**Capital Power**
**2024 Investor Day**
**May 8, 2024**

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**Corporate Participants**

**Roy Arthur**
Vice President of Investor Relations

**Avik Dey**
President and Chief Executive Officer

**Bryan DeNeve**
Senior Vice President, Chief Commercial Officer

**Steve Wollin**
Senior Vice President, Operations

**Jason Comandante**
Senior Vice President, Head of Canada

**Sandra Haskins**
Senior Vice President, Finance Chief Financial Officer

**Conference Call Participants**

**Benjamin Pham**
BMO Capital Markets

**Robert Hope**
Scotiabank

**Patrick Kenny**
National Bank

**Mark Jarvi**
CIBC

**Samuel Baldwin**
Guardian Capital

**John Mould**
TD Cowen

**David Quezada**
Raymond James

**Maurice Choy**
RBC Analyst

**Roy Arthur**
Welcome to Capital Power's 2024 Investor Day. My name is Roy Arthur. I am the Vice President of Investor Relations, and I think I speak on behalf of the entire team here when we say that we are very excited to have you all here with us today both in person as well as those who have joined us virtually.

Today's presentation is being recorded and will be made available on our website. During the course of today's presentation, you will hear the management team make reference to a number of forward-looking statements, which are subject to uncertainty.

We do have a slide towards the back of the presentation that I would encourage you to read, that provides cautionary language around that. All of the dollar amounts referenced will be in Canadian dollars. And with that, I'd like to begin with an acknowledgment of the land here.

We acknowledge that this facility, as well as Capital Power's headquarters, are both located on the ancestral lands of Treaty 6 and the Metis Nation's Region 4. We acknowledge the diverse Indigenous communities that live on these lands and that are in these areas and whose presence continues to enrich the community and the lives of those who live here as we learn more about the Indigenous history on the lands in which we live and work.

At the conclusion of the formal presentation, we will have a Q&A during which time we will have available microphone for people to ask questions.

Now I would like to introduce the management team. Kicking things off

will be Avik Dey, President and CEO; Bryan DeNeve, SVP, Chief Commercial Officer; Steve Wollin, SVP, Operations; Jason Comandante, SVP, Head of Canada; and Sandra Haskins, SVP, Finance and Chief Financial Officer.

In addition to the Executive Team members that we have here presenting, we are also joined by the other members of the Executive Team, including Pauline McLean, SVP, Chief Legal Officer and External Relations; Jacquie Pylypiuk, Chief Technology, People and Culture Officer; May Wong, SVP Strategy, Planning and Sustainability. And then we would encourage all of you who are here to stay for a luncheon that will happen after the conclusion of the presentation, during which time we would hope you can interact with the full team.

Before we kick things off and Avik begins the presentation, we would like to share with you a quick video. And with that, we would like to welcome you and thank you very much for coming.

**Avik Dey**
Good morning, everyone. On behalf of 800-plus colleagues from across North America, it's my great pleasure to welcome you to Edmonton and to our Investor Day. And most importantly, share with you how we intend to Power Change by Changing Power.

We want to accomplish four things with you today.

Firstly, why we think we're positioned to succeed. #2, why we think there's a long-term growth opportunity in the power business. #3, provide you concrete examples of how we at Capital Power, create value. And lastly, articulate to you a clear strategy and our ability to execute.

I will make some introductory comments on the first two. And then Bryan and Steve will share with you how we deliver value. Jason will then describe our plan for growth and how we commercialize power. Sandra will close with how we tie it all together with our financial strategy.

We are a leading power company today. This is not aspirational for us.

We're the only public independent power producer that focuses on acquiring, optimizing, and expanding dispatchable generation assets in both Canada and the U.S., while also developing and operating renewable assets.

How did we get here? We've frankly led from the beginning. We are born from a history of innovation within the power sector. Our roots go back more than a century to the founding of Edmonton Electric Light - Lighting and Power in 1891.

Since then, we've been at the forefront of driving innovation within the power sector, which has resulted in a long history of operational expertise that is ingrained in our organization, from delivering Edmonton's first kilowatts to creating Canada's largest and most efficient FlexGen plant at Genesee, we continuously innovate.

Since our IPO in 2009, we have never wavered from our focus on providing reliable, affordable, and clean electricity. This is what has underpinned our historic success in creating long-term value for our shareholders.

As a result, we are uniquely positioned to capitalize on a major shift in the North American power sector – a shift that will see markets require more dispatchable generation to meet increasing demand for power.

So, who are we as a business? We have three businesses. We've always had three businesses, and they are highly intertwined. This has been our competitive advantage.

Our ability to acquire, operate flexible generation, build, and operate renewables and marry that with an established trading platform that participates in gas, power, and environmental credit markets across North America.

Together, these three businesses deliver balanced energy solutions to the market and to our customers. And most importantly, the value of the whole is more than the parts. The fact that we have these three independent businesses allows us to create solutions that creates more value for large corporate customers.

FlexGen, over the first column, is a new term for us, but it is not a new business. FlexGen refers to our natural gas generation assets and our energy storage business.

We've changed the name to align with our view that gas assets are no longer mature and declining. They are critical and growing. When coupled with storage, they become a key part of a decarbonized grid.

Our leading North American FlexGen portfolio positions us to deliver energy solutions that cross the need for dispatchable and clean electricity and importantly, delivers power on existing interconnects with access to critical transmission infrastructure.

We have a clear strategy. There's no pivot here.

Importantly, we are looking to amplify all of the things we already do, and we do really well.

We want to expand our FlexGen fleet by enhancing our existing plants or acquiring new ones.

Secondly, we want to grow our renewables portfolio.

Historically, we've taken an opportunistic approach to renewable growth, but we are now going to channel our efforts on renewables in U.S. markets that can help us serve large commercial customers. Number three, build on our trading platform that enhances our returns on our generating assets. This is an area where we've had historic success in managing energy risk and providing creative solutions to our customers.

We are not here to chase growth for growth sake, and that is why we will not be providing long-term guidance on specific targets of how many megawatts we will acquire or build. Later in the presentation, Sandra will tell you how we will make investment decisions, what our hurdles are, and how we think about capital allocation.

We have chosen prudence over boldness for our strategy because we believe that is what best prepares us for the generational opportunity in front of us to deliver, build, and create reliable, affordable, and clean electricity solutions.

Now why am I confident that we can deliver this strategy? Simply, we've been doing it for over a decade, operationally and financially.

We add reliable capacity where it's needed. We've materially reduced emissions. In fact, Genesee repowering, when complete, will be the single largest industrial site carbon reduction investment ever made in Alberta.

And time and time again, we've demonstrated the ability that we can acquire assets and generate attractive returns for our shareholders.

We've demonstrated this through a combination of delivering value to shareholders through a growing dividend and capital appreciation through reinvestment in our business. This is our balanced approach to growth.

Now I want to take a minute and talk about the IPP sector. The value creation model in the IPP sector has been historically very straightforward.

Since the global financial crisis, owners have been focused on harvesting assets for cash flow.

Operators would do this by reducing cost and extending the availability of the assets. This worked and continues to work.

But we have always taken an enhanced approach to value creation. This means we actively invested in our assets.

We have multiyear asset management plans to optimize the deliverability of each and every asset, and seek efficiency, profitability and decarbonization of each and every asset. That is the cornerstone to what makes us unique and provides us a clear competitive advantage to delivering reliable, affordable, and clean electricity.

We have the assets, people, and access to resources to deliver returns for our shareholders.

Now let's discuss each of those comparative advantages.

Firstly, our assets: we're younger and better.

What does that mean? What does better mean? It means lower emissions and lower cost, which ultimately means lower cost of electricity to customers.

In addition, our assets, on average, are 20 years old versus a U.S. average of 27 years old. And our heat rates are lower, which means less emissions and less cost. And on a measurable basis is 4% more efficient than the U.S. average.

We've also demonstrated strong access to capital to support our growth. Our access to investment-grade capital markets and partnership capital has and will continue to enable us to execute transactions larger than an entity of our size would otherwise be able to do.

Importantly, it also affords us the ability to be a strong counterparty to large commercial customers, which is particularly important when trading because we are a creditworthy counterparty for large customers where that matters.

Operational excellence – this is a commonly used term. But I want to emphasize what we do is, in fact, different. No other public company operates and acquires FlexGen assets across North America and invests to optimize those assets. Most of our competitors are private equity backed, who do what we do.

No other public company on a common platform has the ability to trade gas, power, and environmental credits while also building renewables, while also focusing on FlexGen.

Today we have over 20 plant managers and each of those plant managers and their teams will have driven over 200 megawatts of site upgrades and realized more than $40 million of annual savings

on fuel expenses. This is a very tangible advantage.

Not only can we enhance the value of those assets, we take those plants and we build brownfield on the existing footprint.

It's one thing to buy a power plant and harvest it. It is another thing to buy a power plant and turn it into a generation platform. That creates an organic opportunity to reinvest. That's how we continue to grow.

Between 2024 and 2026, we will have added 866 megawatts of additional capacity at our existing sites while also realizing material emissions reductions.

How do we create that incremental value from the whole? Well, we bring it all together, with our deep commercial expertise and we are able to stack these advantages to drive increased profitability in them.

We layer deep market knowledge, regulatory expertise, structuring, and commercial knowledge with deep operational capabilities to sell more power for longer and under contract.

We've talked about what makes us unique. We are the leader in FlexGen in North America.

But now I'd like to dive into the demand side of the picture.

But before I go there, I want to touch on what we believe is a fundamental paradigm shift in the IPP sector. To date, our sector has been polarized around fuel type. Renewable versus thermal, green versus emitting, value versus growth, short life versus long life.

We have lived in a world of 'or'. Renewable or thermal. This no longer works.

