

## **Atlantic Power Corporation Announces Closing of Construction Financing for First Biomass Project**

BOSTON, MASSACHUSETTS – Atlantic Power Corporation (TSX: ATP) (NYSE: AT) (the “Company”) today announced the closing of non-recourse, project-level bank financing for Piedmont Green Power (the “Project”), the Company’s first biomass power project. The terms of the financing include an \$82 million construction and term loan and a \$51 million bridge loan for approximately 95% of the stimulus grant to be received from the U.S. Treasury 60 days after the start of commercial operations. MUFG Power and Utilities and Investec are the lead arrangers and joint bookrunners for the financing. In addition, the Company will make an equity contribution of approximately \$75 million for substantially all of the equity interest in the Project.

Piedmont Green Power is a 53.5 MW biomass plant located in Barnesville, Georgia, approximately 70 miles south of Atlanta. The Project was developed and will be managed by Rollcast Energy, Inc., a biomass developer in which the Company owns a 60% interest. Construction of the Project is expected to generate more than 300 jobs and, once completed, will provide 27 full-time jobs during operation. The Project will utilize approximately 500,000 tons of woody biomass annually, including logging residue, mill residue and urban wood waste.

Construction under the terms of a fixed-price, turnkey contract will begin immediately and the Company expects the Project to be fully operational by the fourth quarter of 2012. Following construction, the term loan matures in five years but amortizes on an 18-year schedule. The Project has executed a swap that results in an average fixed interest rate of approximately 5.2% during the construction period and the first three years of the term loan. Cash distributions to the Company from the Project are expected to average \$8 million to \$10 million for each full year of project operation. The Project has a 20-year power purchase agreement under which capacity payments represent the majority of the revenues. In addition, the revenue and fuel supply contracts contain adjustment mechanisms that will mitigate potential biomass fuel price volatility.

“Completion of financing and the start of construction of the Piedmont Project is another example of our growth strategy in action,” commented Barry Welch, President and CEO of Atlantic Power. “This Project will further diversify our asset base and increase the long-term stability of our dividends to shareholders.”

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

Certain statements in this news release may constitute “forward-looking statements”, which reflect the expectations of the Company regarding the Company’s expectations about its investment in Piedmont Green Power. Such forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to the assumptions that the Piedmont Green Power’s construction will be complete in 2012 and that cash distributions from the project in the range of \$8 million to \$10 million for each fall year of operation are expected. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not, or the times at or by which, events will occur. In addition to the assumptions described above, reference should also be made to the factors discussed under “Risk Factors” in the Company’s Annual Information Form dated March 29, 2010. Although the forward-looking statements contained in this news release are based upon what are believed to be reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

### **About Atlantic Power**

Atlantic Power Corporation is an independent power producer with power projects located in major markets in the United States. The Company’s assets consist of interests in 12 operational power generation projects across eight states, a 500 kilovolt 84-mile electric transmission line located in California, one wind project under construction in Idaho, one biomass project under construction in Georgia and five development projects in five states. The Company’s power generation projects in operation have an aggregate gross electric generation

capacity of approximately 1,823 megawatts (or "MW"), in which the Company's ownership interest is approximately 808 MW. For more information, please visit the Company's website at [www.atlanticpower.com](http://www.atlanticpower.com).

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