



**AtlanticPower**  
Corporation



## **Q2 2014 Investor Presentation**

August 2014

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## Disclaimer – Non-GAAP Measures

Free Cash Flow, Cash Distributions from Projects and APLP Project Adjusted EBITDA are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. 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. Management believes that Free Cash Flow and Cash Distributions from Projects are relevant supplemental measures of the Company’s ability to earn and distribute cash returns to investors. Reconciliations of Free Cash Flow to cash flows from operating activities and of Cash Distributions from Projects to project income (loss) are provided on slide 39 of this presentation. Investors are cautioned that the Company may calculate these measures in a manner that is different from 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 fair value of derivative instruments. Project Adjusted EBITDA is not a measure recognized under GAAP and is therefore unlikely to be comparable to similar measures presented by other companies and does not have a standardized meaning prescribed by GAAP. 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) and a bridge to Cash Distributions from Projects are provided on slide 39 of this presentation. Investors are cautioned that the Company may calculate this measure in a manner that is different from other companies.

The Company has not reconciled non-GAAP financial measures relating to individual projects 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.

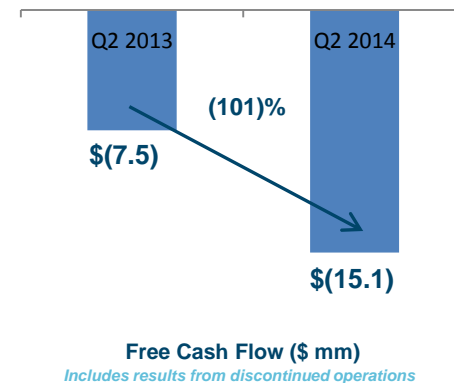
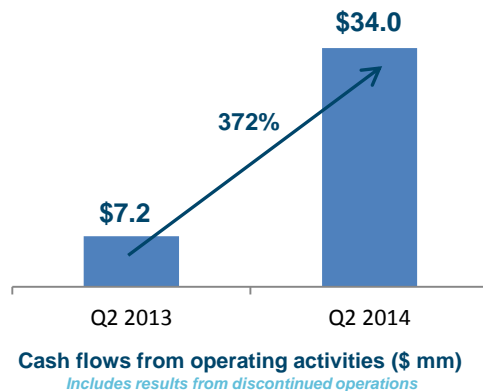
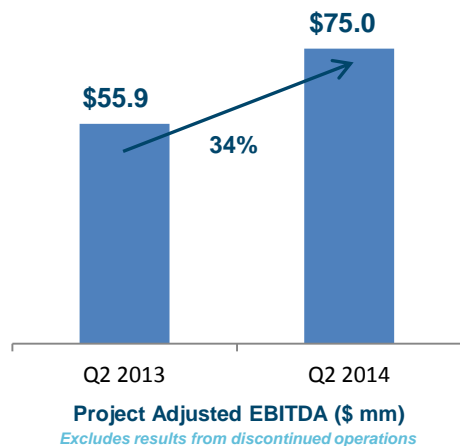


# Agenda

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- Q2 2014 Highlights (Slide 4)
- Operations Update (Slides 5 - 7)
- Commercial Update (Slide 8)
- Financial Review (Slides 9 - 20)
- Appendix (Slides 21 - 39)

## Q2 2014 Highlights



### 34% increase in Project Adjusted EBITDA to \$75 million

- + Lower maintenance expense at several projects due to fewer gas turbine outages this year than last
- + Stronger wind generation, particularly at Meadow Creek
- + Increased water flows at Curtis Palmer
- + Increased waste heat generation by our Ontario projects
- + Full quarter of Piedmont operation vs. partial quarter last year
- + Lower gas costs and higher capacity payments at Orlando

### Reported Free Cash Flow was \$(15.1) million

- + Increased cash flows from operating activities of \$26.8 million
- Offset by APLP term loan repayment of \$37.5 million

### Expect positive Free Cash Flow generation in second half

#### Key Takeaways

Strong wind, water and waste heat in Q2 offset most of the Q1 shortfall caused by plant outages

Affirming our 2014 guidance for Project Adjusted EBITDA and Free Cash Flow

On track to reduce debt on a net basis this year by approximately \$80 million

## Q2 2014 Operational Performance: Fewer Outages; Strong Wind, Water and Waste Heat

### Weighted Average Availability

	Q2 2014	Q2 2013
East	90.2%	93.9%
West	90.9%	88.7%
Wind	98.3%	98.6%
<b>Total</b>	<b>91.2%</b>	<b>92.9%</b>

