



**AtlanticPower  
Corporation**



## **Q1 2015 Earnings Conference Call**

May 8, 2015

## Cautionary Note Regarding Forward-looking Statements

To the extent any statements made in this presentation contain information that is not historical, these statements are forward-looking statements or forward-looking information, as applicable, 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”).

Forward-looking statements can generally be identified by the use of words such as “should,” “intend,” “may,” “expect,” “believe,” “anticipate,” “estimate,” “continue,” “plan,” “project,” “will,” “could,” “would,” “target,” “potential” and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although Atlantic Power Corporation (“AT”, “Atlantic Power” or the “Company”) believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and should not be read as guarantees of future performance or results, and undue reliance should not be placed on such statements. Please refer to the factors discussed under “Risk Factors” and “Forward-Looking Information” in the Company’s periodic reports as filed with the Securities and Exchange Commission from time to time for a detailed discussion of the risks and uncertainties affecting the Company, including, without limitation, the outcome or impact of the Company’s business plan, including the objective of enhancing the value of its existing assets through optimization investments and commercial activities, delevering its balance sheet to improve its cost of capital and ability to compete for new investments, and utilizing its core competencies to create proprietary investment opportunities, and the Company’s ability to evaluate and/or implement potential options, including asset sales or the contribution of assets to a joint venture if the valuation of a particular asset or assets is compelling in order to raise additional capital for growth and/or debt reduction, and the outcome or impact on the Company’s business of any such potential options. Although the forward-looking statements contained in this presentation 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 presentation and, except as expressly required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances. The Company’s ability to achieve its longer-term goals, including those described in this presentation, is based on significant assumptions relating to and including, among other things, the general conditions of the markets in which it operates, revenues, internal and external growth opportunities, its ability to sell assets at favorable prices or at all and general financial market and interest rate conditions. The Company’s actual results may differ, possibly materially and adversely, from these goals.

## Disclaimer – Non-GAAP Measures

Project Adjusted EBITDA is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP, and is therefore unlikely to be comparable to similar measures presented by other companies. Project Adjusted EBITDA is defined as project income (loss) plus interest, taxes, depreciation and amortization (including non-cash impairment charges) and changes in the fair value of derivative instruments. Management uses Project Adjusted EBITDA at the project level to provide comparative information about project performance and believes such information is helpful to investors. A reconciliation of Project Adjusted EBITDA to project income (loss) is provided on slide 36. Investors are cautioned that the Company may calculate this measure in a manner that is different from other companies.

Cash Distributions from Projects, Adjusted Cash Flows from Operating Activities, Free Cash Flow and Adjusted Free Cash Flow are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP, and are therefore unlikely to be comparable to similar measures presented by other companies. Adjusted Cash Flows from Operating Activities is used to evaluate cash flows from operating activities without the effects of changes in working capital balances, acquisition expenses, litigation expenses, severance and restructuring charges, and cash provided by or used in discontinued operations. The intent is to reflect normal operations and remove items that are not reflective of the long-term operations of the business. Free Cash Flow is defined as cash flows from operating activities less capex; project-level debt repayments, including amortization of the new term loan; and distributions to noncontrolling interests, including preferred share dividends. Adjusted Free Cash Flow is defined as Free Cash Flow excluding changes in working capital balances, acquisition expenses, litigation expense, severance and restructuring charges, and cash provided by or used in discontinued operations. Management believes that these non-GAAP cash flow measures are relevant supplemental measures of the Company’s ability to earn and distribute cash returns to investors. A reconciliation of Free Cash Flow to cash flows from operating activities is provided on slide 36. Reconciliations of Adjusted Free Cash Flow and Adjusted Cash Flows from Operating Activities to cash flows from operating activities are provided on slide 36. A bridge of Project Adjusted EBITDA to Cash Distributions from Projects is provided on slide 36. Investors are cautioned that the Company may calculate these measures in a manner that is different from other companies.

The Company has not reconciled non-GAAP financial measures relating to individual projects, to the projects in discontinued operations or to the APLP projects to the directly comparable GAAP measures due to the difficulty in making the relevant adjustments on an individual project basis. The Company has not provided a reconciliation of forward-looking non-GAAP measures, because not all of the information necessary for a quantitative reconciliation is available to the Company without unreasonable efforts primarily as a result of the variability and difficulty in making accurate forecasts and projections.

All amounts in this presentation are in US\$ and approximate unless otherwise stated.



# Agenda

---

- Progress Report on Priorities
- Financial Results for Q1 2015
- 2015 Guidance Revision for Wind Sale
- Operations Update
- Wrap-Up and Q&A



## Priorities: Progress to Date

---

### 1. Asset Divestiture

- Evaluated our assets and tested market pricing on various plant types
- Process concluded with an agreement to sell our 521 MW wind portfolio for \$350 million of cash (subject to certain adjustments)
  - Compelling valuation in excess of 13x estimated 2015 cash distributions from the wind projects
  - Expect closing in June
  - Provides us good options to delever the balance sheet

### 2. Balance Sheet and Capital Allocation

- Net proceeds from the wind sale expected to be approximately \$338 million
  - Plan to use proceeds to redeem the 9% notes (\$310.9 million outstanding)
- Continue to evaluate refinancing opportunities to reshape the balance sheet to reduce annual interest expense and enhance creditworthiness
- YTD through April, repurchased \$9 million of 9% notes and \$17 million of convertible debentures; amortized \$24 million of term loan and project-level debt
- Return excess cash to shareholders, balancing need for financial stability and disciplined growth investments
  - Current dividend returns \$12 million/year
  - Represents majority of Adjusted Free Cash Flow \$0 to \$20 million (2015 guidance)

## Priorities: Progress to Date (cont'd.)

---

### 3. Overhead Costs

- Already reduced G&A and development expenses to \$38 million in 2015 from \$54 million in 2013
- Took additional steps in Q1 to reduce personnel and administrative costs
  - Moved headquarters to Dedham, MA – annual savings in rent of more than 40% beginning in 2016
  - Closing our offices in Seattle, Portland and outside of Chicago and downsizing our office in Toronto – all by year end
  - Including staff associated with the wind projects, corporate staff to be reduced by 25% this year and more than 50% since 2013
- As a result of these efforts, now targeting additional \$10 million reduction in G&A to \$28 million in 2016

### 4. Optimization Investments

- Continue to see potential for strong returns from discretionary investments in our fleet
- Expect to invest \$10 million this year in several good projects
- By year end, expect to have invested \$28 million over three years
  - Expected to contribute at least \$10 million annual incremental cash flow beginning in 2016



## Priorities: Continuing Challenges (cont'd.)

---

### 5. PPA Renewals

- PPAs are highly valuable in the current market (low spot prices)
- Approximately 31% of our 2015 Project Adjusted EBITDA is from projects with PPAs expiring between December 2017 and mid-2020
- Two ways to mitigate impact:
  - Increased value over time for reliable, non-intermittent generation
  - Invest in plants where economic for us and customer

### 6. Growth

- Near-term focus is on internal optimization opportunities
- After addressing cost structure and debt profile, should be in a stronger position to consider low-cost disciplined growth
- Focus will be on growing intrinsic value per share
  - Cost discipline
  - Value focus
  - Capital – “lite” opportunities



## Progress on Corporate Governance

---

- In the past seven months the Board of this Company has:
  - Conducted a strategic review process
  - Concluded the process when it determined that a sale or merger of the Company was not in the best interest of the Company or its stakeholders
  - Put an interim CEO in place who moved with speed and refocused the management on asset divestitures
  - Added a shareholder's nominated director to the board in November
  - Added another independent director with significant IPP experience to the board in December
  - Named a new CEO in January with experience in IPP turnarounds
- Three of our eight board members are new since November
- Of the four senior management executives that we had last year, only one remains at the Company

# Financial Results Summary, Q1 2015 vs. Q1 2014 (\$ millions)

<b>Unaudited</b>	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Excluding results from discontinued operations<sup>(1)</sup></b>		
Project Adjusted EBITDA	\$58.6	\$56.4
Cash Distributions from Projects	56.9	44.0
Adjusted Cash Flows from Operating Activities	34.4	35.3
Adjusted Free Cash Flow	7.0	27.9
<b>Including results from discontinued operations <sup>(1)</sup></b>		
Cash flows from operating activities	\$35.1	\$(28.7)
<b>Results of discontinued operations</b>		
Project Adjusted EBITDA	\$13.3	\$17.8
Cash Distributions from Projects	7.3	6.2
Cash flows from operating activities	10.8	8.8

