
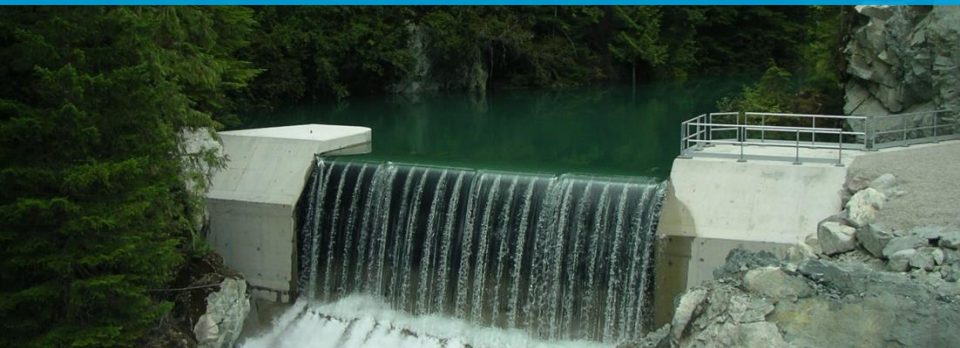




TD Securities London Energy Conference 2019

Trans **Alta** renewables inc.



Forward Looking Statements

This presentation may include forward-looking statements or information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. All forward-looking statements are based on TransAlta Renewables Inc.’s (the “Company”) beliefs as well as assumptions based on information available at the time the assumptions were made and on management’s experience and perception of historical trends, current conditions, and expected future developments, as well as other factors deemed appropriate in the circumstances. Forward-looking statements are not facts, but only predictions and generally can be identified by the use of statements that include phrases such as “may”, “will”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “project”, “foresee”, “potential”, “enable”, “continue”, or other comparable terminology. These statements are not guarantees of the Company’s future performance and are subject to risks, uncertainties, and other important factors that could cause our actual performance to be materially different from that projected. In particular, this presentation contains forward-looking statements pertaining to, without limitation, the following: the 2018 guidance for EBITDA and cash available for distribution (CAFD); ability to benefit from extensions and upgrades for the Hydro fleet; the acquisition of the 29 MW Antrim wind farm and the satisfaction of the closing conditions related thereto; the completion of projects under construction, including the timing thereof; the ability to drop-down the Windrise wind project, including the ability to agree upon satisfactory transaction terms with TransAlta Corporation, obtaining the approval of the Company’s independent directors and obtaining any necessary regulatory approvals; the drivers of future growth, including the ability to benefit from government policies and regulations such as renewable targets and carbon pricing, technological improvements, customer requirements and demands; and the Company being well positioned to realize growth and our ability to access growth capital.

These forward-looking statements are not historical facts but reflect current expectations concerning future plans, actions and results. These statements are subject to a number of risks, uncertainties and assumptions that could cause actual plans, actions and results to differ materially from current expectations including, but not limited to: changes in tax, environmental, and other laws and regulations; the regulatory and political environments in the jurisdictions in which we operate; adverse regulatory developments, including unanticipated impacts on existing generation; environmental requirements and changes in, or liabilities under, these requirements; changes in general economic conditions including interest rates; our foreign exchange risk strategy; operational risks involving our facilities, including unplanned outages at such facilities; disruptions in the transmission and distribution of electricity; disputes with counterparties, including as it pertains to the commercial operation at South Hedland; the effects of weather and other climate change related risks; disruptions in the source of fuels, water, or wind required to operate our facilities; risks pertaining to our relationship with TransAlta Corporation; competitive factors in the power industry; operational breakdowns, failures, or other disruptions; changes in economic, credit and market conditions; potential delays or cost increases in the construction of the Antrim and Big Level wind projects; availability of tax equity to invest in the Antrim and Big Level wind projects and other risks and uncertainties discussed in the Company’s materials filed with the Canadian securities regulatory authorities from time to time and as also set forth in the Company’s MD&A and the Annual Information Form for the year ended December 31, 2017. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company’s expectations only as of the date of this presentation. The purpose of the financial outlooks contained herein is to give the reader information about management’s current expectations and plans and readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The Company evaluates its performance and the performance of our business segments using a variety of measures. Certain of the financial measures discussed in this presentation, including cash available for distribution (CAFD), are not defined under International Financial Reporting Standards (IFRS) and, therefore, should not be considered in isolation or as an alternative to IFRS measures when assessing the financial performance or liquidity of the Company. These non-IFRS measures have no standardized meaning under IFRS, 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. Non-IFRS measures are presented to provide management and investors with a proxy for the amount of cash generated from operating activities, including with respect to finance income from subsidiaries of the Company in which it has an economic interest. CAFD can be used as a proxy for the cash that will be available to common shareholders of the Company and assists readers in assessing our cash flows in comparison to prior periods. Refer to the Company’s MD&A, which is available on the Company’s website or under the Company’s profile on www.sedar.com for further discussion of these items, including, where applicable, reconciliations to measures calculated in accordance with IFRS. Information contained in this presentation is as of January 13, 2019.

