

We evaluate our performance and the performance of our business segments using a variety of measures. Certain of the financial measures discussed in this MD&A are not defined under IFRS and, therefore, should not be considered in isolation or as an alternative to or to be more meaningful than net earnings attributable to common shareholders or cash flow from operating activities, as determined in accordance with IFRS, when assessing our financial performance or liquidity. These measures may not be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Comparable EBITDA, FFO, comparable FFO, FCF, and cash flow generated by the business are non-IFRS measures that are presented in this MD&A. See the Reconciliation of Non-IFRS Measures and Discussion of Segmented Comparable Results sections of this MD&A for additional information.

Business Model

Our Business

We are one of Canada's largest publicly traded power generators with over 107 years of operating experience. As at March 1, 2018, we own, operate, and manage a highly contracted and geographically diversified portfolio of assets representing over 8,400 megawatts ("MW")⁽¹⁾ of gross generating capacity and use a broad range of generation fuels including coal, natural gas, water, solar, and wind. Our energy marketing team adds value by optimizing assets as market conditions change and by supplying products for customers.

Vision and Values

Our vision is to supply low cost, clean, reliable and firm electricity to our markets and customers. Our values are grounded in accountability, integrity, safety, respect for people, innovation and loyalty, which together create a strong corporate culture and allow all of our people to work on a common ground and understanding. These values are at the heart of our success.

Strategy for Value Creation

We deliver shareholder value by delivering solid returns through a combination of dividend yield and disciplined growth in cash flow per share, while striving for a low to moderate risk profile over the long term. Over the next 12 months we will continue to deleverage our balance sheet and ensure financial flexibility as we transition our coal-fired plants to gas-fired plants and move into a capacity market in Alberta. Now that our cash flows have strengthened, we can allocate capital to growth, dividends and share re-purchases.

Material Sustainability Impacts

Sustainability means ensuring that our financial returns consider short- and long-term economics, environmental impacts and societal and community needs. We track the performance of 74 sustainability-related Key Performance Indicators ("KPIs"). We obtained a limited assurance report from Ernst & Young LLP over material KPIs. Our MD&A integrates our financial and sustainability reporting.

⁽¹⁾ We measure capacity as net maximum capacity (see Glossary of Key Terms for a definition of this and other key terms), which is consistent with industry standards. Capacity figures represent capacity owned and in operation unless otherwise stated, and reflect the basis of consolidation of underlying assets.