We know that we are today in a world of 'and'. Renewable and reliable. Affordable and clean. To be able to serve large commercial and industrial customers, you must be able to do it all now. Firm renewable and the ability to commercialize. Customers need electricity now, clean energy tomorrow. And partners to be able to manage energy risk, contract and manage the operational elements of delivering physical power.

So, let's dive into the market opportunity.

I'd like to address the market opportunity overall and why we think we're entering a period of secular growth, and why the demand growth is fundamentally shifting, and how we will have to address supply and demand differently going forward.

Now, I want to talk a little bit about the history and where we've been the last 20 years.

If we look at the renewable space and we look at the growth of the renewable sector, we've put an illustrative chart together here. And if you put time 0 on the start at circa 2010 we were looking at total supply and seeing it going up and to the right. It's where renewable penetration started to grow at scale. And we would have all agreed that we were in a market that was going to be -- continue to grow in supply because for every megawatt we were retiring in thermal, we were adding two to three megawatts of renewable.

And from before the pandemic and we roll back the clock 10 years, we would have all been talking about the market in the same way.

We would have been saying maturing population, declining GDP growth, increasing energy efficiency and overall,

anytime between 2010 to 2020, we would have said, overall, that meant declining electricity demand or at least very low electricity demand growth. The range would have been minus one to 0.5 long-term secular growth targets.

And what that meant was in terms of firm power supply, it was declining. So, we were adding a lot of renewables on total supply, and firm supply was going down because we were retiring dispatchable coal and gas.

No one over the past 15 years prior to the pandemic had an issue with this. Why? Because we had a spread. The firm power demand that was required to manage grid reliability was lower than firm power supply, supplying it.

So, for 15 years, we were able to manage that because we weren't expecting an increase in firm power demand because we thought all of those factors – the macro factors, were going to keep that basically flat.

So what's changed? So this is what we believe is what's defined energy transition.

Now going forward, we actually think we're entering a period of energy expansion. And so the equation now has fundamentally changed, whereas we were historically focused on decarbonizing our grids, now we're entering a phase where we have to decarbonize those grids and we have to meet growing demand. This is fundamentally different than where we've been.

And we're now looking at a market going out where firm power demand exceeds firm power supply. And that's why we're starting to see all the reliability issues that we've encountered and are expecting to encounter going forward.

It's why we have the interconnect issues. And that spread or that wedge between those two lines is effectively unmet firm power demand.

This is one of the key drivers for what we have built at Capital Power over the last 10 years. This is how we chose the assets we wanted to acquire because we looked at grids and said which assets are critical to maintaining reliability.

So what you'll note on this page is, I haven't shown an electricity demand chart. This is what we've been underwriting for the last decade, and we recognized that there was an opportunity to arb the value of these gas plants.

So now if we flip and say, well what is demand doing? Well between now and 2050, we see 3% CAGR growth.

So that chart on the previous page would have been true 10 years ago, six years ago, seven years ago.

Now we're adding a whole new element to the table with demand growth. And these growth rates are, as we've talked about or many analysts have talked about, when you look at some of the new components of growth entering the market, this could be your mean case, this could be your P10, this could be your P90.

But overall, there's significant confidence that we're in a whole different growth market for electricity demand.

Now why do we have conviction around these projections? Well, we're confident in them because demand growth is coming from multiple sources.

We will talk about data centers in a moment, but clean fuel standards, EV

mandates will continue to push EV penetration up to just under 20% by 2034. And recent EV car sales softening doesn't alter the fundamental shift away from ICE towards EV. The broader themes of electrification, reshoring and economic growth, are also driving demand.

Not only are we driving higher demand, but we're putting more pressure on our grids with higher renewables penetration, retirements of firm capacity and managing those grids that are constrained.

Now let's talk about GenAI. Hyper data centers require twice as much electricity given the intensity and complexity of computing power that is required to process. This is known as high-density computing. The reason for that increased energy requirement is hyper data centers use more powerful servers and require complex hardware like GPUs, graphic processing units.

It is also important to note that data center demand was around well before or growing data center demand was around well before GenAI. And that's shown in that second blue column.

What is upon us now is a generational shift in how we work and live.

I've been asked, is this going to be a fad? Will this be a bubble like crypto?

Our view is that this is not a bubble. The pursuit of advanced computing to accelerate our GenAI capabilities is in its infancy.

We know it's accelerating, but the base of these growth estimates is supported by how each of us consumes GenAI in our everyday lives. Tools like ChatGPT, Copilot, Gemini are all within reach of every user of a smartphone and will underpin much of the secular growth, notwithstanding what will happen on technology and the advancement of GenAI itself.

Although the growth from data centers is exciting, there is also a critical challenge that we must face to accommodate this new load growth.

Intermittent renewables cannot meet this need alone.

If you take wind plus solar plus battery, it requires 10x more capital investment, 9x more installed capacity, and 1,000x more land than a modern gas plant to achieve a similar level of reliability. And this excludes the consideration for transmission costs. Regulated markets can't welcome this new load without compromising grid reliability.

So, the new load gets pushed to the back of the interconnect queue and deregulated markets are dealing with reliability issues now as a result of massive renewable penetration, which is impacting voltage instability, in addition to raising cost to rate base and ultimately to consumers.

Only generation companies that can work with data centers to build balanced energy solutions that resolve firm electricity needs today with low-carbon options for tomorrow, will meet the physical electricity needs for hyper data centers.

We're excited to work with the sector to find these solutions.

When we shift to the renewable picture, load demand growth is only further amplified by these demand growth targets.

We are in a world where today we're roughly about 14% renewables penetration and by 2050, we'll be closer to 43%.

It is also interesting to note here that on natural gas, these projections show 34% natural gas going down to 30%. And why that's important is that what this represents is not that it's FlexGen that supplies it, but it really puts a marker on what's required to maintain reliability because that natural gas wedge plus part of the blue is really what denotes what's firm and dispatchable as part of that overall grid complex.

Historically, we would have characterized this as an artifact of technology curves not being properly accommodated in the models.

But the reality is that all of that gas curve is required and is expected to be required to meet reliability. Once again, this is where FlexGen comes to the rescue.

Before the pandemic, we would have shown this graph and the gray bars would have been addressed with, don't worry, we'll get batteries, we'll solve the puzzle.

We've made tremendous gains on batteries. We're excited about where they're going, but duration is still a limiting factor.

What we now know is that we have longer production history out of renewables in key markets like California and Texas and that there is, #1, seasonality that influences how much dispatchable we need to offset renewables.

And #2, daily intermittency requires duration longer than what batteries can cover. This intermittency challenge is now further amplified with our aging infrastructure.

In the U.S., nearly a third of our transmission infrastructure is aged out today, it needs replacing. This is before we consider what upgrades are required to incorporate new sources of supply, meeting redundancy inadequacy, and the impacts of key demand response initiatives like distributed generation initiatives.

We have been all over this thematic for over a decade. This is what has fundamentally driven our acquisition strategy as we identified critical generation assets in markets with strong fundamentals, with advantaged access to transmission.

Again, this is why our strategy is not changing. We are just amplifying it.

All of this means that the forces of supply and transitioning demand have created a convergence to create accelerated demand for FlexGen assets. The need for more FlexGen and balanced energy solutions is here today. That is why we are ready to deliver balanced solutions to large customers.

Now, we have a tight perimeter around our business. I described our three core businesses, and what we intend to do is accelerate our value creation around them and then bundle our capabilities to deliver solutions to large customers.

Although this opportunity is incredibly exciting in the near term with regards to data centers, it applies across the complex of all heavy-emitting and/or energy-intensive industries. If GDP is growing, we're consuming more, and we need more capacity. Our addressable market includes all of them.

With regards to low carbon solutions, we've historically focused our efforts on decarbonization technology that would decarbonize our assets. We are evaluating how we better leverage our core competencies to create value for our shareholders and enable our journey towards the 2045 net zero.

On the back of stepping back from Genesee CCS, we intend to evaluate our low-carbon solutions effort and how we best decarbonize and expect to come back to the market by Q4 with our evolved approach to low-carbon solutions.

Of note, we are satisfied that CCS is a viable technical solution for decarbonizing gas-fired power plants. We are just not there economically.

Our approach to ESG has underpinned our culture, strategy, and how we allocate resources at Capital Power.

Our efforts in carbon reduction are industry-leading with our coming off of coal and repowering Genesee to become the nation's most efficient gas plant.

We are proud of our efforts in EDI, which include reaching 50% gender diversity on our executive team. With regard to stakeholder engagement, we leverage multiple channels to engage with stakeholders, community members and Indigenous communities to listen to their priorities and interests and incorporate their input into our projects and operations to be part of the community versus just in the community, earning a reputation of being a thoughtful, caring and long-term neighbor and operator.

Our value proposition to you, our investors, is simple.

We have the assets, people, and access to capital to deliver value and growth.

We have a 10-year track record of delivering that growth through enhancing the assets we acquire, specifically FlexGen.

Today we apply that track record to enhance our fleet and acquire new assets. The demand for what we do has never been greater.

And we are positioned to expand in those markets that are eyeing long-term growth and driving towards meeting reliability challenges.

With that, I will hand it over to Bryan, who will articulate how we deliver value.

**Bryan DeNeve**
Thank you, Avik. Good morning.

As you heard Avik articulate, deliver is a key area of focus in our strategy that we employ to create shareholder value. The four key aspects to deliver are strategic acquisitions, execution of contracting strategies, value through commodity trading, operational excellence and tactical asset optimization.

I will speak briefly to the first three elements and then will turn it over to Steve Wollin, who will provide more detail on operational excellence and technical asset optimization.

In terms of key highlights, our team has created value through dollar per share growth and reduction of cash flow volatility.