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

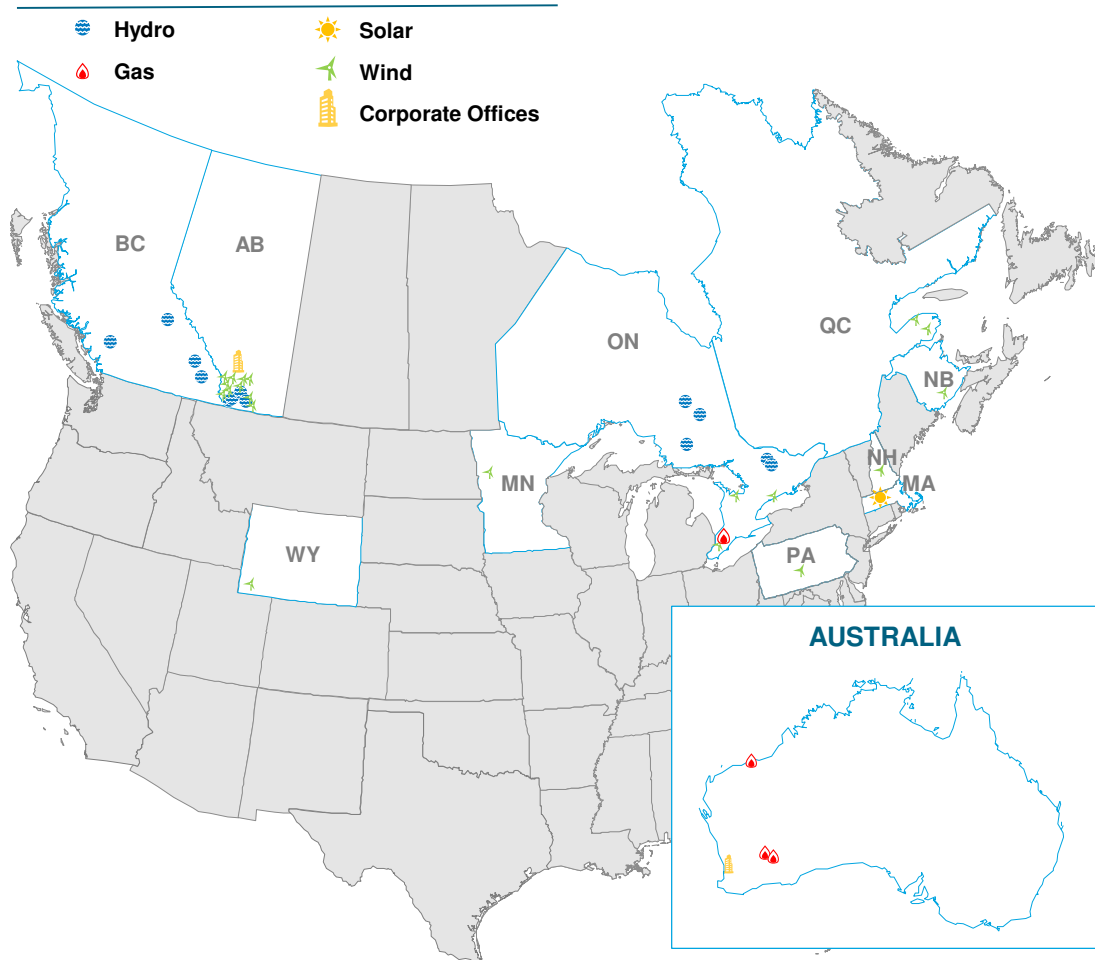
TransAlta Renewables Today

Company Highlights

Enterprise Value ¹	\$3.8 Billion
Market Cap. ¹	\$2.7 Billion
Dividend Yield	9.1%
TransAlta's Ownership	61%
2018E EBITDA (guidance)	\$400M - \$420M
2018E CAFD (guidance)	\$260M - \$290M

Diversified Asset Base

	# of Assets	Owned MW	Percent of Generation Cash Flow
Wind	21	1,332	46%
Natural Gas	7	956	47%
Hydro	13	112	5%
Solar	1	21	2%
Total	42	2,421	100%



TransAlta Renewables Investment Highlights

Highly Diversified

- 42 facilities across multiple regions and spanning various technologies

Highly Contracted Portfolio

- ~12 year weighted average contract life

Strong Balance Sheet and Access to Competitive Capital

- 2.4x Net Debt/EBITDA
- Strategic use of low cost project debt
- \$500 million syndicated credit facility

Proven Track Record of Growth and Value Creation

- \$3.1 billion of acquisitions since IPO in 2013
- 50% Total Shareholder return since IPO

Strong Sponsorship from TransAlta Corp.

