of Capital Power's U.S. operations. Buckthorn Wind experienced no significant physical damage, but some turbines were forced offline. As of February 22, 2021, the operations were back to normal. The net impact of the U.S. storm on Buckthorn Wind resulted in increases of $8 million (US$6 million) to adjusted EBITDA and AFFO. In addition, during the peak days of the weather event, the Company was able to leverage its commodity management expertise to physically flow power around North America to contribute a further positive financial impact.

The favourable impacts of the weather event were largely driven by the settlement of the offtake and commodity swaps for Buckthorn Wind for the noted period of extreme weather. However, Buckthorn Wind's counterparty is contesting the settlement, arguing that settlement should have been based upon a different reference price. Historically these two prices have been similar, but as a result of the recent extreme weather, the Company became aware of a divergence in these prices during scarcity events. Both parties invoked dispute-resolution procedures before the close of quarter and the Company subsequently initiated litigation. Based on the contract terms of the offtake and commodity swaps, the Company considers the probability of ultimate settlement using the reference price advocated by the counterparty as being unlikely. In the event that the dispute is resolved unfavourably to the Company, the net exposure to the Company's revenues would be a reduction of up to approximately $18 million (US$15 million).

Approval of normal course issuer bid

During the first quarter of 2021, the Toronto Stock Exchange approved Capital Power's normal course issuer bid to purchase and cancel up to 10.7 million of its outstanding common shares during the one-year period from February 26, 2021 to February 25, 2022.

SUBSEQUENT EVENTS

Executive appointments

On April 30, 2021, Capital Power and the Board of Directors announced the following executive position appointments effective June 1, 2021:

- Bryan DeNeve, Senior Vice President Operations,
- Chris Kopecky, Senior Vice President and Chief Legal, Development and Commercial Officer, and
- Steve Owens, Senior Vice President Construction and Engineering.

Kate Chisholm, Sandra Haskins and Jacquie Pylypiuk will continue to serve in their current roles. Darcy Trufyn, currently Senior Vice President, Operations, Engineering and Construction will be retiring effective June 30, 2021.

Executed 15-year contract for Enchant Solar project

On April 19, 2021, the Company announced that it executed a 15-year renewable energy agreement to sell 51% of the electricity generated from the 75 megawatt Enchant Solar project (Enchant Solar) in Alberta to Labatt Brewing Company Ltd. of Canada (Labatt), along with bundled renewable energy certificates (RECs). Of the contracted capacity under this agreement, approximately one-quarter will be bundled with project-generated RECs directly from Enchant Solar and three-quarters will be packaged with RECs sourced from Eastern Canada. The terms of this agreement are consistent with the previously disclosed financial expectations for Enchant Solar.

Construction of Enchant Solar is set to commence in the second quarter of 2022 with commercial operations expected in the fourth quarter of 2022.

CONSOLIDATED NET INCOME AND RESULTS OF OPERATIONS

The primary factors contributing to the change in consolidated net income for the three months ended March 31, 2021 compared with 2020 are presented below followed by further discussion of these items.

(unaudited, $ millions)		
Consolidated net income for the three months ended March 31, 2020		**-**
Increase (decrease) in adjusted EBITDA:		
Alberta commercial facilities and portfolio optimization	33	
Western Canada contracted facilities	(1)	
Ontario contracted facilities	(1)	
U.S. contracted facilities	24	
Corporate	14	69
Change in unrealized net gains or losses related to the fair value of commodity derivatives and emission credits		11
Increase in depreciation and amortization expense		(15)
Decrease in impairments		13
Decrease in foreign exchange loss		10
Decrease in finance expense and depreciation expense from joint venture		13
Decrease in net finance expense		3
Increase in income before tax		104
Increase in income tax expense		(3)
Increase in net income		**101**
Consolidated net income for the three months ended March 31, 2021		**101**

Results by facility category and other

	Three months ended March 31							
	2021	2020	2021	2020	2021	2020	2021	2020
	Electricity generation (GWh) [1]		**Facility availability** (%) [2]		**Revenues and other income** (unaudited, $ millions)		**Adjusted EBITDA** (unaudited, $ millions) [3]	
Total electricity generation, average facility availability and facility revenues	5,630	5,562	96	91	553	443		
Alberta commercial facilities [4]								
Genesee 1	616	792	92	96	63	36		
Genesee 2	581	773	100	97	61	33		
Genesee 3	904	913	95	92	88	63		
Clover Bar Energy Centre 1, 2 and 3	23	196	99	97	8	22		
Joffre	203	186	100	93	26	19		
Shepard	803	867	100	100	53	45		
Halkirk Wind	151	148	98	98	19	14		
Clover Bar Landfill Gas	-	1	-	53	-	-		
Alberta commercial facilities	3,281	3,876	97	96	318	232		
Portfolio optimization	N/A	N/A	N/A	N/A	25	44		
	3,281	3,876	97	96	343	276	165	132
Western Canada contracted facilities [4,5]								
Island Generation	28	7	100	100	10	10		
Quality Wind	127	122	97	96	16	16		
EnPower	11	10	89	86	1	1		
Whitla Wind 1	235	238	98	97	10	10		
	401	377	98	98	37	37	29	30
Ontario contracted facilities [5]								
York Energy [6]	4	4	100	100	N/A	N/A		
East Windsor	-	1	99	99	8	8		
Goreway	234	143	99	88	58	49		
Kingsbridge 1	30	32	99	99	2	3		
Port Dover and Nanticoke Wind	81	90	99	99	12	13		
	349	270	99	92	80	73	57	58
U.S. contracted facilities								
Roxboro, North Carolina [7]	57	81	100	90	7	10		
Southport, North Carolina [7]	60	105	100	85	11	16		
Decatur Energy, Alabama	356	124	79	87	24	21		
Arlington Valley, Arizona	545	377	99	66	24	26		
Beaufort Solar, North Carolina	6	6	99	100	-	-		
Bloom Wind, Kansas	165	183	95	99	9	11		
Macho Springs Wind, New Mexico	38	35	98	99	4	4		
New Frontier Wind, North Dakota	103	110	94	98	6	8		
Cardinal Point Wind, Illinois [8]	170	18	99	89	16	5		
Buckthorn Wind, Texas [9]	99	N/A	94	N/A	17	N/A		
	1,599	1,039	90	83	118	101	55	31
Corporate [10]					30	11	(3)	(17)
Unrealized changes in fair value of commodity derivatives and emission credits					(54)	35		
Consolidated revenues and other income and adjusted EBITDA					**554**	**533**	**303**	**234**

1 Gigawatt hours (GWh) of electricity generation reflects the Company's share of facility output.

2 Facility availability represents the percentage of time in the period that the facility was available to generate power regardless of whether it was running, and therefore is reduced by planned and unplanned outages.

3 The financial results by facility category, except for adjusted EBITDA, were prepared in accordance with GAAP. See Non-GAAP Financial Measures.

4 The Genesee 1 and 2 Power Purchase Arrangement (PPA) expired on December 31, 2020 and as a result, commencing January 1, 2021, electricity from Genesee 1 and 2 is sold into the energy market on a merchant or non-contracted basis and presented within Alberta commercial facilities. Results for the comparative period reflect energy sold on a contracted basis for Genesee 1 and 2 within the Alberta commercial grouping.

5 During the first quarter of 2021, management has reviewed its facility groupings as a result of the change in classification of Genesee 1 and 2 as well as recent internal organizational changes. To best reflect how the Company operates, commencing January 1, 2021, the British Columbia and Alberta contracted facilities will be reported together as Western Canada contracted facilities with the Ontario contracted facilities in a separate grouping. Comparative figures have been reclassified to conform to the current period's presentation.

6 York Energy is accounted for under the equity method. Capital Power's share of the facility's net income is included in income from joint venture on the Company's condensed interim consolidated statements of income. Capital Power's share of the facility's adjusted EBITDA is included in adjusted EBITDA above. The equivalent of Capital Power's share of the facility's revenue was $8 million and $8 million for three months ended March 31, 2021 and 2020, respectively. The facility's revenues are not included in the above results.

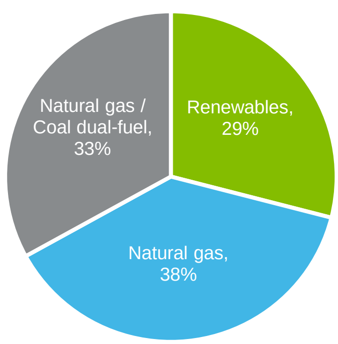
7 The PPAs for the Southport and Roxboro facilities expired March 31, 2021, and the facilities also ceased operations. Decommissioning of the facilities is expected in commence in the second quarter of 2021.

8 Cardinal Point Wind was commissioned on March 16, 2020.

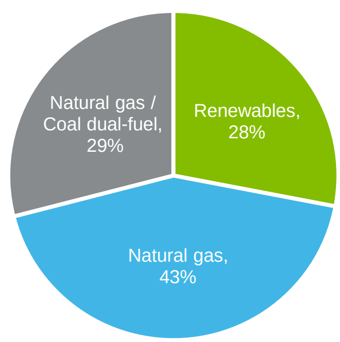
9 Buckthorn Wind was acquired on April 1, 2020.

10 Corporate revenues were offset by interplant category eliminations.

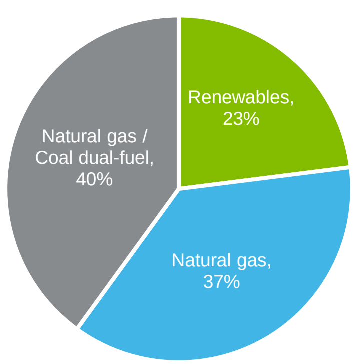
Adjusted EBITDA and revenues and other income by fuel type[1] for the three months ended March 31



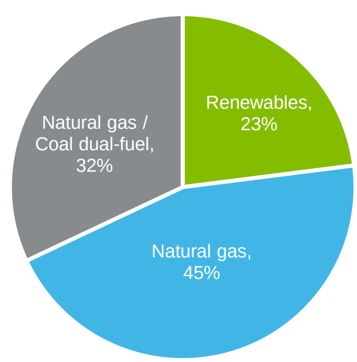
2021 Adjusted EBITDA by fuel type [1]



2020 Adjusted EBITDA by fuel type [1]



2021 Revenues and other income by fuel type[1]



2020 Revenues and other income by fuel type[1]

1 Alberta commercial EBITDA and revenues and other income is allocated to fuel source based on generation.

Energy prices and hedged positions

Alberta	Unit	Three months ended March 31 2021	2020	Year ended December 31, 2020
Hedged position [1]	Percentage sold forward at beginning of period (%)	52	73	72
Spot power price average	$ per megawatt hour (MWh)	95	67	47
Realized power price [2]	$ per MWh	77	62	58
Natural gas price (AECO) [3]	$ per gigajoule (Gj)	3.07	1.99	2.16

1 Hedged position is for the Alberta baseload facilities as well as a portion of Joffre and the uncontracted portion of Shepard.

2 Realized power price is the average price realized as a result of the Company's commercial contracted sales and portfolio optimization activities.

3 AECO refers to the historical virtual trading hub located in Alberta and known as the NOVA Inventory Transfer system operated by TransCanada PipeLines Limited.

Alberta commercial facilities and portfolio optimization

The Alberta spot price averaged $95 per MWh for the three months ended March 31, 2021, which was higher than the corresponding period in 2020. Both quarters included one month of higher pricing as a result of cold temperatures and baseload facility outages. The remaining months settled at moderate pricing with stable baseload supply, but with higher monthly pricing in the 2021 months compared with 2020.

For the three months ended March 31, 2021, generation was lower than the comparable period in 2020, despite consistent availability quarter over quarter, primarily due to lower demand due to milder than normal temperatures during certain periods in January and March. Most facilities experienced no, shorter or less frequent unplanned outages in the first three months of 2021 compared with 2020, offset by longer unplanned outages at Genesee 1 in 2021 compared with 2020.

Revenues and other income for the three months ended March 31, 2021 were higher than the comparable period in 2020 primarily due to higher Alberta spot power prices. The PPAs for Genesee 1 and 2 expired at the end of 2020, with subsequent revenue being on a merchant or non-contracted basis which led to increased revenues in the first quarter of 2021 as compared to 2020 for Genesee 1 and 2. These revenue increases were partially offset by lower revenues from portfolio optimization activities as a result of power and natural gas forward sales contracts settling unfavourably against higher spot prices in 2021 compared with 2020.

Adjusted EBITDA for the three months ended March 31, 2021 was higher than the comparable period in 2020 due largely to higher realized power prices in the first three months of 2021 compared with 2020. In addition, natural gas expenses were lower in 2021 as a result of lower fuel procurement from lower plant dispatch, as well as the impact of forward purchase contracts settling favourably against higher spot prices. The favourable revenues and other income variances were partially offset by higher emissions costs at the Genesee facilities, where upon the expiration of the PPAs for Genesee 1 and 2, emissions costs are no longer passed on to the PPA Buyer.

Western Canada contracted facilities

Generation for the three months ended March 31, 2021 was higher compared with the corresponding period in 2020 primarily due to higher dispatch at Island Generation.

Availability, revenues and other income and adjusted EBITDA for the three months ended March 31, 2021 were consistent compared with the corresponding period in 2020.