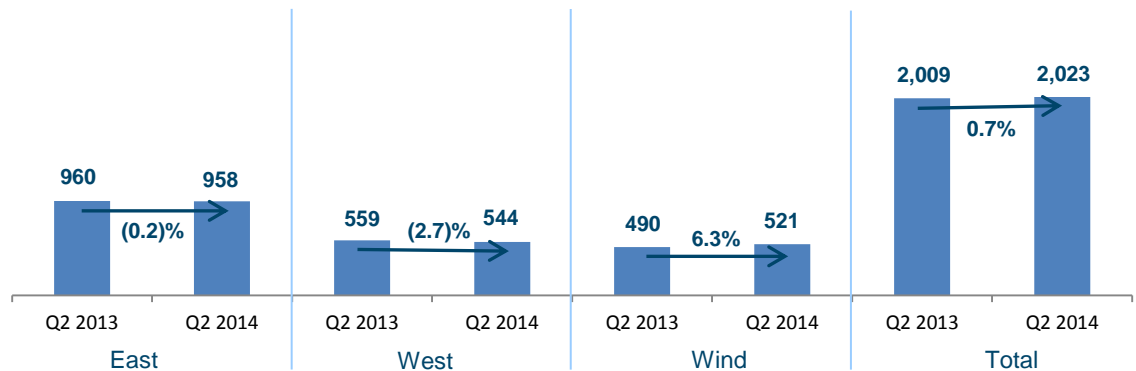
### Availability factor of 91% vs. 93%

- Extended scheduled maintenance outages at Cadillac, Orlando and Naval Station in 2014
- + Favorable outage comparisons vs 2013: Mamquam, Williams Lake and Naval Training Center

### Piedmont Update

- Scheduled outage completed (April)
- 100% of capacity revenues in Q2
- July outage (generator connection)
- Reduced capacity payments likely in Q3

### Aggregate Power Generation Q2 2014 vs. Q2 2013 (thousands, Net MWh)



Generation across our portfolio increased 0.7% for the quarter, driven by:

- + increased generation from Curtis Palmer
- + a full quarter of Piedmont
- + favorable outage comparisons at Williams Lake
- + strong wind conditions at Meadow Creek and Rockland
- reduced dispatch at Manchief and Selkirk
- scheduled maintenance outages at Cadillac, Orlando and Naval Station

### Business recap:

- Wind – Ahead of budget; wind volumes up 6.4%, with Meadow Creek and Rockland up 13% (vs Q2 2013)
- Hydro – Ahead of budget; Curtis Palmer generation up 24% in Q2 (vs Q2 2013)
- Thermal – Slightly ahead of budget; increased waste heat levels at Ontario projects



## Major Maintenance and Capex Update

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- Major maintenance and capex approximately \$35 to \$40 million for 2014
  - Slight decrease from Q1 (\$38 to \$43 million)
  - Insurance recovery at Piedmont
  - Timing of expenditures at another project
  - Includes approximately \$16 million for optimization initiatives
  - Expect capitalized portion to be approximately \$16 million
  - YTD expenditures \$12.5 million (~1/3 of total)
- Nipigon steam generator replacement and upgrade
  - Outage scheduled to begin this month with completion this fall
  - Total estimated cost approximately \$11 million, including \$8 million in 2014
  - Expect additional output when completed
  - PPA runs through 2022



## Optimization Initiatives

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- On track for \$27 million of optimization investments in 2013 and 2014
  - Investments in our existing projects with expected strong payback, more modest capital investment and shorter lag to cash returns than typical construction projects
  - Still expecting run-rate cash flow contribution beginning in 2015 of at least \$8 million annually on a run-rate basis
- Significant projects completed in 2014 include:
  - Curtis Palmer Unit 4 & 5 repowering (completed ahead of schedule)
  - North Island capacity uprate (completed in March)
  - Mamquam completed work to increase output by 4 MW
  - Calstock boiler re-rate completed, increasing output by 2 MW
- Significant initiatives currently under way include:
  - Morris investment to boost energy output (performance testing in August)
  - Nipigon steam generator replacement and upgrade
  - Kenilworth interconnection agreement with PJM executed; install new metering equipment (Q1 2015)



