AtlanticPower Corporation

# Atlantic Power Corporation

August 2010

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# Atlantic Power Overview


- Dual listed in Canada and U.S. (TSX: ATP, NYSE: AT)
  - $1.2 billion enterprise value
  - $750 million market capitalization
- Attractive cash flow from large, diversified power portfolio
  - 808 net MWs of power generation from 12 facilities
  - Additional 77MW net under construction by Idaho Wind Partners
  - 84-mile 500kv transmission line in California
  - Investment grade customers under medium to long-term contracts
- Demonstrated growth since IPO in 2004
  - Seven acquisitions including two at existing projects
  - Raised over Cdn$750 million in public and private transactions
  - Three distribution increases
  - Numerous project initiatives to enhance cash flows and reduce risk, including three gas turbine upgrades, five contract extensions and gas price hedging
  - Late stage development opportunities include six biomass projects totaling 290MW
- Stable dividends
  - Approximately 95% of portfolio’s net MW contracted through 2013
  - Approximately half of power revenues from capacity payments
  - US$/Cdn$ currency hedge through 2013
  - Nearly 90% of all the Company’s interest rate exposure fixed
  - Ability to maintain current dividend level into 2016 with no acquisitions
- Highly experienced management team and partners
  - Lessons learned from many cycles and episodes in the independent power industry
  - Partners have significant operating and investment experience in power sector

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# Atlantic Power History


**Nov '04**
Completion of Cdn$368 million IPO

**Aug '05**
Acquired 40% interest in Chambers Project

**Sept '05**
Cdn$0.03 per IPS distribution increase

**Oct '05**
Private placement of Cnd$75 million IPSs

**June '06**
Acquired Path 15 Project Transmission Line

**Sept '06**
Cdn$0.03 per IPS distribution increase

**Oct '06**
Public offering of Cdn$90 million of IPSs and Cdn$60 million of 6.25% convertible debentures

**Dec '06**
Private placement of Cdn$86 million IPSs and Cdn$3.0 million principal amount of 11% subordinated notes due 2016