Ontario contracted facilities

Generation, availability and revenues and other income for the three months ended March 31, 2021 were higher compared to the corresponding period in 2020 primarily due to higher dispatch, fewer and shorter unplanned outages and higher captured pricing at Goreway in 2021 compared with 2020. Revenues and other income do not include York Energy, which is accounted for under the equity method.

Adjusted EBITDA for the three months ended March 31, 2021 was consistent compared with the corresponding period in 2020 primarily due to higher natural gas consumption and pricing at Goreway offsetting the aforementioned higher revenues.

U.S. contracted facilities

Generation and availability for the three months ended March 31, 2021 were higher than the comparable period in 2020, primarily due to the acquisition of Buckthorn Wind on April 1, 2020 and the commencement of operations at Cardinal Point Wind on March 16, 2020. Generation for the first quarter of 2021 compared to the first quarter of 2020 was also higher due to higher generation at Arlington Valley due to a planned outage in 2020 as well as higher dispatch at Decatur Energy, despite more planned outage hours in 2021 compared with 2020. These increases in generation in 2021 compared with 2020 were partially offset by lower generation at New Frontier Wind and Bloom Wind, due to lower individual turbine availability and a forced outage in February 2021 as a result of the U.S. extreme weather event, respectively. Generation at Southport and Roxboro was also lower in 2021 compared with 2020, as a result of fuel conservation, despite higher availability due to no outages in 2021 compared with forced and planned outages in 2020.

Revenues and other income in the first three months of 2021 were higher than 2020, primarily due to the acquisition of Buckthorn Wind and the commencement of operations at Cardinal Point Wind and increased generation. Lower tax attributes were recognized at Bloom Wind and New Frontier Wind in 2021 compared with 2020 primarily due to the lower generation at those facilities.

Adjusted EBITDA increased in the three months ended March 31, 2021 compared with 2020 primarily due to the aforementioned revenue variances as well as higher Arlington Valley heat rate call option margins in 2021 compared with the first three months of 2020 and lower operating costs at Arlington Valley, both due to no planned outage occurring in the first three months of 2021 as compared to the planned outage in the comparable period of 2020.

Corporate

Corporate results include (i) revenues for cost recoveries and other income related to coal compensation from the Province of Alberta, (ii) costs of support services such as treasury, finance, internal audit, legal, people services, corporate risk management, asset management, and environment, health and safety, and (iii) business development expenses. Note that cost recovery revenues are primarily intercompany revenues that are offset by interplant category transactions.

Net corporate revenues and other income were higher in 2021 compared with the first three months of 2020 due to accelerated recognition of coal compensation revenue for the three months ended March 31, 2021 as a result of the repowering of Genesee 1 and 2 announced in late 2020. The impact of coal compensation acceleration to adjusted EBITDA for the three months ended March 31, 2021, was partially offset by higher incentive expenses due to larger increases in the Company’s share price during the first quarter of 2021 as compared to decreases in the comparable period of 2020.

Unrealized changes in fair value of commodity derivatives and emission credits

(unaudited, $ millions)	Three months ended March 31			
	2021	**2020**	**2021**	**2020**
Unrealized changes in fair value of commodity derivatives and emission credits	**Revenues and other income**		**Income before tax**	
Unrealized (losses) gains on Alberta power derivatives	(2)	37	3	(6)
Unrealized (losses) gains on U.S. power derivatives	(35)	5	(34)	5
Unrealized (losses) gains on natural gas derivatives	(9)	1	29	(1)
Unrealized losses on emission derivatives	(8)	(8)	(8)	(8)
Unrealized gains (losses) on emission credits held for trading	-	-	3	(8)
	(54)	**35**	**(7)**	**(18)**

The Company's revenues and other income and adjusted EBITDA relating to its Alberta commercial facilities and portfolio optimization and U.S. wind facilities include realized changes in the fair value of commodity derivatives and emission credits. Unrealized changes in the fair value of commodity derivatives and emission credits are excluded from revenues and other income relating to the Alberta commercial facilities and portfolio optimization and U.S. wind facilities and are also excluded from the Company's adjusted EBITDA metric.

When a derivative instrument settles, the unrealized fair value changes recorded in prior periods for that instrument are reversed from this category. The gain or loss realized upon settlement is then reflected in adjusted EBITDA for the applicable facility category.

During the three months ended March 31, 2021, the Alberta power portfolio recognized unrealized gains of $3 million as a result of the impact of increasing forward Alberta power pricing on forward purchase contracts, partially offset by the reversal of prior year unrealized gains on positions that settled during the quarter. For the comparable period in 2020, the Alberta power portfolio recognized unrealized losses of $6 million primarily due to the reversal of prior period unrealized gains on positions that settled during the period as well as the impact of decreasing forward Alberta power prices on the value of forward purchase contracts.

During the three months ended March 31, 2021, the U.S. power portfolio recognized unrealized losses of $34 million as a result of the impact of increasing forward prices on the forward sales contracts associated with the Bloom Wind and Buckthorn Wind facilities. Partially offsetting these losses were unrealized gains on the forward sale contracts for the New Frontier Wind and Cardinal Point Wind facilities due to decreasing forward power prices. During the comparable period in 2020, the Company recognized unrealized gains of $5 million due to the impact of decreasing forward power prices on forward sale contracts.

During the three months ended March 31, 2021, the Company recognized unrealized gains of $29 million on natural gas derivatives, mainly as a result of increasing forward prices on forward purchase contracts.

During the three months ended March 31, 2021, unrealized losses of $8 million on emission derivatives were recognized as a result of increasing forward prices on forward sale contracts as well as the reversal of prior period unrealized gains on positions that settled during the quarter. During the comparable period in 2020, the Company recognized unrealized losses of $8 million as a result of decreasing forward prices on forward purchase contracts.

During the three months ended March 31, 2021, unrealized gains of $3 million on emission credits held for trading were recognized as a result of the impact of increasing market prices on inventory value as well as the reversal of prior period unrealized losses on inventory delivered during the quarter. During the comparable period in 2020, the Company recognized unrealized losses of $8 million on emission credits held for trading due to the reversal of prior period unrealized gains on credits sold during the quarter as well as decreasing market prices on existing inventory.

Consolidated other expenses and non-controlling interests

(unaudited, $ millions)	Three months ended March 31	
	2021	**2020**
Interest on borrowings less capitalized interest	(37)	(38)
Realized losses on settlement of interest rate derivatives	(2)	-
Other net finance expense – interest on coal compensation from the Province of Alberta, lease liability interest, sundry interest, guarantee and other fees	(1)	2
	(40)	(36)
Unrealized gains (losses) representing changes in the fair value of interest rate derivatives	10	(2)
Other net finance expense – amortization and accretion charges, including accretion of deferred revenue pertaining to coal compensation from the Province of Alberta	(11)	(6)
Total net finance expense	(41)	(44)
Depreciation and amortization	(135)	(120)
Impairments	-	(13)
Foreign exchange gain (loss)	1	(9)
Finance expense and depreciation expense from joint venture	-	(13)
Income tax expense	(20)	(17)
Net loss attributable to non-controlling interests	2	2

Net finance expense

Lower net finance expense for the three months ended March 31, 2021 compared with the same period in the prior year largely reflects unrealized gains on non-hedge interest rate swaps driven by the impact of increasing market interest rates in the first three months of 2021 as well as lower interest on a mid-January 2020 debt renewal. This was partially offset by higher interest on tax equity financing related to the acquisition of Buckthorn Wind in the second quarter of 2020, higher accretion due to accelerated coal compensation, realized losses on the settlement of interest rate derivatives in the first three months of 2021 and lower capitalized interest due to Cardinal Point Wind beginning commercial operations late in the first quarter of 2020.

Depreciation and amortization

Depreciation and amortization for the three months ended March 31, 2021 increased compared with the same period in the prior year primarily due to the accelerated depreciation of Genesee 1 and 2 coal assets and the Genesee Mine as a result of the late 2020 Genesee repowering announcement, and higher depreciation from Cardinal Point Wind (commenced commercial operations in March 2020) and the addition of Buckthorn Wind in the second quarter of 2020.

Foreign exchange gain (loss)

As at March 31, 2021, the Company had outstanding foreign currency non-hedge sale contracts totalling US$100 million. For the three months ended March 31, 2021, the exchange rate of the Canadian dollar relative to the U.S. dollar strengthened resulting in an unrealized gain on the foreign currency sale contracts.

As at March 31, 2020, the Company had outstanding foreign currency non-hedge sale contracts totalling US$92 million. For the three months ended March 31, 2020, the exchange rate of the Canadian dollar relative to the U.S. dollar weakened resulting in an unrealized loss on the foreign currency sale contracts.

Finance expense and depreciation expense from joint venture

Finance expense and depreciation expense from joint venture includes Capital Power's share of finance expense and depreciation expense of York Energy, which is accounted for under the equity method. Finance expense and depreciation expense from joint venture decreased by $13 million for the three months ended March 31, 2021 compared with the same period in 2020 due to increasing interest rates during 2021 resulting in gains on the interest rate non-hedge held within the York Energy joint venture compared with declining interest rates during 2020 resulting in higher prior period expenses.

Income tax expense

Income tax expense for the three months ended March 31, 2021 increased compared with the corresponding period in 2020 primarily due to higher overall consolidated income before tax. This was partially offset by a $10 million deferred income tax benefit from lower applicable jurisdictional tax rates, of which no comparable tax recovery was recognized in 2020.

Non-controlling interests

Non-controlling interests mostly consist of the Genesee Mine partner's share of the consolidated depreciation expense of the Genesee Mine.

COMPREHENSIVE INCOME

(unaudited, $ millions)	Three months ended March 31	
	2021	2020
Net income	101	-
Other comprehensive income:		
Net unrealized losses on derivative instruments	(7)	(16)
Net realized losses on derivative instruments reclassified to net income	36	11
Unrealized foreign exchange (loss) gain on the translation of foreign operations	(13)	84
Actuarial gain related to the Company's defined benefit pension plan	-	3
Total other comprehensive income, net of tax	16	82
Comprehensive income	**117**	**82**

Other comprehensive income includes fair value adjustments on financial instruments held by the Company to hedge market risks and which meet the requirements of hedges for accounting purposes. To the extent that such hedges are ineffective, any related gains or losses are recognized in net income. Other unrealized fair value changes on derivative instruments designated as cash flow hedges and foreign currency translation gains or losses are subsequently recognized in net income when the hedged transactions are completed and the foreign operations are disposed of or otherwise terminated.

FINANCIAL POSITION

The significant changes in the consolidated statements of financial position from December 31, 2020 to March 31, 2021 were as follows:

(unaudited, $ millions)	As at March 31, 2021	As at December 31, 2020	Increase (decrease)	Primary reason for increase (decrease)
Trade and other receivables	521	499	22	Increase primarily due to new commercial customer contracts beginning in 2021 and higher settled prices on March 2021 trade receivables compared with December 2020 trade receivables, partly offset by LLR Proceeding[1] receivables collected.
Inventories	256	220	36	Increase in coal inventory due to lower coal usage during the first quarter of 2021 and net held-for-trading emission credit inventory additions in the first quarter of 2021.
Equity-accounted investments	150	134	16	Increase primarily due to the additional investment in C2CNT in the first quarter of 2021, further affected by the financial results of; and distributions from York Energy.
Property, plant and equipment	5,986	6,098	(112)	Decrease due to the impact of increasing interest rates and useful life changes (resulting from updated timelines at Genesee 1 and 2 for Repowering) on decommissioning assets, foreign exchange impacts and depreciation. These impacts were partially offset by capital additions for Genesee Repowering, Strathmore Solar and Whitla Wind 2 as well as turbine upgrades at Decatur Energy.
Trade and other payables	588	470	118	Increase due to higher capital and accrued liabilities related to outage timing and deferral of projects from 2020 to 2021, increased commodity purchases as a result of new customer contracts beginning in 2021, higher Alberta emission liabilities due to the expired Genesee 1 and 2 PPAs where compliance costs were previously passed onto the PPA buyer and increased Technology Innovation and Emissions Reduction fund (TIER) pricing in the current quarter, partly offset by LLR Proceeding[1] payables settled.
Net derivative financial instruments liabilities	9	55	(46)	Decrease due to reduction in interest rate swap liabilities resulting from increasing forward interest rates, offset partly by an increase due to reduced power derivative financial asset values as a result of increased forward Alberta power prices and increasing forward prices on REC sale positions.

(unaudited, $ millions)	As at March 31, 2021	As at December 31, 2020	Increase (decrease)	Primary reason for increase (decrease)
Loans and borrowings (including current portion)	3,322	3,552	(230)	Decrease primarily due to repayments of U.S. dollar bank loans and allocation of income tax benefits to tax-equity investors associated with the Company's tax-equity structures.
Provisions (including current portion)	422	501	(79)	Decrease mainly due to revisions to existing decommissioning provisions driven by increases in interest rates and the payment of accrued employee benefits.
Net deferred tax liabilities	607	582	25	Increase primarily due to recognition of taxable temporary differences that will reverse in the future, and changes in derivative financial instrument balances, partially offset by a decrease related to lower applicable jurisdictional tax rates.