## Commercial Update

- Delta-Person (sale agreement to PNM)
  - Transaction closed on July 17<sup>th</sup>; Company's share of total proceeds \$8.6 million
    - Received \$7.2 million, plus expect to receive another \$1.4 million which is being held in escrow for 12 months post-closing
- Selkirk (65 net MW; 18% ownership; NY) – PPA (49 net MW) expires August 31, 2014
  - Preliminary agreement on 20-year extension of agreement with existing steam host
  - Exploring all feasible options for sale of power
    - ~ 23% of capacity already merchant and affected by lower market prices
    - Based on indications of interest regarding short-term energy tolls and/or capacity hedges, most likely near-term scenario is that full plant will run on merchant basis
  - Still expect significant reduction in Project Adjusted EBITDA post-PPA (\$20.8 million in 2013)
- Tunis (43 MW; 100% ownership; Ontario) – PPA expires December 31, 2014
  - Recent election in Ontario brought Liberal Party back with majority government
    - No major changes in energy policy likely
    - Recently passed budget does include merger of OPA and IESO, which could further slow NUG recontracting discussions, at least in the short term
  - Still expect significant reduction in Project Adjusted EBITDA post-PPA (\$9.5 million in 2013)





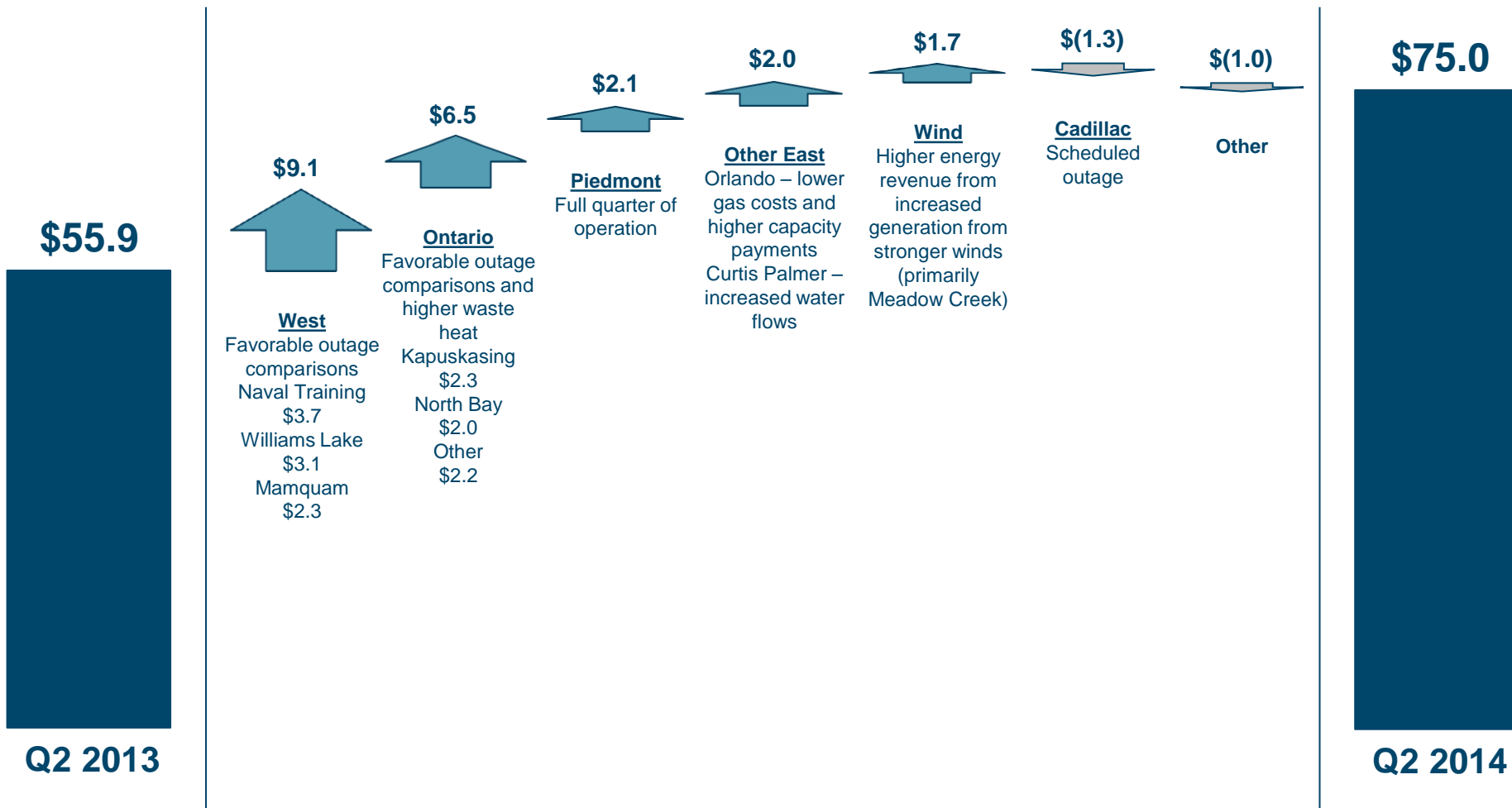
## Financial Review

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- Q2/YTD 2014 Financial Results
- Review of 2014 Guidance
- Current and Projected Debt Levels
- Liquidity Update
- Other Developments