- Proven team with track record of growing the business and cash flows
- Experienced in constructing and developing projects

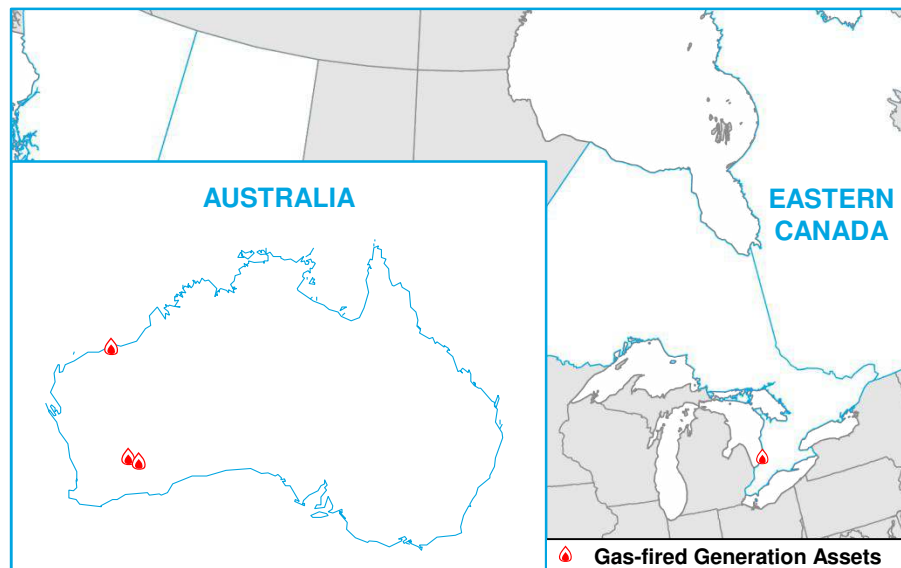
Natural Gas

OVERVIEW

- 100% of generation contracted
 - 8 year weighted average contract life
- Total owned capacity of 956 MW
 - 50% Canada and 50% Australia

CUSTOMER FOCUS

- Sites designed and built to supply a customer need
- Excellent track record of extensions beyond original contract term



HORIZON
POWER

ARLANXEO
Performance Elastomers

bhpbilliton
resourcing the future

NEWMONT



STYROLUTION

Natural Gas Summary

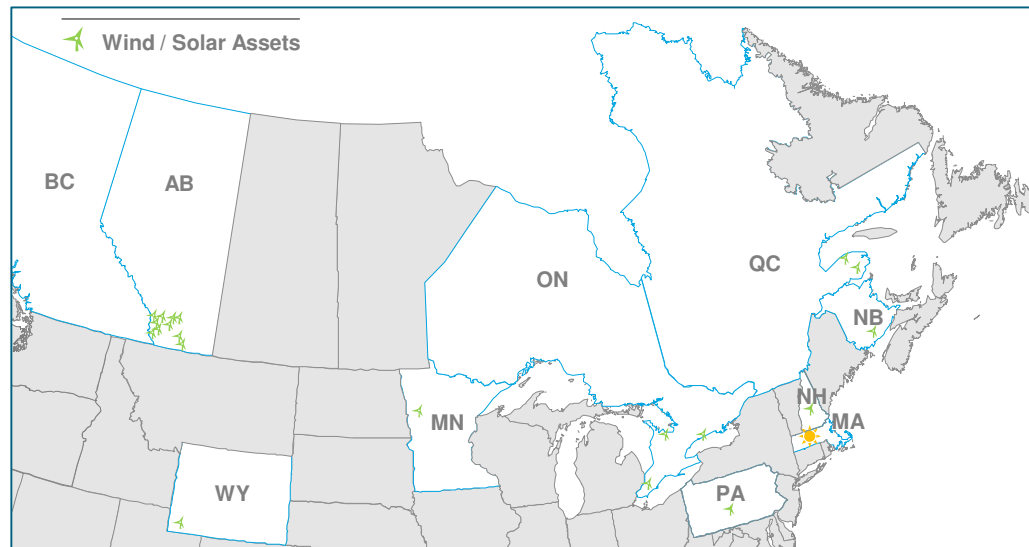
	# of Facilities	Owned MW	Percent of Generation Cash Flow
Natural Gas	7	956	47%

Long-term stable cash flows

Wind and Solar

OVERVIEW

- 100% of generation contracted with an average capacity weighted contract life of 12 years
- Canada's largest generator of wind power
- Experienced developer and operator of wind in Alberta



OPERATING MODEL

- Remote monitoring and operation of all sites optimizes site performance
- Extensive data enables optimization of operations
- Able to leverage our knowledge and customer relationships to develop new sites

Wind and Solar Summary			
	# of Facilities	Owned MW	Percent of Generation Cash Flow
Wind	21	1,332	46%
Solar	1	21	2%