Our portfolio is highly diversified with 50% of our 9,300 megawatts capacity now in the U.S., which is up from 5%, 10 years ago.

Our flexible generation represents the bulk of our capacity. However, we still have installed renewable capacity of 1.5 gigawatts. The following are the key messages I'd like to leave you with.

Capital Power has solidified its position in key markets outside of Alberta, which include Ontario, MISO, California, and Arizona. The strong fundamentals in these markets are enhancing the value of our existing thermal assets and

provide exceptional growth opportunities.

We have successfully extended the contract length for generation portfolio by taking advantage of the significant load growth and reliability concerns in our key markets. And we continue to optimize the value of our assets through commodity trading and origination strategies. This has served multiple purposes. Contracted margins are critical to maintaining our investment-grade credit rating, share stable quarterly earnings, and adds EBITDA through asset optimization and trading strategies.

Capital Power has evolved to a generation portfolio that is diversified from a geographic perspective. In 2017, two-thirds of our installed capacity was located in Alberta. That has declined to one-third with the recent acquisition of La Paloma and the Harquahala plant. With these acquisitions, Capital Power now has a significant presence in Arizona and California, which creates synergies, strategic focus.

It also uniquely positions us as an independent power producer with deep, commercial trading and operational expertise in both Canada and the U.S.

While our portfolio is diversified, we are highly discerning regarding where we operate and have specific criteria to guide where we look for opportunities.

Our three criteria are strong market fundamentals, commitment to decarbonization in those markets, and a stable market design.

We see these elements present in each of the areas we've been acquisitive and use the criteria to guide where we may look for acquisitions in the future. MISO, California, and Arizona all need reliable, affordable, and clean power solutions to serve growing demand in electricity.

Our facilities are well positioned to capitalize on these needs and expiring contracts in the early 2030s, and also room to add additional generational capacity at most of our sites.

In terms of MISO, there is moderate forecast demand growth at 1% per annum, which equates to 12 gigawatts of demand growth by 2035, but this is also coupled with almost 40 gigawatts of retirements. This will create opportunities for potential expansion at our Midland facility, along with the potential for higher-priced contract extensions.

In terms of California, the projected demand growth is even higher at 2% per annum, which equates to 12 gigawatts of demand growth by 2035. California is also expected to retire approximately 9 gigawatts of thermal and nuclear capacity by 2035. Market pricing in California has materially improved in the resource adequacy market, which requires old serving entities to contract bilaterally for firm demand requirements.

The Desert Southwest also has strong forecast demand growth at 2% per annum, which equates to 7 gigawatts of demand growth by 2035, coupled with 7 gigawatts of thermal baseload retirements. There is also significant interest in the construction of large data centers in the Phoenix area.

It should also be noted that there is considerable interest in data center builds in Alberta, which could result in longer-term offtake agreements for the repowered Genesee units.

Capital Power is well positioned to create value through upgrades and expansions at our existing facilities. The average cost of upgrades is 30% to 50%

lower than the cost of a new build, while adding new generation unit at an existing site is 15% to 25% lower cost. Given the costs of building new generation is expected to be reflected in future electricity prices, and we're seeing that already in most of our markets, it provides an opportunity for Capital Power's shareholders to capture the value of lower cost expansions and upgrades. This is tangible evidence that leveraging our existing footprint is a compelling capital investment opportunity that can offer superior risk-adjusted returns.

Capital Power has acquired 9 thermal assets since 2017, which has added 6 gigawatts of installed capacity and resulted in a total investment of CAD 6 billion. These assets have had an annual per share accretion of 7% per year, which when coupled with our dividend yield of approximately 6%, has created the total shareholder return of 13%. When acquired, the facilities had average contract lengths of eight years.

Since the acquisitions, Capital Power has been able to add an average of 7 years contract life with extensions at Goreway, York, Decatur, and Arlington. The contracted margins on these assets has enabled Capital Power to maintain its investment-grade credit rating.

In addition to extending the contracted life, the price under these contract extensions has exceeded our initial expectations. An example of growth associated with our existing assets is the upgraded Decatur, which added 90 megawatts of additional capacity, which was then incorporated into a 10-year contract extension for the facility. The total value of the operate and contract extension relative to the original business case was approximately $35 million.

In the case of Arlington, Capital Power has negotiated a 5-year toll extension with unilateral rights to increase capacity by 35 megawatts, which has an estimated net present value of $52 million. Capital Power continues to explore contract extensions at existing facilities. The opportunities for shareholder value-add through contract extensions has already materially increased over the past year with rising expectations on load growth and the proliferation of proposed data centers across North America.

Capital Power will continue to manage the Alberta and California merchant portfolios in a manner that creates material trading value, while significantly reducing cash flow volatility.

As noted on this slide, Capital Power's 86% of its margin in Alberta contracted in 2025 and 75% in California. The contracted margin in Alberta continues to increase through wholesale transactions with load-serving entities and retail sales with large commercial, industrial customers.

In the case of California, contracted margin is achieved through sales in the resource adequacy market, which requires load-serving entities to contract with a minimum level of firm supply. These RA contracts extend out beyond 2030.

Capital Power also looks to lock in spark spreads via heat rate call options and spark spread products in the forward energy market. The use of forward energy hedging allows the contracted cash flows to be recognized as contracted for the purposes of maintaining our investment-grade credit rating. It also increases stability of cash flows.

Finally, the trading function is expected to add $40 million of margin in 2025.

This is expected to grow to $130 million by 2034 through expanded power environmental product trading in the U.S.

A valuable tool in creating hedging and optimization opportunities is with end-use customers. Over the past six years, Capital Power has doubled its customer base, mostly in the U.S. markets and today also serves as a commodity supplier, both power and gas for 380,000 mass market sites.

Capital Power is also used to growth in corporate demand for renewable offtakes as corporate entities take action to improve their ESG performance.

In Alberta alone, Capital Power has contracted four renewable facilities with seven different entities over the past three years, totaling over 400 megawatts of offtake, while the U.S. has seen over 40,000 megawatts of corporate offtake agreements.

For Capital Power's overall portfolio across all our facilities, we have 3/4 of the operating margin contracted over the next four years.

In closing, Capital Power has solidified its position in four key markets outside Alberta, Ontario, MISO, California and Arizona. The strong fundamentals in these markets are enhancing the value of our facilities and provide exceptional growth opportunities.

As I mentioned, we have successfully extended the contracting of our generation portfolio by taking advantage of the strong load growth and addressing the reliability concerns that are emerging in our core markets.

Finally, Capital Power continues to optimize the value of its assets through the commodity trading and origination strategies. With that, I'll now turn it over to Steve Wollin.

**Steve Wollin**
Thank you, Bryan. Good morning, my name is Steve Wollin. I head up Operations, Engineering, Supply Chain and HSE for Capital Power. And today, I'll be speaking about operational excellence, what it means, and most importantly, why it matters to you.

So simply put, operational excellence creates value for our shareholders. At Capital Power, we have built our company on long-term investment in our fleet. We're not a buy-and-flip company. We're in it for the long run, managing our assets to extract long-term value.

This strategy does not only benefit our equipment, but it's created a culture of deep ownership and pride in our staff, which further drives high performance and innovation.

We continuously work to maintain a balance between cost and availability, a good understanding of the condition, the capabilities of our units, supported by the right data, and correct analytics results in informed and timely decisions.

Additionally, the ability for ops to work lockstep with the commercial team to provide reliable megawatts when, how and for what cost has been critical to how we trade, market, and deliver our products with confidence.

So playing the long game, understanding and running our equipment better than anybody else, having this deep foundational relationship between ops and commercial, has been the key foundation to our success.

Today I want to talk about how we've achieved this.

At Capital Power, we're positioned to be bigger, better, cleaner and going beyond our peers as an operator.

So what exactly does that mean? We can extract more value and growth from our existing assets than other generators through our commitment to operational excellence and internal expertise.

We're not just satisfied with the status quo. The nature of running power plants is, when you run plants, you're going to have wear and tear in your assets. When you have wear and tear in your assets, you're going to have to replace components.

We see component replacement as an opportunity to upgrade, a path to optimization. So instead of just replacing in kind, we're always looking for an upgrade, an opportunity to add new megawatts, improve reliability, and higher efficiency. Simply put, we're always looking to add more value to our assets.

When we're talking about bigger, we're talking about increasing our output, achieving higher capacity factors through tactical decisions, equipment upgrades and process enhancements.

We're talking about better -- talking about delivering reliability and reducing downtime and O&M costs by applying our expertise in operations, turnarounds, and optimization. And cleaner, we're striving to optimize the efficient and responsible use of fuel and water and other resources.

We continue to decarbonize but we also work to reduce all emissions, whether it's NOx or SOx or particulate, whether it's a focus on our wildlife protection for our wind farm bird and bat mitigation programs, or it's reduced chemical and water usage through our optimized water management programs, or reducing carbon intensity at all our thermal fleets, we're keenly aware we need to be part of the solution for a sustainable future.

And then on going beyond, we're utilizing our brownfield sites to their fullest potential through equipment upgrades and expansions.

We're demonstrating that real time, for example, expanding East Windsor with a new turbine. We're installing the battery storage and turbine upgrades at Goreway and York. And we're executing one of the most innovative repowering projects in North America, which I think most of you got to visit yesterday, which was a pleasure to have you there.

This operational model has served us very well through the years. So while we continue to drive to change our industry, there are no plans to change our focus on operational excellence because the bottom line, it's good for business.

So has our strategy been successful? We're reliably delivering 9,300 megawatts created by 63 turbines, 550 wind turbines, 350,000 solar panels, across 32 facilities. Our solid track record of fleet optimization has enabled trading, contracting and recontracting opportunities from our existing fleet.