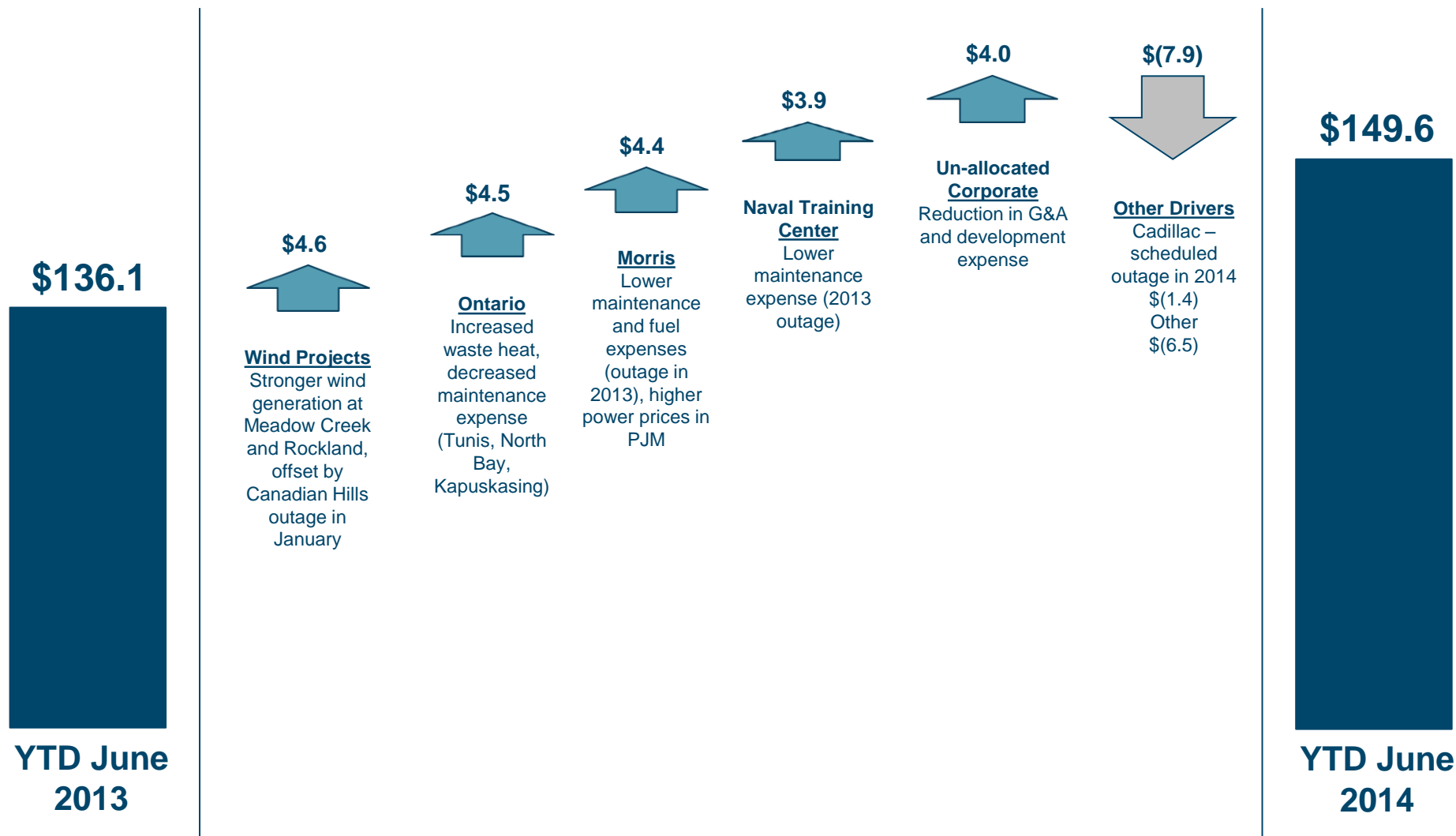
# Project Adjusted EBITDA

Bridge of Q2 2013 to Q2 2014 – Significant factors (\$ millions)



# Project Adjusted EBITDA

Bridge of YTD June 2013 to YTD June 2014 – Significant factors (\$ millions)