**Nov '07**
Acquired remaining 50% interest in Pasco Cogeneration Project

**Oct '08**
Acquired Auburndale Power Partners, LP

**Nov '08**
Cdn$0.034 per IPS distribution increase

**Mar '09**
Acquired 40% interest in Rollcast Energy, Inc. forms Onondaga Renewables Joint Venture

**Oct '09**
Announced conversion to common share company, mgmt. internalization and planned NYSE listing

**Nov '09**
Sale of interests in Stockton and Mid Georgia

**Dec '09**
Public offering of Cdn$86 million of 6.25% convertible debentures and redemption of subordinated notes

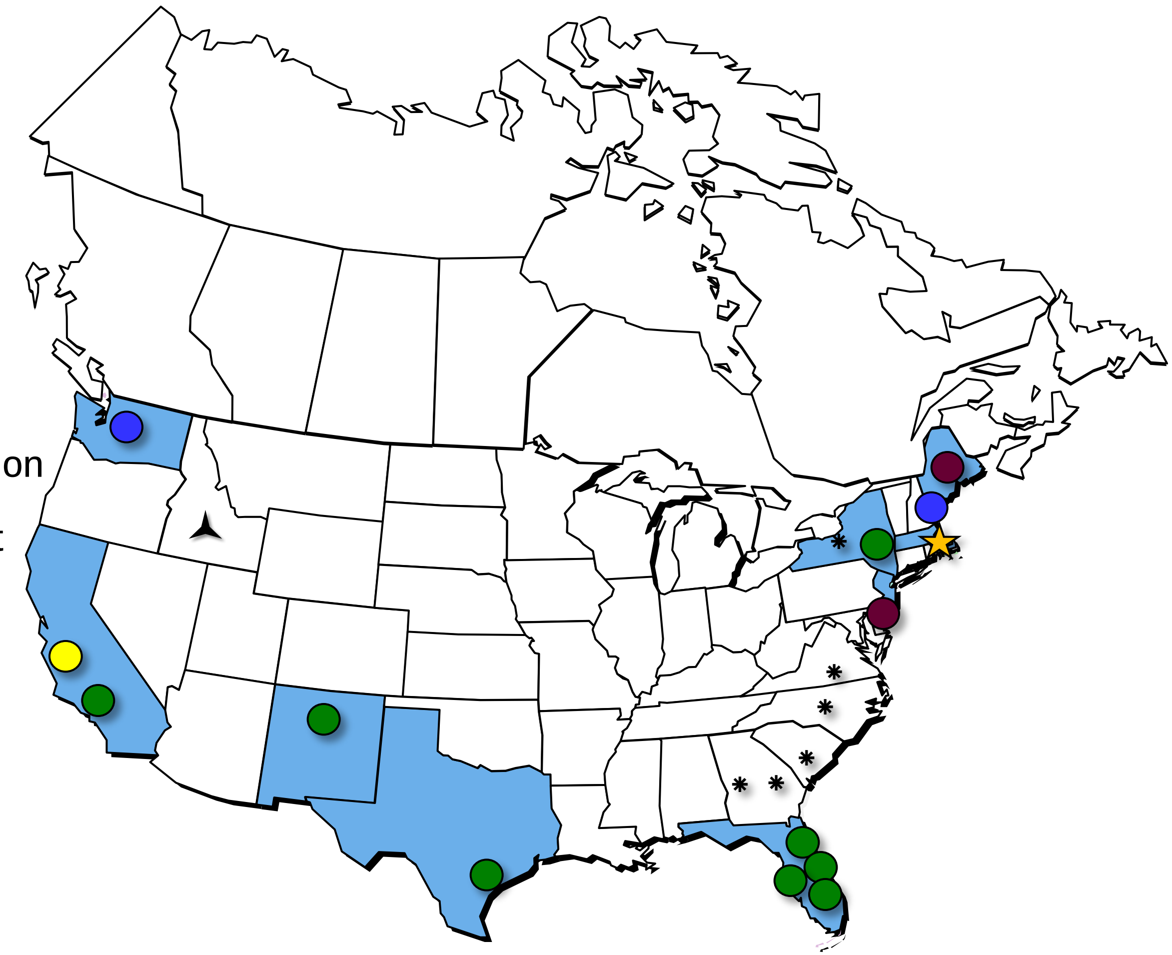
**Jul '10**
Listed on NYSE

**Jul '10**
Acquired 27.6% interest in 183MW Idaho Wind Partners

2004 2005 2006 2007 2008 2009 2010

# Portfolio Diversification

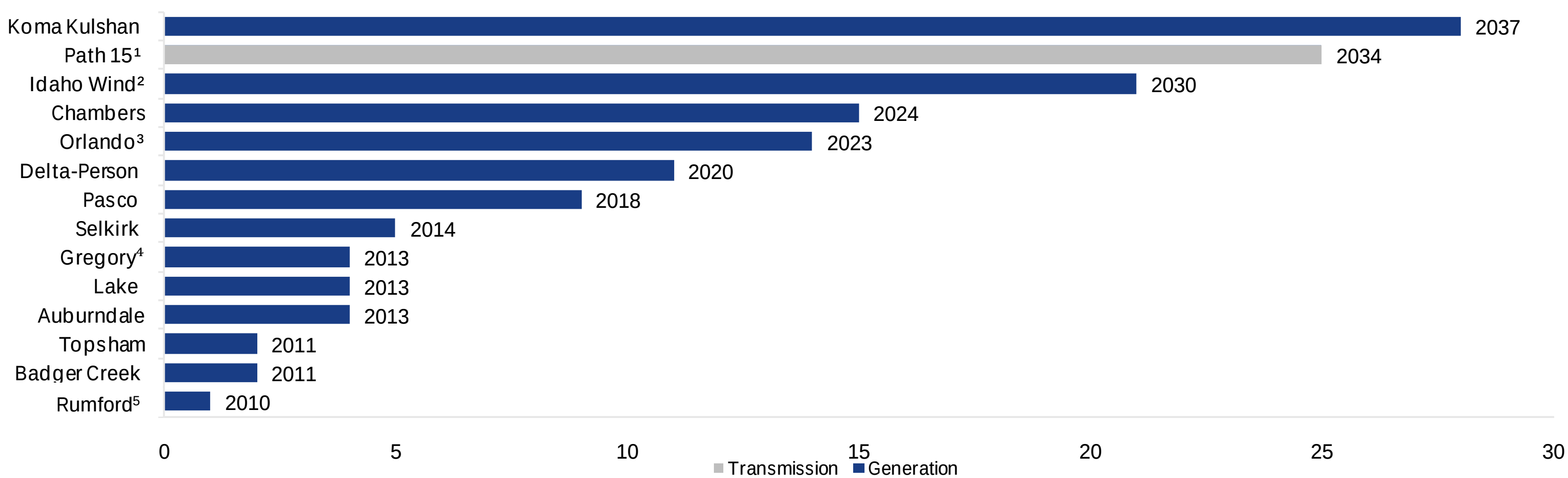

- Hydro Power Plant
- Coal Power Plant
- Natural Gas Power Plant
- Transmission Line
- Wind project under construction
- Biomass Development Project
- Headquarters – Boston, MA



