

Atlantic Power Corporation Provides Update on Status of Calstock and Oxnard Power Purchase Agreements

DEDHAM, Mass., June 3, 2020 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") provides the following update on the Power Purchase Agreements (PPAs) for its Calstock and Oxnard plants:

Calstock is an approximately 35 megawatt biomass plant located in Hearst, Ontario. The PPA with the Ontario Electricity Financial Corporation, which had been scheduled to expire in June 2020, was recently extended to December 16, 2020 on existing terms. The extension provides the provincial government additional time to evaluate the future role of the Calstock plant and biomass generation in the province. The Company expects Project Adjusted EBITDA from Calstock in the July through December period will be lower than the comparable period in 2019 primarily due to an expected increase in fuel costs, as a result of lower production from the local mills due to the coronavirus pandemic.

Oxnard is an approximately 49 megawatt gas-fired plant located in Oxnard, California. The PPA with Southern California Edison expired on May 25, 2020 and was not renewed or extended. The Company recently executed a Reliability Must Run (RMR) agreement with the California Independent System Operator that became effective June 1, 2020 and will expire December 31, 2020. The RMR is conditioned upon the approval of the Federal Energy Regulatory Commission (FERC); the application for approval was submitted to the FERC on May 28, 2020 and is pending. The Company expects that Project Adjusted EBITDA from Oxnard under the RMR agreement will be de minimis.

"Market conditions are currently unfavorable for re-contracting in Ontario and California. These short-term arrangements provide the Company with additional time to pursue longer-term contracting options for both plants," said Joe Cofelice, Executive Vice President—Commercial Development of Atlantic Power. "We continue to work with the provincial government and other stakeholders in Ontario to develop a longer-term solution that properly values the non-power benefit streams provided by Calstock. At Oxnard, our re-contracting effort has been negatively affected by reductions in electricity demand due to the coronavirus pandemic. We will continue to pursue re-contracting options for Oxnard for 2021 in the expectation that electricity demand will recover to pre-pandemic levels."

Although the Company had not assumed continued operation of either Calstock or Oxnard beyond the second quarter, the short-term contract extension for Calstock and the RMR agreement for Oxnard do not result in a change to 2020 Project Adjusted EBITDA guidance of \$175 million to \$190 million.

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 Company's 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 2020 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). Approximately 75% 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](#).

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 information or forward-looking statements within the meaning of applicable securities laws (collectively, "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 "plans", "expects", "does not expect", "is expected", "budget", "estimates", "forecasts", "targets", "intends", "anticipates" or "does not anticipate", "believes", "outlook", "objective", or "continue", or equivalents or variations, including negative variations, of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Examples of such statements in this press release include, but are not limited to, statements with respect to the following:

- the impact of the coronavirus pandemic on the economy and the Company's operations, including the measures taken by governmental authorities to address it, which may precipitate or exacerbate other risks and/or uncertainties;
- the Company's expectation for Project Adjusted EBITDA from the Calstock plant in the July through December 2020 period;
- the Company's ability to obtain the approval of the FERC, which is a condition of the RMR agreement for Oxnard;
- the Company's expectation for Project Adjusted EBITDA from the Oxnard plant under the RMR agreement;
- the Company's assessment of market conditions in Ontario and California;
- the Company's expectations about the timing and extent of the recovery of electricity demand in California;
- the Company's views with respect to re-contracting potential for the Oxnard plant in 2021; and
- the Company's 2020 Project Adjusted EBITDA guidance of \$175 million to \$190 million.

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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