## Cash Flow, Q2 2014 vs Q2 2013 (\$ millions)

	Q2 2014	Q2 2013	Change
<b>Cash flows from operating activities</b>	<b>\$34.0</b>	<b>\$7.2</b>	<b>\$26.8</b>
APLP term loan facility repayments	(37.5)	-	(37.5)
Project-level debt repayments	(5.5)	(7.9)	2.4
Capex	0.1	(1.7)	1.8
Distributions to noncontrolling interests	(3.1)	(2.0)	(1.1)
Dividends on preferred shares	(3.1)	(3.1)	-
<b>Free Cash Flow (Reported)</b>	<b>\$(15.1)</b>	<b>\$(7.5)</b>	<b>\$(7.6)</b>

Increase due primarily to two factors:

- \$19.1 increase in Project Adjusted EBITDA
- \$7.0 benefit from changes in working capital

Primarily tax equity investors (Canadian Hills) and minority interest (Rockland)

Net of Piedmont insurance recovery

Includes \$(1.5) for mandatory amortization and \$(36.0) for 50% cash sweep

Decrease due primarily to two factors:

- \$(37.5) of term loan facility repayments by APLP
- Partially offset by \$26.8 of increased operating cash flows

**APLP term loan repayments expected to be lower in the second half of 2014 than the first half of 2014**

# Cash Flow, YTD June 2014 vs YTD June 2013 (\$ millions)

	YTD 2014	YTD 2013	Change
<b>Cash flows from operating activities</b>	<b>\$5.5</b>	<b>\$96.9</b>	<b>\$(91.4)</b>
APLP term loan facility repayments	(37.5)	-	(37.5)
Project-level debt repayments	(15.4)	(10.5)	(4.9)
Capex	(2.5)	(2.7)	0.2
Distributions to noncontrolling interests	(5.2)	(2.9)	(2.3)
Dividends on preferred shares	(5.9)	(6.3)	0.4
<b>Free Cash Flow (Reported)</b>	<b>\$(61.0)</b>	<b>\$74.5</b>	<b>\$(135.5)</b>
Adjustments related to Q1 refinancing transactions:			
Transaction-related interest expense	49.4	-	49.4
Piedmont construction debt repayment	8.1	-	8.1
<b>Free Cash Flow (Adjusted)</b>	<b>\$(3.5)</b>	<b>\$74.5</b>	<b>\$(78.0)</b>

See slide 27 for breakdown of refinancing and debt repurchase transaction-related costs.

Decline due primarily to three factors:

- \$(54) Transaction-related costs (Q1 2014)
- \$(33) decrease in loss from discontinued operations (projects sold Q1 2013)
- \$(29) year-over-year changes in working capital primarily due to:
  - \$(32) from the return of security deposits related to construction projects completed in 2012 and early 2013 (received Q1 2013)

Includes \$(1.5) for mandatory amortization and \$(36.0) for 50% cash sweep

Primarily tax equity investors (Canadian Hills) and minority interest (Rockland)