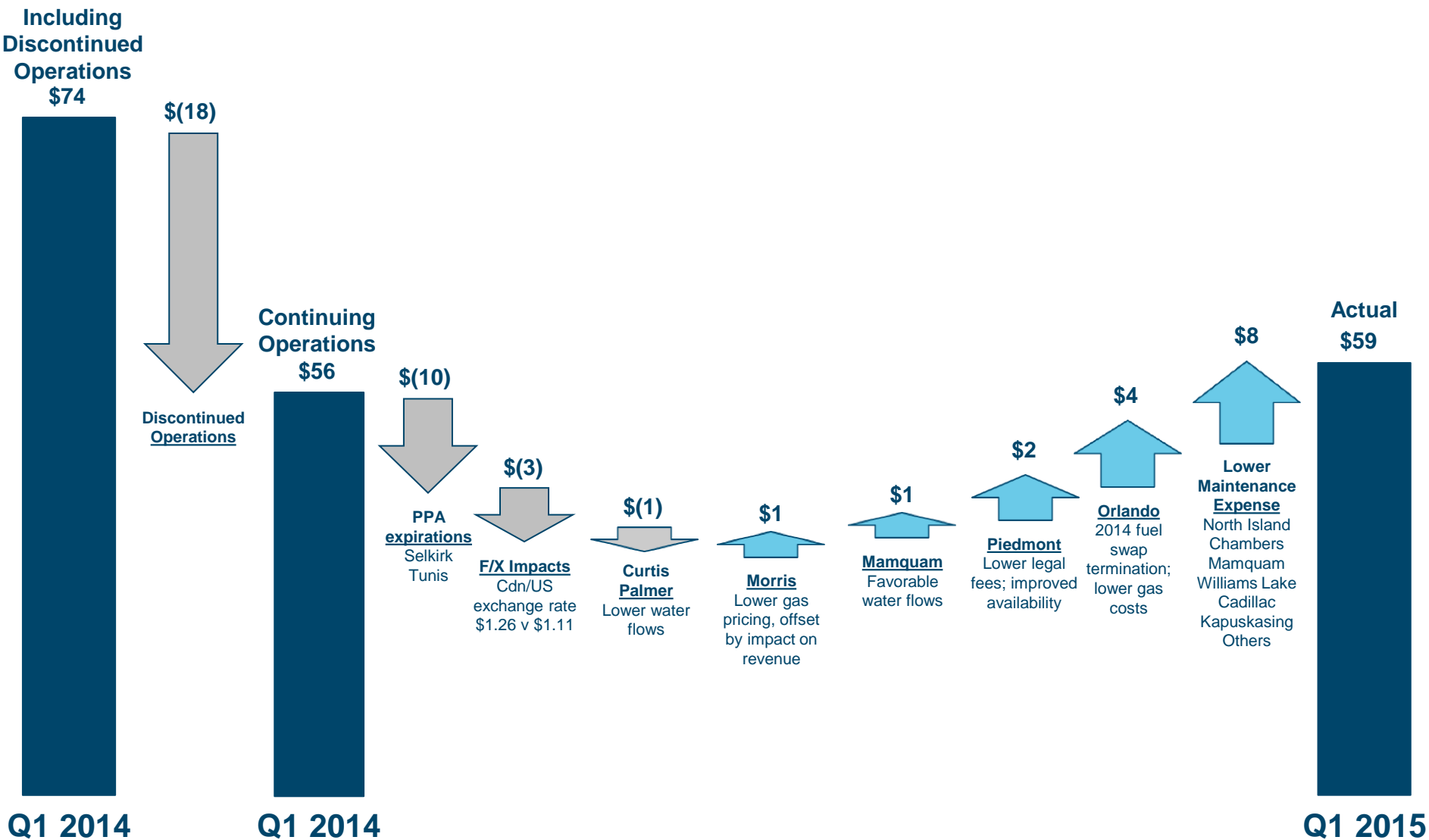
<sup>(1)</sup> Canadian Hills, Meadow Creek, Goshen North, Idaho Wind and Rockland (the "Wind Projects") are designated as assets held for sale and a component of discontinued operations for the three months ended March 31, 2015 and 2014. Thermo Power & Electric, LLC ("Greeley") was sold in March 2014 and is included as a component of discontinued operations for the three months ended March 31, 2014. The results of discontinued operations are excluded from Project revenue, Project income, Project Adjusted EBITDA, Cash Distributions from Projects, Adjusted Cash Flows from Operating Activities and Adjusted Free Cash Flow. Under GAAP, the cash flows attributable to the Wind Projects and Greeley are included in cash flows from operating activities as shown on the Company's Consolidated Statement of Cash Flows; therefore, the Company's calculation of Free Cash Flow also includes cash flows from the Wind Projects and Greeley. However, the inclusion of Greeley in 2014 had no impact on Cash flows from operating activities. Results of Discontinued Operations shown above are for the Wind Projects, as Greeley had no impact on Project Adjusted EBITDA, Cash Distributions from Projects or Cash flows from operating activities for the 2014 period in which it was included in discontinued operations.

Note: Project Adjusted EBITDA, Cash Distributions from Projects, Adjusted Cash Flows from Operating Activities, and Adjusted Free Cash Flow are not recognized measures under GAAP and do not have any standardized meaning prescribed by GAAP; therefore, these measures may not be comparable to similar measures presented by other companies. Please refer to Slide 36 for reconciliations of these non-GAAP measures to GAAP measures.



# Project Adjusted EBITDA, Q1 2015 vs. Q1 2014 (\$ millions)

*Modest increase despite Tunis and Selkirk declines*



## Cash Flow, Q1 2015 vs Q1 2014 (\$ millions)

Unaudited	Q1 2015	Q1 2014	Change
<b>Project Adjusted EBITDA</b>	<b>\$58.6</b>	<b>\$56.4</b>	<b>\$2.2</b>
Project Adjusted EBITDA from discontinued operations	13.3	17.8	(4.5)
Adjustment for equity method projects <sup>(1)</sup>	(9.7)	(6.3)	(3.4)
Corporate G&A expense	(9.4)	(7.1)	(2.3)
Cash interest payments	(11.7)	(66.8)	55.1
Cash taxes and changes in working capital	(6.0)	(22.7)	16.7
<b>Cash flows from operating activities</b>	<b>\$35.1</b>	<b>\$(28.7)</b>	<b>\$63.8</b>
Changes in other operating balances	6.0	22.7	(16.7)
Cash flows from discontinued operations	(10.8)	(8.8)	(2.0)
Severance charges	2.9	0.5	2.4
Restructuring charges, asset dispositions and other	1.2	-	1.2
Shareholder litigation expenses	-	0.2	(0.2)
Refinancing transaction costs	-	49.4	(49.4)
<b>Adjusted Cash Flows from Operating Activities</b>	<b>\$34.4</b>	<b>\$35.3</b>	<b>\$(0.9)</b>
Term loan facility repayments <sup>(2)</sup>	(21.3)	0.0	(21.3)
Project-level debt repayments	(2.5)	(9.9)	7.4
<i>Amount associated with discontinued operations (included in line above)</i>	0.0	0.0	0.0
<i>Principal repayment of Piedmont debt at term conversion (included above)</i>	0.0	8.1	(8.1)
Purchases of property, plant and equipment <sup>(3)</sup>	(1.3)	(2.6)	1.3
<i>Amount associated with discontinued operations (included in line above)</i>	0.0	0.0	0.0
Distributions to noncontrolling interests <sup>(4)</sup>	(2.7)	(2.1)	(0.6)
<i>Amount associated with discontinued operations (included in line above)</i>	2.7	2.1	0.6
Dividends on preferred shares of a subsidiary company	(2.3)	(3.0)	0.7
<b>Adjusted Free Cash Flow</b>	<b>\$7.0</b>	<b>\$27.9</b>	<b>\$(20.9)</b>

### Cash flows from operating activities:

- \$47 – Absence of 2014 refinancing and repurchase transaction costs
- \$19 – Net cash inflows associated with working capital changes

### Adjusted Cash Flows from Operating Activities:

- Excludes refinancing transaction costs
- Excludes working capital changes
- Other changes mostly offsetting

### Adjusted Free Cash Flow:

- \$(21) – amortization of APLP term loan (none in 2014)
- \$(1) – increase in project debt repayment
- \$1 – reduction in capex

(1) Represents difference between Project Adjusted EBITDA and cash distributions from equity method projects  
 (2) Includes mandatory 1% annual amortization and 50% excess cash flow repayments by the Partnership.  
 (3) Excludes construction costs related to the Company's Canadian Hills project in 2014.  
 (4) Distributions to noncontrolling interests primarily include distributions, if any, to the tax equity investors at Canadian Hills and to the other 50% owner of Rockland.

Project Adjusted EBITDA, Adjusted Cash Flows from Operating Activities and Adjusted Free Cash Flow are not recognized measures under GAAP and do not have any standardized meanings prescribed by GAAP; therefore, these measures may not be comparable to similar measures presented by other companies.

## Liquidity (\$ millions)

### Excludes Discontinued Operations (Wind Projects)

Unaudited	December 31, 2014	March 31, 2015
Revolver capacity	\$210.0	\$210.0
Letters of credit outstanding	(105.7)	(108.1)
Unused borrowing capacity	104.3	101.9
Unrestricted cash <sup>(1)</sup>	106.0	100.1
<b>Total Liquidity</b>	<b>\$210.3</b>	<b>\$202.0</b>

Includes planned cash reserve for the working capital needs of the business of approximately \$80 to \$100 million

<sup>(1)</sup> Includes project-level cash for working capital needs of \$10.2 million at December 31, 2014 and \$12.5 million at March 31, 2015.