We constantly deliver on creating new megawatts and megawatt hours and converting them to dollars. Our success is underpinned by sort of three main pillars: it's our people, it's how we plan, and how we execute.

On the people side, we have deep staff experience in our plant managers alone, 450 years of experience in aggregate, not including all the rest of the staff at the sites.

In 2022, we created the data on our operations center. We call it the dock, and the dock is a centralized operation support group and the dock has multiple functions, both shutdown planning and support, it has due diligence for new acquisitions, it has an operations data management group that delivers on our condition-based monitoring, our analytics, our AI tools. And it also has a 24/7 energy management group that supports fleet dispatch, remote operations, security, and equipment monitoring.

We've also deliberately moved our Engineering, HSE and Supply Chain teams under the Operations organization. That's to ensure we're aligned of the same clarity and the same goal of producing safe and reliable megawatts. And for years, Capital Power has recognized the value of maintaining the right technical experts to support fleet excellence. To attract that right talent, we've actually created a dual path for advancement within the company, you can climb up through the people side of the organization or you can climb up through the technical expert side of the organization. And over time through this strategy, we've built a world-class team of some of the brightest technical minds in the industry supporting operational excellence.

Our second pillar is planning. And we've established a dedicated central turnaround team that provides support for our many turnarounds. Last year, we had 27 turnarounds. I think this year we're looking at 34 major turnarounds. So, there's an obvious business case and hitting these dates on time and on budget, just being overdue a few days on some of these major turnarounds can cost millions and lost opportunity.

We have also developed a disciplined, thorough approach to long-term planning over the last decade. This is becoming very important to us right now with the increasing delivery times for major components.

While many of the off-the-shelf items, your nuts, your bolts, have returned to pre-pandemic delivery times, anything complex, multiple country fabrication, special materials, turbine parts, generator parts, transformer parts, we have seen multiple fold increase in delivery times. So, it's absolutely critical that we maintain a detailed and accurate maintenance plan, so we can stay well ahead when we need parts, they're on-site when we need them for turnarounds or forced outages.

On execution, with a 5-year average availability factor of 93% for our thermal fleet, we are well over the North American average and with the integration of 6,000 megawatts of generation, customers can trust we'll be there when needed.

So supported by our people, our planning, and our ability to execute, we have demonstrated that we can make the right decisions to extract maximum value and performance from our fleet.

So what I'd like to do is, I'd like to demonstrate that track record of making some of the right decisions by sharing a few case studies with you.

Focusing on our FlexGen fleet, I'll touch on two main examples of how we're positioned to be bigger, better, cleaner and going beyond.

So first, we will consider Goreway, one of our established plants. And secondly, we'll look at Harquahala, which is brand new to us and where we're working on a brand new facility as well.

So at Goreway, on bigger, we're in the process of upgrading all three of our CTs to get 40 megawatts.

One is already complete and has met all performance requirements. The upgrades are going very well.

On better, we are focused on low-load optimization. We actually completed a major sustaining capital upgrade in our temporators. The temporators are used for several things, but one of the main functions of a temporator is to manage low-load operation.

And I'm sure many of you know that being able to run these units at very low, stable loads in supporting the Ontario grid for flexibility is very important.

On cleaner, we're upgrading our water treatment reverse osmosis system to reduce chemical and water usage.

And then for beyond, at Goreway, the battery storage project will add 50 megawatts of electricity storage for up to four hours.

Now going to Harquahala, brand new to us but we already added over there.

On bigger, we're undertaking extensive cooling pond upgrades. We're actually increasing the cooling pond capacity for Harquahala by 10x. And these upgrades will allow us to run much more reliably, at much higher capacity factors, supporting the growing demand of the Desert Southwest.

On better, we're implementing a comprehensive life cycle program for turbine maintenance. These programs are critical to ensure we stay well ahead of parts delivery schedules, especially with the long-term delivery times.

So we have to have parts for maintenance, for early equipment failure, and for degradation.

Capital Power actually maintains these same plans for every one of our major assets across our whole fleet. And actually, it's one of the first deliverables that our subject matter experts have to produce on when we onboard a new facility.

On cleaner, we're upgrading water treatment systems to drive lower energy and chemical use. This project will increase reliability, reduce O&M costs, and provide tangible environmental benefits in lowering chemical and energy use.

On beyond, for Harquahala, stay tuned, Harquahala assets offer many opportunities for ongoing development. 496 acres of unused land for expansion, 1,100 megawatts of additional interconnection capacity. With the many opportunities in the Desert Southwest, it's just a matter of time, you'll be seeing more development there as well.

Now same focus, I'd actually like to talk about renewables and our same approach to optimizing our renewables fleet.

On bigger, we've implemented multiple control upgrades, allowing us to capture more wind at lower wind speeds, resulting in more megawatt hours.

On better, we've made huge strides in reducing our O&M costs, leveraging our very strong relationship with our primary wind turbine supplier, Vestas. In 2020, we were able to negotiate a very high-value long-term service agreement for 9 out of 10 of our wind farms. This agreement and our relationship with Vestas has resulted in top of industry performance for our Canadian wind fleet.

We also worked very closely with Vestas to do optimizations. And for example, we installed successful

lightning protection system upgrades in the last few years, reducing damage and downtime at several of our wind farms.

On cleaner, we're working to reduce our impact on birds and bat populations through implementation of something we call smart curtailment systems. By using smart curtailment we can selectively curtail the turbines when the conditions pose a threat to birds and bats in the area.

We are still in the early stages of this project but results are showing marked improvements in bird and bat mortality and we're very excited where this may take us and maybe the industry.

Going beyond, as recipients of Ontario Energy's Hydrogen Innovation Fund, we're exploring hydrogen production at the Kingsbridge 1 facility, assessing the feasibility of creating green hydrogen from wind and storing underground and depleted gas reservoirs.

So to summarize, why does an informed, deliberate, progressive approach to operations matter? Well, it creates and drives intense value for you.

Back to our theme of bigger, better, cleaner and beyond. Bigger has been demonstrated by executing innovative upgrades, increasing our overall fleet output by more than 200 megawatts with another 70 megawatts soon to follow at Goreway and York.

We've also executed many efficiency upgrades with an estimated fuel savings of over $40 million in the last five years alone.

For better, we're leading fleet reliability with an average 5-year reliability of 93% for our thermal fleet. Customers know they can rely on us when we are needed, which leads to extended and new offtake agreements.

For cleaner, by being more efficient and responsible in our operations, we've avoided $190 million in carbon compliance costs over the last 10 years. Cleaner is what enables the future.

And for beyond, as we look at the future, our Ops 2030 program, which is really our sustaining capital optimization program is projected to create $60 million in annual EBITDA improvements by the end of the decade, of which $30 million have already been realized.

So, this is operational excellence in action. And there is no plan for us to take our foot off the pedal. It's who we are.

Our growing fleet provides vast opportunities to meet demand, support energy transition and deliver critical value for shareholders. With that, I will hand it over to Jason. Thank you.

**Jason Comandante**
Thanks, Steve and good morning, everybody. My name is Jason Comandante. I'm Capital Power's Senior Vice President, Head of Canada. My portfolio includes Canadian Business Development, Construction and Commercial Management. And just before I dive into things, I just want to take a moment to express how proud I am to be part of a company that truly engages with stakeholders, community members and Indigenous communities.

Bryan and Steve covered how Capital Power is delivering reliable, affordable, clean power to our customers across North America.

I'm going to transition us from what we're delivering today to what we're building for tomorrow and then to what

we're creating to serve the evolving needs of our customers into the future.

Let's get started with build. Capital Power has a long history of success developing and acquiring FlexGen and renewables to provide balanced energy solutions for the grids and customers we serve.

Our geographically and technologically diversified fleet of assets has been thoughtfully established to allow us to leverage our core competencies and competitive advantages to outcompete across key North American markets.

And our pipeline is the same. It's an extensive opportunity set that will facilitate our growth and deliver shareholder value.

In this build section of today's presentation, I'm going to take you through a tour of projects we currently have under construction and in development that build on our strong track record of success. We can't wait to bring these assets into our portfolio and online.

The first project I'll touch on is the Repowering project at Capital Power's crown jewel asset, the Genesee Generating Station. With Genesee 3 already converted to run 100% on natural gas, the repowering of Genesee 1 and 2 marks the stations, Capital Power's, and Alberta's transition off coal. The repowering project will drastically improve Unit 1 and 2s efficiency, decrease its emissions and increase its capacity to secure Genesee's place as a market leader in providing power to Albertans. The Repowering project exemplifies our drive towards building a reliable, affordable, clean power generation portfolio.

The repowered units will consist of best-in-class Mitsubishi J class technology that will make them one of the most efficient natural gas combined cycle units in the country. Less fuel per megawatt hour means lower variable costs. And as a result, we expect Genesee 1 and 2, once repowered, to be the lowest cost power generation assets in the market, aside from cogen and renewables.

Alberta can count on all three units at Genesee to continue to demonstrate stellar availability. And as mentioned, the repowered assets also represent an increase in reliable supply, as Genesee 1 and 2's capacity will increase to roughly 670 megawatts, up from the current 400 and 420 megawatts, respectively.

Now the Alberta Electric System Operator, or AESO, currently has a 466-megawatt limit on the maximum amount of supply that can come from a single source. However, by getting creative and collaborating with the AESO, we have established a solution that will allow the repowered assets to deliver 566 megawatts each.

Including that limitation and changes to costs and schedule, the project continues to meet our investment thresholds. In the future, we see upside and look forward to working with the AESO on a solution to unlock the total capacity of Genesee 1 and 2 for Alberta.