# Long Term Contracts

- All generation projects currently have power contracts
  - Predictable and stable revenue, margins and cashflows
- Approximately 95% of generation portfolio net MW currently contracted through 2013
- Fuel price pass through mechanisms in power purchase agreements generally protect operating margins

## Existing PPA Overview



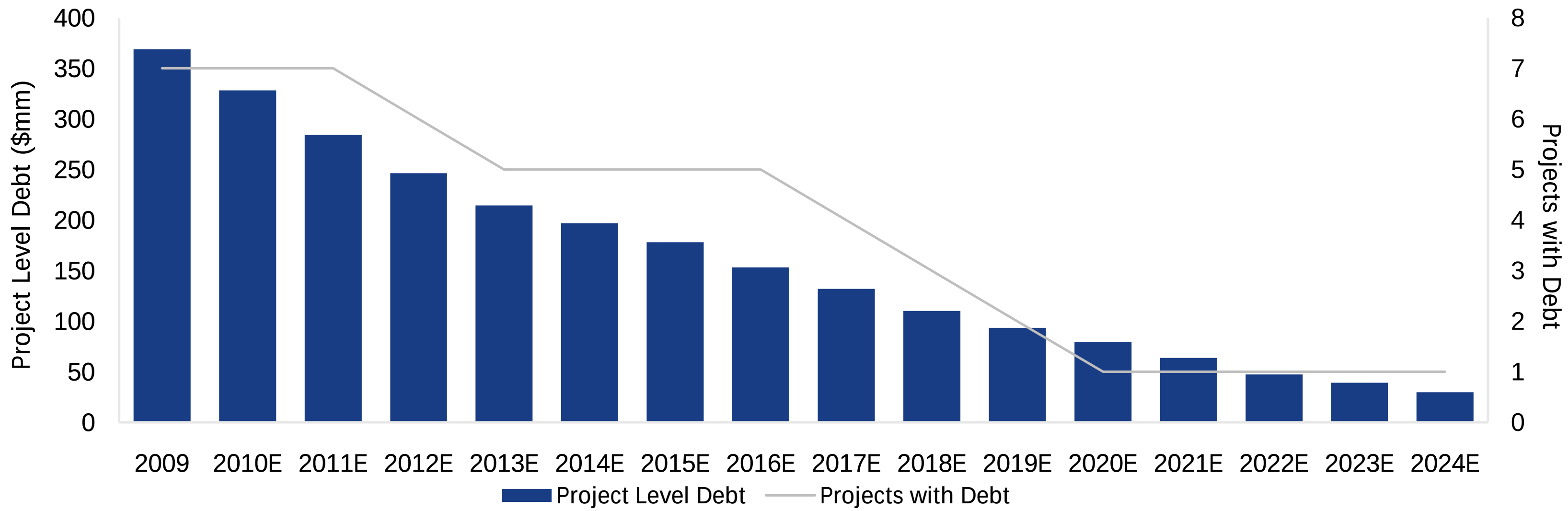

Notes:

1. Transmission line with a 30 year regulatory life through 2034
2. Under construction with expected completion in late 2010 or early 2011
3. Contract with Reedy Creek (19 net MW) expires in 2013, but Progress Energy agreed to buy this output
4. Contract with Sherwin Alumina (9 net MW) expires in 2020
5. Off-taker has option to acquire facility in 2010

# Significant Deleveraging of Project Level Debt

- Year-end 2009 project debt totals $368 million, including $316 million at consolidated and proportionately consolidated projects.
- Virtually all project level debt fully amortizes before their respective power agreement expires
- At year-end 2009, project-level debt is limited to three consolidated projects (on balance sheet) and three equity-method investments (off balance sheet)
  - At the end of 2020, only Path 15 will have project level debt remaining
- All project debt is non-recourse