### Changes in cash balance Q1 2015:

- During the quarter, the Company generated \$7.0 million in Adjusted Free Cash Flow
- Together with the Adjusted Free Cash Flow generated, the Company utilized cash on hand to repurchase:
  - \$9 million of 9% senior unsecured notes;
  - \$7.0 million of convertible debentures under the NCIB; and
  - to pay \$2.9 million of common share dividends

## Debt Outstanding (\$ millions)

*Reduced debt by \$40 million in Q1 2015 (excluding debt of discontinued operations and F/X impact)*

Unaudited	APC	APLP	Project-level (consolidated)	Project-level (equity method)	Total
<b>December 31, 2014</b>	<b>\$661</b>	<b>\$723</b>	<b>\$372</b>	<b>\$111</b>	<b>\$1,867</b>
Repurchase of 9% Senior Unsecured Notes	(9)				(9)
Repurchase of convertible debentures through NCIB	(7)				(7)
Project-level debt amortization			(3)		(3)
Repayment of APLP term loan		(21)			(21)
F/X impacts	(18)	(16)			(34)
<b>March 31, 2015</b>	<b>\$627</b>	<b>\$686</b>	<b>\$369</b>	<b>\$111</b>	<b>\$1,793</b>
<i>At closing of wind sale:</i>					
<i>Wind Assets held for sale (discontinued operations)</i>			(249)	(68)	(317)
<b>Pro Forma debt balance</b>	<b>\$627</b>	<b>\$686</b>	<b>\$120</b>	<b>\$43</b>	<b>\$1,476</b>

### Wind sale:

- Expected to result in \$249 million of debt being deconsolidated
- In addition, \$68 million of debt associated with the Company's equity interest in two wind projects will transfer with the sale

### NCIB:

- In April, the Company repurchased an additional \$10.3 million of convertible debentures under the NCIB
- Since inception of the NCIB in early December, the Company has repurchased a total of \$20.4 million of its convertible debentures

### Going forward:

- Amortization of project-level debt and the APLP term loan is expected to average approximately \$65 to \$70 million annually over the next several years



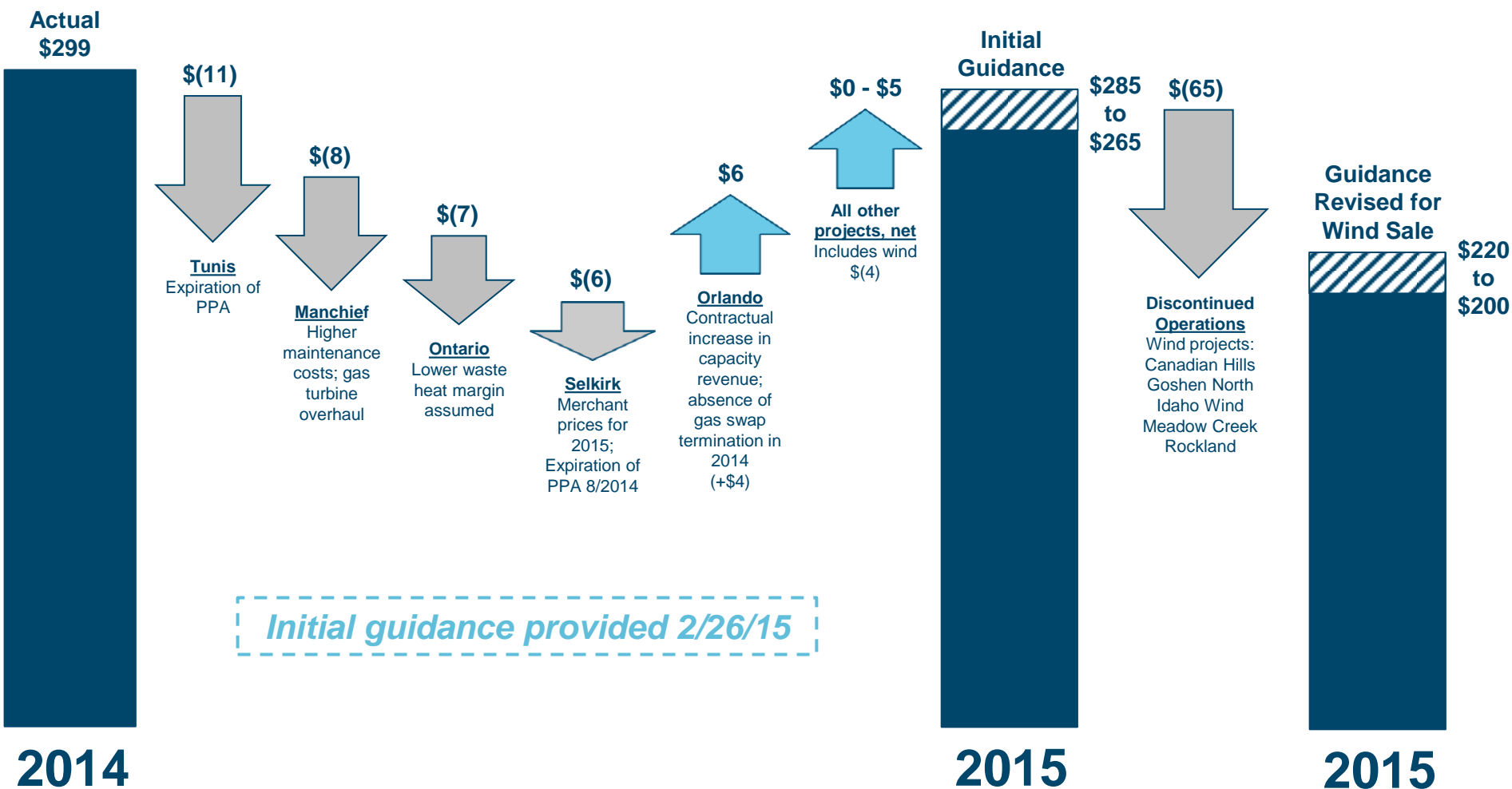
## 2015 Guidance Revision for Wind Sale

- Expected transaction closing date of June 2015
- Planned use of proceeds: Redemption of Company's \$310.9 million 9% senior unsecured notes following transaction closing
- Project Adjusted EBITDA
  - Wind assets excluded for full year – \$(65) million
  - Initial range \$265 to \$285 million – **Revised range \$200 to \$220 million**
  - No change to APLP Project Adjusted EBITDA – **\$148 to \$160 million**
- Cash Flow metrics
  - Cash flow from wind assets excluded for full year
  - Benefit of debt repayment included only for partial year
  - Redemption premiums and accrued interest are excluded from cash flow metrics
    - Adjusted Cash Flows from Operating Activities
      - Initial range \$120 to \$140 million – **Revised range \$90 to \$110 million**
    - Adjusted Free Cash Flow
      - Initial range \$10 to \$30 million – **Revised range \$0 to \$20 million**

Annualized impact of wind sale and debt repayment is approximately \$2 million accretive to cash flow

# Project Adjusted EBITDA (\$ millions)

## Bridge of 2014 Actual to 2015 Guidance (Initial and Revised for Wind Sale)





# Cash Flow Metrics (\$ millions)

## 2015 Initial Guidance vs. 2015 Guidance Revised for Wind Sale

	2015 Initial Guidance	2015 Guidance Revised for Wind Sale
<b>Project Adjusted EBITDA</b>	<b>\$265 - \$285</b>	<b>\$200 - \$220</b>
Adjustment for equity method projects <sup>(1)</sup>	(9)	(2)
Corporate G&A expense	(31)	(31)
Cash interest payments	(112)	(105)
Cash taxes and changes in working capital	(4)	(4)
<b>Cash flows from operating activities</b>	<b>\$115 - \$135</b>	<b>\$65 - \$85</b>
Add back:		
Changes in working capital	-	-
Cash flows from discontinued operations	-	-
Severance charges	3	4
Restructuring charges	1	1
Shareholder litigation costs	-	-
Debt prepayment costs	-	20
<b>Adjusted Cash Flows from Operating Activities (ACFFO)</b>	<b>\$120 - \$140</b>	<b>\$90 - \$110</b>
Maintenance capex	(2)	(2)
Distributions to noncontrolling interests	(12)	-
Preferred dividends	(11)	(11)
Mandatory debt repayment:		
Project-level debt amortization	(21)	(14)
Repayment of APLP term loan <sup>(2)</sup>	(48) – (54)	(50) – (60)
<b>Discretionary cash flow</b>	<b>20 – 40</b>	<b>10 – 30</b>
Optimization capex (2015 – planned)	(10)	(10)
<b>Adjusted Free Cash Flow</b>	<b>\$10 – \$30</b>	<b>\$0 – \$20</b>

Footnotes:

<sup>(1)</sup> Represents difference between Project Adjusted EBITDA and cash distributions from equity method projects; <sup>(2)</sup> Includes mandatory 1% annual amortization and 50% excess cash flow repayments by the Partnership