Hydro

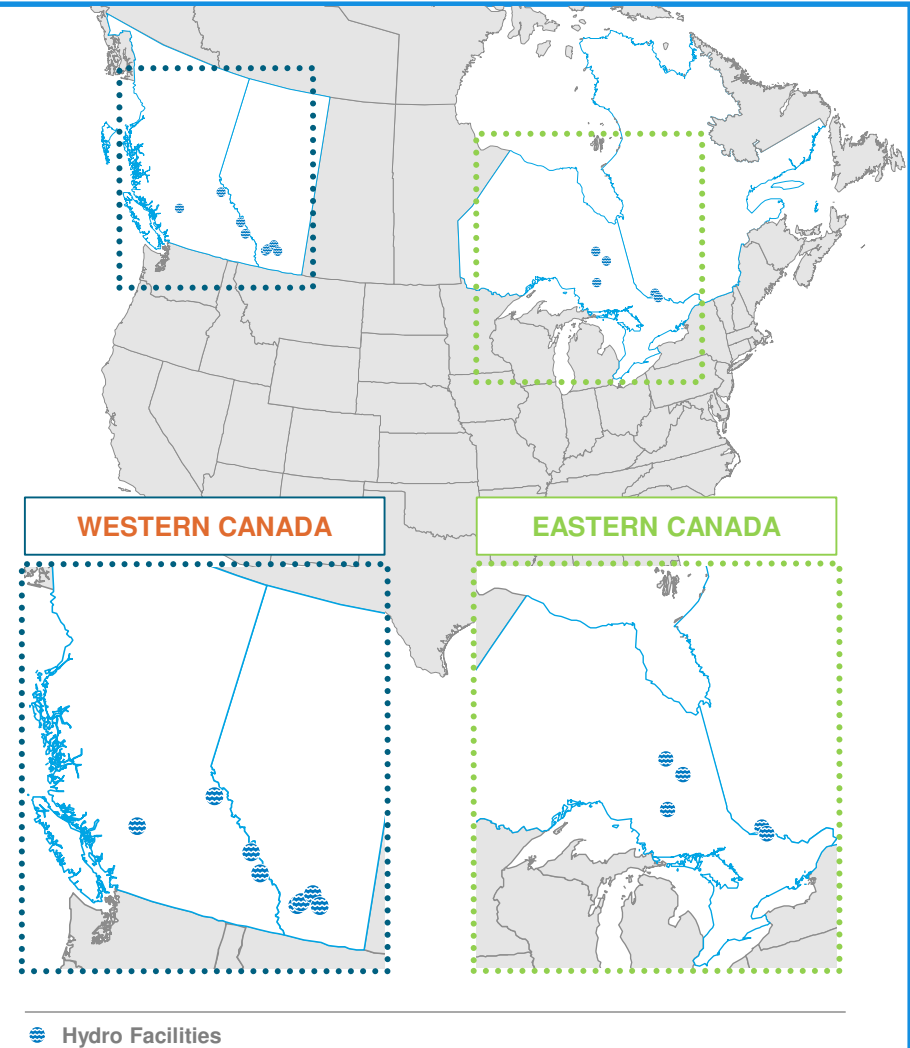
OVERVIEW

- Critical back-up for wind and solar
 - Essential for market stability
 - Immediate ramping

LIFE EXTENSION AND GROWTH

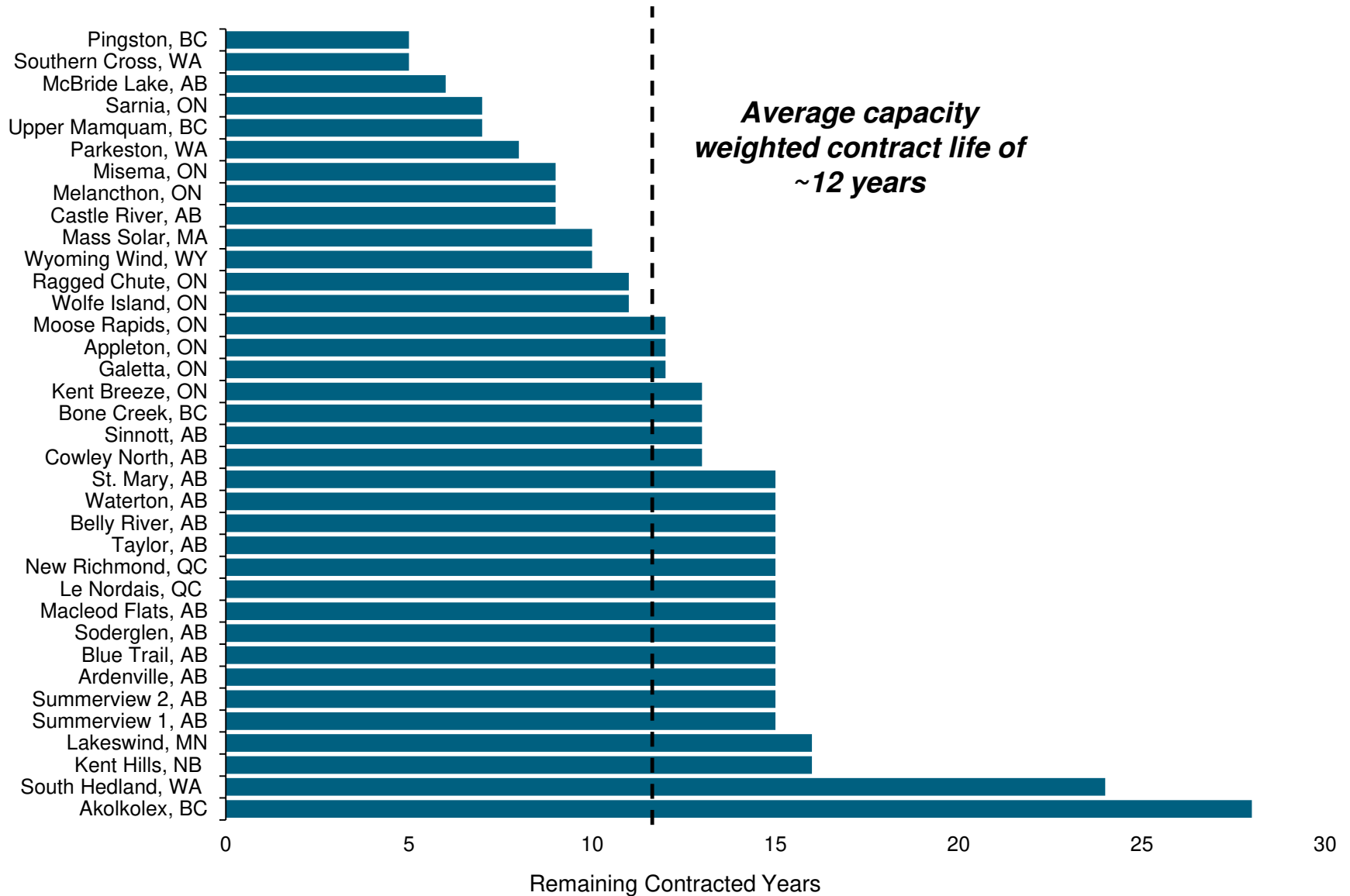
- Re-contracted Akolkolex for 30 years
- Optionality for extensions and upgrades