Includes \$(8.1) for Piedmont debt paydown at term conversion

**Expect positive Free Cash Flow generation in the second half of 2014**

# Project Adjusted EBITDA

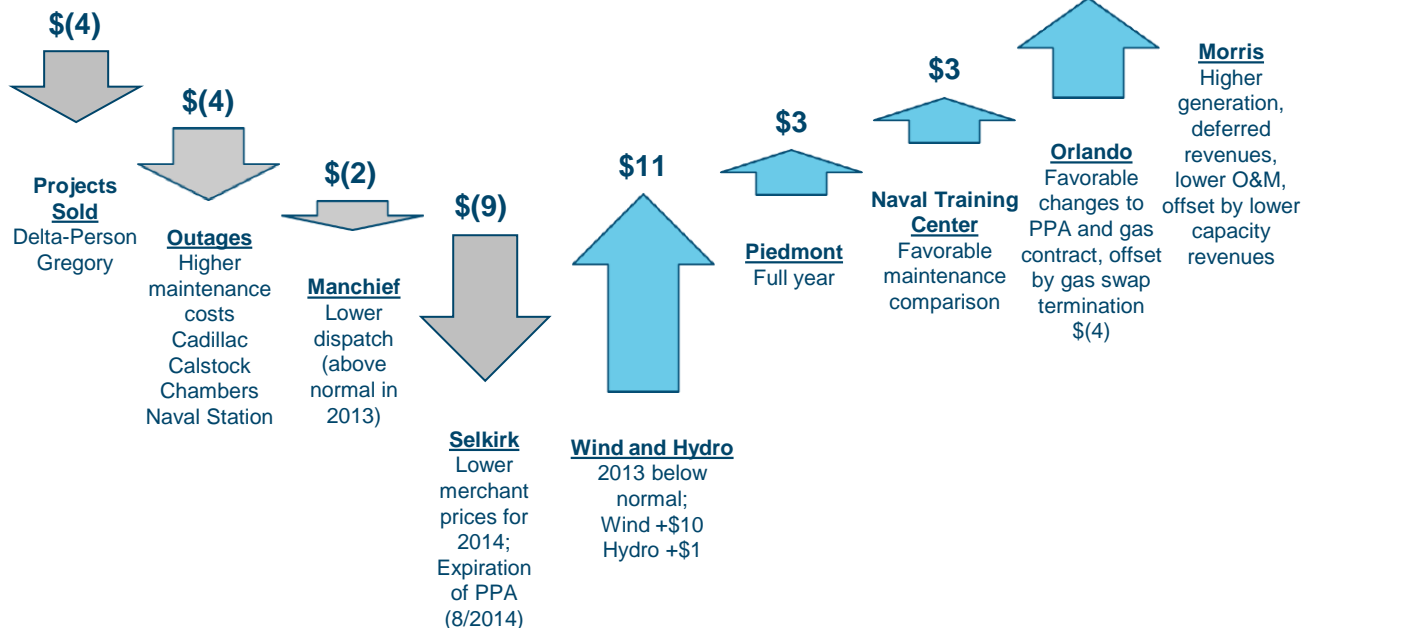
## Bridge of 2013 Actual to 2014 Guidance (\$ millions)

Changes since Q1 2014 presentation:

Piedmont	\$(4)
Outages	\$(1)
Wind and hydro	\$ 2
Corporate overhead	\$ 4

**Actual**  
\$269

**Guidance**  
\$280 - \$305



**2013**

**2014**

## Corporate G&A and Development Expense (\$ millions)

	2013 Actual	2014 Guidance (2/28/14)	2014 Guidance (8/8/14)
<b><i>Included in Project Adjusted EBITDA:</i></b>			
Development <sup>(1)</sup>	\$7.2	\$8	\$5
Project G&A and other <sup>(2)</sup>	11.4	6	4
Unallocated corporate	18.6	14	9
<b><i>Excluded from Project Adjusted EBITDA:</i></b>			
Administration expense (Corporate G&A)	35.2	32	33
<b>Total</b>	<b>\$53.8</b>	<b>\$46</b>	<b>\$42</b>

**Implemented \$8 million reduction in development and corporate overhead expense in 2013; now expect to achieve \$12 million reduction in 2014**



## 2014 Guidance (\$ millions)

### Reaffirming 2014 Project Adjusted EBITDA and Free Cash Flow

	2014 Guidance	YTD June 2014 Actual
<b>Project Adjusted EBITDA</b>	<b>\$280 - \$305</b>	<b>\$149.6</b>
Adjustment for equity method projects	(11)	(12)
Corporate G&A expense	(33)	(18)
Interest expense <sup>(1)</sup>	(165) – (170)	(115)
Cash taxes and changes in working capital	(10)	1
<b>Cash flows from operating activities <sup>(1)</sup></b>	<b>\$60 – \$85</b>	<b>\$5.5</b>
Maintenance capex and optimization investments (capitalized portion) <sup>(2)</sup>	(16)	(2.5)
Repayment of project-level debt	(26)	(15.4)
APLP: 1% mandatory term loan amortization and estimate of 50% cash sweep	(52) – (55)	(37.5)
Distributions to noncontrolling interests <sup>(3)</sup> and dividends on preferred shares	(23)	(11.1)
<b>Free Cash Flow (Reported)</b>	<b>\$(35) – \$(60)</b>	<b>\$(61.0)</b>
Add back:		
Make-whole payments, premiums and accrued interest expenses associated with refinancing <sup>(1)</sup>	49	49.4
Principal payment of Piedmont construction debt at term loan conversion	8	8.1
<b>Free Cash Flow (Guidance/Adjusted)</b>	<b>\$0 – \$25</b>	<b>\$(3.5)</b>

Footnotes:

(1) See slide 28 for detail of transaction costs included herein; (2) Includes optimization capex of \$15 million; (3) Primarily tax equity investors (Canadian Hills) and minority interest (Rockland).