Update  
unrelated to  
wind sale

- Before common dividends:
  - \$3 paid in March 2015



## How We Think About Currency Exposure

- Canadian businesses account for approximately 26% of Project Adjusted EBITDA <sup>(1)</sup>
  - Results of these businesses are translated into U.S. dollars
  - Stronger U.S. dollar vs. Canadian dollar reduces reported results of Canadian businesses
  - Q1 2015 impact approximately \$(3) million to Project Adjusted EBITDA
  - “Long” from a Project Adjusted EBITDA standpoint
- But close to neutral from an overall cash standpoint
  - Payments on Canadian debt instruments (convertibles, MTNs)
  - Preferred and common dividends (paid in Canadian dollars)
- Q1 most uneven quarter
  - Significant Canadian earnings; light on Canadian interest and dividend payments
- More evenly matched balance of year

Natural hedge rather than a financial hedge





## Other Updates

---

- 9.0% senior unsecured notes fixed charge coverage ratio/restricted payments basket update
  - As of March 31, the Company is back in compliance with the fixed charge coverage ratio
    - As long as the Company remains in compliance with the ratio, dividend payments are not subject to the basket limitation
    - The basket does not reset if the Company were to fall out of compliance at any point in the future
  - \$35.4 million of total dividends paid or declared through March 2015 dividend were subject to the basket provision
    - Basket greater of \$50 million or 2% of consolidated net assets (\$46.7 million as of March 31, 2015)
- Maintenance expense – change from major maintenance concept
  - Previously had focused on *major maintenance* expense - included only the more significant maintenance expenditures
  - Going forward will report *total maintenance expense* - a more standard definition within the industry
  - Total maintenance expense is expected to be approximately \$44 million for 2015 (excluding Wind Projects)
    - Increase of approximately \$3 million from 2014, primarily attributable to the scheduled gas turbine outage at Manchief in 2015 and the absence of insurance recoveries and other proceeds that were credited at Piedmont in 2014, partially offset by reductions at several other projects that had maintenance outages in 2014

# Q1 2015 Operational Highlights

## Excludes Wind Projects

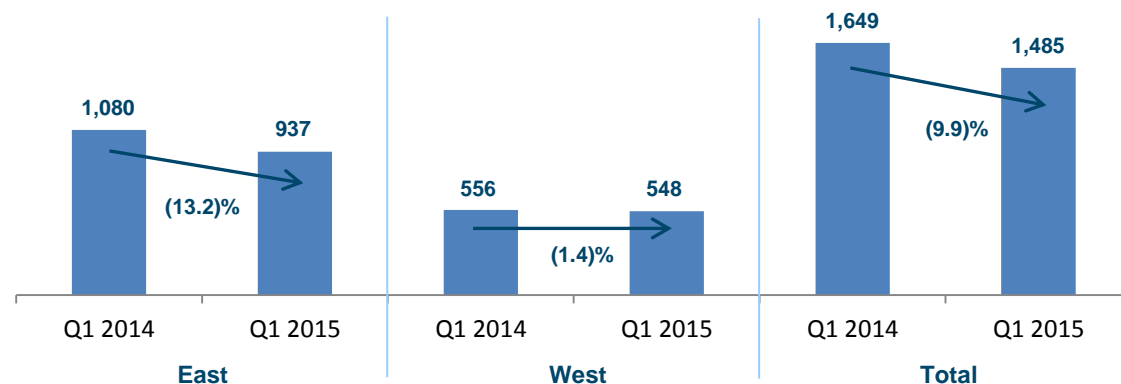
### Weighted Average Availability

	Q1 2015	Q1 2014
East	98.4%	94.0%
West	96.0%	89.6%
<b>Total</b>	<b>97.6%</b>	<b>92.7%</b>

### Improvement in 2015:

- 2014 forced outages
- Impact of extreme temperatures in 2014
- Fewer scheduled outages in 2015

### Aggregate Power Generation Q1 2015 vs. Q1 2014 (thousands, Net MWh)



### Generation decreased 9.9%:

- Expiration of Selkirk PPA in August 2014; reduced dispatch (merchant)
- Expiration of Tunis PPA in December 2014
- Lower dispatch at Frederickson due to warmer weather
- Below-normal flows at Curtis Palmer (very cold temperatures delayed snowmelt)
  - o Flows increased in April, although we finished the month below expectations (melting gradual, minimizing spillover)
  - o Rainfall a factor for annual performance, but we are behind expectations YTD
- + Above-normal flows at Mamquam (record low snowpack implies a negative impact for rest of the year)
- + Increased waste heat at Ontario projects (excluding Tunis)



## Update on 2015 Optimization Initiatives

---

- Plan to invest approximately \$10 million in optimization projects this year
  - Several projects at Morris (upgrades to gas turbine and water treatment)
    - Designed to improve heat rate, steam delivery reliability, fast start boiler capability; boost power output
    - Replacing purified water production system with new, more efficient equipment
    - Most of these upgrades likely to be completed by year end, although fast start capability may slip into 2016; most expenditures will be incurred this year
  - Nipigon (feedwater booster pump) – expected to increase steam and electricity generation
  - Modest investment at Mamquam to improve the efficiency of the project
    - Nipigon and Mamquam projects expected to be completed this year
- Project to optimize the spillway system at Curtis Palmer will take place in 2016 rather than 2015
  - Slipped into 2016 due to the lead time for a required permit modification
  - However, some equipment purchases still will be made this year

## Update on 2015 Optimization Initiatives (cont'd) (\$ millions)

### 2015 Investments

Morris – various projects, including: Water treatment upgrade Upgrade fast-start capability Gas turbine component upgrades	Total	\$7
Nipigon Feedwater booster pump upgrade		\$1
Curtis Palmer Spillway optimization <sup>(1)</sup>		\$1
	Total capitalized	\$9
Mamquam		\$1
Other		< \$1
	Total	\$10

- Invested \$18 million in optimization initiatives in 2013 - 2014
  - Expected cash flow contribution of \$4 to \$8 million in 2015
  - Expect to refine estimate post summer
- Total investment \$28 million in 2013 – 2015
  - Expected cash flow contribution in 2016 of at least \$10 million

<sup>(1)</sup> Project delayed into 2016 due to lead time for required permit. Some portion of expenditures still planned to occur in 2015.



## Selkirk and Tunis Update

---

- Selkirk (PPA expired August 2014) is operating on a fully merchant basis
  - In Q1, dispatch was significantly reduced due to unfavorable market conditions
  - Project Adjusted EBITDA declined about \$4.7 million from the year-ago level
  - Short-term hedge in March; no hedges currently; dispatch was significantly lower in April than March
  - Contribution for the rest of year will be highly dependent on summer season
- Tunis (PPA expired December 2014) was mothballed in February
  - 15-year agreement with Ontario IESO effective at our option starting between November 2017 and June 2019
    - Subject to:
      - Converting Tunis to simple-cycle operation
      - Procuring firm gas transportation on economic terms
  - Signed a precedent agreement with TransCanada Pipeline for firm transportation
    - Could start as early as November 2017
    - Have until May 2016 to execute contract



## Significant Accomplishments to Date

---

- Overhead costs
  - Taken steps to ensure further \$10 million reduction in G&A expense to \$28 million in 2016
  - Cumulative 48% reduction in G&A expense from 2013 to 2016
- Asset divestitures
  - Executed agreement to divest wind assets at compelling valuation
  - Plan to deploy proceeds to redeem \$310.9 million of our 9% notes – optimize capital structure, reduce leverage and reduce interest expense
- Balance sheet
  - Paid down \$24 million of project debt and term loan from project-level cash flow
  - Made discretionary debt repurchases totaling \$26 million through April
- Growth
  - Continuing to invest in own projects at attractive cash-on-cash returns
  - Expect \$4 to \$8 million incremental cash benefit in 2015 from investments in 2013-2014
- Governance
  - 3 / 8 new board members
  - New CEO; other management changes

Executing on plan to increase intrinsic value per share



## Appendix

---

- Financial Results, Q1 2015 v. Q1 2014 (Slide 24)
- Segment Results, Q1 2015 v. Q1 2014 (Slide 25)
- G&A and Development Expenses (Slide 26)
- Q1 2014 Costs Associated with Refinancing and Debt Repurchase Transactions (Slide 27)
- Organizational Structure (Slide 28)
- Capital Summary at March 31, 2015 (Slide 29)
- Capitalization (Slide 30)
- Bullet Debt Maturity Profile at March 31, 2015 (Slide 31)
- Amortizing Debt Schedule at March 31, 2015 (Slide 32)
- Calculation of APLP Cash Sweep (Slide 33)
- Portfolio Diversity (Slide 34)
- PPA Length and Offtaker Credit Rating (Slide 35)
- Regulation G Disclosure (Slide 36)

# Financial Results, Q1 2015 vs Q1 2014 (\$ millions)

<b>Unaudited</b>	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Excluding results from discontinued operations<sup>(1)</sup></b>		
Project revenue	\$111.3	\$125.3
Project income	21.5	25.7
Project Adjusted EBITDA	58.6	56.4
Cash Distributions from Projects	56.9	44.0
Adjusted Cash Flows from Operating Activities	34.4	35.3
Adjusted Free Cash Flow	7.0	27.9
<b>Including results from discontinued operations <sup>(1)</sup></b>		
Cash flows from operating activities	\$35.1	\$(28.7)
Free Cash Flow	5.0	(46.3)
<b>Results of discontinued operations</b>		
<i>Project Adjusted EBITDA</i>	<i>13.3</i>	<i>17.8</i>
<i>Cash Distributions from Projects</i>	<i>7.3</i>	<i>6.2</i>
<i>Cash flows from operating activities</i>	<i>10.8</i>	<i>8.8</i>