Hydro Summary			
	# of Facilities	Owned MW	Percent of Generation Cash Flow
Hydro	13	112	5%



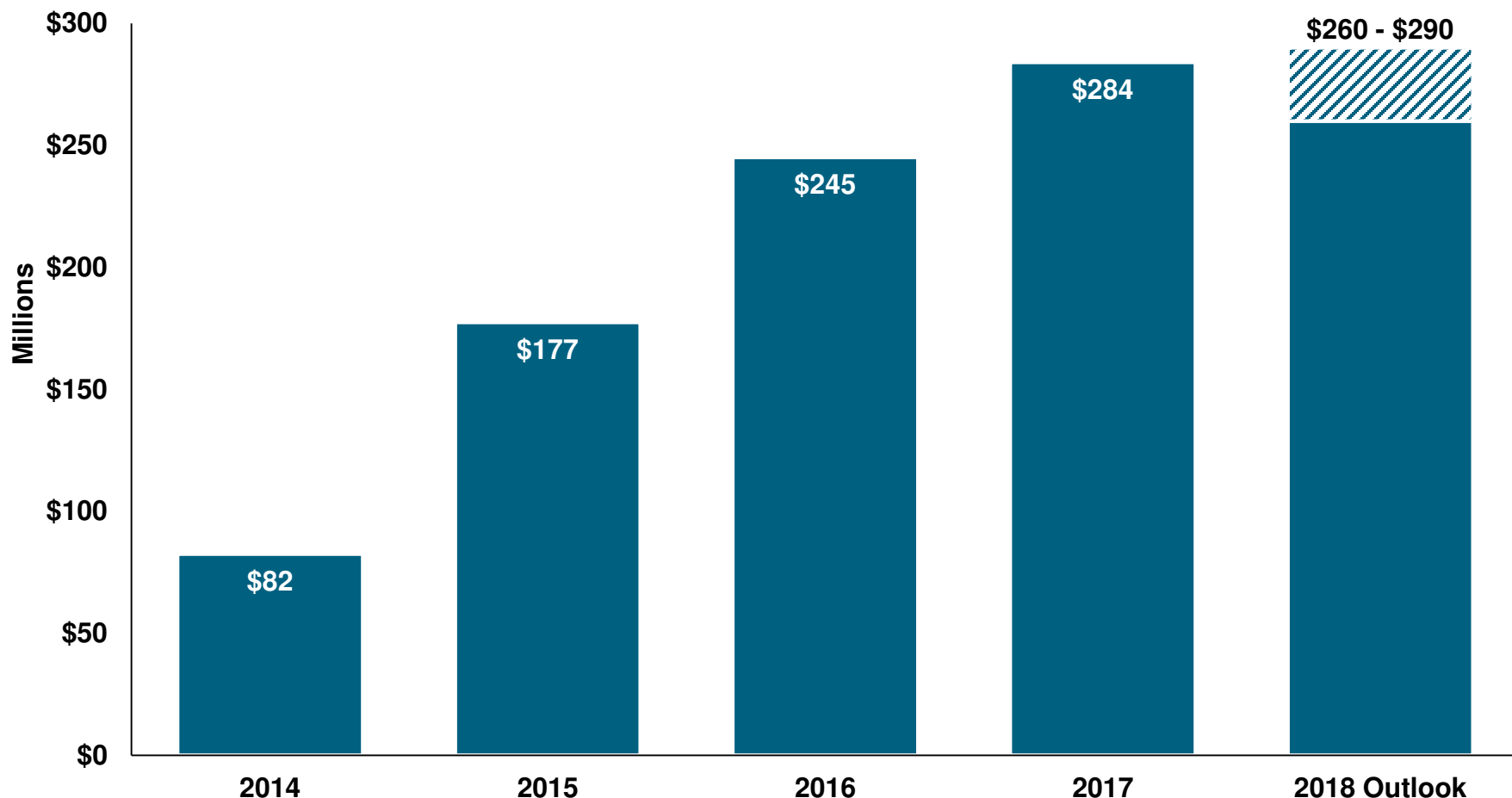
Unique, reliable and perpetual

