

Atlantic Power Corporation Announces Agreement to Acquire Two Contracted Biomass Plants in South Carolina

DEDHAM, Mass., Sept. 20, 2018 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") announced today that it has executed an agreement to acquire two biomass plants in South Carolina from EDF Renewables Inc. for \$13 million. The Allendale plant is located in Allendale, South Carolina and the Dorchester plant in Harleyville, South Carolina. Each of the plants has a capacity of 20 megawatts.

Closing of the transaction is expected to occur late in the third quarter or in the fourth quarter of 2019, following a restructuring of the plants' ownership structure by EDF Renewables after the end of relevant tax credit recapture periods. The transaction is not subject to regulatory approval. Atlantic Power will assume operation of the plants at closing, or potentially earlier, subject to negotiation of an agreement with EDF Renewables. The purchase will be funded from the Company's discretionary cash.

The two plants are identical in design and have been in commercial operation since 2013. The biomass fuel for the plants consists primarily of mill and harvesting residues. All of the output of the two plants is sold to Santee Cooper, a state-owned utility, under Power Purchase Agreements ("PPAs") that run to 2043. Under the terms of the PPAs, the plants receive energy payments for energy produced. The fuel cost component of the energy revenues is based on a biomass market index. There is no project-level debt at either plant.

"This acquisition represents our second external growth investment following a three-year business restructuring process. Earlier this summer, we closed the acquisition of the remaining interests in the Koma Kulshan hydro project," said James J. Moore, Jr., President and CEO of Atlantic Power. "We own four biomass plants currently, and we have considerable operational and commercial experience in this area. If we can deliver targeted operational and financial results for both South Carolina plants, the returns should be very attractive compared to other potential uses of our discretionary cash. In addition, the long remaining term of the two PPAs provides a stable base of cash flows."

About Atlantic Power

Atlantic Power is an independent power producer that owns power generation assets in nine states in the United States and two provinces in Canada. The generation projects sell electricity and steam to investment-grade utilities and other creditworthy large customers predominantly under long-term PPAs that have expiration dates ranging from 2019 to 2037. The Company seeks to minimize its exposure to commodity prices through provisions in the contracts, fuel supply agreements and hedging arrangements. The projects are diversified by geography, fuel type, technology, dispatch profile and offtaker (customer). The majority of the projects in operation are 100% owned and directly operated and maintained by the Company. The Company has expertise in operating most fuel types, including gas, hydro, and biomass, and it owns a 40% interest in one coal project.

Atlantic Power's shares trade 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 or contact:

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Copies of the Company's financial data and other publicly filed documents are available on SEDAR at www.sedar.com or on EDGAR at 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's views of potential returns on this investment if it is able to achieve targeted operational and financial results for the plants, and how those returns compare to other potential uses of discretionary cash; and
- the stability of cash flows under the PPAs for both plants.

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 U.S. Securities and Exchange Commission (the "SEC") 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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