<sup>(1)</sup> Canadian Hills, Meadow Creek, Goshen North, Idaho Wind and Rockland (the "Wind Projects") are designated as assets held for sale and a component of discontinued operations for the three months ended March 31, 2015 and 2014. Thermo Power & Electric, LLC ("Greeley") was sold in March 2014 and is included as a component of discontinued operations for the three months ended March 31, 2014. The results of discontinued operations are excluded from Project revenue, Project income, Project Adjusted EBITDA, Cash Distributions from Projects, Adjusted Cash Flows from Operating Activities and Adjusted Free Cash Flow. Under GAAP, the cash flows attributable to the Wind Projects and Greeley are included in cash flows from operating activities as shown on the Company's Consolidated Statement of Cash Flows; therefore, the Company's calculation of Free Cash Flow also includes cash flows from the Wind Projects and Greeley. However, the inclusion of Greeley in 2014 had no impact on cash flows from operating activities or Free Cash Flow. Results of discontinued operations shown above are for the Wind Projects, as Greeley had no impact on Project Adjusted EBITDA, Cash Distributions from Projects or cash flows from operating activities for the 2014 period in which it was included in discontinued operations.

Note: Project Adjusted EBITDA, Cash Distributions from Projects, Adjusted Cash Flows from Operating Activities, Adjusted Free Cash Flow and Free Cash Flow are not recognized measures under GAAP and do not have any standardized meaning prescribed by GAAP; therefore, these measures may not be comparable to similar measures presented by other companies. Please refer to Slide 36 for reconciliations of these non-GAAP measures to GAAP measures.



## Segment Results, Q1 2015 vs Q1 2014 (\$ millions)

	Three months ended March 31,	
	2015	2014
<b>Project income (loss)</b>		
East	\$22.2	\$31.6
West	2.0	(5.1)
Un-allocated Corporate	(2.7)	(0.8)
<b>Total</b>	<b>21.5</b>	<b>25.7</b>
<b>Project Adjusted EBITDA</b>		
East	\$43.2	\$45.6
West	17.2	11.3
Un-allocated Corporate	(1.8)	(0.5)
<b>Total</b>	<b>58.6</b>	<b>56.4</b>

The results of the Wind Projects and Greeley, which are components of discontinued operations, are excluded from Project income and Project Adjusted EBITDA as presented above.

Note: Project Adjusted EBITDA is not a recognized measure under GAAP and does not have any standardized meaning prescribed by GAAP; therefore, this measure may not be comparable to similar measures presented by other companies. Please refer to Slide 36 for a reconciliation of this non-GAAP measure to a GAAP measure.

The Company has not reconciled this non-GAAP financial measure relating to individual project segments to the directly comparable GAAP measure due to the difficulty in making the relevant adjustments on a segment basis.

# G&A and Development Expenses (\$ millions)

*Includes:*

- Operations & Asset Management
- Environmental, Health & Safety
- Ridgeline
- Project Accounting

*Includes:*

- Executive & Financial Management
- Treasury, Tax, Legal, HR, IT
- Corporate Accounting
- Office & administrative costs
- Public company costs
- One-time costs (mostly severance)

	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Guidance</b>
<b><i>Included in Project Adjusted EBITDA:</i></b>			
Development <sup>(1)</sup>	\$7.2	\$3.7	\$2
Project G&A and other	11.4	3.8	5
<b><i>Excluded from Project Adjusted EBITDA:</i></b>			
Un-allocated Corporate segment	18.6	7.5	7
Corporate G&A <sup>(2)</sup>	35.2	37.9	31
<b>Total overhead</b>	<b>\$53.8</b>	<b>\$45.4</b>	<b>\$38</b>

Corporate G&A includes \$6 severance charges in 2014 and an expected \$4 in 2015

**Announced further planned reduction to \$28 million in 2016**

## Q1 2014 Costs Associated with Refinancing and Debt Repurchase Transactions (\$ millions)

Make-whole payments and other premiums (US GPs, 9.0% senior unsecured notes)	\$(34)
Accrued interest (US GPs, Curtis Palmer, 9.0% senior unsecured notes)	(12)
Termination of interest-rate swaps (EPP)	(3)
<b>Total included in interest expense</b>	<b>\$(49)</b>
Termination of Orlando gas swaps (included in fuel expense)	(4)
<b>Total included in Operating and Free Cash Flow</b>	<b>\$(54)</b>
Financing expenses and fees	\$(40)
Amendment to Piedmont interest-rate swap	(1)
<b>Total deferred financing costs (included in cash flows from financing activities) <sup>(1)</sup></b>	<b>\$(41)</b>
<b>Total cash costs</b>	<b>\$(94)</b>
Non-cash write-off of deferred financing costs (included in interest expense)	(6)
<b>Total all costs</b>	<b>\$(100)</b>

Amount excluded from 2014 Free Cash Flow guidance

(1) Amortized over the life of the financing.

# Organizational Structure

## Atlantic Power Corporation

### Atlantic Power Limited Partnership

Project	Location	Type	Economic Interest	Net MW	Contract Expiry
Calstock	Ontario	Biomass	100%	35	6/2020
Curtis Palmer	New York	Hydro	100%	60	12/2027
Frederickson	Washington	Nat. Gas	50%	125	8/2022
Kapuskasing	Ontario	Nat. Gas	100%	40	12/2017
Kenilworth	New Jersey	Nat. Gas	100%	30	9/2018
Mamquam	B.C.	Hydro	100%	50	9/2027
Manchief	Colorado	Nat. Gas	100%	300	10/2022
Morris	Illinois	Nat. Gas	100%	177	11/2023
Morseby Lake	B.C.	Hydro	100%	6	8/2022
Naval Station	California	Nat. Gas	100%	47	12/2019
Naval Training	California	Nat. Gas	100%	25	12/2019
Nipigon	Ontario	Nat. Gas	100%	40	12/2022
North Bay	Ontario	Nat. Gas	100%	40	12/2017
North Island	California	Nat. Gas	100%	42	12/2019
Oxnard	California	Nat. Gas	100%	49	5/2020
Tunis <sup>(1)</sup>	Ontario	Nat. Gas	100%	43	11/2032
Williams Lake	B.C.	Biomass	100%	66	3/2018

### Atlantic Power Transmission & Atlantic Power Generation

Project	Location	Type	Economic Interest	Net MW	Contract Expiry
Cadillac	Michigan	Biomass	100%	40	12/2028
<i>Canadian Hills</i>	<i>Oklahoma</i>	<i>Wind</i>	<i>99%</i>	<i>295</i>	<i>12/2032</i>
Chambers	New Jersey	Coal	40%	105	12/2024
<i>Goshen North</i>	<i>Idaho</i>	<i>Wind</i>	<i>12.5%</i>	<i>16</i>	<i>11/2030</i>
<i>Idaho Wind</i>	<i>Idaho</i>	<i>Wind</i>	<i>27.56%</i>	<i>49</i>	<i>12/2030</i>
Koma Kulshan	Washington	Hydro	49.8%	6	12/2037
<i>Meadow Creek</i>	<i>Idaho</i>	<i>Wind</i>	<i>100%</i>	<i>120</i>	<i>12/2032</i>
Orlando	Florida	Nat. Gas	50%	65	12/2023
Piedmont	Georgia	Biomass	100%	53	12/2032
<i>Rockland Wind</i>	<i>Idaho</i>	<i>Wind</i>	<i>50%</i>	<i>40</i>	<i>12/2036</i>
Selkirk	New York	Nat. Gas	18.5%	64	Merchant

## Capital Summary at March 31, 2015 (\$ millions)

### Atlantic Power Corporation

	Maturity	Amount	Interest Rate
Senior unsecured notes	11/2018	\$310.9	9.0%
Convertible Debentures (ATP.DB.A)	3/2017	\$53.1 (C\$67.3)	6.25%
Convertible Debentures (ATP.DB.B)	6/2017	\$62.6 (C\$79.3)	5.6%
Convertible Debentures (ATP.DB.U)	6/2019	\$124.0	5.75%
Convertible Debentures (ATP.DB.D)	12/2019	\$76.0 (C\$96.3)	6.0%

### Atlantic Power Limited Partnership

Revolving Credit Facility	2/2018	\$0	3.75%
Term Loan	2/2021	\$520.2	5.07% <sup>(1)</sup>
Medium-term Notes	6/2036	\$165.8 (C\$210)	5.95%
Preferred shares (AZP.PR.A)	N/A	\$123 (C\$125)	4.85%
Preferred shares (AZP.PR.B)	N/A	\$57 (C\$58)	5.57%
Preferred shares (AZP.PR.C)	N/A	\$41 (C\$42)	4.94% <sup>(2)</sup>

### Atlantic Power Transmission & Atlantic Power Generation

Project-level Debt (consolidated)	Various	\$120.4	Various
Project-level Debt (equity method)	Various	\$43.1	Various
Wind Projects Held for Sale (consolidated and equity method debt)	Various	\$316.9	Various

<sup>(1)</sup> Includes impact of interest rate swap; <sup>(2)</sup> Set on March 2, 2015 for June 30, 2015 dividend payment. Will be reset quarterly based on sum of the Canadian Government 90-day Treasury Bill yield (using the three-month average result plus 4.18%).  
 Note: C\$ denominated debt was converted to US\$ using US\$ to C\$ exchange rate of \$1.27.