## Debt Outstanding (\$ millions)

### Expect \$80 million net reduction in 2014

Unaudited	APC	APLP	Project-level (consolidated)	Project-level (equity method)	Total
<b>December 31, 2013</b>	<b>\$865</b>	<b>\$612</b>	<b>\$399</b>	<b>\$119</b>	<b>\$1,995</b>
<b>March 31, 2014</b>	<b>\$715</b>	<b>\$790</b>	<b>\$388</b>	<b>\$117</b>	<b>\$2,010</b>
1% mandatory amortization on APLP term loan		(2)			(2)
50% cash sweep on APLP term loan		(36)			(36)
Repayment of project-level debt			(5)	1 <sup>(1)</sup>	(4)
F/X impact	13	7			20
<b>June 30, 2014</b>	<b>\$728</b>	<b>\$759</b>	<b>\$383</b>	<b>\$118</b>	<b>\$1,988</b>
Projected Year-End Adjustments:					
Repayment of convertible debentures (ATP.DB)	(42)				(42)
1% mandatory amortization on APLP term loan		(3)			(3)
Estimated 50% cash sweep on APLP term loan		(13)			(13)
Repayment of project-level debt			(10)	(1)	(12)
Sale of Delta-Person (July 2014)				(6)	(6)
<b>Projected Year-End 2014 Debt</b>	<b>\$686</b>	<b>\$745</b>	<b>\$373</b>	<b>\$111</b>	<b>\$1,912</b>

- Expect \$10 million annualized cash interest savings from Q1 refinancing (\$7 million) and planned repayment of converts in October (\$2.7 million)
- Reported interest expense to decline less because of amortization of deferred financing costs associated with the refinancing (~\$5 million/year)

(1) Equity method project-level debt increased approximately \$0.9 million from Q1 to Q2 due to a refinancing at the Company's Chambers project. The refinancing increased debt at Chambers by approximately \$3.0 million to \$43.2 million at June 30, 2014, which offset approximately \$2.0 million of project-level debt payments at the Company's equity method projects.

## Liquidity (\$ millions)

**Increased \$15 million in Q2 2014**

Unaudited	March 31, 2014	June 30, 2014
Revolver capacity	\$210.0	\$210.0
Letters of credit outstanding	(144.1)	(107.0)
Unused borrowing capacity	65.9	103.0
Unrestricted cash <sup>(1)</sup>	180.0	157.6
<b>Total Liquidity</b>	<b>\$245.9</b>	<b>\$260.6</b>

(1) Includes project-level cash for working capital needs of \$16.4 million at June 30, 2014 and \$17.6 million at March 31, 2014.

- In second quarter 2014, letters of credit outstanding were reduced by \$37 million as a result of:
  - \$10 million reduction in the amount posted with a counterparty at one project in April
  - \$5 million reduction in May due to the expiration of a gas supply contract that was replaced with one not requiring a letter of credit
  - \$9 million reduction at Chambers resulting from the refinancing of the project's debt in June
  - \$4.5 million reduction due to the impact of higher gas prices on the market value of a gas supply contract
  - \$5 million reduction resulting from the transition from the prior credit facility to the new facility over the course of the second quarter
- Expect to use \$41 million of cash to repay Cdn\$44.8 million convertible debentures at maturity in October 2014 (hedged)



## Other Developments in Q2

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- Tunis impairment analysis triggered by upcoming PPA expiration
  - Total impairment of \$14.8 million - \$9.6 million for long-lived assets and \$5.2 million for all remaining goodwill
  - Based on probability-weighted range of possible outcomes
- Impairment analysis of Atlantic Power's goodwill (\$291 million as of June 30) planned for Q3
  - Triggered by continued deficit of our market cap relative to book value of our equity
- 9.0% senior unsecured notes fixed charge coverage ratio/restricted payments basket update
  - \$25.6 million of dividends declared through July 2014 dividend
- Piedmont is not in compliance with debt service coverage ratio, which went in to effect in February 2014 at term conversion
  - Expect no distributions for at least the next 12 months (previously had indicated through 2014)



## Other Developments in Q2 (continued)

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- New gas hedges in place:
  - Orlando – Now 100% hedged on-peak through 2016 vs. approximately 28% hedged at time of last earnings call
    - Required to terminate existing gas hedges (2014 – 2017) at the time of the refinancing in February
    - Hedges were above market; \$4.0 million termination cost
    - Put new hedges on through 2016 at lower prices, but will not offset the full \$4.0 million termination cost in 2014, although we expect to recover a portion of the costs in the 2014 through 2016 time period
  - Ontario – Executed additional gas purchase agreements
    - North Bay, Kapuskasing and Nipigon – 98% hedged against uncontracted forecasted fuel requirements through 2015