Here's just how to think about the environmental efficiency of the repowered Genesee 1 and 2 assets. They will start their service of Alberta customers with almost no carbon compliance obligation under Alberta's Technology, Innovation, and Emissions Reduction regulation.

Despite the increase in capacity, Genesee's transition off coal including

both the repowering of Genesee 1 and 2 and the conversion of Genesee 3 will result in reduced carbon emissions from the site of up to nearly 3.5 megatons per year.

We are all incredibly excited to bring the Repowering project to completion. And just last week, we reached a major milestone. Unit 1's simple cycle commissioning was completed and we're now looking forward to firing simple cycle operation on Unit two in the coming weeks.

Later this year, tie-in of the simple cycle units through heat recovery steam generators to the existing steam turbines will take place. And this is going to lead us to the final stage of the project, commissioning combined cycle operations. Capital Power and our partners are hard at work to complete this very important build by the end of this year.

I'd now like to turn to three additional projects, each of different technologies, starting in Ontario, where we're deploying $600 million of capital investment across three builds.

The East Windsor expansion project is a result of Capital Power's successful bid into Ontario's Independent Electric System Operator or IESO's expedited request for capacity. The project adds up to 100 megawatts of capacity to the existing site by adding a new General Electric 7EA gas-fired turbine. And this is what we do. We turn power plants into generation platforms that we leverage to answer the call to provide supply.

We're currently completing the permitting phase of the project and construction is expected to start as early as January of 2025 to bring the project into service in the fall of 2026. The East Windsor expansion will provide us with 14 years of contracted cash flow.

Sticking with Ontario and our ability to leverage existing sites, the next project or projects I'd like to highlight are the utility-scale battery projects we're installing at our other two thermal sites in the province, the York Energy Centre and the Goreway Power Station. Again, these projects came about as a result of Capital Power's success in the IESO's expedited RFP process.

The York and Goreway battery projects will provide Ontario with 120 and 50 megawatts of capacity, respectively, by deploying 4-hour battery systems. These projects are Capital Power's first utility-scale batteries and we're looking forward to adding this technology to our generation portfolio to provide reliable, affordable, clean power supply to our customers. These projects also signal what we see as a growing trend around the need for creative FlexGen solutions, in this case, adding storage to existing sites.

We're doing that here and we look forward to doing that again. The two battery projects are progressing in parallel and are set to be in service next summer and that'll provide us with 22 years of contracted cash flow.

Finally, I'd like to move south of the border to North Carolina to highlight our Maple Leaf Solar project. Maple Leaf Solar is Capital Power's second solar facility in the state. The 15-megawatt Beaufort Solar project, which is Capital Power's first and like Beaufort, Maple Leaf will operate under a long-term PPA with Duke Energy Progress.

Once complete, Maple Leaf Solar will serve Duke's North Carolina load with 73 megawatts of capacity. The asset is on track to be online in early 2027 and will provide 25 years of contracted cash flow.

Our latest development portfolio represents roughly 4.7 gigawatts of opportunity spread across FlexGen and renewables.

Of note, a relatively large solar pipeline is matched with 1 gigawatt of supply of responsibly produced, ultra-low carbon solar modules we secured last year from First Solar. Consistent with our recent build activity, our development pipeline is both technologically and geographically diverse with the majority of our opportunities south of the border.

Something else I'd like to highlight is that the gas or FlexGen opportunity represented here is conservative.

As seen in yesterday's tour, for example, sites like Genesee that have ample land for future development could represent hundreds or even thousands of additional megawatts of opportunity.

We've curated our high-quality pipeline by being highly selective, understanding where the opportunities are and knowing where we can succeed.

So this is what I want you to take away from this build section of the presentation. Capital Power has a track record of success in expanding our platform with an aim towards delivering reliable, affordable, clean power and we're building on that success. Capital Power is constructing our generation portfolio to ensure we are positioned to answer our customers call for power.

Our Genesee Repowering project is a perfect example of us executing on our core business of developing, owning and operating assets to deliver balanced energy solutions. And Capital Power's pipeline, like our existing portfolio and ongoing construction projects is both technologically and geographically diverse, ensuring we can remain nimble and flush with opportunities to address the evolving needs of energy consumers.

I wanted to move us now from what we're building to how we're thinking about the evolution of creating balanced energy solutions for our customers. Capital Power has created an integrated platform to be energy consumer's first call.

That platform consists of 1: our position as a leading North American power producer and best-in-class operator across a diverse fleet, 2: deep market and regulatory expertise in the key markets we operate in, and 3: a proven trading and origination business. Combining and building on those three elements will allow us to address rapidly growing and rapidly changing customer needs.

For example, the announced sustainability targets by corporate entities are substantial, with Amazon, Nike, TELUS, Facebook, Walmart and Lululemon, all targeting to be 100% renewable. To help meet these targets, Capital Power is well positioned to offer balanced energy solutions through a combination of FlexGen and renewables and in the future, emerging technologies as well.

We've enjoyed shared success with our customers by finding ways to provide them with power that jointly hedges commodity exposures and unlocks synergistic value. Last quarter, for example, we were proud to jointly announce with Saputo Inc. that we entered into a 15-year virtual power purchase agreement pertaining to our Halkirk 2 Wind facility here in Alberta. That facility is under construction and is on track to be complete by the end of this year.

Capital Power has been in the business of selling power to end users for 15

years. Our journey has allowed us to grow our customer count to roughly 600, double of what it was in 2018. The vast majority of those customers are in Alberta, and we're confident that as we're geographically expanding, we'll be able to replicate what we've done in our home province in other jurisdictions.

The opportunity set here is vast. And we know and we have already seen that the future of trading and origination in the power space is about more than just selling megawatts.

Any company can sell power, but not everyone can do what we do. Capital Power has the unique ability to offer tailored products and services physically and financially across multiple commodities and jurisdictions in a way that's reliable, affordable, and clean.

I couldn't discuss embedding emerging technologies into our create strategy without addressing the Genesee CCS project. Last week, Capital Power discontinued the project.

Our journey did not result in steel in the ground but it did result in successes. Through our work with our partners on the project, we established the technical feasibility of CCS on thermal power generation, and we also significantly advanced our understanding around the commercial aspects of CCS projects including available and required support.

We now understand better than anybody else, how the power generation landscape needs to unfold for it to make sense to combine CCS with thermal power generation.

Our leadership in developing a deep understanding of emerging technologies and what conditions need to come about to deploy them continues.

We couldn't be more eager to be working with Ontario Power Generation on assessing both technically and commercially the development and deployment of grid-scale small modular reactors or SMRs to provide clean, reliable, nuclear energy for Alberta. Developing the first SMR in Alberta is going to be a challenge and we are up for that challenge.

Now whether it be CCS and thermal, SMR or other technologies like direct air capture, renewable natural gas, or hydrogen, Capital Power is dedicated to being a leader in understanding how they can fit with our customers' needs.

We are confident that when the policy, technical, economic, and commercial conditions are right, we will at the ready to combine these new technologies' attributes with those of our existing platform to trailblaze new decarbonization pathways.

Here's how to think about how Capital Power is ready today to create for the future. First, we've spent 15 years in the customer business. That's positioned us to understand customer needs and develop synergistic ways to provide balanced energy solutions.

Second, we have a proven track record of success, extracting value from markets across Canada and the U.S. And third, we've remained ahead of the curve when it comes to anticipating market and customer needs and preferences by turning a collection of power plants into a North American generation platform, we are ready to expand and include new technologies into.

We are delivering today, we are building for tomorrow, and we are creating for the future. I'll now turn the presentation over to Sandra Haskins.

**Sandra Haskins**
Thank you, Jason. As you've heard this morning, Capital Power is well-positioned to excel in the North American power industry.

In my presentation today, I'll talk about our capital allocation and funding approach that supports our market-ready strategy and will continue to deliver shareholder value.

Capital Power is a leading North American independent power producer with a market cap of approximately $5 billion. Our core business provides stable and predictable cash flows with over 75% of the contracted adjusted EBITDA in 2024.

We have a diverse portfolio of assets across geographies, technologies, and fuel types, reducing exposure to market volatility and regulatory changes. Our efforts to diversify will deliver 40% of adjusted EBITDA from the U.S. facilities this year, equal to the contribution from Alberta, which is down from almost 60%, five years ago.

We expect this trend to continue due to our efforts to diversify and grow our business.

Our long-term contracts have investment-grade counterparties for virtually all of our output, with 90% of PPAs being A-rated or higher, ensuring revenue certainty and visibility.

We have a strong balance sheet with investment-grade credit rating of BBB- from S&P and BBB low from DBRS.

We delivered a total shareholder return with a 10-year compound average growth rate of 12.5%, outperforming the broader market where the TSX averaged approximately 8% over the same time period. The TSR of 12.5% reflects share price appreciation of approximately 6% and 7% from dividends.

We have a compelling total shareholder return proposition with a historic long-term TSR target of 10% to 12%. Actual performance has been at the high end of this range.

We anticipate, with enhanced returns going forward, a TSR of 12% to 14% can be sustained by the set of opportunities in front of us and our unique position to capture incremental value.

One of the key indicators of our long-term stability and predictability of cash flow is our weighted average contract life, which measures the remaining duration of our power purchase agreements with our customers based on adjusted EBITDA. The graph shows the trend of our weighted average contract life.

As you can see, we have maintained a high level of contract life ranging from nine to 11 years, which reflects the value of our assets in the markets in which they operate and gives us the ability to renew and extend existing contracts. The graph has a range-bound flat line versus a steady decline and is attributed to the recontracting success of the acquired FlexGen assets, Arlington Valley, Decatur, Goreway and York. And the addition of contracted renewable projects including Whitla.

As a result, our average contract life for the last 10 years has essentially been 10 years.