## Capitalization (\$ millions)

*Presented on a consolidated basis and excludes equity method projects*

	December 31, 2014		March 31, 2015	
Long-term debt (incl. current portion)				
APC senior unsecured notes	\$320		\$311	
APLP Medium-Term Notes <sup>(1)</sup>	181		166	
APLP revolving credit facility	0		0	
APLP Term Loan	541		520	
Project-level debt (non-recourse) <sup>(2)</sup>	372		369	
Convertible debentures <sup>(3)</sup>	341		316	
<b>Total long-term debt</b>	<b>\$1,755</b>	<b>75%</b>	<b>\$1,682</b>	<b>75%</b>
Preferred shares	221	10%	221	10%
Common equity <sup>(4)</sup>	356	15%	336	15%
<b>Total shareholders equity</b>	<b>577</b>	<b>25%</b>	<b>557</b>	<b>25%</b>
<b>Total capitalization</b>	<b>\$2,332</b>	<b>100%</b>	<b>\$2,239</b>	<b>100%</b>

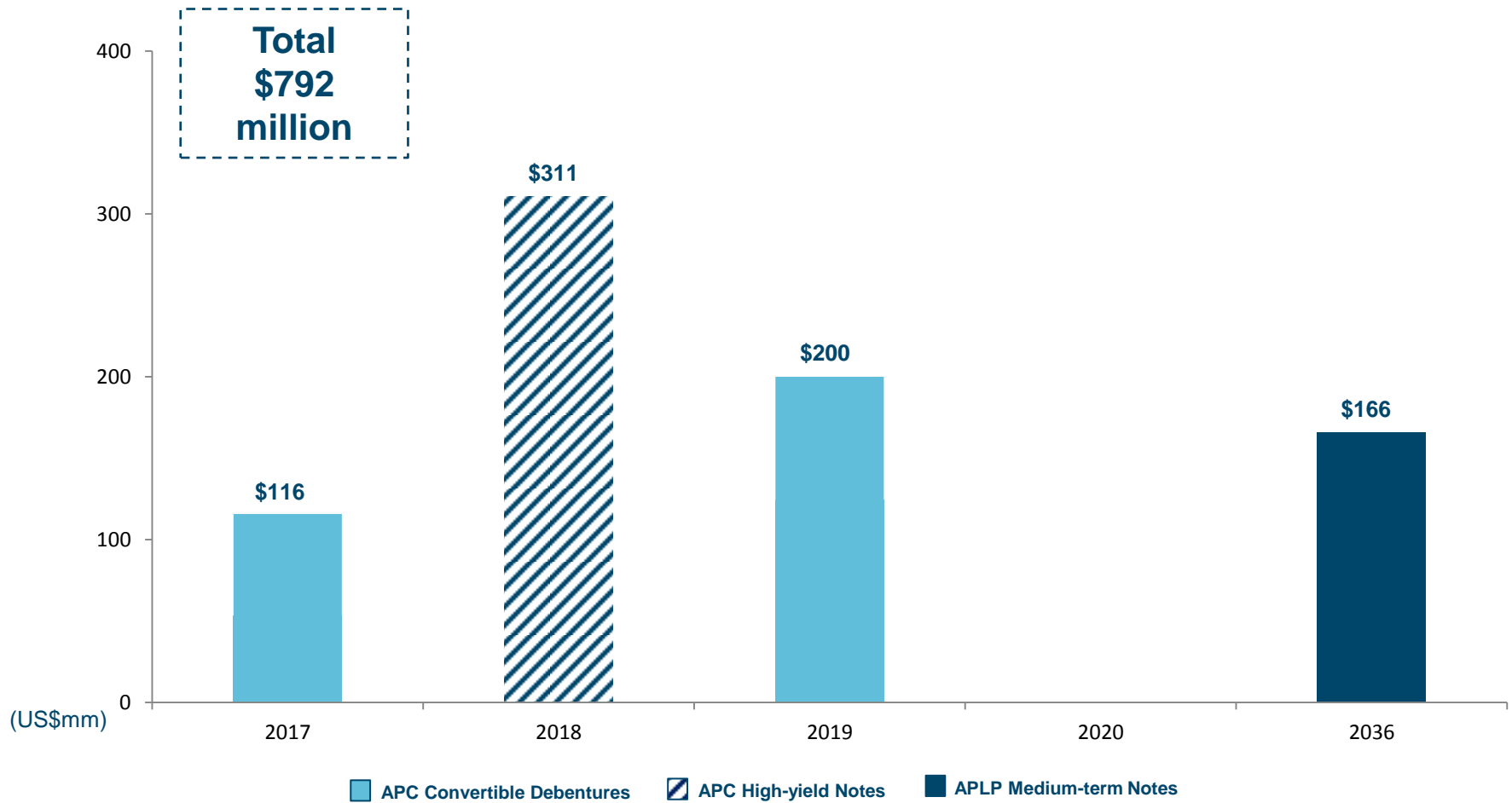
(1) Period-over-period change due to F/X impacts

(2) Includes debt associated with Wind Projects

(3) Period-over-period change due to F/X impacts and repurchases of convertible debentures under the NCIB of \$6.3 million

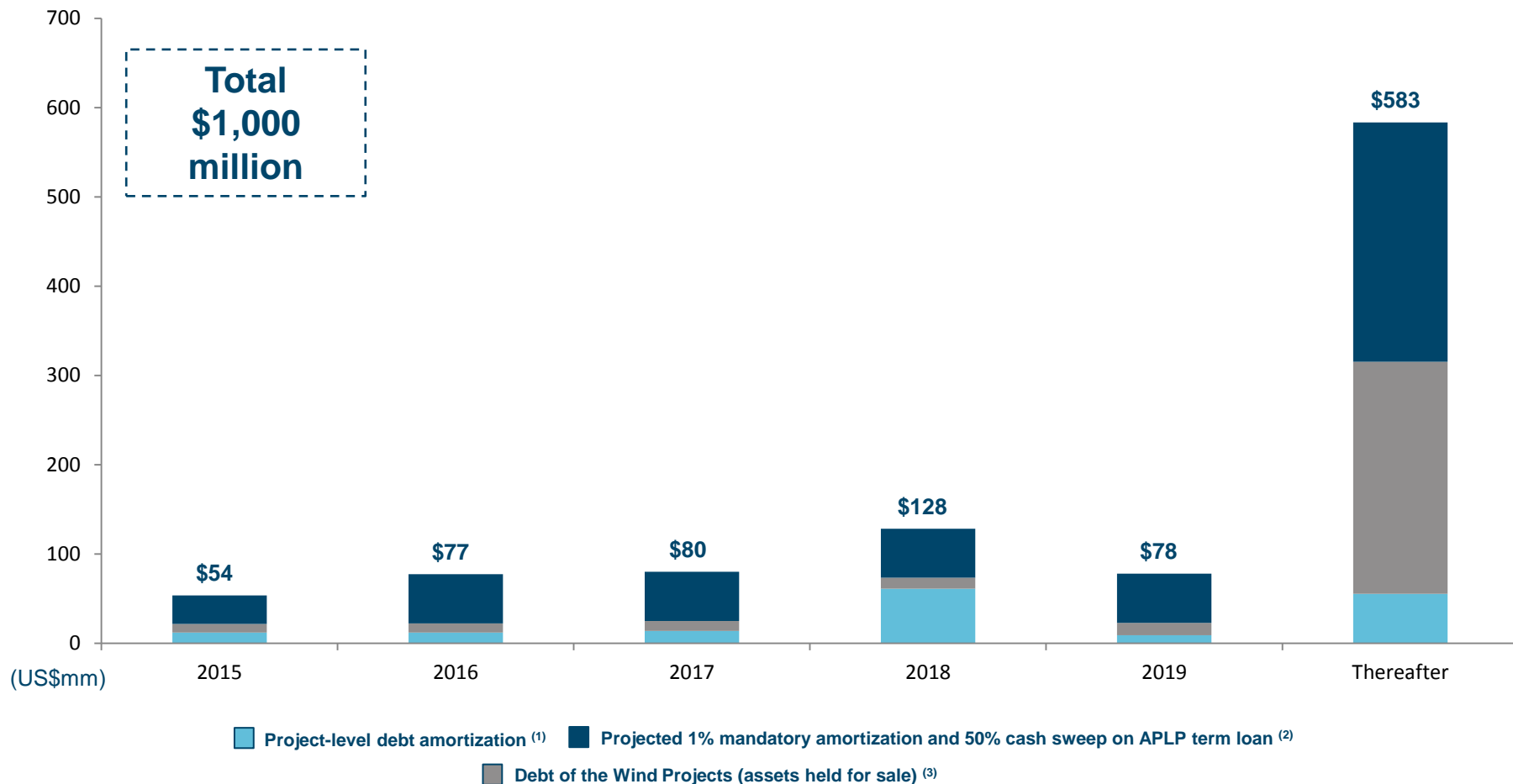
(4) Common equity includes other comprehensive income and retained deficit