1 See Contingent Liabilities and Provisions.

LIQUIDITY AND CAPITAL RESOURCES

(unaudited, $ millions)	Three months ended March 31		
Cash inflows (outflows)	**2021**	**2020**	**Change**
Operating activities	206	103	103
Investing activities	(92)	(80)	(12)
Financing activities	(246)	(137)	(109)

Operating activities

Cash flows from operating activities for the three months ended March 31, 2021 increased compared with the same period in 2020 mainly due to (i) cash flow impacts of the increases in adjusted EBITDA described in Consolidated Net Income and Results of Operations, including the acquisition of Buckthorn Wind in the second quarter of 2020, the commissioning of Cardinal Point Wind in March 2020 and higher Alberta power pricing, (ii) working capital cash inflows in the three months ended March 31, 2021 compared with outflows in the comparable 2020 period, mainly due to increases in trade payables due to higher emissions liabilities from higher TIER pricing and Genesee 1 and 2 as a result of expired PPAs, partially offset by increases in trade receivables primarily attributable to higher generation and settled prices in March 2021 and, (iii) a decrease in income taxes paid and (iv) less unfavourable fair value changes in certain unsettled derivative financial instruments that are charged or credited to the Company's bank margin account held with a specific exchange counterparty in the first quarter of 2021 compared with the same period in 2020. These impacts were partially offset by an increase in interest paid mainly due to timing.

Investing activities

Cash flows used in investing activities for the three months ended March 31, 2021 increased compared with the same period in 2020 primarily due to higher capital expenditures, partially offset by a higher change in non-cash investing working capital.

Capital expenditures and investments

(unaudited, $ millions)	Pre-2021 actual	Three months ended March 31, 2021 actual	Balance of 2021 estimated [1,2]	Actual or projected total [2]	Targeted completion
Repowering of Genesee 1 and 2	-	44	219	997	Unit 1 in 2023 and unit 2 in 2024
Whitla Wind 2 and 3	33	2	222	257	Fourth quarter of 2021
Strathmore Solar	2	6	45	53	First quarter of 2022
Enchant Solar	1	-	10	102	Fourth quarter of 2022
Bear Branch Solar	1	-	5	60	Fourth quarter of 2022
Hornet Solar	1	-	9	118	Fourth quarter of 2022
Hunter's Cove Solar	1	-	6	82	Fourth quarter of 2022
Commercial initiatives [3]	154	11	23	206	
Development sites and projects	24	-	-		
Subtotal growth projects		**63**	**539**		
Sustaining – plant maintenance excluding Genesee mine		21			
Sustaining – Genesee mine maintenance and lands		2			
Total capital expenditures [4]		**86**			
Emission credits held for compliance		27			
Investment in C2CNT		13			
Capitalized interest		(1)			
Purchase of property, plant and equipment and other assets		**125**			

1 The Company's 2021 estimated capital expenditures include only expenditures for previously announced growth projects and exclude other potential new development projects.

2 Projected capital expenditures to be incurred over the life of the ongoing projects are based on management's estimates. Projected capital expenditures for development sites are not reflected beyond the current period until specific projects reach the advanced development stage.

3 Commercial initiatives include the combustion turbine upgrade project for Decatur Energy with capital expenditures incurred life-to-date to the end of March 31, 2021 of $74 million (US$56 million). The final stage of this project will result in an additional 30 MW of generation in 2021 (an additional 60 MW of generation was completed prior to 2021). Commercial initiatives also include expected spending on the Company's Genesee dual-fuel project and the Genesee Performance Standard project as well as various other projects designed to either increase the capacity or efficiency of their respective facilities or to reduce emissions.

4 Capital expenditures include capitalized interest. Capital expenditures excluding capitalized interest are presented on the consolidated statements of cash flows as purchase of property, plant and equipment and other assets.

Financing activities

The cash flows used in financing activities for the three months ended March 31, 2021 primarily reflected normal course net repayments of credit facilities and other loans and borrowings and the payment of common and preferred share dividends. Cash flows used in financing activities during the first quarter of 2021 compared with 2020 were higher due to the prior year issuance of approximately $221 million (US$157 million) in net tax equity financing related to Cardinal Point Wind, partially offset by higher cash outflows in the prior year consisting of higher net repayment of loans and borrowings, higher common share dividends paid in 2020 as result of the reinstatement of the Company's Dividend Reinvestment Plan in the third quarter of 2020 and higher repurchases of common shares under the Company's normal course issuer bid.

The Company's credit facilities consisted of:

(unaudited, $ millions)		As at March 31, 2021			As at December 31, 2020		
	Maturity timing	**Total facilities**	**Credit facility utilization**	**Available**	**Total facilities**	**Credit facility utilization**	**Available**
Committed credit facilities	2024	1,000			1,000		
Letters of credit outstanding			10			9	
Bankers' acceptances outstanding			-			-	
Bank loans outstanding [1]			6			193	
		1,000	16	984	1,000	202	798
Bilateral demand credit facilities	N/A	426			427		
Letters of credit outstanding			271			259	
		426	271	155	427	259	168
Demand credit facilities	N/A	25	-	25	25	-	25
		1,451	**287**	**1,164**	**1,452**	**461**	**991**

[1] U.S. dollar denominated bank loans outstanding totaling US$5 million (December 31, 2020 – US$151 million).

As at March 31, 2021, the committed credit facility utilization decreased $186 million compared with the utilization as at December 31, 2020, due to repayment of U.S. dollar bank loans. The available credit facilities provide the Company with adequate funding for ongoing development projects.

The Company has a corporate credit rating of BBB- with a stable outlook from Standard & Poor's (S&P). The BBB rating category assigned by S&P is the fourth highest rating of S&P's ten rating categories for long-term debt obligations. According to S&P, a BBB corporate credit rating exhibits adequate capacity to meet financial commitments, however, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

The Company has a corporate credit rating of BBB (low) with a stable outlook from DBRS Limited (DBRS), which was affirmed in their latest report, published April 7, 2021. The BBB rating category assigned by DBRS is the fourth highest rating of DBRS' ten rating categories for long-term debt obligations. According to DBRS, long-term debt rated BBB is of adequate credit quality and the capacity of the payment of financial obligations is considered acceptable but the entity is vulnerable to future events.

The above credit ratings from S&P and DBRS are investment grade credit ratings which enhance Capital Power's ability to re-finance existing debt as it matures and to access cost competitive capital for future growth.

Future cash requirements

The following estimates of future cash requirements are subject to variable factors including those discussed in Forward-looking Information. Capital Power's expected cash requirements for 2021 include:

(unaudited, $ millions)	Three months ended March 31, 2021 actual	Balance of 2021 estimated	Total 2021 expected cash requirements
Repayment of debt payable [1]	16	338	354
Interest on loans and borrowings	41	81	122
Capital expenditures – sustaining	18	62	80
Capital expenditures – ongoing growth projects [2]	48	395	443
Capital expenditures – commercial initiatives	11	23	34
Common share dividends [3]	39	121	160
Preferred share dividends	13	38	51
	186	**1,058**	**1,244**

1 Excludes repayment of credit facilities.

2 Excludes capital expenditures on the Genesee 1 and 2 repowering project for which payments are deferred.

3 Includes 7% annual dividend growth, subject to approval by the Board of Directors of Capital Power and assumes a 30% dividend reinvestment plan participation rate.

The Company uses a short-form base shelf prospectus to provide it with the ability, market conditions permitting, to obtain new debt and equity capital from external markets when required. Under the short-form base shelf prospectus, Capital Power may raise up to $3 billion by issuing common shares, preferred shares, subscription receipts exchangeable for common shares and/or other securities of the Company and/or debt securities. This prospectus expires in June 2022.

If the Canadian and U.S. financial markets become unstable, Capital Power's ability to raise new capital, to meet its financial requirements, and to refinance indebtedness under existing credit facilities and debt agreements may be adversely affected. Capital Power has credit exposure relating to various agreements, particularly with respect to its power purchase agreement or arrangement (PPA), energy supply contract, trading and supplier counterparties. While Capital Power continues to monitor its exposure to its significant counterparties, there can be no assurance that all counterparties will be able to meet their commitments. See Risks and Risk Management for additional discussion on recent developments pertaining to these risks.

Off-statement of financial position arrangements

As at March 31, 2021, the Company has $281 million of outstanding letters of credit for collateral support for trading operations, conditions of certain service agreements and to satisfy legislated reclamation requirements. If the Company were to terminate these off-statement of financial position arrangements, the penalties or obligations would not have a material impact on the Company's financial condition, results of operations, liquidity, capital expenditures or resources.

Capital resources

(unaudited, $ millions)	As at	
	March 31, 2021	**December 31, 2020**
Loans and borrowings	3,322	3,552
Lease liabilities [1]	146	149
Less cash and cash equivalents	(235)	(367)
Net debt	3,233	3,334
Share capital	3,493	3,465
Deficit and other reserves	(516)	(565)
Non-controlling interests	27	29
Total equity	3,004	2,929
Total capital	**6,237**	**6,263**

1 Includes the current portion presented within deferred revenue and other liabilities.

CONTINGENT LIABILITIES AND PROVISIONS

Refer to Contractual Obligations, Contingent Liabilities, Other Legal Matters and Provisions discussion in the Company's 2020 Integrated Annual Report for further details that supplement the recent developments discussed below:

Contingent liabilities

The Company and its subsidiaries are subject to various legal claims, including the dispute disclosed in the Significant Events section, that arise in the normal course of business. Management believes that the aggregate contingent liability of the Company arising from these claims is immaterial and therefore no provision has been made.

Other legal matters

In each of 2017 through 2020, the Government of Alberta (GoA) withheld approximately $2.7 million from the Company's annual off-coal payment, on the basis of an alleged "implied term" of the Off-Coal Agreement. Capital Power believes there was no such implied term and has therefore sued the GoA for recovery of the withheld amount and specific performance for future payments. The status of this matter remains unchanged from what has been previously disclosed in the Company's 2020 Integrated Annual Report. Assuming that leave to the Court of Appeal is granted, it is expected that a final Court of Appeal decision will not be available until the first quarter of 2022.

Line Loss Rule Proceeding

Capital Power participated in the Line Loss Rule Proceeding before the Alberta Utilities Commission (AUC) regarding loss factors that form the basis for certain transmission charges paid by Alberta generators, including Capital Power. The LLR Proceeding addressed the replacement of the non-compliant LLR as well as the resulting adjustment of line loss charges and credits for the years 2006 up to and including 2016.

Based on current AUC decisions, Capital Power will incur additional charges related to historical periods and, as such, recorded $19 million pertaining to the Company's estimated net liability. The amount reflects a decrease of $1 million recorded during 2021 to reflect final tranche 3 invoices received during the quarter. The invoicing process results in gross billings to Capital Power of which those amounts not attributable to Capital Power will then be recoverable from the appropriate parties.

The AESO issued the first and second tranches of invoices covering the years 2010-2016 which were paid by the Company in December 2020 and February 2021, respectively. The third tranche of invoices covering the years 2006-2009 was received in March 2021 with settlement due May 2021. The amounts invoiced to Capital Power but not attributable to the Company for all three tranches of invoices have been invoiced to the appropriate parties for recovery with significant portions received by the Company in December 2020 and February 2021. Payment and recovery pertaining to the third tranche of invoices is to occur in the second quarter of 2021, subject to the outcome of the dispute with the Alberta Balancing Pool (the Balancing Pool) relating to the Sundance C PPA LLR adjustments discussed below or any other issues that may arise.

On January 26, 2021, the AUC rendered a decision in which it ordered the use of simple interest, aligning with the approach reflected in the AESO's issued invoices. An application seeking to rehear and overturn this decision was filed with the AUC on March 26, 2021. Capital Power is actively participating in these proceedings. This matter may also proceed to the Alberta Court of Appeal. Therefore, resolution of this limited issue may not occur in 2021.

To reflect the current invoicing process, as at March 31, 2021, the Company has recorded $67 million in trade and other receivables and $62 million in trade and other payables pertaining to the LLR Proceeding based on invoices received and expectations of recovery from the appropriate parties. The trade and other receivables and trade and other payables balances reflect the Company's respective recovery and payment of the final tranche of invoices received in March 2021 and the disputed amounts with the Balancing Pool relating to the Sundance C PPA for all tranches.

The Balancing Pool is disputing its liability to make payment for the LLR adjustment invoices related to the Sundance C PPA, which amounts to a net potential exposure to Capital Power of approximately $25 million. The Company believes the various agreements governing the termination and transfer of the Sundance C PPA and related transmission agreements with the AESO had the effect of transferring all past liabilities for the Sundance C PPA to the Balancing Pool. Capital Power has therefore filed a statement of claim at the Alberta Court of Queen's Bench on January 11, 2021 against the Balancing Pool, the Province of Alberta and the AESO in which it is seeking, among other relief, recovery from the Balancing Pool and the Province of Alberta of all amounts Capital Power is compelled to pay to the AESO on account of the LLR adjustment invoices relating to the Sundance C PPA as well as interest and legal costs, including the portion invoiced to the Balancing Pool but not received by the Company pertaining to all tranches of invoices. Capital Power expects to ultimately realize the full amount of the gross receivables related to the line losses upon resolution of the dispute before the Court.

RISKS AND RISK MANAGEMENT

There have been no material changes in the three months ended March 31, 2021 to the Company's business and operational risks as described in the Company's 2020 Integrated Annual Report. Information pertaining to climate-related risks and opportunities can be found on the Company's website within its 2020 Climate Change Disclosure Report.