In the near term, the weighted average contract life will be supported by the addition of Halkirk 2, the Ontario BESS projects and Maple Leaf Solar, all of which have contracts between 20 and 25 years.

In the medium term, these contracts expiring at the end of the decade are well positioned for recontracting to capitalize on growing demand for dispatchable power.

Our capital structure is well-balanced and optimized with a mix of debt, preferred shares, hybrid bonds and common equity that reflect our low-risk profile and supports our investment-grade credit ratings.

Our debt maturity profile is well-laddered, which reduces refinancing risk in any given year. Currently, except for a small portion of project debt in our credit facilities, all debt is at fixed rate, which has mitigated our exposure to higher interest rates.

In addition, the underlying Bank of Canada rate is substantially hedged for the debt refinancings out through 2026 at very attractive levels.

Including the refinancings later this year and those completed over the past few years, our interest rate hedges have reduced our effective interest rate cost by approximately 130 basis points or $15 million in annual interest savings.

We have a clear and consistent strategy to create value for our shareholders, customers, and communities.

Our strategy is to invest in our core businesses to provide clean, reliable, and affordable energy to large commercial customers.

We are committed to maintaining a strong balance sheet and an investment-grade credit rating.

We have a proven track record of delivering earnings growth and total shareholder returns by applying disciplined investment screening criteria that I will speak to shortly.

We have also established ambitious environmental, social and governance goals that reflect our values and our responsibility to our stakeholders.

As depicted in the decision-making funnel, we have a disciplined approach to capital investment that ensures we deliver value to our shareholders.

We first seek opportunities situated in attractive markets with compelling risk-adjusted returns that provide the opportunity for optimization and development potential through commercial and operational initiatives.

In assessing the impact of the investment on the company, we ensure there is a funding plan that preserves our investment-grade credit rating status and provides attractive per share accretion.

We look for projects that are aligned with our strategic priorities, impact diversification, offer potential synergies, and support our ESG objectives.

We evaluate each project using financial metrics, including risk-adjusted hurdle rate thresholds, payback periods and per share accretion.

Our rigorous screening activity reflects our commitment to creating long-term value and enhancing our competitive edge.

Over the next five years, as shown on the pie chart, our growth capital allocation target of 70% will go towards FlexGen opportunities, 20% to clean energy renewables and the remaining 10% to organic growth and innovation projects that offer attractive returns and enhance our competitive position. The corresponding equity hurdle rate thresholds are 12% to 14% for FlexGen, 10% to 12% for renewables and 15% to 20% for other projects.

The target return for new investments reflect the overall risk profile of the growth opportunity, and adjustment for differences in risk profiles is accomplished primarily by applying differentiated targets returns for project-specific risks, which include the percentage of contractedness or contract duration, for example, to compensate shareholders for project-specific risks.

Management evaluates investment opportunities by determining whether a project's expected returns meets these thresholds, which ensures there is creation of shareholder value.

Capital Power relies on its competitive advantages, which include the ability to create value from trading around the asset, executing on the development and construction of new generation facilities, adding contractual offtakes and leveraging operational excellence, as Steve spoke to earlier with his model of bigger, better, cleaner and going beyond.

Asset and site optimization beyond what is planned immediately post-acquisition are not built into the project economics but provide the upside or option value that we have been able to capture.

As part of our screening criteria, we have identified key markets specific to our three core businesses.

As highlighted in the table, we have assessed the markets that have the right fundamentals today, as well as markets we are continuing to evaluate for future growth.

We have access to multiple sources of liquidity, including cash, credit facilities, capital markets, asset recycling and partnerships to fund our growth.

We have a strong track record of maintaining financial flexibility and discipline while optimizing our cost of capital and enhancing shareholder value.

In the past five years, partnership capital has contributed 16% of our funding, while the other external sources of capital were comprised of 45% debt, 13% common equity and 2% hybrid instruments and 4% from asset recycling. The 20% balance comes from internally generated cash flows.

While we have used asset recycling on a limited basis in the past, we continue to explore this option as a source of funds.

Our capitalization is low risk and augmented by a proven partnership strategy by differentiating ourselves as a partner of choice.

We have established strategic partnerships with leading global players such as AIMCo, BlackRock and Manulife to leverage their expertise, capital, and market access. AIMCo participated in the equity financing of our most recent U.S. acquisition, while BlackRock and Manulife are partners across three different operating projects collectively.

We have successfully executed joint ventures, co-development agreements, and long-term power purchase agreements, creating value for our partners and customers while reducing our risk exposure and capital requirements.

Our performance as a valued partner positions us well to consider partnering in our growth plans going forward.

We have achieved impressive growth by leveraging our core strengths and

pursuing multiple avenues of value creation.

Our strong and experienced management team has a culture of operational excellence, innovation, and social responsibility that drives the business forward. A diversified portfolio of assets across geographies, technologies and regulatory regimes provides us with multiple growth opportunities and a balanced risk profile. These results demonstrate our ability to execute on our strategy and deliver consistent and sustainable value for our shareholders.

Capital Power has consistently grown cash flow with a 5-year compound average growth rate, an AFFO of 13%. This growth comes on the back of our proven track record of identifying and executing accretive acquisitions.

As we invest in growth, we remain committed to achieve increasing our dividend per share.

We have a history of 11 years of consecutive dividend growth with a low dividend payout ratio.

Since 2013, we have delivered annual dividend increases of 7% per annum through 2021 and 6% over the last two years.

I believe our ability to deliver sustainable and growing dividends to our shareholders while maintaining a low-risk capitalization structure and investing in attractive growth opportunities is a very compelling story.

As we execute on growth, Capital Power remains committed to growing the dividend with annual increases.

We continue to provide guidance for a 6% annual increase in our dividend per share through 2025, subject to Board approval at the time.

In the past, our capital allocation strategy assumed a target payout ratio of 45% to 55%.

While we have sustained meaningful dividend increases, the actual payout ratio has averaged well below the target range at 36% over the past five years. Going forward, we anticipate allocating more capital to growth and keeping the dividend payout ratio more in line with historic actuals.

This resets the target payout range to 30% to 50% and the expected annual dividend increases post 2025 will be in the range of approximately 2% to 4% per annum.

I am confident that our dividend guidance is sustainable and the higher allocation of free cash flow to growth aligns with our long-term value creation and will enhance our overall shareholder returns.

In closing, I would summarize the following key components of our financial strategy that is underpinned by a stable, low-risk cash flow profile from a diverse portfolio, a strong track record of accretive growth, an investment-grade credit rating that provides multiple sources of low-cost funding relative to our IPP peers, our optimized capital allocation, which generates superior per share growth that supports our ability to deliver on a targeted TSR of 12% to 14%. These are some of the reasons why I'm excited about the future of our core business and how we will continue creating total shareholder returns for our shareholders.

With that. I'll turn it over to Avik.

**Avik Dey**
Thank you, Sandra. And thank you, Steve, Jason and Bryan for sharing your thoughts and comments with us today.

North America needs companies that can build, operate, enhance, and create balanced energy solutions. We've been doing that since our IPO in 2009.

We've been doing that while also delivering compelling returns when measured by total shareholder returns.

We've been doing that by growing EBITDA and adding profitable new capacity.

We've been doing that by acquiring attractively and enhancing the assets we own. And lastly, we've been doing that with a focused and determined effort to decarbonize.

We have a clear strategy to expand our FlexGen portfolio, grow our Renewables business, enhance our returns by growing our trading platform and create balanced energy solutions for our customers.

We also have a very clear financial strategy. Our approach to capital allocation, funding plan and hurdle rates, all align with a clear value proposition for investors.

Our strategy is prudent. Our approach is balanced. Our business model is clear.

Through our FlexGen, Renewable and Trading businesses, we are clearly positioned to deliver value and growth for our shareholders. All of us at Capital Power are excited to meet this moment and deliver, build, and create energy solutions and lead the upcoming energy expansion.

Thank you for giving your time to travel to Edmonton to hear our story and share the product of all the hard work and accomplishments of our team at Genesee yesterday. It was a privilege to welcome you to Alberta.

We are powering change by changing power.

With that, that ends the presentation part of the meeting and we will now open the floor to questions from those in the room.

Thank you.

**Benjamin Pham**
It's Ben Pham, BMO Capital Markets. Couple of interesting slides on AI, so thanks for that.

I'm wondering how advanced are you, Capital Power, whether internally or externally, on the AI opportunity? Do you have a team in place that you've set up? Are you engaging with some of the technology companies on opportunities?

**Avik Dey**
Thanks for the question.

We are engaged, we are looking at it, we have attractive generation sites in the U.S. Everything is early stage. But as we described, the market dynamic there is, technology companies are actively looking for access to physical power in addition to the solutions.

So, it's early days at this point but we're engaged given the size and scale we have in the U.S. market already.

We're not looking at anything currently in Alberta, but we expect that there should be potential there at some point, but there's active dialogue in U.S. markets around it.

And then sorry, to answer your question on the team part, as Jason alluded to, we have that commercialization

capability now, so the conversation is very tactical on the data center side.

The conversations we're having are, how can you, Capital Power, help us access physical power, help us solve interconnect issues, help us solve the need for physical and virtual power through renewables over time.

So we haven't dedicated a specific team to it. It's really about what we do. And it's why I made the comment earlier about this is about wholesale customers. So the data center piece of it, it's just a different type of customer in the same space.

**Benjamin Pham**
And may I ask next on trading. Do you anticipate that to be a separate segment at some point, break out the hedging from the trading? And do you expect to expand into other products as well beyond what you're doing right now?

