

Atlantic Power Corporation Provides Update on Calstock Power Purchase Agreement and Cadillac Insurance Settlement

DEDHAM, Mass., Dec. 8, 2020 /PRNewswire/ -- Atlantic Power Corporation (NYSE: AT) (TSX: ATP) ("Atlantic Power" or the "Company") announced today a one-year extension of its Calstock Power Purchase Agreement (PPA) and a final settlement of the insurance claim for its Cadillac plant.

Calstock is an approximately 35 megawatt biomass plant located in Hearst, Ontario. The offtaker under the PPA is the Ontario Electricity Financial Corporation. The PPA was originally scheduled to expire in June 2020 but prior to that date was extended to December 2020 on existing terms. The second extension, which is also on existing terms, runs to December 16, 2021. The extension provides the provincial government additional time to consider future options for addressing mill waste in the province, including a potential new PPA for Calstock. The extension could be terminated early by mutual agreement if the Company is successful in securing a new contract.

"This extension was made possible by the Ontario government's commitment to support the forestry sector and the economy of Northern Ontario, and the strong support of all stakeholders involved in this process, including our Calstock team, the local communities and mills, unions and the Ontario Forest Industries Association," said Joe Cofelice, Executive Vice President—Commercial Development of Atlantic Power. "We look forward to further engagement with government and other stakeholders regarding a potential new contract for Calstock."

The PPA extension, which is effective December 17, 2020, does not result in a change to the Company's 2020 Project Adjusted EBITDA guidance of \$175 million to \$190 million.

Separately, earlier this month, the Company executed a final settlement of its insurance claim for the Cadillac plant, under which it will receive final payments from the insurers totaling approximately \$10.1 million. The outcome was consistent with the Company's expectation. The cash is expected to be received by year-end 2020, which would allow the Company to record business interruption insurance recoveries to income in the fourth quarter of 2020.

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 2021 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](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 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 views with respect to re-contracting potential for the Calstock plant;
- the Company's 2020 Project Adjusted EBITDA guidance of \$175 million to \$190 million;
- the Company's view that the Cadillac insurance settlement was consistent with its expectation; and
- the Company's expectation that it will receive approximately \$10.1 million of payments from the insurers as the final settlement of its Cadillac claim by year-end 2020 and the timing of the recording of business interruption insurance recoveries to income.

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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