The COVID-19 pandemic situation remains dynamic, with uncertainty around the ultimate duration and magnitude of the impact on the economy. The ultimate impact on the Company is dependent on future events that are uncertain at this time; however, the key impacts of these developments on the Company's risk exposures described in the Company's 2020 Integrated Annual Report and key strategies for mitigating those risks have not materially changed in the three months ended March 31, 2021. The COVID-19 pandemic may continue for an extended period and there is no certainty to when the pandemic will be brought under control with cases of COVID-19 variants on the rise and a "third wave" of COVID-19 occurring or anticipated in various regions in which the Company operates. Vaccination is underway in North America and government restrictions in certain U.S. jurisdictions are beginning to ease. In Canada, Alberta, British Columbia and Ontario continue to apply restrictions, while being supportive of keeping their economies open as best as possible while addressing the ongoing pandemic.

ENVIRONMENTAL MATTERS

The Company recorded decommissioning provisions of $351 million as at March 31, 2021 ($414 million as at December 31, 2020) for its generation facilities and the Genesee Mine as it is obliged to remove the facilities at the end of their useful lives and restore the facility and mine sites to their original condition. Decommissioning provisions for the Genesee Mine are incurred over time as new areas are mined, and a portion of the liability is settled over time as areas are reclaimed prior to final pit reclamation. The timing of reclamation activities could vary and the amount of decommissioning provisions could change depending on potential future changes in environmental regulations and the timing of any facility fuel conversions.

The Company has forward contracts to purchase environmental credits totaling $416 million and forward contracts to sell environmental credits totaling $498 million in future years. Included within these forward purchases and sales are net purchase amounts which will be used by the Company to comply with applicable environmental regulations and net sales amounts related to other emissions trading activities.

REGULATORY MATTERS

Refer to Regulatory Matters discussion in the Company's 2020 Integrated Annual for further details that supplement the recent developments discussed below:

Canada

On December 11, 2020, the Government of Canada released its updated climate plan (the Federal Plan). The Federal Plan sets out a range of measures and proposed policies across multiple sectors that are intended to enable Canada to meet and exceed its current 2030 greenhouse gas reduction commitments under the Paris Agreement, and also set Canada on a path to achieving net-zero carbon emissions by 2050. Among other things, the Federal Plan proposes to increase the carbon price by $15 per tonne per year after 2022 until achieving a price of $170 per tonne in 2030. The Company has initiated an assessment of the potential impacts the proposed elements of the Federal Plan may have for Capital Power's existing facilities and prospective interests in its Canadian markets, and intends to participate in forthcoming processes, which have yet to be scheduled, to discuss the key elements proposed as part of the Federal Plan.

On April 22, 2021, Prime Minister Trudeau announced that Canada will increase its emissions reduction target under the Paris Agreement to be 40-45% below 2005 levels by 2030, compared to the previous target of 30%. Additional information or details regarding sector-specific targets or measures arising from the new targets, relative to the policies that have been outlined in the Federal Plan, have not been provided at this time. The Company will incorporate the new targets as part of its ongoing assessment of the potential impacts of Federal carbon policy for Capital Power's existing facilities and prospective interests in the Canadian market.

Alberta

On January 1, 2020, the Government of Alberta (GOA) replaced the Carbon Competitiveness Incentive Regulation (CCIR) with the TIER Regulation for large industrial emitters. On November 5, 2020 the Government of Alberta increased the carbon price under the TIER Regulation for the 2021 calendar year to $40 per tonne of carbon dioxide equivalent.

In March 2021, the Government of Alberta initiated a Climate Policy Engagement process through which it intends to seek input from stakeholders and industry sectors, including electricity, regarding various aspects of Alberta's carbon policy framework. Capital Power understands the process is intended to gather input that will inform Alberta's future policies and programs. The Company is participating in the process.

The Supreme Court of Canada (the Court) released its decision regarding the challenge filed by the governments of Alberta, Saskatchewan, Manitoba and Ontario regarding the constitutionality of the Greenhouse Gas Pollution Pricing Act (GGPPA). In a 6-3 decision, the majority of the Court upheld the constitutionality of the GGPPA and determined that the GGPPA "sets minimum national standards of GHG price stringency to reduce GHG emissions". The Governments of Alberta and Ontario have indicated they will be reviewing the decision in detail before determining next steps.

At midnight on December 31, 2020, the PPA Regulation in Alberta expired and on January 1, 2021, all remaining PPAs held by the Balancing Pool have reverted back to their respective generation facility owners. Dispatch and offer control of Genesee 1 and 2, previously under PPA with the Balancing Pool as the Buyer, now reside with the Company.

Ontario

The Ontario's Independent Electric System Operator (IESO) is continuing work under its Market Renewal Program (MRP) which is a series of coordinated market reforms expected to result in a fundamental redesign of Ontario's electricity market. The IESO's stated goal for the MRP is to improve how electricity is priced, scheduled and procured to meet Ontario's electricity system needs. The Company is actively participating in the MRP stakeholder process and collaborating with the IESO.

On September 21, 2020, the Ontario Minister of the Environment, Conservation and Parks (MECP) announced that the federal government has accepted Ontario's Emissions Performance Standards (EPS) as an alternative to the federal carbon pricing regime. On December 16, 2020, the MECP started consultation with stakeholders, including Capital Power, about the transition of Ontario industrial facilities from the Federal Output-Based Pricing System (OPBS) to the provincial EPS. MECP is working with Environment and Climate Change Canada (ECCC) to transition industry to the EPS. ECCC has recently announced that Ontario's EPS will be in effect for the year 2022.

Until the transition is completed, York Energy, East Windsor and Goreway remain subject to the federal GGPPA and the federal carbon price of $30 per tonne in 2020 and $40 per tonne in 2021. The contracts for these facilities have provisions that trigger amendments, the effect of which will enable recovery of at least some of the imposed federal carbon compliance costs. Though there is limited risk the Company may incur some of the compliance costs with this program, the Company does not believe the implementation in Ontario of a federal carbon pricing system or any potential provincial greenhouse gas system will have a material adverse effect on its financial condition and results of operations.

The Ontario Ministry of Energy, Northern Development and Mines (MENDM) announced on January 5, 2021 that the regulation requiring the release of the Long-term Energy Plan (LTEP) every three years has been revoked effective January 1, 2021. According to the MENDM notice, removal of this requirement is part of its plan to reform the province's long-term energy planning process. Development of a new framework intended to eliminate political interference, increase transparency, and augment accountability in the planning process is being consulted on in the first and second quarters of 2021. No significant impact to the Company and its assets is expected, though the resulting framework should improve stakeholders' ability to understand the province's future electricity needs going forward.

United States

Following the November 3, 2020 U.S. presidential election, the Biden Administration has pursued a "whole of government" effort to address clean energy and climate change outlined via Executive Orders, including Executive Branch and Congressional efforts. Key risks will relate to how these efforts impact natural gas, while low carbon technologies and renewable energy stand to benefit with some caveats regarding new social license requirements.

In its entirety, the effort will include a broad range of regulatory and funding actions by the Executive Branch under existing statutory authority. These actions will range from new regulatory requirements under the Environmental Protection Agency's Clean Air Act authority to enhanced funding for climate mitigation at the Department of Energy to new climate and sustainability risk disclosure requirements at the Securities and Exchange Commission. Legislatively, a broad US$1.9 trillion infrastructure package is being addressed through Congressional action.

The legislative package is highly political and subject to significant negotiation before being passed by Congress and signed into law by the President. However, several risks and opportunities are embedded in these legislative proposals, best articulated in the President's American Jobs Plan. Some of the key provisions relevant to Capital Power include the following: (i) potential increases in the corporate tax rate, (ii) establishment of a national Clean Energy Standard that would set a goal of zero carbon emissions in the power sector by 2035, (iii) extension and enhancement or reform of tax credits that benefit clean energy investment and production, and (iv) billions of dollars in grants and loans towards research, development and deployment of low carbon technologies such as carbon capture, utilization and storage and Direct Air Capture.

With respect to renewable energy support whether through legislation or regulatory action, the Biden administration's priorities seek to increase pressure on the sector to increase labor standards and seek a more sustainable and U.S. manufactured/procured supply chain in the development process. In addition, a range of new Environmental Justice requirements are also possible in the clean energy sector.

Management continues to monitor these developments closely as they progress as they could have significant impacts on Capital Power.

USE OF JUDGMENTS AND ESTIMATES

In preparing the condensed interim consolidated financial statements, management made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. There have been no significant changes to the Company's use of judgments and estimates as described in the Company's Integrated Annual Report.

FINANCIAL INSTRUMENTS

The classification, carrying amounts and fair values of financial instruments held at March 31, 2021 and December 31, 2020 were as follows:

(unaudited, $ millions)		March 31, 2021		December 31, 2020	
	Fair value hierarchy level [1]	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets:					
Amortized cost					
Cash and cash equivalents	N/A	235	235	367	367
Trade and other receivables [2]	N/A	466	466	445	445
Government grant receivable [3]	Level 2	444	441	441	448
Fair value through income or loss					
Derivative financial instruments assets – current and non-current	See below	258	258	238	238
Fair value through other comprehensive income					
Derivative financial instruments assets – current and non-current	See below	45	45	10	10
Financial liabilities:					
Other financial liabilities					
Trade and other payables	N/A	588	588	470	470
Loans and borrowings [3]	Level 2	3,322	3,519	3,552	3,838
Fair value through income or loss					
Derivative financial instruments liabilities – current and non-current	See below	184	184	160	160
Fair value through other comprehensive income					
Derivative financial instruments liabilities – current and non-current	See below	128	128	143	143

1 Fair values for Level 1 financial assets and liabilities are based on unadjusted quoted prices in active markets for identical instruments while fair values for Level 2 financial assets and liabilities are generally based on indirectly observable prices. The determination of fair values for Level 3 financial assets and liabilities is prepared by appropriate subject matter experts and reviewed by the Company's commodity risk group and by management.

2 Excludes current portion of government grant receivable.

3 Includes current portion.

Risk management and hedging activities

There have been no material changes in the three months ended March 31, 2021 to the Company's risk management and hedging activities as described in the Company's 2020 Integrated Annual Report.

The derivative financial instruments assets and liabilities held at March 31, 2021 compared with December 31, 2020 and used for risk management purposes were measured at fair value and consisted of the following:

(unaudited, $ millions)	Fair value hierarchy level	As at March 31, 2021 Commodity cash flow hedges	Commodity non-hedges	Interest rate cash flow hedges	Interest rate non-hedges	Foreign exchange cash flow-hedges	Foreign exchange non-hedges	Total
Derivative financial instruments assets	Level 2	2	225	43	9	-	2	281
	Level 3	-	22	-	-	-	-	22
		2	247	43	9	-	2	303
Derivative financial instruments liabilities	Level 2	(35)	(169)	(77)	-	(16)	-	(297)
	Level 3	-	(15)	-	-	-	-	(15)
		(35)	(184)	(77)	-	(16)	-	(312)
Net derivative financial instruments (liabilities) assets		**(33)**	**63**	**(34)**	**9**	**(16)**	**2**	**(9)**

(unaudited, $ millions)	Fair value hierarchy level	As at December 31, 2020 Commodity cash flow hedges	Commodity non-hedges	Interest rate cash flow hedges	Interest rate non-hedges	Foreign exchange cash-flow hedges	Total
Derivative financial instruments assets	Level 2	2	172	8	-	-	182
	Level 3	-	66	-	-	-	66
		2	238	8	-	-	248
Derivative financial instruments liabilities	Level 2	(31)	(128)	(97)	(1)	(15)	(272)
	Level 3	-	(31)	-	-	-	(31)
		(31)	(159)	(97)	(1)	(15)	(303)
Net derivative financial instruments (liabilities) assets		**(29)**	**79**	**(89)**	**(1)**	**(15)**	**(55)**

Commodity, interest rate and foreign exchange derivatives designated as accounting hedges

Unrealized gains and losses for fair value changes on commodity, interest rate and foreign exchange derivatives that qualify for hedge accounting are recorded in other comprehensive income (loss) and, when realized, are reclassified to net income as revenues, energy purchases and fuel, finance expense or foreign exchange gains and losses as appropriate. When interest rate derivatives are used to hedge the interest rate on a future debt issuance, realized gains or losses are deferred within accumulated other comprehensive income (loss) and recognized within finance expense over the life of the debt, consistent with the interest expense on the hedged debt. When foreign exchange derivatives are used to hedge the risk of variability in cash flows resulting from foreign currency exchange rate fluctuations on future capital expenditures, realized gains and losses are deferred within accumulated other comprehensive income (loss) and then recorded in property, plant and equipment and amortized through depreciation and amortization over the estimated useful life of the hedged property, plant and equipment.

Commodity, interest rate and foreign exchange derivatives not designated as accounting hedges

The change in fair values of commodity derivatives not designated as hedges is primarily due to changes in forward Alberta power and natural gas prices and their impact on the Alberta portfolio as well as the change in pricing on U.S. trading relating to the swap arrangements on the Company's U.S. wind generation. Unrealized and realized gains and losses for fair value changes on commodity derivatives that do not qualify for hedge accounting are recorded in net income as revenues or energy purchases and fuel.

Unrealized and realized gains and losses on foreign exchange derivatives and interest rate derivatives that are not designated as hedges for accounting purposes are recorded in net income as foreign exchange gains or losses and net finance expense, respectively.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no significant changes in the Company's disclosure controls and procedures and internal controls over financial reporting that occurred during the three months ended March 31, 2021 that have materially affected or are reasonably likely to materially affect the Company's disclosures of required information and internal control over financial reporting.