## Bullet Debt Maturity Profile at March 31, 2015 (\$ millions)



# Amortizing Debt Schedule at March 31, 2015 (\$ millions)

- Project-level non-recourse debt totaling \$480 million (including \$317 million from the Wind Projects that are assets held for sale) that amortizes over the life of the project PPAs
- \$520 million 7-year amortizing term loan at APLP, which has 1% annual amortization (calculated on the declining balance of the loan) and a 50% sweep of APLP's free cash flow







# Calculation of APLP Cash Sweep (\$ millions)

**2015 APLP Project Adjusted EBITDA (\$148 - \$160)**

*Less:*

*Capitalized portion of major maintenance and capex*

---

**= Cash flow before debt service**

*Less:*

*Interest expense on revolving credit facility*

*Interest expense on term loan*

*Interest expense on medium-term notes*

*Term loan 1% fixed mandatory amortization*

---

**= Cash flow before 50% cash sweep <sup>(1)</sup>**

50% applied to amortize  
term loan at APLP

50% retained at APLP

*Less:*

*Preferred share dividends*

---

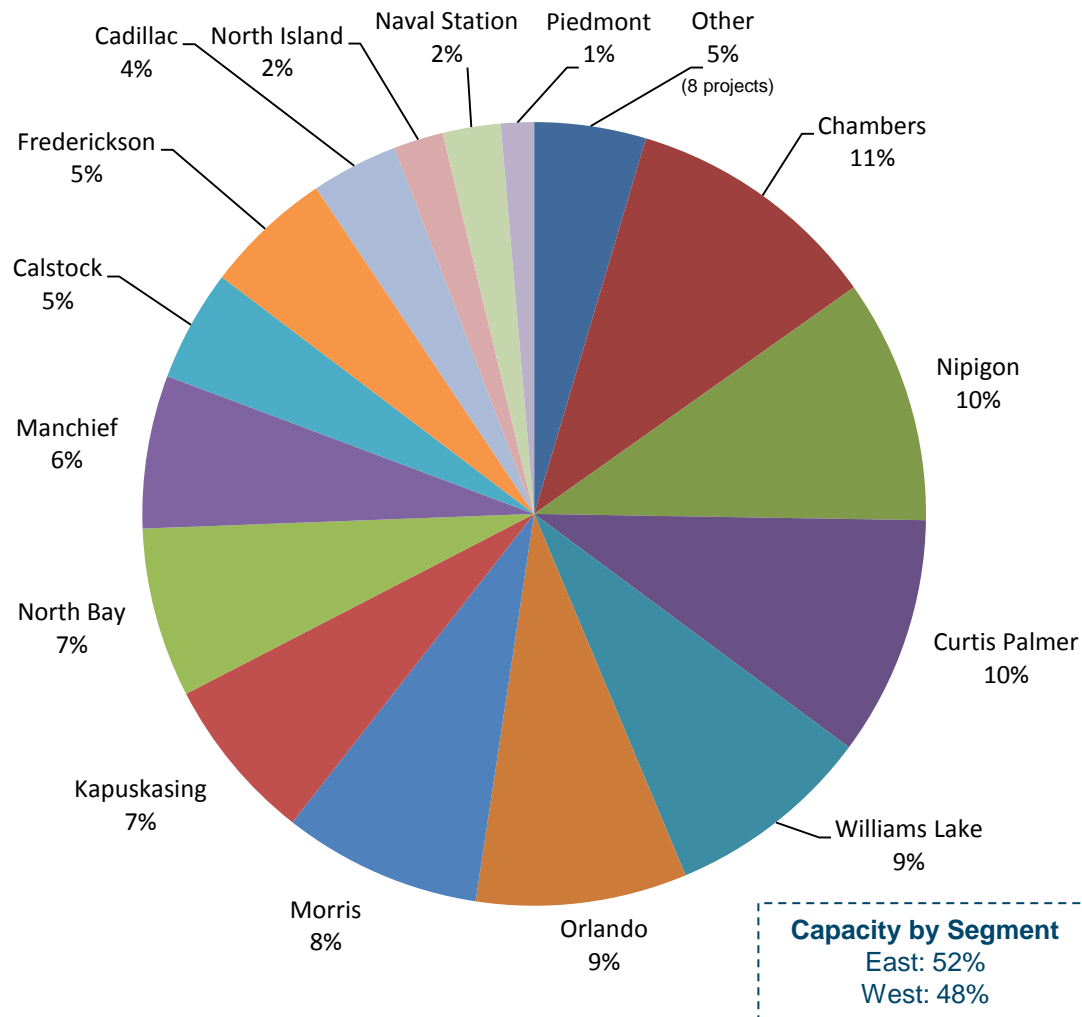
**= Distributions to APC <sup>(1)</sup>**

<sup>(1)</sup> The cash sweep and distributions to the Company from APLP occur at each quarter end.

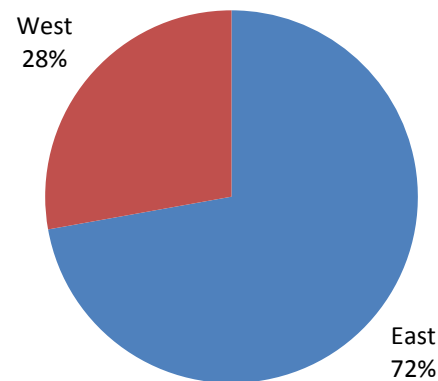
# Earnings and Cash Flow Well Diversified by Project

East segment most significant contributor

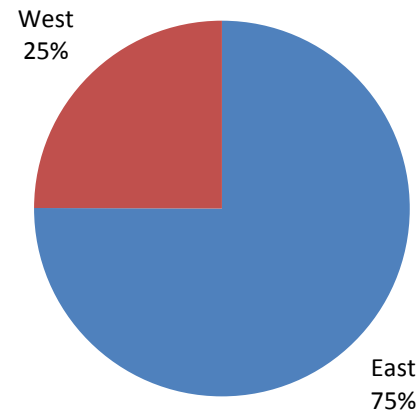
**No single project contributed more than 11% to Project Adjusted EBITDA for the three months ended March 31, 2015 <sup>(1)</sup>**



**Q1 2015 Project Adjusted EBITDA by Segment <sup>(1)</sup>**



**Q1 2015 Cash Distributions from Projects by Segment <sup>(2)</sup>**

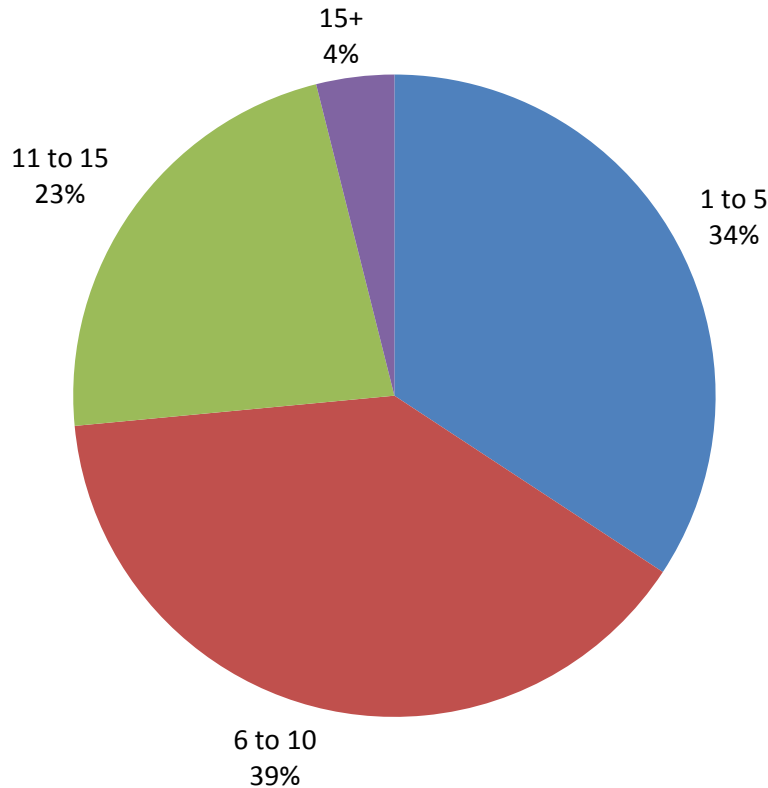


<sup>(1)</sup> Based on \$58.6 million in Project Adjusted EBITDA for the year ended December 31, 2014; does not include Project Adjusted EBITDA from discontinued operations. Unallocated corporate segment is included in "Other" category for project percentage allocation and allocated equally between segments for the Q1 2015 Project Adjusted EBITDA by Segment. Selected projects were projected to be top contributors and to comprise approximately 90% of the Company's 2015 budget. <sup>(2)</sup> Based on \$56.9 million in Cash Distributions from Projects for the three months ended March 31, 2015.