**Sandra Haskins**
I can answer the question on whether we break it out into a segment. The trading right now you'll see in 2024 is, we do have the U.S. trading separated from Alberta trading. So, at one point, we had one desk that did primarily trading in Alberta with some around other assets, and we've now broken that out within segment. There isn't the intention in the near term to have a separate line but we'll just show within geography with the trading separate from the core assets in those same regions.

Bryan DeNeve
Yes, in terms of products, it's interesting. Our trading group starts off with what you need for dispatch, real-time optimization of our assets in all the markets. So, you kind of need a foundation in place, which we have, that started in Alberta and now it's starting to expand into MISO with Midland and into the U.S. Southwest with La Paloma, Arlington.

In terms of products, yes, we see that transition to more of bundling products for end-use customer needs. And we're starting to see gradual convergence of power with offsets with natural gas and then the whole reliability side of it. And to bring all that together, you need your trading operation to be able to not only hedge forward, but also be able to manage congestion, be able to manage transmission rights, so all those elements come together. It's one of the interesting things is, all the various markets in North America are very different. So, to be able to pull this off, you need to have that deep market understanding that Avik alluded to. And that's an area of tremendous growth within our organization right now.

**Robert Hope**
Rob Hope, Scotiabank. Maybe just a bit of a conversation on the core markets. You have, we'll call it, four core markets outside of Alberta. You have trading operations that span the continent.

So, when you think about the opportunity set in front of you, do those core markets give you sufficient opportunities? Or are you looking to expand into additional markets and could PJM with the data center demand be the next logical step?

**Bryan DeNeve**
Sandra had a slide in her presentation, she went through it fairly quickly, but in there, she did point out that PJM and ERCOT, our market set, we see as places that would fit for us from a growth perspective. This whole thesis in energy transition and everything Avik spoke about, that's happening across all the deregulated markets in the U.S. And Capital Power, we see ourselves as filling that role in all those markets.

So certainly, I can't comment on the exact timing but absolutely, PJM and ERCOT would be high on our list of next areas to step into.

Having said that, it doesn't take away from the fact that adding assets in California and Arizona, there are synergies, both from a commercial perspective, trading perspective and operational perspective. And right now, Arizona is a real hot bed right now on the data center side. So we feel good about both elements.

**Avik Dey**
I'll just add one point, which is, our approach has really been simple and effective, and it's been what we've done for more than a decade, which is, go into markets that depend on thermal for baseload. And in those markets are where we can create opportunities because there's wholesale customers in those markets.

So that was the strategy we've always pursued. When you look at those markets we've upgraded, it's really encompassing all the markets we think have those opportunities going forward. And they just happen to also overlay where the data center opportunity is but that wasn't the driver. The driver was grid stability and grid makeup.

**Robert Hope**
And the second question, when you think about kind of the opportunity set in front of you and the capital that would be required, you have three good partners right now. Has there been any thought into more formalizing or structuring proactively a partnership such that you could call on your partners for an additional opportunity? Or would it be much more on a one-off basis?

**Avik Dey**
I'll answer, but Bryan, Sandra, if you want to chime in. All of the above, I think because we're in this shift from energy transition to expansion and a lot of alternative asset classes, in particular, are pivoting towards this space, we're having broad-ranging conversations there. There's nothing imminent.

But I think as Sandra alluded to our funding model, I think what resonates with others and what we value for ourselves is that flexibility. So every time Bryan or Jason and the team are coming up with new opportunities, that's a conversation we're having around the management table, which is what is the right funding plan.

**Patrick Kenny**
Pat Kenny, National Bank. On your capital allocation charts, you show heavily weighted towards natural gas opportunities relative to renewables. If we flip that around and think about asset recycling, would it be the inverse mix in terms of looking at opportunities to bring in proceeds from mature renewable projects, and hence, increase that weighting towards midlife gas assets?

**Sandra Haskins**
I think that's right. We've talked about it for a while now where we think there is value to unlock on the renewables side through asset recycling. That's probably the primary target that we would look at, just given what we've said before in terms of what we think we could receive in terms of bringing in partners or recycling them totally and then using that as a source of funding elsewhere.

Having said that, we have talked about partnerships on thermal, and historically, that's been at the point of (technical difficulty) opportunity for us as well to think about that.

But I'd say renewables would be the primary target there for recycling.

**Patrick Kenny**
Great. And then maybe just on dialing back the dividend growth outlook beyond 2025, is that a change in payout policy at the Board level, is it more a change in the outlook for the AFFO per share growth profile beyond 2025? And then does the upper range of the 2% to 4% include any augmentation from potential M&A activity?

**Sandra Haskins**
Yes, so our dividend isn't governed by a policy per se. We give our guidance based on our view of financial projections. The Board approves it every year as we bring it forward. So we do socialize the guidance as we go through our long-term financial strategy with the Board, but no set policy.

So when you think back to when we started doing the dividend increases and our target payout, it was based on what we saw as our ability to grow and how much cash flow we were able to turn around and deploy through brick-by-brick acquisitions, and we'd have that $500 million target, that was the right size for the organization at the time. Where we're seeing things go is that we've been exceeding that target moving up to $600, I think we've been averaging about $700-and-some million a year in terms of growth. But, you heard this morning just with the amount of opportunities that we have for growth, we do think that turning more of that internally generated cash flow towards growing the business is the better play than trying to hit a higher dividend payout.

So, we still value the dividend. When we looked at those future increases, it was in the context of we have a very competitive increasing dividend relative to our peers. So we think we're still satisfying that important part of our shareholder base even with the 2% to 4% target increases and still being able to have more cash flow that will help move the business forward as we've seen that opportunity set, grow our ability to execute exceeding where we were 10 years ago when we were just satisfying that more brick-by-brick, smaller growth trajectory.

**Mark Jarvi**
Mark Jarvi from CIBC. How did you land at the 70-20-10 split, doesn't really jive with the backlog, so it obviously infers more M&A? And what would have to happen or what could happen to see you deviate substantially from that mix?

**Sandra Haskins**
Yes, so the intention in showing the mix is just to indicate over a 5-year period where we think it's likely to land given where those opportunities are in the near term. So when you think about buying those FlexGen assets that fit our criteria, that opportunity set is right in front of us now. So we feel that most of that will take up our capital.

So therefore, the 70%, which kind of aligns with the way we model it out based on opportunities.

On renewables, it's been one or two projects a year that we've been able to announce, if you will. So expect sort of that cadence.

You look at our solar sites, for example, in the U.S., you look at the interconnect timelines, the building out of those projects puts a bit of a governor on the timeline that you can build those out.

So, when you factor all of those in, you kind of come up with that split. If things were to change, a shift around in opportunities, we're not set to those, but we feel it is representative of where the opportunity sets are most likely to unfold.

**Bryan DeNeve**
I think just to add to that, Avik, walked through sort of that growth in renewables and then what was happening on the need for firm supply, that big deficit that's there.

So near term, that's what the markets are going to need most urgently. And for all our competencies that we walked through, that's where we feel we can generate the most value. So we're not going to step away from renewables completely, it's still an important element, but basically how things are unfolding out there, the deficit in the markets is firm supply, hence that allocation you saw.

**Mark Jarvi**
Any concern that the growing appreciation for those assets brings in competition and you can't quite hit those return targets that you've identified on the FlexGen side?

**Avik Dey**
I think, Mark, what we've seen, so in the processes we've now been in just over the last year, we're seeing more and more people show up to auctions, for example. We're getting more and more calls for people who want to partner with us.

But I think that's why we spent so much time talking about Steve's business and where we have a comparative advantage. The reality is, our market and our competitors are largely private companies that don't have that operational expertise.

So the potential is there that competitors start bidding and pricing us out. But I think we've got a window here where our core competency and ability to convert, and the fact that we're investment grade and have this trading platform, those are not easy to replicate in the market we're in. And so we feel good about where we are. And we're not changing our underwrite, we just moved up our total shareholder return expectations in a market that is now growing, you would have expected that to go down.

So for us, our weighting towards FlexGen reflects, one, the attractiveness of the market that's out there; and two, our ability to deliver those higher returns there.

**Mark Jarvi**
And just final question for me right now would be that targeted 12% to 14% total shareholder return, is that something you think can be achieved on a self-finance funding approach here in terms of how much retained cash, the target return you're talking about? And then, I guess, what would push you to needing equity? Would it just be the clustering of projects or sooner growth coming through?

**Sandra Haskins**
Yes, I think the 12% is achieved through what we've indicated there, but as far as incremental M&A that would be over and above redeploying our cash flow and looking at equity additions for that, that's kind of consistent with what we've said all along is our plan.

We leverage up our cash flow. We do look at the equity market or partnerships. So, there's a fair number of ways for us to achieve that including asset recycling as well, we feel it's well within our reach.

**Samuel Baldwin**
Sam Baldwin, Guardian Capital. In targeting the 12% to 14% returns for underwriting, can you talk about the symmetry and risk in terms of how you look at upside versus downside in what you're underwriting or what the source is contributing to those upside or downside risks are? And I guess, talking about

that through time and how that might manifest?

**Bryan DeNeve**
In terms of the risk, Harquahala and La Paloma are great recent examples, more particularly La Paloma in terms of, as Avik said, given our trading capability, couple that with increased liquidity out there and the need to firm up firm supply, as I mentioned in my presentation, we're seeing the ability to hedge out well beyond five, six, seven years in these markets.

With our trading capability, we're able to enter and acquire, build merchant assets in a way that we can manage and mitigate that risk very effectively.

A key part of being able to do that is our investment-grade credit rating, which allows us to take trading positions, and in terms of using parental guarantees and lines of credit, we can do it much more cost effectively than any of our other competitors that are out there.

So, in terms of the risk of that increased focus on FlexGen, an absolutely critical piece of that is our ability to manage that exposure going forward.