## Forecasted Project Level Debt (1)




(1) Excludes projects under development or construction

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# Growth Strategy Overview

**Objectives are to maintain the stability and sustainability of cash distributions and maximize shareholder value**

**Organic Growth**

- Increase ownership at existing projects
- Continue extending PPAs beyond current expirations
- Increase reliability, efficiency and output of existing facilities
- Manage maintenance costs
- Optimize fuel supply and transportation
- Manage environmental and regulatory compliance

**Acquisition Growth**

- Focus on the electric power industry in the U.S. and Canada
- Use industry network to maximize proprietary opportunities
- Late stage development joint-ventures leading to attractive project investments
- Stringent acquisition and investment criteria

# Acquisition Track Record

**Idaho Wind (July 2010)**

- 27.6% interest in 183 MW wind power project under construction
- 20-year PPA with Idaho Power
- Construction completion expected in late 2010 or early 2011

**Auburndale (November 2008)**

- 155MW combined cycle cogeneration facility – Florida
- Strong power purchase and fuel supply agreements
- Purchase price of approximately $140 million – immediately accretive

**Path 15 (June 2006)**

- Diversification and stable cash flows from federal rate-base regulation
- Virtually no risk from operations, commodity prices or line usage
- $30 million net equity investment - cash distributions of over $40 million

**Chambers (August 2005)**

- Good PPA through 2024 with effective fuel price pass-through
- Strong operating history and advanced emission control technology
- State limits $CO_2$ offset cost under RGGI to $2/ton for PPA output

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# 2009 and YTD 2010 Operating Results


| ($ millions) | Year Ended Dec 31 2009 | Year Ended Dec 31 2008 | Six Months Ended March 31 2010 | Six Months Ended March 31 2009 |
|---|---|---|---|---|
| Adjusted EBITDA | **$144.2** | $174.7 | **$77.3** | $75.0 |
| Cash Available for Distribution | **$66.3** | $91.0 | **$25.3** | $39.2 |
| Payout Ratio | **88%** | 67% | **125%** | 71% |

***Full-year 2010 payout ratio expected to be approximately 100% with guidance of 80-90% in 2011***

# U.S. Renewable Policy Framework


- U.S. stimulus bill enhances Renewable/Biomass Policy Factors returns
  - Provides grant option for 30% of qualified costs
  - Biomass windows: commence/complete construction by YE10/YE12
  - No Mwh production risk like PTC option
- 29 states have some form of Renewable Portfolio Standard
- Renewable Energy Credits (REC) market in early phase of development – varies by state
- Possibility of Federal RPS – timing unclear

# Atlantic's Biomass Investments


- Atlantic owns 60% of Rollcast Energy
  - North Carolina-based developer of biomass power plants
  - 250MW of projects being developed in Southeastern U.S.
  - Two projects have 20-year PPAs with fuel price pass-through provisions
- Primary objective to invest in all projects under development
- Piedmont: First Rollcast project in Barnesville, Georgia
  - Executed engagement letter and term sheet with lead bank for financing
  - Four types of fuel sources; barriers to entry for competing plants
  - Executed turnkey construction agreement
  - Construction start expected in September/October
- Onondaga renewables
  - Redeveloping former Onondaga Cogen site in New York into a 35-40 MW biomass plant in 50/50 JV with an experienced developer
  - Working on PPA
- Other biomass opportunities currently under review

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# Additional Renewable Opportunities


- Reviewing several wind projects in the U.S.
  - Also benefit from federal stimulus/grant
  - Shorter construction cycle than biomass
  - Will again partner with experienced teams
- Considering wind and hydro projects in Canada
  - Entry points either late stage development or initial equity party's selldown
  - Policy incentives via revenue items; better than via tax since we have significant NOLs
- Other project types have had impediments
  - Scale, technology, long development cycle

# Common Share Conversion


- Effectively increased after-tax distributions to taxable investors in Canada and the U.S.
- Common share structure expected to broaden investor base and reduces complexity and costs related to the original IPS security
- Enabled a listing on the NYSE completed in July 2010
- Removed uncertainty regarding 2016 maturity of subordinated notes and greatly reduced the Company's leverage
- Post-conversion structure maintains U.S. tax efficiency

***Conversion has lowered the cost of capital and strengthened Atlantic's ability to execute its growth plan***

# U.S. Listing on NYSE


- Began trading on NYSE on July 26
- Significant benefits to additional listing in the U.S.
  - Over 50% of shares already held in U.S.
  - New listing will broaden U.S. retail investor interest
  - Enables marketing to U.S. institutions
  - Should increase overall North American liquidity
  - Will have ability to raise new capital in both Canada and U.S.
- Average daily volume of over 150k shares on NYSE in first month of trading
- Toronto Stock Exchange listing unchanged