SUMMARY OF QUARTERLY RESULTS

(GWh)	Three months ended							
Electricity generation	**Mar 31 2021**	**Dec 31 2020**	**Sep 30 2020**	**Jun 30 2020**	**Mar 31 2020**	**Dec 31 2019**	**Sep 30 2019**	**Jun 30 2019**
Total generation	5,630	6,445	6,327	5,472	5,562	6,437	6,808	5,500
Alberta commercial facilities[1]								
Genesee 1	616	807	739	689	792	848	803	556
Genesee 2	581	791	696	618	773	826	795	698
Genesee 3	904	928	1,014	926	913	1,015	492	502
Keephills 3	N/A	N/A	N/A	N/A	N/A	N/A	450	433
Clover Bar Energy Centre 1, 2 and 3	23	112	98	79	196	135	348	264
Joffre	203	209	171	132	186	187	150	205
Shepard	803	839	784	770	867	660	782	679
Halkirk Wind	151	150	117	121	148	129	86	107
Clover Bar Landfill Gas	-	-	1	1	1	-	-	-
	3,281	3,836	3,620	3,336	3,876	3,800	3,906	3,444
Western Canada contracted facilities[1,2]								
Island Generation	28	4	47	-	7	8	379	166
Quality Wind	127	128	108	99	122	130	73	77
EnPower	11	8	2	3	10	10	3	5
Whitla Wind 1	235	258	170	192	238	77	N/A	N/A
	401	398	327	294	377	225	455	248
Ontario contracted facilities[2]								
York Energy	4	3	4	3	4	5	3	4
East Windsor	-	1	2	2	1	4	2	3
Goreway	234	279	329	217	143	157	304	76
Kingsbridge 1	30	36	15	21	32	34	15	20
Port Dover and Nanticoke	81	95	53	70	90	84	46	65
	349	414	403	313	270	284	370	168
U.S. contracted facilities								
Roxboro, North Carolina	57	81	84	84	81	86	88	88
Southport, North Carolina	60	95	100	114	105	127	112	121
Decatur Energy, Alabama	356	369	665	327	124	656	709	372
Arlington Valley, Arizona	545	644	693	404	377	912	878	750
Beaufort Solar, North Carolina	6	6	8	8	6	6	8	9
Bloom Wind, Kansas	165	179	154	212	183	197	176	169
Macho Springs Wind, New Mexico	38	30	21	43	35	29	21	43
New Frontier Wind, North Dakota	103	120	95	102	110	115	85	88
Cardinal Point Wind, Illinois	170	170	86	138	18	N/A	N/A	N/A
Buckthorn Wind, Texas	99	103	71	97	N/A	N/A	N/A	N/A
	1,599	1,797	1,977	1,529	1,039	2,128	2,077	1,640

1 The Genesee 1 and 2 PPAs expired on December 31, 2020 and as a result, commencing January 1, 2021, electricity from Genesee 1 and 2 is sold into the energy market on a merchant or non-contracted basis and presented within Alberta commercial facilities. Results for the comparative period reflect power sold on a contracted basis for Genesee 1 and 2 within the Alberta commercial grouping.

2 During the first quarter of 2021, management has reviewed its facility groupings as a result of the change in classification of Genesee 1 and 2 as well as recent internal organizational changes. To best reflect how the Company operates, commencing January 1, 2021, the British Columbia and Alberta contracted facilities will be reported together as Western Canada contracted facilities with the Ontario contracted facilities in a separate grouping. Comparative figures have been reclassified to conform to the current period's presentation.

(%)	Three months ended							
Facility availability	**Mar 31 2021**	**Dec 31 2020**	**Sep 30 2020**	**Jun 30 2020**	**Mar 31 2020**	**Dec 31 2019**	**Sep 30 2019**	**Jun 30 2019**
Total average facility availability	96	97	98	92	91	94	96	92
Alberta commercial facilities [1]								
Genesee 1	92	96	100	100	96	100	96	72
Genesee 2	100	98	100	97	97	100	100	95
Genesee 3	95	93	100	95	92	100	96	100
Keephills 3	N/A	N/A	N/A	N/A	N/A	N/A	93	92
Clover Bar Energy Centre 1, 2 and 3	99	91	98	90	97	86	96	91
Joffre	100	99	99	100	93	89	82	100
Shepard	100	100	100	99	100	79	100	86
Halkirk Wind	98	97	96	99	98	99	95	98
Clover Bar Landfill Gas	-	-	37	48	53	-	-	-
	97	96	99	97	96	93	96	89
Western Canada contracted facilities [1, 2]								
Island Generation	100	100	100	100	100	92	99	100
Quality Wind	97	97	98	98	96	98	96	98
EnPower	89	98	100	74	86	91	72	97
Whitla Wind 1	98	99	98	97	97	97	N/A	N/A
	98	99	99	98	98	94	97	99
Ontario contracted facilities[2]								
York Energy	100	100	98	100	100	94	99	100
East Windsor	99	94	99	96	99	97	99	99
Goreway	99	95	93	96	88	88	87	99
Kingsbridge 1	99	100	98	98	99	99	98	97
Port Dover and Nanticoke	99	98	93	99	99	97	94	100
	99	96	94	97	92	91	91	99
U.S. contracted facilities								
Roxboro, North Carolina	100	100	99	99	90	88	99	100
Southport, North Carolina	100	99	98	100	85	96	84	90
Decatur Energy, Alabama	79	100	100	73	87	93	100	81
Arlington Valley, Arizona	99	96	99	77	66	99	100	100
Beaufort Solar, North Carolina	99	98	99	100	100	98	100	100
Bloom Wind, Kansas	95	99	95	98	99	99	98	98
Macho Springs Wind, New Mexico	98	98	97	98	99	98	97	99
New Frontier Wind, North Dakota	94	93	97	98	98	94	97	95
Cardinal Point Wind, Illinois	99	97	92	95	89	N/A	N/A	N/A
Buckthorn Wind, Texas	94	96	94	95	N/A	N/A	N/A	N/A
	90	98	98	82	83	96	99	91

1 The Genesee 1 and 2 PPAs expired on December 31, 2020 and as a result, commencing January 1, 2021, electricity from Genesee 1 and 2 is sold into the energy market on a merchant or non-contracted basis and presented within Alberta commercial facilities. Results for the comparative period reflect power sold on a contracted basis for Genesee 1 and 2 within the Alberta commercial grouping.

2 During the first quarter of 2021, management has reviewed its facility groupings as a result of the change in classification of Genesee 1 and 2 as well as recent internal organizational changes. To best reflect how the Company operates, commencing January 1, 2021, the British Columbia and Alberta contracted facilities will be reported together as Western Canada contracted facilities with the Ontario contracted facilities in a separate grouping. Comparative figures have been reclassified to conform to the current period's presentation.

Financial results

(unaudited, $ millions)	Three months ended							
	Mar 31 2021	**Dec 31 2020**	**Sep 30 2020**	**Jun 30 2020**	**Mar 31 2020**	**Dec 31 2019**	**Sep 30 2019**	**Jun 30 2019**
Revenues and other income								
Alberta commercial facilities and portfolio optimization[1]	343	245	274	241	276	284	249	196
Western Canada contracted facilities [1,2]	37	38	29	27	37	30	19	19
Ontario contracted facilities [2]	80	84	70	70	73	75	69	37
U.S. contracted facilities	118	112	133	117	101	103	149	102
Corporate [3]	30	19	13	12	11	141	15	17
Unrealized changes in fair value of commodity derivatives and emission credits	(54)	18	(66)	(32)	35	50	16	(5)
	554	**516**	**453**	**435**	**533**	**683**	**517**	**366**
Adjusted EBITDA								
Alberta commercial facilities and portfolio optimization[1]	165	99	131	106	132	134	121	103
Western Canada contracted facilities[1, 2]	29	31	22	21	30	25	14	14
Ontario contracted facilities [2,4]	57	61	52	56	58	55	49	34
U.S. contracted facilities	55	47	96	56	31	40	115	54
Corporate	(3)	(18)	(17)	(22)	(17)	98	(15)	(14)
	303	**220**	**284**	**217**	**234**	**352**	**284**	**191**

1 The Genesee 1 and 2 PPAs expired on December 31, 2020 and as a result, commencing January 1, 2021, electricity from Genesee 1 and 2 is sold into the energy market on a merchant or non-contracted basis and presented within Alberta commercial facilities. Results for the comparative period reflect power sold on a contracted basis for Genesee 1 and 2 within the Alberta commercial grouping.

2 During the first quarter of 2021, management has reviewed its facility groupings as a result of the change in classification of Genesee 1 and 2 as well as recent internal organizational changes. To best reflect how the Company operates, commencing January 1, 2021, the British Columbia and Alberta contracted facilities will be reported together as Western Canada contracted facilities with the Ontario contracted facilities in a separate grouping. Comparative figures have been reclassified to conform to the current period's presentation.

3 Revenues are offset by interplant category revenue eliminations

4 The reported Ontario contracted facilities' adjusted EBITDA includes the adjusted EBITDA from the York Energy joint venture.

Quarterly revenues, net income and cash flows from operating activities are affected by seasonal weather conditions, fluctuations in U.S. dollar exchange rates relative to the Canadian dollar, power and natural gas prices, and planned and unplanned facility outages and items outside the normal course of operations. Net income (loss) is also affected by changes in the fair value of the Company's power, natural gas, interest rate and foreign exchange derivative contracts.

Financial highlights

(unaudited, $ millions except per share amounts)	Three months ended							
	Mar 31 2021	Dec 31 2020	Sep 30 2020	Jun 30 2020	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019
Revenues and other income	554	516	453	435	533	683	517	366
Adjusted EBITDA [1, 2,]	303	220	284	217	234	352	284	191
Net income (loss)	101	1	106	23	-	181	(228)	106
Net income (loss) attributable to shareholders of the Company	103	3	108	23	2	182	(226)	108
Basic earnings (loss) per share ($)	0.83	(0.09)	0.89	0.10	(0.11)	1.61	(2.25)	0.93
Diluted earnings (loss) per share ($)[3]	0.83	(0.09)	0.89	0.09	(0.11)	1.60	(2.25)	0.92
Normalized earnings per share ($) [1]	0.64	0.12	0.66	0.17	0.27	0.29	0.60	0.14
Net cash flows from operating activities	206	159	258	91	103	201	209	114
Adjusted funds from operations [1]	159	86	221	97	118	128	225	85
Adjusted funds from operations per share ($) [1]	1.49	0.81	2.10	0.92	1.12	1.22	2.11	0.82
Purchase of property, plant and equipment and other assets	125	70	50	87	99	112	193	279

1 The consolidated financial highlights, except for adjusted EBITDA, normalized earnings per share, AFFO and AFFO per share were prepared in accordance with GAAP. See Non-GAAP Financial Measures.

2 The reported Ontario contracted facilities' adjusted EBTIDA includes the adjusted EBITDA from the York Energy joint venture.

3 Diluted earnings (loss) per share was calculated after giving effect to outstanding share purchase options.

	Three months ended							
Spot price averages	Mar 31 2021	Dec 31 2020	Sep 30 2020	Jun 30 2020	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019
Alberta power ($ per MWh)	95	46	44	30	67	47	47	57
Alberta natural gas (AECO) ($ per Gj)	3.07	2.52	2.17	1.90	1.99	2.32	0.99	1.17
Capital Power's Alberta portfolio average realized power price ($ per MWh)	77	56	59	53	62	57	59	55

Factors impacting results for the previous quarters

Significant events and items which affected results for the previous quarters were as follows:

For the quarter ended December 31, 2020, the Company recorded net income attributable to shareholders of $3 million compared to net income attributable to shareholders of $182 million for the quarter ended December 31, 2019. Decreases in net income were notably driven by accelerated coal compensation revenue recognition and the gain recognized in 2019 as a result of the swap of interests in Genesee 3 and Keephills 3 during the fourth quarter of 2019. Also contributing to reduced net income was the impairment recorded in the fourth quarter of 2020 related to the cancellation of the Genesee 1 and 2 dual-fuel project. Unrealized losses on commodity derivatives and emission credits in the fourth quarter 2020 were $19 million compared with unrealized gains of $28 million in the comparable 2019 period, most notably related to the impact of decreasing forward natural gas prices on net forward purchase contracts during the fourth quarter of 2020. In addition, net income was reduced compared to the fourth quarter of 2019 driven by various operational variances including lower Alberta commercial adjusted EBITDA due largely to higher emissions costs upon changes to the Company's emission compliance strategy in the fourth quarter of 2020 and lower margins earned on natural gas portfolio optimization activities. Arlington Valley also realized lower adjusted EBITDA driven by the revised tolling agreement in effect for 2020. Partially offsetting these operational variances was higher adjusted EBITDA from the acquisition of Buckthorn Wind in the second quarter of 2020 and commencement of operations of Whitla Wind 1 late in the fourth quarter of 2019 and Cardinal Point Wind late in the first quarter of 2020. Net finance expense also increased compared to 2019 as a result of these asset additions. Income tax expense was lower in 2020, driven by the tax effect of the noted variances, primarily the accelerated recognition of deferred government grant revenue upon close of the Genesee 3 and Keephills 3 swap transaction.