Highly Contracted Facilities



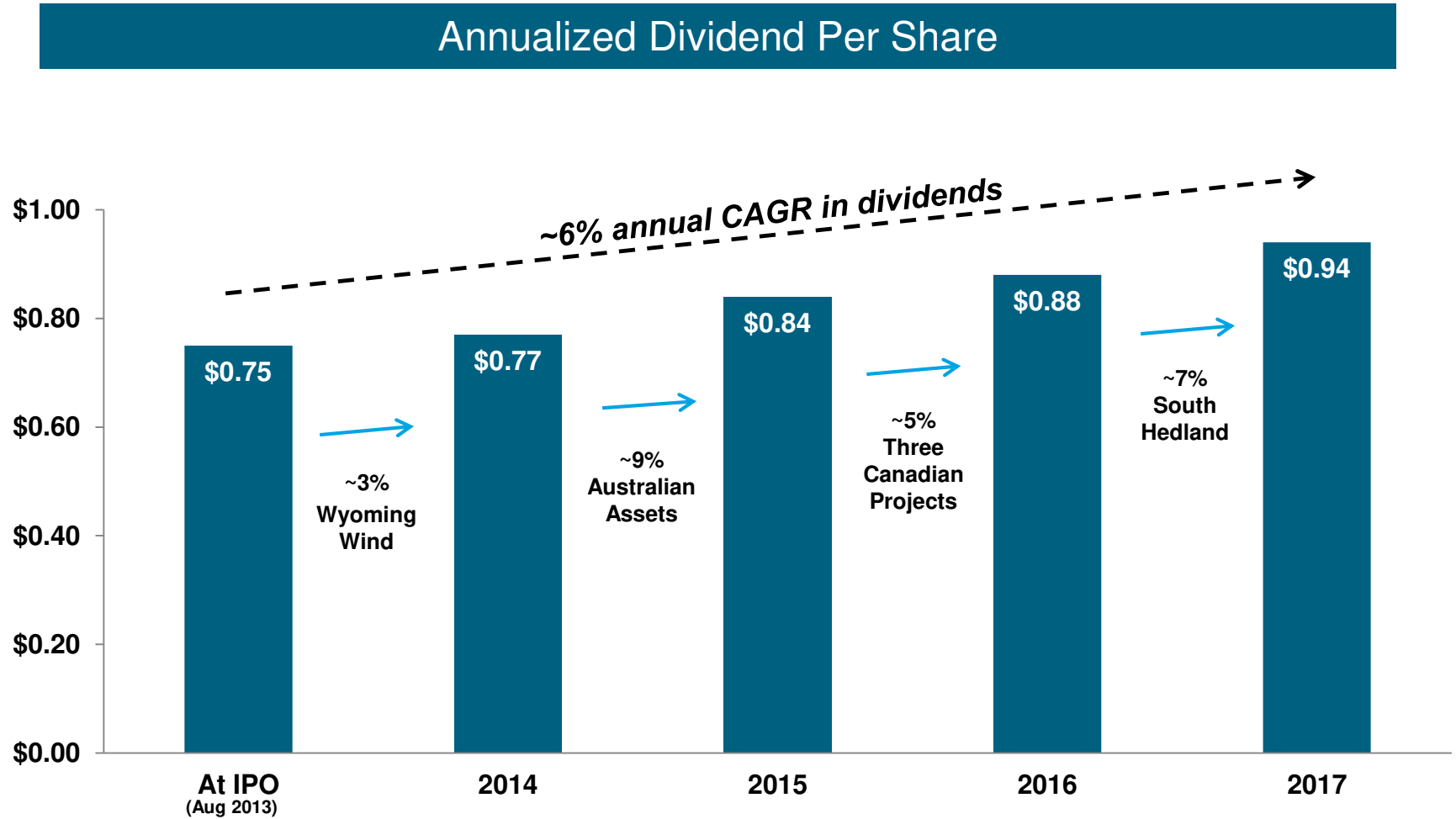
Significant Increase in Cash Available For Distribution

CASH AVAILABLE FOR DISTRIBUTION (CAFD)