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# Key Elements of Guidance

- Long-term guidance improved
  - able to maintain dividend level into 2016 with no organic growth or acquisitions
  - extended from previous guidance that dividends could be continued into 2015
  - updated guidance based on improvements in long-term cash flow projections from existing assets and inclusion of expected cash flow from Idaho Wind
- 2010 project distributions projected to be $75-80 million
  - reduced from 2009 due to one-time items and one new PPA, but increased from previous guidance of $70-$77 million
  - including expected tax refund, payout ratio close to 100%
- 2011 payout ratio projected to be 80% to 90%
  - increased project distributions and inclusion of Idaho Wind, partially offset by no tax refund
- Additional improvement expected in 2012
  - further increased project distributions
  - Selkirk will make last debt payment in mid2012
- Project debt service payments decrease in 2012-2014

# Investment Highlights


1. Attractive and diversified portfolio in key US markets
2. High quality assets with strong credit worthy off-takers
3. Predictable and stable cash flows supported by long-term contracts
4. Experienced management team
5. Excellent acquisition track record
6. Common share conversion and NYSE listing facilitate growth plans

# Appendices

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# Power Project Portfolio


| Project Name | Location (State) | Type | Total MW | Economic Interest [1] | Accounting Treatment [2] | Net MW [3] | Electricity Purchaser | Power Contract Expiry | Customer S&P Credit Rating |
|---|---|---|---|---|---|---|---|---|---|
| Auburndale | Florida | Natural Gas | 155 | 100.0% | C | 155 | Progress Energy Florida | 2013 | BBB+ |
| Lake | Florida | Natural Gas | 121 | 100.0% | C | 121 | Progress Energy Florida | 2013 | BBB+ |
| Pasco | Florida | Natural Gas | 121 | 100.0% | C | 121 | Tampa Electric Co. | 2018 | BBB |
| | | | | | | 89 | ACE [4] | 2024 | BBB+ |
| Chambers | New Jersey | Coal | 262 | 40.0% | E | 16 | DuPont | 2024 | A |
| Path 15 | California | Transmission | N/A | 100.0% | C | N/A | California Utilities via CAISO [5] | N/A [6] | BBB+ to A [7] |
| | | | | | | 46 | Progress Energy Florida | 2023 | BBB+ |
| Orlando | Florida | Natural Gas | 129 | 50.0% | E | 19 | Reedy Creek Improvement District | 2013[8] | A [9] |
| | | | | | | 15 | Merchant | N/A | N/R |
| Selkirk | New York | Natural Gas | 345 | 18.50% [10] | E | 49 | Consolidated Edison | 2014 | A- |
| | | | | | | 59 | Fortis Energy Marketing and Trading | 2013 | A- |
| Gregory | Texas | Natural Gas | 400 | 17.10% | E | 9 | Sherwin Alumina | 2020 | NR |
| Topsham[11] | Maine | Hydro | 14 | 50.0% | E | 7 | Central Maine Power | 2011 | BBB+ |
| Badger Creek | California | Natural Gas | 46 | 50.0% | E | 23 | Pacific Gas & Electric | 2011 | BBB+ |
| Idaho Wind Partners [12] | Idaho | Wind | 183 | 27.56% | E | 51 | Idaho Power Company | 2030 | BBB |
| Rumford | Maine | Coal/ Biomass | 85 | 23.50% [10] | E | 20 | Rumford Paper Co. | 2010 | N/R |
| Koma Kulshan | Washington | Hydro | 13 | 49.80% | E | 6 | Puget Sound Energy | 2037 | BBB |
| Delta-Person | New Mexico | Natural Gas | 132 | 40.0% | E | 53 | PNM | 2020 | BB- |