For the quarter ended September 30, 2020, the Company recorded net income attributable to shareholders of $108 million compared to net loss attributable to shareholders of $226 million for the quarter ended September 30, 2019. The increase in net income in the third quarter of 2020 was largely due to the pre-tax impairment of $401 million on Keephills 3 recorded upon classification as an asset held for sale in 2019. Further increases in net income in the third quarter of 2020 were driven partly by higher margins earned on Alberta commercial power and natural gas portfolio optimization and higher unrealized gains on commodity derivatives and emission credits, most notably due to the impact of increasing forward prices on natural gas forward purchase contracts during the third quarter of 2020. Higher adjusted EBITDA also resulted from the acquisition of Buckthorn Wind in the second quarter of 2020, and commencement of operations of Whitla Wind 1 late in the fourth quarter of 2019 and Cardinal Point Wind late in the first quarter of 2020. These factors were partially offset by lower adjusted EBITDA at Arlington Valley due to the revised tolling agreement in 2020 and higher net finance expense related to the noted asset additions. In addition, income tax expense in the third quarter of 2020 of $44 million compared to income tax recovery of $66 million for the third quarter of 2019 was primarily due to the recognition of a deferred tax recovery on the impairment of Keephills 3 in 2019.

For the quarter ended June 30, 2020, the Company recorded net income attributable to shareholders of $23 million compared to net income attributable to shareholders of $108 million for the quarter ended June 30, 2019. Decreases in net income in the second quarter of 2020 were driven partly by unrealized losses on commodity derivatives and emission credits of $9 million in the second quarter of 2020 compared with unrealized gains of $48 million in the second quarter of 2019. This was most notably due to unrealized losses in the second quarter of 2020 due to the reversal of prior period unrealized gains for trades settled in the period as compared to unrealized gains in the comparative period of 2019. The prior period gains were largely the result of increasing Alberta power prices on Alberta power derivative forward purchase contracts and the impact of decreasing forward prices on forward sales contracts for the Company's U.S. wind facilities. Higher net finance expense in the second quarter of 2020 also contributed to lower net income and was due to financing related to the acquisitions of Buckthorn Wind and Goreway in the second quarters of 2020 and 2019, respectively, and tax equity financing related to Cardinal Point Wind that commenced commercial operations in the first quarter of 2020. In addition, the second quarter of 2020 had higher income tax expense mainly due to a decrease in the Alberta corporate income tax rate that resulted in a deferred income tax recovery of $51 million in the second quarter of 2019, of which there is no comparable tax recovery recognized in the second quarter of 2020. Partially offsetting these decreases was higher adjusted EBITDA, mainly from the acquisitions of Goreway in the second quarter of 2019 and Buckthorn Wind in the second quarter of 2020, and commencement of operations of Whitla Wind 1 in the fourth quarter of 2019 and Cardinal Point Wind late in the first quarter of 2020.

For the quarter ended March 31, 2020, the Company recorded net income attributable to shareholders of $2 million compared to net income attributable to shareholders of $61 million for the quarter ended March 31, 2019. Decreases in net income in the first quarter of 2020 were driven partly by unrealized losses on commodity derivatives and emission credits being $52 million higher than in the first quarter of 2019. This was most notably due to unrealized losses in the first quarter of 2020 due to the reversal of prior period unrealized gains for trades settled in the period as compared to unrealized gains in the comparative period of 2019 most notably on the reversal of prior period unrealized losses on natural gas derivatives settled during the three months ended March 31, 2019. In addition, the first quarter of 2020 had higher depreciation and amortization primarily due to the acquisition of Goreway in the second quarter of 2019, Whitla Wind 1 commencing commercial operations in the fourth quarter of 2019 and the impairment related to the discontinuation of the Genesee 4 and 5 project recorded in the quarter. Partially offsetting these decreases was higher adjusted EBITDA, mainly from the acquisition of Goreway in the second quarter of 2019 and commencement of operations of Whitla Wind 1 in the fourth quarter of 2019 and lower income tax expense primarily due to lower consolidated income before tax.

For the quarter ended December 31, 2019, the Company recorded net income attributable to shareholders of $182 million compared to net income attributable to shareholders $138 million for the quarter ended December 31, 2018. Gains in the fourth quarter of 2019 related to the Genesee 3 and Keephills 3 swap transaction were largely offset by the gain on disposal of the Company's minority owned interest in K2 Wind during the fourth quarter of 2018. Increases in net income in the fourth quarter of 2019 were driven partly by unrealized gains on commodity derivatives and emission credits being $81 million higher than in the comparable 2018 period, most notably related to the impact of decreasing forward prices on forward sales contracts for the Company's U.S. wind facilities in the fourth quarter of 2019. In addition, adjusted EBITDA was higher as a result of the 2019 addition of Goreway and the acquisition of Arlington Valley and commercial operation of New Frontier Wind in the fourth quarter of 2018 as well as higher Alberta commercial EBITDA on higher captured pricing. Partially offsetting these increases was a corresponding increase in depreciation driven by the noted asset additions. Further offsetting the increases in net income were higher tax expenses in the fourth quarter of 2019 primarily due to recognition of deferred income tax expense on the one-time adjustment to accelerate the recognition of deferred government grant revenue upon close of the Genesee 3 and Keephills 3 swap transaction, partially offset by the reversal of deferred income tax expense on the disposal of Keephills 3.

For the quarter ended September 30, 2019, the Company recorded net loss attributable to shareholders of $226 million compared to net income attributable to shareholders of $18 million for the quarter ended September 30, 2018. The decrease was largely due to pre-tax impairment of $401 million on Keephills 3 upon classification as an asset held for sale. Further contributing to the decrease was higher depreciation and amortization due to New Frontier Wind commencing commercial operation in the last quarter of 2018 and the acquisitions of Arlington Valley and Goreway in the last quarter of 2018 and second quarter of 2019, respectively, partly offset by depreciation for

Keephills 3 ceasing following its classification as held for sale in August 2019. Higher net loss attributable to shareholders was partially offset by an increase in adjusted EBITDA, most notably due to the additions of Goreway and Arlington Valley and commencement of operations at New Frontier Wind, as well as an increase in unrealized gains on commodity derivatives and emission credits, which were $43 million higher in the third quarter of 2019 compared to the third quarter of 2018. In addition, income tax recovery for the third quarter of 2019 was $66 million compared to income tax expense of $7 million for the third quarter of 2018, primarily due to the recognition of a deferred tax recovery on the impairment of Keephills 3.

For the quarter ended June 30, 2019, the Company recorded net income attributable to shareholders of $108 million compared to net income attributable to shareholders of $68 million for the quarter ended June 30, 2018. The increase mainly resulted from an income tax recovery of $33 million in the second quarter of 2019 compared to income tax expense of $46 million in the second quarter of 2018 primarily due to a reduction in the Alberta corporate income tax rate enacted in the second quarter of 2019. Further contributing to the increase were unrealized gains on commodity derivatives and emission credits which were $26 million higher in the second quarter of 2019 compared to the second quarter of 2018. These variances were partially offset by higher depreciation and amortization due to New Frontier Wind commencing commercial operation in the last quarter of 2018 and the acquisitions of Arlington Valley and Goreway in the last quarter of 2018 and second quarter of 2019, respectively. In addition, adjusted EBITDA was lower in the second quarter of 2019 compared to the second quarter of 2018, largely due to the timing and length of planned outages and the impact of the Bloom Wind tax equity agreement renegotiation in the second quarter of 2018, offset partially by higher margins earned on the sale of emission credits in the second quarter of 2019.

SHARE AND PARTNERSHIP UNIT INFORMATION

Quarterly common share trading information

The Company’s common shares are listed on the Toronto Stock Exchange under the symbol CPX and began trading on June 26, 2009.

	Three months ended							
	Mar 31 2021	**Dec 31 2020**	**Sep 30 2020**	**Jun 30 2020**	**Mar 31 2020**	**Dec 31 2019**	**Sep 30 2019**	**Jun 30 2019**
Share price ($/common share)								
High	38.34	36.47	30.28	29.92	38.88	35.09	31.43	32.25
Low	33.31	29.13	26.57	23.24	20.23	30.13	29.31	29.60
Close	36.40	34.98	29.39	27.98	27.15	34.39	30.68	30.15
Volume of shares traded (millions)	22.9	20.2	21.6	29.5	31.8	21.3	18.2	19.6

Outstanding share and partnership unit data

As at April 27, 2021, the Company had 107.142 million common shares, 5 million Cumulative Rate Reset Preference Shares (Series 1), 6 million Cumulative Rate Reset Preference Shares (Series 3), 8 million Cumulative Rate Reset Preference Shares (Series 5), 8 million Cumulative Minimum Rate Reset Preference Shares (Series 7), 6 million Cumulative Minimum Rate Reset Preference Shares (Series 9), 6 million Cumulative Minimum Rate Reset Preference Shares (Series 11) and one special limited voting share outstanding. Assuming full conversion of the outstanding and issuable share purchase options to common shares and ignoring exercise prices, the outstanding and issuable common shares as at April 27, 2021 were 109.299 million. The outstanding special limited voting share is held by EPCOR.

As at April 27, 2021, CPLP had 24.040 million general partnership units outstanding and 89.473 million common limited partnership units outstanding. All of the outstanding general partnership units and the outstanding common limited partnership units are held by the Company.

ADDITIONAL INFORMATION

Additional information relating to Capital Power Corporation, including the Company’s annual information form and other continuous disclosure documents, is available on SEDAR at www.sedar.com.

Condensed Interim Consolidated Financial Statements of

CAPITAL POWER CORPORATION

(Unaudited, in millions of Canadian dollars)
Three months ended March 31, 2021 and 2020

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Financial Statements
Three months ended March 31, 2021 and 2020

Condensed Interim Consolidated Financial Statements:

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Income
(Unaudited, in millions of Canadian dollars, except per share amounts)

	Three months ended March 31, 2021	2020
Revenues	$ 496	$ 504
Other income	58	29
Energy purchases and fuel	(149)	(210)
Gross margin	405	323
Other raw materials and operating charges	(36)	(44)
Staff costs and employee benefits expense	(51)	(43)
Depreciation and amortization	(135)	(120)
Impairments	-	(13)
Other administrative expense	(28)	(26)
Foreign exchange gain (loss)	1	(9)
Operating income	156	68
Net finance expense	(41)	(44)
Income (loss) from joint venture	6	(7)
Income before tax	121	17
Income tax expense (note 3)	(20)	(17)
Net income	$ 101	$ -
Attributable to:		
Non-controlling interests	$ (2)	$ (2)
Shareholders of the Company	$ 103	$ 2

Earnings (loss) per share (attributable to common shareholders of the Company):

	2021	2020
Basic (note 4)	$ 0.83	$ (0.11)
Diluted (note 4)	$ 0.83	$ (0.11)

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Comprehensive Income
(Unaudited, in millions of Canadian dollars)

	Three months ended March 31, 2021	2020
Net income	$ 101	$ -
Other comprehensive income:		
Items that will not be reclassified subsequently to net income:		
Defined benefit plans:		
Actuarial gains[1]	-	3
Items that are or may be reclassified subsequently to net income:		
Cash flow hedges:		
Unrealized losses on derivative instruments[2]	(7)	(16)
Reclassification of losses on derivative instruments to net income for the period[3]	36	11
Net investment in foreign subsidiaries:		
Unrealized (losses) gains[4]	(13)	84
Total items that are or may be reclassified subsequently to net income, net of tax	16	79
Total other comprehensive income, net of tax	16	82
Total comprehensive income	$ 117	$ 82
Attributable to:		
Non-controlling interests	$ (2)	$ (2)
Shareholders of the Company	$ 119	$ 84

[1] For the three months ended March 31, 2021 and 2020, net of income tax expenses of nil and $1, respectively.

[2] For the three months ended March 31, 2021 and 2020, net of income tax recoveries of $1 and $5, respectively.

[3] For the three months ended March 31, 2021 and 2020, net of reclassification of income tax recoveries of $10 and $3, respectively.