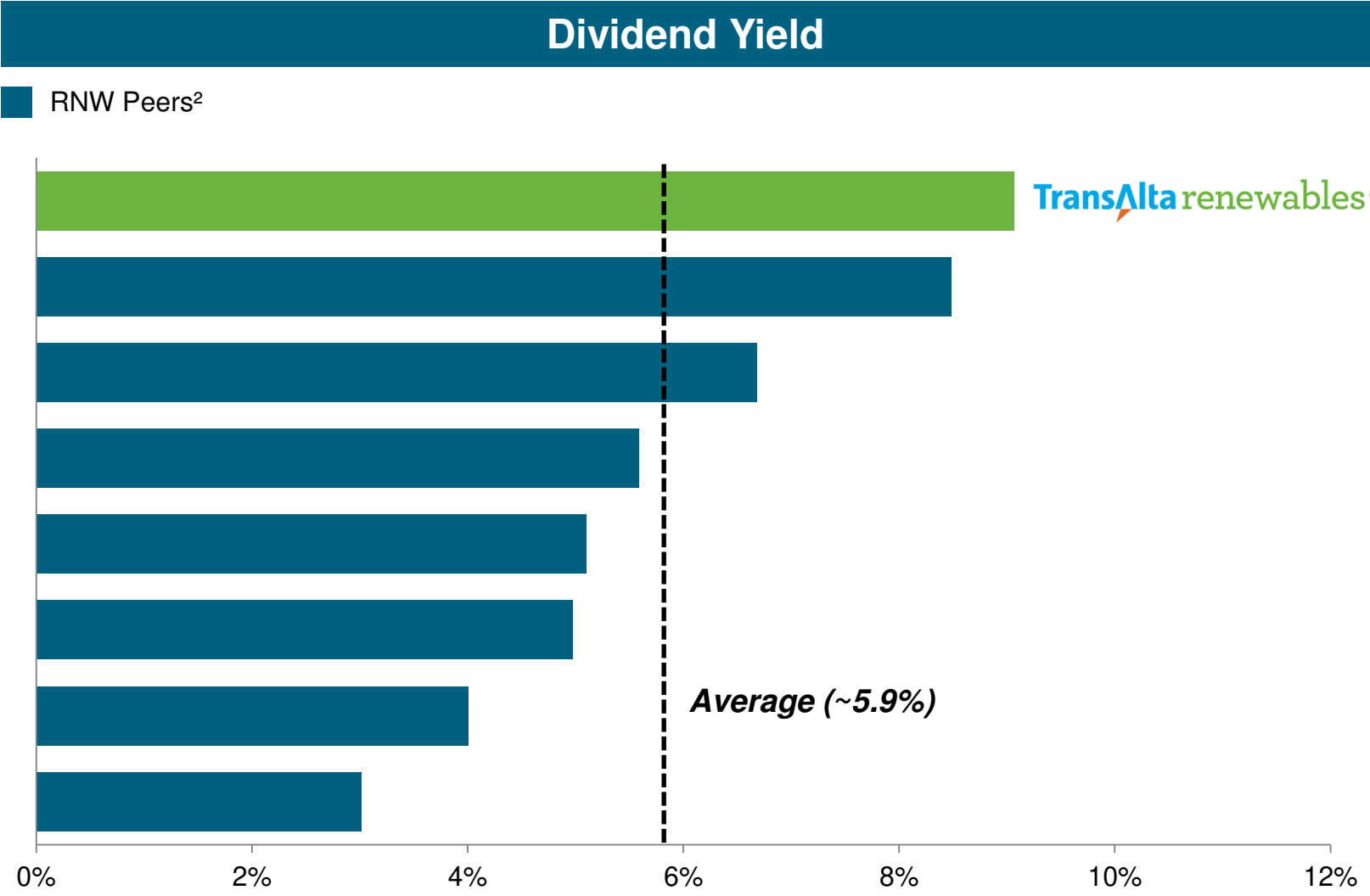


Note: Cash Available for Distribution refers to the amount of cash generated from operations after deducting sustaining capital expenditures and distributions to non-controlling interests, excluding the effects of timing and working capital on distributions from subsidiaries of TransAlta in which the Company holds an economic interest and less principal repayments of amortizing debt.

Strong Dividend Growth



Attractive Dividend Yield



¹ Based on the closing price as of December 31, 2018.
² Other companies include: Algonquin Power, Brookfield Renewables, Innergex, Northland Power, NRG Yield, NextEra Energy Partners, Pattern Energy. Source: FactSet

Proven Growth Track Record

2014

- 144 MW Wyoming wind acquisition
- 575 MW Australian Assets investments

2015

- 506 MW Sarnia gas (Ontario) investment
- 98 MW Le Nordais wind (Quebec) investment
- 7 MW Ragged Chute hydro (Ontario) investment

2017

- 150 MW South Hedland gas (Australia) development
- 17 MW Kent Hills 3 wind (New Brunswick) expansion

2018

- 90 MW Big Level wind (Pennsylvania) investment
- 29 MW Antrim wind (New Hampshire) investment
- 21 MW Solar (Massachusetts) investment
- 50 MW Lakeswind wind (Minnesota) investment
- 20 MW Kent Breeze wind (Ontario) investment



