

Atlantic Power Announces Closing of Acquisition of Ownership Interests in Craven County and Grayling Biomass Plants

DEDHAM, Mass., Aug. 14, 2019 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") announced today that on August 13, 2019, it completed the acquisition of the equity ownership interests held by AltaGas Power Holdings (U.S.) Inc. ("AltaGas") in the Craven County and Grayling contracted biomass plants.

Craven County Wood Energy is a 48 megawatt (MW) biomass plant in North Carolina that has been in service since October 1990. Atlantic Power acquired a 50% interest from AltaGas; the remaining 50% interest is held by CMS Energy. Craven County has a Power Purchase Agreement (PPA) with Duke Energy Carolinas that runs through December 2027. The plant burns wood waste, including wood chips, poultry litter, forestry residues, mill waste, bark and sawdust.

Grayling Generating Station is a 37 MW biomass plant in Michigan that has been in service since June 1992. Atlantic Power acquired a 30% interest from AltaGas; the remaining interests are held by Fortistar (20%) and CMS Energy (50%). Grayling has a PPA with Consumers Energy, the utility subsidiary of CMS Energy, which runs through December 2027. The plant burns wood waste from local mills, forestry residues, mill waste and bark.

Both plants are operated by an affiliate of CMS Energy. There is no project-level debt at either plant.

The purchase price for the equity interests in the two plants of \$20 million was based on an acquisition as of January 1, 2019. Since that date, Grayling has made two quarterly distributions to its equity owners. Craven County makes distributions annually at year end. At closing, the Company paid \$18.5 million, which was net of distributions received earlier by AltaGas and other closing adjustments. The Company funded the acquisition from discretionary cash.

The Company expects Project Adjusted EBITDA from the acquisition of approximately \$4 million to \$5 million annually on average over the remaining term of the PPAs.

About Atlantic Power

Atlantic Power is an independent power producer that owns power generation assets in eleven 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 2043. 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:

Atlantic Power Corporation
Investor Relations
(617) 977-2700
info@atlanticpower.com

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](#).

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 forward-looking information 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," "should," "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 Project Adjusted EBITDA from the acquisition of approximately \$4 million to \$5 million annually on average over the remaining term of the PPAs.

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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