

## Atlantic Power Corporation Announces Modification to and Extension of Energy Services Agreement for Morris Project

DEDHAM, Mass., Dec. 22, 2015 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") announced today an agreement with Equistar Chemicals, LP, a subsidiary of LyondellBasell, to modify and extend the Energy Services Agreement (ESA) for its Morris project from November 2023 to December 2034. The facility's ground lease and equipment leases also have been extended to the ESA expiration date. The changes to the ESA become effective January 1, 2016.

"The modified agreement extends our relationship with an important customer while also extending our presence and participation in the PJM power market," said James J. Moore, Jr., President and Chief Executive Officer of Atlantic Power.

Morris is a 177 megawatt (MW) natural gas combined-cycle facility that entered commercial operation in 1998. The project is located in Morris, Illinois, approximately 60 miles from Chicago, and is in the ComEd zone of PJM. Equistar is the primary customer for the project's steam output. The remaining capacity and energy as well as ancillary services are sold into the PJM market.

Separately, and not related to the ESA modifications and extension, the Company expects that Morris will undergo an approximately six-week major maintenance outage in the late summer of 2016. Morris is also expected to undergo a shorter routine outage in the spring. During these outages, the Company will continue work on upgrades to the project's combustion turbines and steam turbine generator, which are expected to enhance availability and reliability. Higher maintenance expense associated with both outages and lost margin during the longer outage, as well as other less significant factors, are expected to reduce Project Adjusted EBITDA from the Morris project by approximately 60% in 2016 from an above-average level in 2015.

The extension of the Morris ESA increases the average remaining life of the Company's Power Purchase Agreements (PPAs) from 7.2 years to 7.6 years (on an EBITDA-weighted basis).

Mr. Moore continued, "We expect the changes to the ESA will result in modestly higher Project Adjusted EBITDA from Morris on average relative to the original contract. The terms of this amendment and extension were achieved despite very challenging power market conditions. This is an indication of the value of reliable, well-located projects and strong customer relationships. Now that we have significantly reduced our debt and overhead costs, we are in a better financial position to be patient and disciplined in considering PPA extensions depending on customer needs, market conditions and terms."

### About Atlantic Power

Atlantic Power owns and operates a diverse fleet of power generation assets in the United States and Canada. The Company's power generation projects sell electricity to utilities and other large commercial customers largely under long-term power purchase agreements, which seek to minimize exposure to changes in commodity prices. Atlantic Power's power generation projects in operation have an aggregate gross electric generation capacity of approximately 2,141 MW, in which its aggregate ownership interest is approximately 1,504 MW. The Company's current portfolio consists of interests in twenty-three operational power generation projects across nine states in the United States and two provinces in Canada.

Atlantic Power trades on the New York Stock Exchange under the symbol AT and on the Toronto Stock Exchange under the symbol ATP. For more information, please visit the Company's website at [www.atlanticpower.com](http://www.atlanticpower.com) or contact:

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Copies of certain financial data and other publicly filed documents are filed on SEDAR at [www.sedar.com](http://www.sedar.com) or on EDGAR at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml) under "Atlantic Power Corporation" or on the Company's [website](http://www.atlanticpower.com).

\*\*\*\*\*Cautionary

### Note Regarding Forward-Looking Statements

To the extent any statements made in this news release contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and under Canadian securities law (collectively, "forward-looking statements").

Certain statements in this news release may constitute "forward-looking statements", which reflect the expectations of management regarding the future growth, results of operations, performance and business prospects and opportunities of the Company and its projects. These statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, can generally be identified by the use of the words "may," "will," "project," "continue," "believe," "intend," "anticipate," "expect" or similar expressions that are predictions of or indicate future events or trends and which do not relate solely to present or historical matters. Examples of such statements in this press release include, but are not limited to, statements with respect to the following:

- the Company expects a modest increase in Project Adjusted EBITDA from Morris on average relative to the terms of the original ESA;
- upgrades of the Morris project's combustion turbines and steam turbine generator are expected to enhance the project's availability and reliability;
- the Company expects above-average Project Adjusted EBITDA from the Morris project in 2015;
- the Company expects an approximate 60% reduction in 2016 Project Adjusted EBITDA from Morris due to the planned outages and other less significant factors in 2016;
- the Morris ESA extension being an indication of the value of reliable, well-located projects and strong customer relationships; and
- the Company being in a better financial position to be patient and disciplined in considering PPA extensions depending on customer needs, market conditions and terms.

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 such performance or results will be achieved. Please refer to the factors discussed under "Risk Factors" and "Forward-Looking Information" in the Company's periodic reports as filed

with the Securities and Exchange Commission from time to time for a detailed discussion of the risks and uncertainties affecting the Company. 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.

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