\$3.1 billion in investments

Current Growth Projects



Big Level - 90 MW Pennsylvania project

- One 15-year PPA with Microsoft
- Construction fully underway
- Commercial operation date in H2/19

Antrim - 29 MW New Hampshire project

- Two 20-year PPAs
- Construction fully underway
- Counterparties have S&P credit ratings of A+ or better

207 MW Alberta Windrise wind project is a potential drop-down asset

- 20 year Renewable Electricity Support Agreement with AESO
 - Targeted commercial operation during Q2 2021

Drivers of Future Growth

Government Policies and Regulations

- Renewable targets
- Carbon pricing
- Thermal environmental regulations

Competitiveness

- Low gas prices and abundant supply
- More cost competitive renewables
- Technological improvements

Customer Requirements

- Desire for renewable energy
- Behind-the-fence needs

Diversified System

- Highly dispatchable generation to complement growth in intermittent generation
- Minimize exposure to any one technology or fuel type

Growth & Financing Strategy

Strategic Focus

- Primarily focused on North America and Australia
- Renewables and gas fired generation
- Highly contracted facilities
- Greenfield, brownfield and acquisitions

Potential Source of Capital

- \$500 million of project debt potentially available from existing assets
- Internally generated excess cash flow
- New assets can support project debt
- \$500 million credit facility put in place at RNW
- Partners
- New equity

Significant Growth Opportunities

*Actively Evaluating with TransAlta over **\$5 billion** in Opportunities*

Greenfield

- Near-term: Opportunities in Australia and Pacific Northwest
- Long-term: Over 5,000 MW of additional renewables potential in Western Canada

Third-party Acquisitions

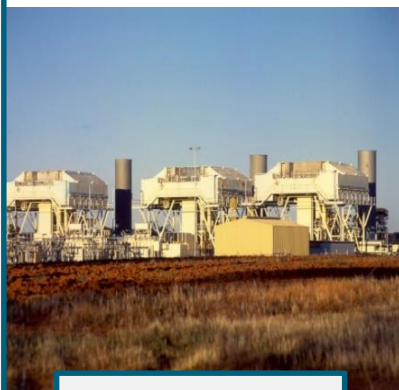
- Attractive opportunities in North America
- Strong cost of capital and balance sheet to compete
- Proceeds from Solomon can be used to fund growth

Potential Drop-downs from TransAlta

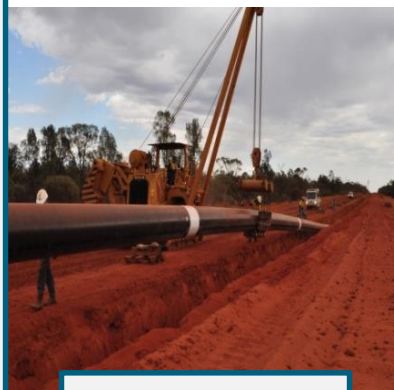
- 207 MW Windrise project in Alberta
- 800 MW of hydro in Alberta
- 400 MW of gas in Alberta & Ontario
- \$2.5 billion Alberta Brazeau pumped hydro project

Investment Highlights

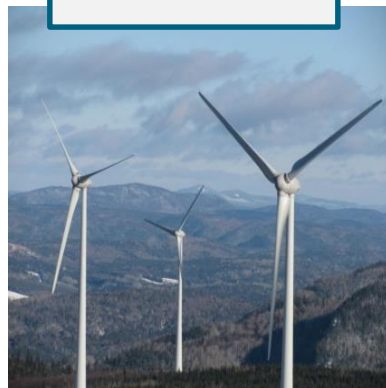
**Diversified
asset base by
technology
and
geography**



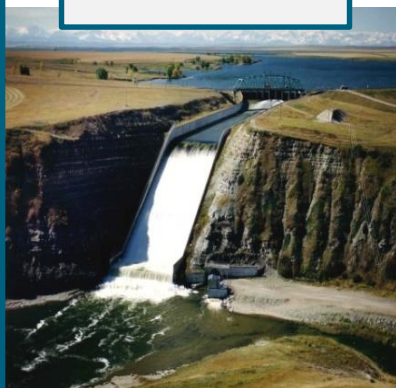
**Access to
growth
capital**



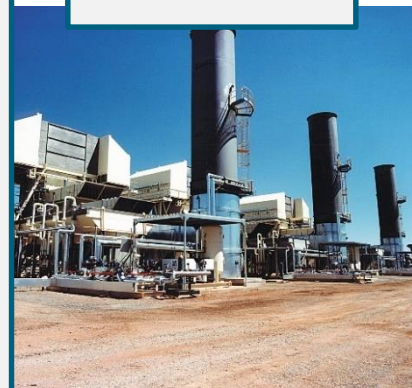
**Proven track
record of
growing the
business and
cash flows**



**Positioned
for organic
and inorganic
growth**



**Stable
dividend
supported by
contracted
cash flows**



Notes

Notes



Visit us at the Investor Centre on Transaltarenewables.com

Investor_relations@transalta.com

1-800-387-3598

Trans **alta** renewables inc.