[4] For the three months ended March 31, 2021 and 2020, net of income tax recovery of nil and $4, respectively

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Financial Position
(Unaudited, in millions of Canadian dollars)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 235	$ 367
Trade and other receivables	521	499
Inventories	256	220
Derivative financial instruments assets (note 5)	104	71
	1,116	1,157
Non-current assets:		
Other assets	32	37
Derivative financial instruments assets (note 5)	199	177
Government grant receivable	389	387
Deferred tax assets	19	19
Equity-accounted investments	150	134
Right-of-use assets	126	129
Intangible assets and goodwill	778	773
Property, plant and equipment	5,986	6,098
Total assets	$ 8,795	$ 8,911
Liabilities and equity		
Current liabilities:		
Trade and other payables	$ 588	$ 470
Derivative financial instruments liabilities (note 5)	125	91
Loans and borrowings	407	417
Deferred revenue and other liabilities	136	135
Provisions	48	37
	1,304	1,150
Non-current liabilities:		
Derivative financial instruments liabilities (note 5)	187	212
Loans and borrowings	2,915	3,135
Lease liabilities	141	143
Deferred revenue and other liabilities	244	277
Deferred tax liabilities	626	601
Provisions	374	464
	4,487	4,832
Equity:		
Equity attributable to shareholders of the Company		
Share capital (note 6)	3,493	3,465
Deficit	(440)	(474)
Other reserves	(76)	(91)
Deficit and other reserves	(516)	(565)
	2,977	2,900
Non-controlling interests	27	29
Total equity	3,004	2,929
Total liabilities and equity	$ 8,795	$ 8,911

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, in millions of Canadian dollars)

	Share capital	Cash flow hedges[1]	Cumulative translation reserve[1]	Defined benefit plan actuarial losses[1]	Employee benefits reserve	Deficit	Equity attributable to shareholders of the Company	Non-controlling interests	Total
Equity as at January 1, 2021	$ 3,465	$ (48)	$ (34)	$ (20)	$ 11	$ (474)	$ 2,900	$ 29	$ 2,929
Net income	-	-	-	-	-	103	103	(2)	101
Other comprehensive income :									
Cash flow derivative hedge losses	-	(8)	-	-	-	-	(8)	-	(8)
Reclassification of losses to net income	-	46	-	-	-	-	46	-	46
Unrealized losses on foreign currency translation	-	-	(13)	-	-	-	(13)	-	(13)
Tax on items recognized directly in equity	-	(9)	-	-	-	-	(9)	-	(9)
Other comprehensive income (loss)	$ -	$ 29	$ (13)	$ -	$ -	$ -	$ 16	$ -	$ 16
Total comprehensive income (loss)	-	29	(13)	-	-	103	119	(2)	117
Common share dividends (note 6)	-	-	-	-	-	(55)	(55)	-	(55)
Preferred share dividends (note 6)	-	-	-	-	-	(13)	(13)	-	(13)
Tax on preferred share dividends	-	-	-	-	-	(1)	(1)	-	(1)
Dividends reinvested (note 6)	15	-	-	-	-	-	15	-	15
Share options exercised	13	-	-	-	(1)	-	12	-	12
Equity as at March 31, 2021	$ 3,493	$ (19)	$ (47)	$ (20)	$ 10	$ (440)	$ 2,977	$ 27	$ 3,004

[1] Accumulated other comprehensive loss. Other reserves on the statements of financial position are the aggregate of accumulated other comprehensive loss and the employee benefits reserve.

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, in millions of Canadian dollars)

	Share capital	Cash flow hedges[1]	Cumulative translation reserve[1]	Defined benefit plan actuarial losses[1]	Employee benefits reserve	Deficit	Equity attributable to shareholders of the Company	Non-controlling interests	Total
Equity as at January 1, 2020	$ 3,441	$ (10)	$ (16)	$ (15)	$ 11	$ (347)	$ 3,064	$ 37	$ 3,101
Net income	-	-	-	-	-	2	2	(2)	-
Other comprehensive income (loss):									
Defined benefit plan actuarial gain	-	-	-	4	-	-	4	-	4
Cash flow derivative hedge losses	-	(21)	-	-	-	-	(21)	-	(21)
Reclassification of losses to net income	-	14	-	-	-	-	14	-	14
Unrealized gains on foreign currency translation	-	-	80	-	-	-	80	-	80
Tax on items recognized directly in equity	-	2	4	(1)	-	-	5	-	5
Other comprehensive (loss) income	$ -	$ (5)	$ 84	$ 3	$ -	$ -	$ 82	$ -	$ 82
Total comprehensive (loss) income	-	(5)	84	3	-	2	84	(2)	82
Common share dividends (note 6)	-	-	-	-	-	(51)	(51)	-	(51)
Preferred share dividends (note 6)	-	-	-	-	-	(13)	(13)	-	(13)
Tax on preferred share dividends	-	-	-	-	-	(1)	(1)	-	(1)
Common shares purchased (note 6)	(10)	-	-	-	-	-	(10)	-	(10)
Share options exercised	3	-	-	-	-	-	3	-	3
Equity as at March 31, 2020	$ 3,434	$ (15)	$ 68	$ (12)	$ 11	$ (410)	$ 3,076	$ 35	$ 3,111

[1] Accumulated other comprehensive income. Other reserves on the statements of financial position are the aggregate of accumulated other comprehensive income and the employee benefits reserve.

See accompanying notes to the condensed interim consolidated financial statements

CAPITAL POWER CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, in millions of Canadian dollars)

	Three months ended March 31, 2021	2020
Cash flows from operating activities:		
Net income	$ 101	$ -
Non cash adjustments to reconcile net income to net cash flows from operating activities:		
Impairments	-	13
Depreciation and amortization	135	120
Net finance expense	41	44
Fair value changes on commodity derivative instruments and emission credits held for trading	7	18
Foreign exchange (gains) losses	(1)	9
Income tax expense	20	17
(Income) loss from joint venture	(6)	7
Recognition of government grant deferred revenue	(31)	(11)
Tax equity attributes	(25)	(17)
Other items	8	1
Change in fair value of derivative instruments reflected as cash settlement	(4)	(10)
Distributions received from joint venture	3	2
Interest paid	(41)	(28)
Income taxes paid	(5)	(26)
Other cash items	(16)	(18)
Change in non-cash operating working capital	20	(18)
Net cash flows from operating activities	206	103
Cash flows used in investing activities:		
Purchase of property, plant and equipment and other assets	(125)	(99)
Other cash flows from investing activities	5	1
Change in non-cash investing working capital	28	18
Net cash flows used in investing activities	(92)	(80)
Cash flows used in financing activities:		
Proceeds from issue of loans and borrowings	-	228
Repayment of loans and borrowings	(201)	(276)
Issue costs on loans and borrowings	-	(7)
Repayment of lease liabilities	(2)	(2)
Proceeds from exercise of share options	12	3
Common shares purchased (note 6)	-	(10)
Dividends paid (note 6)	(52)	(63)
Capitalized interest paid	(1)	(3)
Income taxes paid on preferred share dividends	(2)	(7)
Net cash flows used in financing activities	(246)	(137)
Foreign exchange gain on cash held in foreign currency	-	3
Net decrease in cash and cash equivalents	(132)	(111)
Cash and cash equivalents at beginning of period	367	248
Cash and cash equivalents at end of period	$ 235	$ 137

See accompanying notes to the condensed interim consolidated financial statements

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

1. Reporting entity:

Capital Power Corporation (the Company or Capital Power) develops, acquires, owns, and operates utility-scale renewable and thermal power generation facilities and manages its related electricity and natural gas portfolios by undertaking trading and marketing activities.

The registered and head office of the Company is located at 10423 101 Street, Edmonton, Alberta, Canada, T5H 0E9. The common shares of the Company are traded on the Toronto Stock Exchange under the symbol "CPX".

Interim results will fluctuate due to plant maintenance schedules, the seasonal demands for electricity and changes in energy prices. Consequently, interim results are not necessarily indicative of annual results.

2. Basis of presentation:

These condensed interim consolidated financial statements have been prepared by management in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2020 annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods as those used in preparing the most recent annual consolidated financial statements and have been prepared under the historical cost basis, except for the Company's derivative instruments, emission credits held for trading, defined benefit pension assets and cash-settled share based payments, which are stated at fair value.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on April 29, 2021.

3. Income tax:

Income taxes differ from the amount that would be computed by applying the federal and provincial income tax rates as follows:

	Three months ended March 31,	
	2021	2020
Net income before tax	$ 121	$ 17
Income tax at the statutory rate of 23%[1] (2020 - 25%)	28	4
Increase (decrease) resulting from:		
Non-deductible (taxable) amounts	(1)	4
Amounts attributable to non-controlling interests and tax-equity interests	3	6
Change in unrecognized tax benefits	-	3
Statutory and other rate differences	(10)	-
Income tax expense	$ 20	$ 17

[1] On June 28, 2019, as a result of the Alberta Government's Bill 3 - Job Creation Tax Cut Act, the Alberta corporate income tax rate was reduced from 12% to 8% over 4 years. Accordingly, the 2020 statutory tax rate was 25% at March 31, 2020. On June 29, 2020 the Alberta Government accelerated the remaining tax rate reduction and decreased the Alberta corporate income tax rate to 8% effective July 1, 2020. As a result, the 2021 statutory tax rate is 23%.

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

4. Earnings (loss) per share:

The earnings (loss) and weighted average number of common shares used in the calculation of basic and diluted earnings (loss) per share are as follows:

	Three months ended March 31, 2021	2020
Income for the period attributable to shareholders	$ 103	$ 2
Preferred share dividends[1]	(14)	(14)
Earnings (loss) available to common shareholders	$ 89	$ (12)
Weighted average number of common shares	106,820,812	105,403,379
Basic earnings (loss) per share	$ 0.83	$ (0.11)
Weighted average number of common shares	106,820,812	105,403,379
Effect of dilutive share purchase options	678,058	-
Diluted weighted average number of common shares	107,498,870	105,403,379
Diluted earnings (loss) per share	$ 0.83	$ (0.11)

[1] Includes preferred share dividends declared and related taxes.

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

5. Derivative financial instruments and hedge accounting:

Derivative financial and non-financial instruments are held for the purpose of energy purchases, merchant trading or financial risk management.

The derivative instruments assets and liabilities used for risk management purposes consist of the following:

	March 31, 2021						
	Energy and emission allowances		Interest rate		Foreign exchange		
	cash flow hedges	non-hedges	cash flow hedges	non-hedges	cash flow hedges	non-hedges	Total
Derivative instruments assets:							
Current	$ 1	$ 74	$ 23	$ 4	$ -	$ 2	$ 104
Non-current	1	173	20	5	-	-	199
Derivative instruments liabilities:							
Current	(22)	(63)	(24)	-	(16)	-	(125)
Non-current	(13)	(121)	(53)	-	-	-	(187)
Net fair value	$ (33)	$ 63	$ (34)	$ 9	$ (16)	$ 2	$ (9)
Net notional buys (sells) (millions):							
Megawatt hours of electricity	(5)	(20)					
Gigajoules of natural gas purchased[1]		168					
Gigajoules of natural gas basis swaps[1]		169					
Number of renewable energy credits		(5)					
Interest rate swaps			$ 1,191	$ 125			
Interest rate swaps (U.S. dollars)			$ 180				
Forward currency buys (sells) (U.S.dollars)					$ 94	$ (100)	
Range of remaining contract terms in years	0.1 to 3.8	0.1 to 16.8	0.2 to 5.8	0.7 to 1.4	0.1 to 0.7	0.1	

[1] The Company's natural gas trading strategy employs future purchase derivative instruments as well as basis swaps pertaining to certain of the future purchase derivative instruments, to manage its exposure to commodity price risk.

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

5. Derivative financial instruments and hedge accounting, continued:

	December 31, 2020					
	Energy and emission allowances		Interest rate		Foreign exchange	
	cash flow hedges	non-hedges	cash flow hedges	non-hedges	cash flow hedges	Total
Derivative instruments assets:						
Current	$ 1	$ 65	$ 5	$ -	$ -	$ 71
Non-current	1	173	3	-	-	177
Derivative instruments liabilities:						
Current	(13)	(39)	(23)	(1)	(15)	(91)
Non-current	(18)	(120)	(74)	-	-	(212)
Net fair value	$ (29)	$ 79	$ (89)	$ (1)	$ (15)	$ (55)
Net notional buys (sells) (millions):						
Megawatt hours of electricity	(5)	(20)				
Gigajoules of natural gas purchased[2]		195				
Gigajoules of natural gas basis swaps[2]		197				
Metric tonnes of emission allowances		1				
Number of renewable energy credits		(6)				
Interest rate swaps			$ 1,001	$ 260		
Interest rate swaps (U.S. dollars)			$ 180			
Forward currency buys (U.S. dollars)					$ 94	
Range of remaining contract terms in years	0.1 to 4.0	0.1 to 17.0	0.5 to 6.1	0.9 to 1.7	0.3 to 1.0	

[2] The Company's natural gas trading strategy employs future purchase derivative instruments as well as basis swaps pertaining to certain of the future purchase derivative instruments, to manage its exposure to commodity price risk.

Fair values of derivative instruments are determined using valuation techniques, inputs, and assumptions as described in the Company's 2020 annual consolidated financial statements. It is possible that the assumptions used in establishing fair value amounts will differ from future outcomes and the impact of such variations could be material.

Unrealized and realized pre-tax gains and losses on derivative instruments recognized in other comprehensive income and net income are:

	Three months ended March 31, 2021		Three months ended March 31, 2020	
	Unrealized (losses) gains	Realized losses	Unrealized gains (losses)	Realized (losses) gains
Energy cash flow hedges	$ (11)	$ (44)	$ 34	$ (14)
Energy and emission allowances non-hedges	(10)	(10)	(10)	11
Interest rate cash flow hedges	50	(2)	(38)	-
Interest rate non-hedges	10	-	(2)	1
Foreign exchange cash flow hedges	(1)	-	(3)	-
Foreign exchange non-hedges	2	(1)	(8)	(1)

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

5. Derivative financial instruments and hedge accounting, continued:

Realized and unrealized gains and losses relate only to derivative financial instruments. The following realized and unrealized gains and losses are included in the Company's statements of income for the three months ended March 31, 2021 and 2020:

	Three months ended March 31, 2021	2020
Revenues	$ (163)	$ 11
Energy purchases and fuel	99	(24)
Foreign exchange gain (loss)	1	(9)
Net finance expense	8	(1)

The Company has elected to apply hedge accounting on certain derivatives it uses to manage commodity price risk relating to electricity prices, interest rate risk relating to future borrowings and foreign exchange risk relating to future capital investment in U.S. dollars.