(1) Except as otherwise noted, economic interest represents the percentage ownership interest in the Project held indirectly by Atlantic Power.
(2) Accounting Treatment: C – Consolidated and E – Equity Method of Accounting
(3) Represents our interest in each Project's electric generation capacity based on our economic interest.
(4) Includes separate power sales agreement in which the Project and ACE share profits on spot sales of energy and capacity not purchased by ACE under the base PPA.
(5) California utilities pay transmission access charges ("TACs") to CAISO, who then pays owners of TSRs, such as Path 15, in accordance with its FERC approved annual revenue requirement.
(6) Path 15 is a FERC regulated asset with a FERC-approved regulatory life of 30 years through 2034.
(7) Largest payers of TACs supporting Path 15's annual revenue requirement are PG&E (BBB+), SoCal Ed (BBB+) and SDG&E (A). CAISO imposes minimum credit quality requirements for any participants of A or better unless collateral is posted per CAISO imposed schedule.
(8) Upon the expiry of the Reedy Creek PPA, the associated capacity and energy will be sold to PEF.
(9) Fitch rating on Reedy Creek Improvement District bonds.
(10) Represents our estimated share of the cash flow from the Project.
(11) The Company owns its interest in this Project as a lessor.
(12) Project currently under construction and is expected to be completed in late 2010 or early 2011.

# Atlantic Power - Management Team & Board


**Effective blend of industry and technical knowledge, financial and accounting skills**

**Broad experience in the independent power industry:**

- project development - gas, hydro, biomass and waste-to-energy
- acquisitions
- asset management
- finance - project and corporate finance, interest rate and commodity hedging
- project optimization – modifying PPAs, fuel and steam agreements; physical vs. financial

## Management Team

- **Barry Welch, CEO:** Was head of John Hancock's Bond & Corporate Finance Group with over $50 billion of Assets Under Management. Previously head of their Power and Energy Portfolio. Previously was an IPP developer with Thermo Electron. BS-Engineering from Princeton and MBA from Boston College.
- **Patrick Welch, CFO:** (Not related to CEO) Previously VP & Controller of DCP Midstream, LP, a midstream natural gas company, and the MLP it sponsored. Before that, VP & Controller of Dynegy Generation and Assistant Controller of Dynegy, Inc. Senior Audit Manager in Energy, Utilities & Mining Practice of PwC. BS from University of Central Oklahoma.
- **Paul Rapisarda, Managing Director, Acquisitions and Asset Management:** Previously a principal with Compass Partners a boutique M&A advisory firm in New York, where he was involved in numerous transactions in the energy and power sectors. Prior to Compass Advisors, Mr. Rapisarda held senior positions with the energy and utilities investment banking teams at Schroders, Merrill Lynch and BT Securities. Mr. Rapisarda earned his Bachelors degree from Amherst College and his MBA from Harvard Business School.

## Board of Directors

| | | |
|---|---|---|
| • **Irving Gerstein** | Toronto Chairman<br>Chair-Nominating and Governance Committee | Member of Senate of Canada; also on boards of Student Transportation of America (STB.UN) and Medical Facilities Corporation (DR.UN) |
| • **Ken Hartwick** | Toronto Chair – Audit and Compensation Committees | CEO, President and Director of Just Energy (JE.UN) |
| • **John McNeil** | Toronto | President of BDR North America (Energy Consulting) |
| • **Holli Nichols** | Texas | Chief Financial Officer, Dynegy |
| • **R. Foster Duncan** | Ohio | Managing Director, Advantage Capital |
| • **Barry Welch** | Massachusetts | CEO and President of Atlantic Power |


Certain statements in this presentation may constitute "forward-looking statements", which reflect the expectations of Atlantic Power Corporation (the "Company") regarding future growth, results of operations, performance and business prospects and opportunities of the Company and the Projects (as defined below). Examples of such statements include, but are not limited to statements with respect to the following:

- the expected access to, and cost of capital following the Common Share Conversion;
- the expected increase in the Company's base of potential investors as a result of the Conversion;
- the expectation that the Company's cash on hand and projected future cash flows from existing Projects will be adequate to meet the current level of dividends to shareholders into 2016 without additional acquisitions or organic growth;
- the amount of distributions expected to be received from the Projects for the full year 2010;
- levels of cash flow and payout ratio estimated for 2010, 2011 and 2012; and
- expectations about cash flows and construction completion timing of Idaho Wind.

Such forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this presentation. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to the assumption that the Projects will operate and perform in accordance with the Company's expectations. 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. In addition to the assumption described above, reference should also be had to the factors discussed under "Risk Factors" in the Company's Annual Information Form dated March 29, 2010. 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 financial outlook information contained in this presentation is presented to provide readers with guidance on the cash distributions expected to be received by the Company and to give readers a better understanding of the Company's ability to pay its current level of distributions into the future. Readers are cautioned that such information may not be appropriate for other purposes.