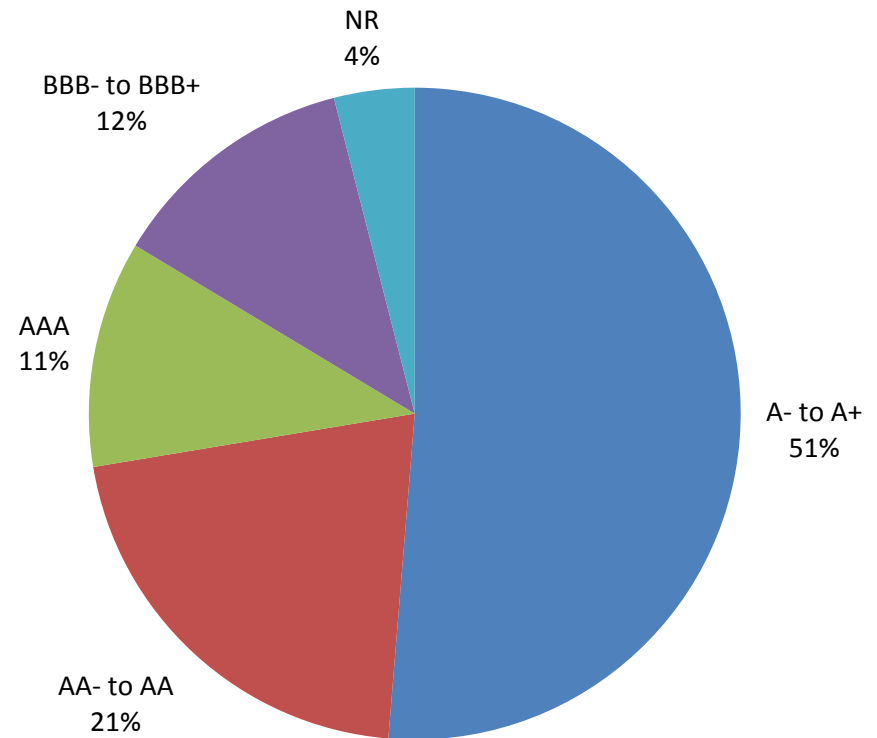
# Cash Flows Supported by Contracts with Creditworthy Offtakers

AT's contracted projects have an average remaining PPA life of 7.85 years <sup>(1)</sup>

PPA Length (years) <sup>(1)</sup>



Pro Forma Offtaker Credit Rating <sup>(1)</sup>



**69% of Project Adjusted EBITDA generated from PPAs that expire beyond the next five years**

<sup>(1)</sup> Weighted by 2014 Project Adjusted EBITDA and excluding: the Wind Projects which are classified as assets held for sale and discontinued operations as of March 31, 2015; Delta-Person and Greeley (the Company completed the sales of Greeley in March 2014 and Delta-Person in July 2014); and Selkirk and Tunis, for which the PPAs expired 8/31/14 and 12/31/14, respectively.

# Regulation G Disclosures

Project Adjusted EBITDA is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP, and is therefore unlikely to be comparable to similar measures presented by other companies. Project Adjusted EBITDA is defined as project income (loss) plus interest, taxes, depreciation and amortization (including non-cash impairment charges) and changes in the fair value of derivative instruments. Management uses Project Adjusted EBITDA at the project level to provide comparative information about project performance and believes such information is helpful to investors. A reconciliation of Project Adjusted EBITDA to project income (loss) is provided below. Investors are cautioned that the Company may calculate this measure in a manner that is different from other companies.

Cash Distributions from Projects, Adjusted Cash Flows from Operating Activities, Free Cash Flow and Adjusted Free Cash Flow are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP, and are therefore unlikely to be comparable to similar measures presented by other companies. Adjusted Cash Flows from Operating Activities is used to evaluate cash flows from operating activities without the effects of changes in working capital balances, acquisition expenses, litigation expenses, severance and restructuring charges, and cash provided by or used in discontinued operations. The intent is to reflect normal operations and remove items that are not reflective of the long-term operations of the business. Free Cash Flow is defined as cash flows from operating activities less capex; project-level debt repayments, including amortization of the new term loan; and distributions to noncontrolling interests, including preferred share dividends. Adjusted Free Cash Flow is defined as Free Cash Flow excluding changes in working capital balances, acquisition expenses, litigation expense, severance and restructuring charges, and cash provided by or used in discontinued operations. Management believes that these non-GAAP cash flow measures are relevant supplemental measures of the Company's ability to earn and distribute cash returns to investors. A reconciliation of Free Cash Flow to cash flows from operating activities is provided below. Reconciliations of Adjusted Free Cash Flow and Adjusted Cash Flows from Operating Activities to cash flows from operating activities are provided below. Investors are cautioned that the Company may calculate these measures in a manner that is different from other companies.

(Unaudited)	Three months ended March 31,	
	2015	2014
<b>Cash Distributions from Projects</b>	\$56.9	\$44.0
Repayment of long-term debt	(2.5)	(11.0)
Interest expense, net	(2.5)	(11.6)
Capital expenditures	(1.6)	(1.0)
Other, including changes in working capital	4.9	11.2
<b>Project Adjusted EBITDA</b>	\$58.6	\$56.4
Depreciation and amortization	32.9	40.8
Interest expense, net	2.5	11.5
Change in the fair value of derivative instruments	1.7	(21.9)
Other income	-	0.3
<b>Project income</b>	\$21.5	\$25.7
Administrative and other expenses (income)	1.5	56.8
Income tax benefit	(4.6)	(16.9)
Net (loss) from discontinued operations, net of tax	(12.3)	(8.3)
<b>Net income (loss)</b>	\$12.3	\$(22.5)
Adjustments to reconcile to net cash provided by operating activities		
Change in other operating balances	6.8	(3.4)
	16.0	(2.8)
<b>Cash flows from operating activities</b>	\$35.1	\$(28.7)
Term loan facility repayments <sup>(1)</sup>	(21.3)	-
Project-level debt repayments	(2.5)	(9.9)
Purchases of property, plant and equipment <sup>(2)</sup>	(1.3)	(2.6)
Distributions to noncontrolling interests <sup>(3)</sup>	(2.7)	(2.1)
Dividends on preferred shares of a subsidiary company	(2.3)	(3.0)
<b>Free Cash Flow</b>	\$5.0	\$(46.3)

(1) Includes mandatory 1% annual amortization and 50% excess cash flow repayments by the Partnership.

(2) Excludes construction costs related to the Company's Canadian Hills project in 2014.

(3) Distributions to noncontrolling interests include distributions to the tax equity investors at Canadian Hills and to the other 50% owner of Rockland.

Note: Cash Distributions from Projects, Project Adjusted EBITDA and Free Cash Flow are not recognized measures under GAAP and do not have any standardized meanings prescribed by GAAP; therefore, these measures may not be comparable to similar measures presented by other companies.

(Unaudited)	Three months ended March 31,	
	2015	2014
<b>Cash flows from operating activities</b>	\$35.1	\$(28.7)
Changes in other operating balances	6.0	22.7
Cash flows from discontinued operations	(10.8)	(8.8)
Severance charges	2.9	0.5
Restructuring charges	1.2	-
Litigation expenses	-	0.2
Refinancing transaction costs	-	49.4
<b>Adjusted Cash Flows from Operating Activities</b>	\$34.4	\$35.3
Term loan facility repayments <sup>(1)</sup>	(21.3)	-
Project-level debt repayments	(2.5)	(9.9)
<i>Amount associated with discontinued operations (included in line above)</i>	-	-
<i>Principal repayment of Piedmont debt at term conversion (included above)</i>	-	8.1
Purchases of property, plant and equipment <sup>(2)</sup>	(1.3)	(2.6)
<i>Amount associated with discontinued operations (included in line above)</i>	-	-
Distributions to noncontrolling interests <sup>(3)</sup>	(2.7)	(2.1)
<i>Amount associated with discontinued operations (included in line above)</i>	2.7	2.1
Dividends on preferred shares of a subsidiary company	(2.3)	(3.0)
<b>Adjusted Free Cash Flow</b>	\$7.0	\$27.9
Additional GAAP cash flow measures:		
Cash flows from investing activities	\$7.6	\$71.6
Cash flows from financing activities	\$(46.4)	\$(21.5)

(1) Includes mandatory 1% annual amortization and 50% excess cash flow repayments by the Partnership.

(2) Excludes construction costs related to the Company's Canadian Hills project in 2014 and 2013 and its Piedmont and Meadow Creek projects in 2013.

(3) Distributions to noncontrolling interests primarily include distributions, if any, to the tax equity investors at Canadian Hills and to the other 50% owner of Rockland.

Note: Adjusted Cash Flows from Operating Activities and Adjusted Free Cash Flow are not recognized measures under GAAP and do not have any standardized meanings prescribed by GAAP; therefore, these measures may not be comparable to similar measures presented by other companies.