Net after tax gains and losses related to derivative instruments designated as energy and interest rate cash flow hedges are expected to settle and be reclassified to net income in the following periods:

	March 31, 2021
Within one year	$ (27)
Between one and five years	(3)
After five years	18
Total	$ (12)

6. Share capital:

	Dividends declared				Dividends paid			
	2021		2020		2021		2020	
	Per share	Total	Per share	Total	Per share	Total	Per share	Total
Common [1]	$ 0.5125	$ 55	$ 0.48	$ 51	$ 0.5125	$ 54	$ 0.48	$ 50
Preference:								
Series 1	0.1638	1	0.1913	1	0.1638	1	0.1913	1
Series 3	0.3408	2	0.3408	2	0.3408	2	0.3408	2
Series 5	0.3274	3	0.3274	3	0.3274	3	0.3274	3
Series 7	0.3750	3	0.3750	3	0.3750	3	0.3750	3
Series 9	0.3594	2	0.3594	2	0.3594	2	0.3594	2
Series 11	0.3594	2	0.3594	2	0.3594	2	0.3594	2

[1] For the three months ended March 31, 2021, dividends paid on common shares consist of $39 million paid in cash and $15 million paid through the Company's dividend reinvestment plan as common shares issued. For the three months ended March 31, 2020, dividends of $50 million were paid in cash as the Company reinstated its dividend reinvestment plan for its common shares effective for the September 30, 2020 dividend.

During the three months ended March 31, 2021, the Company did not purchase and cancel any of its outstanding common shares (three months ended March 31, 2020 – 461,832 common shares at an average exercise price of $22.67 per share for a total of $10 million) under its Toronto Stock Exchange approved normal course issuer bid.

During the three months ended March 31, 2021, the Toronto Stock Exchange approved the Company's normal course issuer bid to purchase and cancel up to 10.7 million of its outstanding common shares during the one-year period from February 26, 2021 to February 25, 2022.

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

7. Financial instruments:

Fair values

Details of the fair values of the Company's derivative instruments are described in note 5.

The Company's other short-term financial instruments are classified and measured at amortized cost, consistent with the methodologies described in the Company's 2020 annual consolidated financial statements. Due to the short-term nature of these financial instruments, the fair values are not materially different from their carrying amounts.

The fair values of the Company's other long-term financial instruments are determined using the same valuation techniques, inputs, and assumptions as described in the Company's 2020 annual consolidated financial statements. The carrying amount and fair value of the Company's other financial instruments, which are all classified and subsequently measured at amortized cost, are summarized as follows:

		March 31, 2021		December 31, 2020	
	Fair value hierarchy level	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets[1]					
Government grant receivable	Level 2	$ 444	$ 441	$ 441	$ 448
Financial liabilities[1]					
Loans and borrowings	Level 2	$ 3,322	$ 3,519	$ 3,552	$ 3,838

[1] Includes current portion.

Fair value hierarchy

Fair value represents the Company's estimate of the price at which a financial instrument could be exchanged between knowledgeable and willing parties in an orderly arm's length transaction under no compulsion to act. Fair value measurements recognized in the consolidated statements of financial position are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs and precedence is given to those fair value measurements calculated using observable inputs over those using unobservable inputs. The determination of fair value requires judgment and is based on market information where available and appropriate. The valuation techniques used by the Company in determining the fair value of its financial instruments are the same as those used as at December 31, 2020.

The fair value measurement of a financial instrument is included in only one of the three levels described in the Company's 2020 annual consolidated financial statements, the determination of which is based upon the lowest level input that is significant to the derivation of the fair value. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment which will affect the placement within the fair value hierarchy levels.

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

7. Financial instruments, continued:

Fair value hierarchy, continued

The Company's policy is to recognize transfers between levels as of the date of the event of change in circumstances that caused the transfer. The transfers between levels in the fair value hierarchy for the three months ended March 31, 2021 and the year ended December 31, 2020 are disclosed below within the continuity of Level 3 balances.

The table below presents the Company's financial instruments measured at fair value on a recurring basis in the consolidated statements of financial position, classified using the fair value hierarchy described in the Company's 2020 annual consolidated financial statements.

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Derivative financial instruments assets	$ -	$ 281	$ 22	$ 303
Derivative financial instruments liabilities	-	(297)	(15)	(312)

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Derivative financial instruments assets	$ -	$ 182	$ 66	$ 248
Derivative financial instruments liabilities	-	(272)	(31)	(303)

Valuation techniques used in determination of fair values within Level 3

The Company has various commodity contracts with terms that extend beyond a liquid trading period. As forward market prices are not available for the full period of these contracts, their fair values are derived using forecasts based on internal modelling and as a result, are classified within Level 3 of the hierarchy.

The Company has a fixed price contract to swap the market revenue of its Bloom Wind generation for a fixed annual payment for a 10-year term that expires in 2027. Anticipated generation continues to be forecasted based on internal modelling. Accordingly, this financial instrument is classified as Level 3.

The Company has a 20-year revenue offtake swap agreement for Buckthorn Wind, expiring in 2038, where the market price is swapped for a fixed price per unit of actual generation. The notional quantities are not set forth in the contract and observable forward market pricing is only available for the next 12 years. As such, the Company has developed a generation forecast for the remainder of the contract and a price forecast for the 5 years for which forward market prices are not available. These are both significant inputs to the determination of fair value, therefore this financial instrument is classified as Level 3.

In addition, as at March 31, 2021 and December 31, 2020, the Company holds contracts for the sale of renewable energy credits (RECs) for which pricing beyond two years is not readily observable and the contracts are therefore classified in Level 3 of the hierarchy.

The fair values of the Company's commodity derivatives included within Level 3 are determined by applying a mark-to-forecast model. The table below presents ranges for the Company's Level 3 inputs:

	March 31, 2021	December 31, 2020
REC pricing (per certificate) – Solar	$204.04 to $378.24	$206.86 to $384.76
REC pricing (per certificate) – Wind	$1.69 to $2.79	$1.99
Forward power pricing (per MWh) - Wind	$19.43 to $90.75	$19.32 to $79.17
Monthly generation (MWh) – Bloom Wind	51,100 to 71,629	51,100 to 70,160
Monthly generation (MWh) – Buckthorn Wind	11,365 to 21,736	11,365 to 21,736

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

7. Financial instruments, continued:

Fair value hierarchy, continued

Valuation process applied to Level 3

The valuation models used to calculate the fair values of the derivative financial instruments assets and liabilities within Level 3 are prepared by appropriate internal subject matter experts and reviewed by the Company's commodity risk group and by management. The valuation technique and the associated inputs are assessed on a regular basis for ongoing reasonability.

The table below presents the impact to fair value of Level 3 derivative instruments based on reasonably possible alternative assumptions:

	March 31, 2021	December 31, 2020
REC pricing – Solar[2]	$ -	$ -
REC pricing – Wind[2]	4	4
Forward power pricing – Wind[2]	14	15
Generation – Wind[3]	10	7

[2] Reflects the increase or decrease to fair value calculated using a $1 per unit decrease or increase in the input.

[3] Reflects the increase or decrease to fair value calculated using a 10% decrease or increase in the input.

Continuity of Level 3 balances

The Company classifies financial instruments in Level 3 of the fair value hierarchy when there is reliance on at least one significant unobservable input to the valuation model used to determine fair value. In addition to these unobservable inputs, the valuation model for Level 3 instruments also relies on a number of inputs that are observable either directly or indirectly. Accordingly, the unrealized gains and losses shown below include changes in the fair value related to both observable and unobservable inputs. The following table summarizes the changes in the fair value of financial instruments classified in Level 3:

	March 31, 2021	December 31, 2020
As at January 1[4]	$ 35	$ 41
Acquired with Buckthorn Wind	-	44
Unrealized and realized losses included in net income[5]	(26)	(41)
Settlements[6]	(2)	(4)
Transfers[7]	-	(3)
Foreign exchange loss	-	(2)
As at end of period	$ 7	$ 35
Total unrealized and realized losses for the period included in net income[5]	$ (26)	$ (41)

[4] The fair value of derivative instruments assets and liabilities are presented on a net basis.

[5] Recorded in revenues.

[6] Relates to settlement of financial derivative instruments.

[7] Relates to transfers from Level 3 to Level 2 when pricing inputs became readily observable.

All instruments classified as Level 3 are derivative type instruments. Gains and losses associated with Level 3 balances may not necessarily reflect the underlying exposures of the Company. As a result, unrealized gains and losses from Level 3 financial instruments are often offset by unrealized gains and losses on financial instruments that are classified in Levels 1 or 2.

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

8. Buckthorn Wind settlement dispute:

Following the severe weather events during the February 9 to 20, 2021 period, the Company settled the offtake and commodity swaps for Buckthorn Wind for the noted time period based on the pricing dictated in the respective agreements. However, Buckthorn Wind's counterparty is contesting the settlement, arguing that settlement should have been based upon a different reference price. Historically these two prices have been similar, but as a result of the recent extreme weather, the Company became aware of a divergence in these prices during scarcity events. Both parties invoked dispute-resolution procedures before the close of the quarter and the Company subsequently initiated litigation. Based on the contract terms of the offtake and commodity swaps, the Company considers the probability of ultimate settlement using the reference price advocated by the counterparty as being unlikely. In the event that the dispute is resolved unfavorably to the Company, the net exposure to the Company's revenues would be a reduction of up to approximately $18 million (US$15 million).

9. Segment information:

The Company operates in one reportable business segment involved in the operation of electrical generation facilities within Canada (Alberta, British Columbia and Ontario) and in the U.S. (North Carolina, New Mexico, Kansas, Alabama, Arizona, North Dakota, Illinois, and Texas), as this is how management assesses performance and determines resource allocations. The Company also holds a portfolio of wind and solar development sites in the U.S. and Canada.

The Company's results from operations within each geographic area are:

	Three months ended March 31, 2021				Three months ended March 31, 2020			
	Canada	U.S.	Inter-area eliminations	Total	Canada	U.S.	Inter-area eliminations	Total
Revenues – external	$ 452	$ 44	$ -	$ 496	$ 416	$ 88	$ -	$ 504
Revenues – inter-area	5	-	(5)	-	7	1	(8)	-
Other income	33	25	-	58	12	17	-	29
Total revenues and other income	$ 490	$ 69	$ (5)	$ 554	$ 435	$ 106	$ (8)	$ 533

	As at March 31, 2021			As at December 31, 2020		
	Canada	U.S.	Total	Canada	U.S.	Total
Property, plant and equipment	$ 4,351	$ 1,635	$ 5,986	$ 4,417	$ 1,681	$ 6,098
Right-of-use assets	59	67	126	60	69	129
Intangible assets and goodwill	649	129	778	637	136	773
Other assets	32	-	32	37	-	37
	$ 5,091	$ 1,831	$ 6,922	$ 5,151	$ 1,886	$ 7,037

(Unaudited, tabular amounts in millions of Canadian dollars, except share and per share amounts)

9. Segment information, continued:

The Company's revenues and other income from contracts with customers are disaggregated by major type of revenues and operational groupings of revenues:

	Three months ended March 31, 2021						
	Alberta Commercial[2]	Western Canada Contracted[3]	Ontario Contracted[3]	U.S. Contracted	Total from contracts with customers	Other sources	Total
Energy revenues	$ 390	$ 27	$ 75	$ 84	$ 576	$ (83)	$ 493
Emission credit revenues	7	-	-	2	9	(6)	3
Total revenues[1]	$ 397	$ 27	$ 75	$ 86	$ 585	(89)	$ 496

	Three months ended March 31, 2020						
	Alberta Commercial	Western Canada Contracted[3]	Ontario Contracted[3]	U.S. Contracted	Total from contracts with customers	Other sources[2]	Total
Energy revenues	$ 197	$ 28	$ 70	$ 54	$ 349	$ 151	$ 500
Emission credit revenues	7	-	-	2	9	(5)	4
Total revenues[1]	$ 204	$ 28	$ 70	$ 56	$ 358	146	$ 504

[1] Included within trade and other receivables, as at March 31, 2021, were amounts related to contracts with customers of $207 million (2020 - $113 million).

[2] The Genesee 1 and 2 PPAs expired on December 31, 2020 and as a result, commencing January 1, 2021, electricity from Genesee 1 and 2 is sold into the energy market on a merchant or non-contracted basis and presented within Alberta commercial facilities. Comparative periods reflect energy sold on a contracted basis and accounted for under IFRS 16 – *Leases* which was therefore excluded from the scope of IFRS 15 – *Revenue from Contracts with Customers* and disclosed as revenues from other sources.

[3] During the first quarter of 2021, management has reviewed its facility groupings as a result of the change in classification of Genesee 1 and 2 as well as recent internal organizational changes. To best reflect how the Company operates, commencing January 1, 2021, the British Columbia and Alberta contracted facilities will be reported together as Western Canada contracted facilities with the Ontario contracted facilities in a separate grouping. Comparative figures have been reclassified to conform to the current period's presentation.

10. Subsequent Event:

Executed 15-year contract for Enchant Solar project

On April 19, 2021, the Company announced that it executed a 15-year renewable energy agreement to sell 51% of the electricity generated from the 75 megawatt Enchant Solar project (Enchant Solar) in Alberta to Labatt Brewing Company Ltd. of Canada (Labatt), along with bundled renewable energy certificates (RECs). Of the contracted capacity under this agreement, approximately one-quarter will be bundled with project-generated RECs directly from Enchant Solar and three-quarters will be packaged with RECs sourced from Eastern Canada.

Construction of Enchant Solar is set to commence in the second quarter of 2022 with commercial operations expected in the fourth quarter of 2022.

11. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.