**Avik Dey**
I can just address the underwriting issue at a more basic level. So 70% of our capital is going towards FlexGen, wo let's just take the example of an acquisition. How we look to underwrite those acquisitions is, we're looking to make a base return on the expected case on that asset - so what do we have to mitigate? We have to mitigate commodity risk and power price risk and volume. And so we take a mean case on that over one recycling of the contracting period to earn a base return and we're mitigating the downside. And all the things that Steve talked about, all of the commercial opportunities, is what contributes back to the enhanced return profile.

It's why we've been doing exactly that for 10 years. It's why, as Sandra stated, we've had a 10-year contracted life for 10 years. It's why our 10-year shareholder returns were higher than our 10% to 12% range. It's because we've been in a market for 10 years that's been liquid, and we've been one of the few players that can trade and commercialize as well as optimize the assets we acquire.

And so, notwithstanding the point raised earlier that we're seeing and expecting more competition, it's really that operational excellence as well as that trading capabilities that still gives us that advantage in that space today.

**John Mould**
John Mould with TD. Maybe just going back to your existing sites, I'm wondering are there any that really stand out as having meaningful expansion opportunities, just given the combination of interconnect, land, market demand, where you're seeing the best opportunities to deploy meaningful capital and provide some of these customer solutions? Can you give us a sense of maybe without pulling back the curtain too much where you're seeing the best opportunity set over the midterm?

**Bryan DeNeve**
I'll start off with the U.S. and then hand it over to Jason to comment on Canada. In the U.S., right now, probably the star facility for expansion would be Arlington Valley, it's very close to interconnects, the substations down there. It's a hub of interconnection. It allows us access to markets outside of Arizona.

But given our footprint and the amount of acreage we own, we could build three, maybe four, 400-megawatt

combined combustion turbines on that site. Harquahala is similarly positioned. And just speaking to Midland, we don't have as big of a geographic footprint at Midland, but what's interesting is we've got 400 megawatts of merchant capacity there that hasn't been contracted. So, we're getting more and more inquiries about that capacity and wanting to lock it in. And also, we do have some room for expansion at Midland. So that kind of gives a brief overview in the U.S.

**Jason Comandante**
And then just, on speaking to Canada, I mean the most obvious example is Genesee, where we toured yesterday. I think during the introduction, Avik mentioned we've got nearly 30,000 acres of property there.

We're running the clock back, it's probably seven to 10 years now, prior to our move forward on the Repowering project, we were contemplating totally different generation assets and not just having Genesee 1, 2 and 3 but looking at Genesee 4 and 5. So we've got ample land and ample opportunity at that site.

In Ontario, not quite as big but we've got opportunities for further expansion at Goreway, the Port Dover and Nanticoke Wind facility potentially as well and there may be some capacity at York.

So, I'm giving a relatively long list and that's because in Canada, there is one, there's a whole host of opportunities for expansion.

**John Mould**
Okay. Great. And then maybe just coming back to new customer contracts and the data center topic because that's what everybody wants to talk about these days. You've got the hyperscalers who have these pretty aggressive net zero targets, right? Some involving 24/7 matching in the case of Google and Microsoft being carbon negative by 2030.

I guess two questions. How do you think about navigating that dynamic when you're providing this firm product, which is essential for the grid but maybe isn't the precise type of electron that those specific companies are looking for? But then the second part of that is, below those mega cap companies, is there a large suite of potential customers who are less focused on the zero-carbon nature of the supply and reliability is issue one for them?

**Avik Dey**
So yes, to the second part, absolutely. It's why I highlighted in my presentation, we're talking about data centers because it's such a formative driver of growth. We're going to go from 2.5% to 7% of the total grid by 2030, potentially, if we can actually get that capacity interconnected.

But the broader canvas of opportunities on the second part of your question is all within heavy-emitting industries and industrial users. It could be refineries, agriculture facilities, pet chem facilities, just major consumers of energy. One of the reasons why we're so excited about the data center piece of it is, they can't just be met by VPPAs.

So, the challenge on the VPPAs is, from 2010 to 2020, if I'm a consumer and I was absorbing the cost of interconnect on a VPPA and that was hitting the rate base, that was okay because I was getting the benefit of the free power.

Well, we've now hit the upper limit of that in many of these markets like Virginia, for example, where rate base is exceeding the cost of the price of electricity. And so, the big tech companies aren't wavering on their commitments to net zero, but they're also recognizing that I need to shape

that curve over time, so it doesn't change the necessity to need firm capacity now.

So our ability to respond to this is by providing that shape. So whether it's partnering with others with existing inventory, I mean in the U.S. alone, we've got 2 gigawatt of development inventory for solar, so it's going to be a combination of doing VPPAs.

It's going to be a combination of providing trading capabilities and services for those offtakers, and it's going to include us shaping and providing physical power on the FlexGen side early.

And that's where we are over the next five years. So if I took a hyper data center, 1,000 megawatts minimum, 1 million square feet, if you were to serve that by renewables, for example, at best, renewables are going to be able to serve 60% if you wanted to meet the latency requirement of that facility, at best.

At worst, it's going to be 40%. So, for every hyper data center, you are going to need somewhere between 40% and 60% dispatchable.

If I back into the Microsoft transaction announced last week with Brookfield, if they're going to sign up 10.9 gigawatts, you're going to need at least 6 gigawatt of firm and you could need upwards of 10 gigawatts to be able to meet the needs of it. And that's assuming it's not Five Sigma availability.

So I think the way we think about it, when you look at that renewable penetration page that we put up, we were talking about last year that our view was these grids that are dependent on thermal generation for baseload, we felt like there was a 40% to 50% limit on intermittent resource as sort of a ceiling or threshold for intermittent versus reliable and dispatchable generation. The math isn't any different for a 1,000-megawatt hyperdata center.

**David Quezada**
David Quezada, Raymond James. Maybe just a question related to your M&A strategy. I know that historically, you've targeted sort of midlife natural gas-generating assets (FlexGen), of course. I'm wondering if you would look at a later life asset with the same kind of supply/demand fundamentals in that market where it would maybe be a brownfield investment opportunity? And maybe, I guess, as a follow-on to that question, is it fair to say that, that greenfield FlexGen would be ruled out at this point? Or is that something you consider as well?

**Bryan DeNeve**
Very good question. We're looking at older as well as newer existing natural gas, or FlexGen, facilities right now. So midlife is probably a little bit of a misnomer, given how the market is transitioning and the demand there. So definitely.

One of the things we also are very mindful of is simple cycle is maybe lower cost to acquire, and an older one may have a very low-capacity factor but still provides firm capacity at a cost-effective price and it has the interconnect. And those interconnects at existing FlexGen sites are going to be critical.

So I completely agree with you where -- that's more expanded. Greenfield is happening and it's growing. And this goes back to Avik's answer on the hyperdata centers, the reality is, you're going to have to build new FlexGen. There's no other way around it. So that's going to be a big part of what we're looking at on a go-forward basis.

**Maurice Choy**
Maurice Choy from RBC. Sandra, from one of your previous responses, it sounds like there's a change in the $600 million of growth capital that you can fund annually from internally generated cash flows and debt. What would that number be now, and conservatively, I'm thinking it might be at least $700 million based on the dividend growth rate being changed?

**Sandra Haskins**
So that I understand your question, you're saying on the allocation, we used to have a target of $600 million, so at the point we started with the $500 million and $600 million of growth CapEx targets on a given year. It was based on AFFO at the time of about $500 million, about $200 million going to dividends, leveraging that up to get to that $500 million. So, it assumed about a 50% debt component relative to that to get there.

We don't have that same target anymore. We do see that we have been exceeding our target of $500 million, and we're not really shooting for a specific growth target. We're looking for assets that meet the criteria and funnel our growth and with the availability of financing in front of us.

So our debt component has typically been around that 45%, 55%, given that we've had internally generated cash flow as well as the use of hybrids, which has an equity component as well.

As for our larger M&A that is highly accretive, we've been the equity market to help with that funding. If that answers your question?

**Maurice Choy**
It does. As a quick follow-up. As far as everything you've announced today, the ability to deliver $600 million on a self-funded basis, that hasn't changed, of course. But if I think about your dividend savings, it's about $50 million per year over the next five years.

**Sandra Haskins**
Yes. It's small, right? Because a 1% increase in dividend is about $10 million to $15 million. So, it's directionally moving there. It's not moving the needle materially, but I think it is aligning with the way that we're going, that we are moving more towards growth.

So, keeping that incremental dry powder, if you will, towards growth versus dividend, is what. And just as I said to you, there's two parts to that decision. There's moving more towards growth, which is our intent, but also just looking at the dividend on a stand-alone basis, our dividend increases have been well in excess of what we're seeing other peers do.

I think we're sort of level setting that to still be very attractive levels of dividend growth, and the fact that we are consistently growing it. So every year, we do deliver annual increases, it's not just opportunistically from time to time.

I feel that, just looking at dividend alone, our decision to go to 2% to 4% instead of sustaining something like 6% is well justified.

**Maurice Choy**
And speaking of growth, can we touch upon AFFO per share growth? If I look at consensus for 2025, it's about $6 per share. Assuming that's right, and that's a big if, the payout ratio is about 44%. And I think you mentioned in your prepared remarks earlier that you're trying to get the payout ratio back to where historical levels are, that's about 35%, 36%.

So, am I right to say that AFFO per share needs to grow about 6% to 8% to get you there in, say five years?

**Sandra Haskins**
Yes, probably around that upper end.

**Avik Dey**
It looks like we have no further questions. So, on behalf of the entire executive team, and all our colleagues across the company and our Board of Directors, I wanted to extend (technical difficulty) all of you and look forward to meeting with you at lunch. So, thanks once again.