

Atlantic Power Corporation Provides Update on Cadillac and Oxnard Plants

Cadillac plant returned to service

New contract executed for Oxnard for 2021

DEDHAM, Mass., Sept. 2, 2020 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") provides the following update on its Cadillac and Oxnard plants:

Cadillac is an approximately 40 megawatt biomass plant located in Cadillac, Michigan. The plant had been out of service following a fire in September 2019. Reconstruction was completed in late July and the plant was re-commissioned, tested and returned to service on August 20, 2020. The cost of new equipment and repairs to the plant was in line with the Company's estimate and Cadillac has been operating well since its return to service. The Company expects that it will settle the Cadillac insurance claim by the end of September, which would allow it to record business interruption insurance recoveries to income in the third quarter of 2020.

Oxnard is an approximately 49 megawatt gas-fired plant located in Oxnard, California. The plant is currently operating under a Reliability Must Run (RMR) agreement with the California Independent System Operator through December 31, 2020. The RMR agreement is based on the plant's cost of service and is subject to the approval of the Federal Energy Regulatory Commission (FERC), which is pending.

On August 28, 2020, the Company executed an agreement to sell Resource Adequacy (RA) capacity from the Oxnard plant effective January 1, 2021 through December 31, 2021. Capacity provided under the agreement will be used to satisfy the load obligations of a community choice aggregator. Under the RA agreement, Oxnard will receive a fixed monthly capacity payment. The capacity payment alone represents an improved outcome compared to a potential RMR alternative for 2021. The RA agreement also provides the opportunity for the plant to receive revenue from the potential sale of energy and ancillary services as well as other non-capacity revenues. The Company expects a modest level of Project Adjusted EBITDA from Oxnard in 2021.

"The improvement in market conditions in California over the past couple of months made the RA agreement an attractive option for Oxnard," said Joe Cofelice, Executive Vice President—Commercial Development of Atlantic Power. "Recent events in that market demonstrate the importance of firm and flexible generation in meeting electric demand and supporting the continued deployment of renewable generation."

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 Company's expectation with respect to the timing of the settlement of the Cadillac insurance claim and the recording of business interruption insurance recoveries to income;
- the Company's ability to obtain the approval of the FERC, which is a condition of the RMR agreement for Oxnard;
- the Company's view of the economics of the RA agreement for Oxnard as compared to the potential RMR alternative for 2021;
- the Company's expectation for Project Adjusted EBITDA from the Oxnard plant under the RA agreement in 2021; and
- the Company's assessment of market conditions in California.

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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