# Appendix

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- YTD June 2014 Financial Highlights (Slide 22)
- YTD June 2014 Operational Highlights (Slide 23)
- Financial Results, Q2/YTD 2014 v. Q2/YTD 2013 (Slide 24)
- Segment Results, Q2/YTD June 2014 v. Q2/YTD June 2013 (Slide 25)
- Project Adjusted EBITDA, Bridge of Q2 2013 to Q2 2014, by Segment (Slide 26)
- Project Adjusted EBITDA, Bridge of YTD June 2013 to YTD June 2014, by Segment (Slide 27)
- Capitalization (Slide 28)
- Organizational Structure (Slide 29)
- Capital Summary (Slide 30)
- Bullet Debt Maturity Profile (Slide 31)
- Amortizing Debt Schedule (Slide 32)
- Calculation of APLP Cash Sweep (Slide 33)
- Q1 2014 Costs Associated with Refinancing and Debt Repurchase Transactions (Slide 34)
- Major Maintenance and Capex (Slide 35)
- Portfolio Diversity (Slide 36)
- PPA Length and Offtaker Credit Rating (Slide 37)
- Presentation of Discontinued Operations (Slide 38)
- Regulation G Disclosure (Slide 39)

# YTD June 2014 Financial Highlights

10% increase in Project Adjusted EBITDA to \$149.6 million

- + Stronger wind generation, particularly at Meadow Creek and Rockland, partly offset by Canadian Hills outage in January
- + Increased waste heat, decreased maintenance expense at Ontario projects
- + Higher PJM power prices and lower maintenance costs and fuel expenses at Morris
- + Lower maintenance expense compared to 2013 at Naval Training
- + Reduction in development and administrative costs
- Lower capacity revenue and increased maintenance at Cadillac due to a scheduled outage in 2014
- Decreases at other projects (Williams Lake, North Island, Calstock)

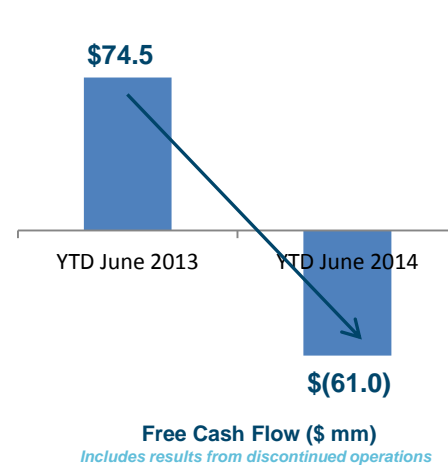
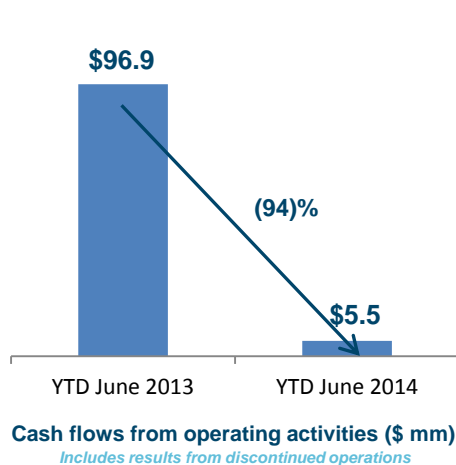
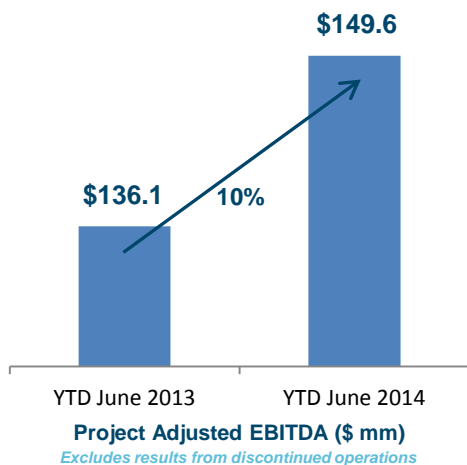
Operating cash flow of \$5.5 million declined \$91.4 million – three key drivers:

- Transaction costs related to refinancing (\$54 million)
- Discontinued operations (\$33 million)
- Changes in working capital vs. a year ago (\$29 million)

Reported Free Cash Flow of \$(61.0) million decreased primarily due to:

- \$91.4 million decrease in operating cash flows described above
- \$37.5 million of term loan facility repayments by APLP

Adjusted Free Cash Flow, adding back transaction-related costs of \$57.5 million, was \$(3.5) million

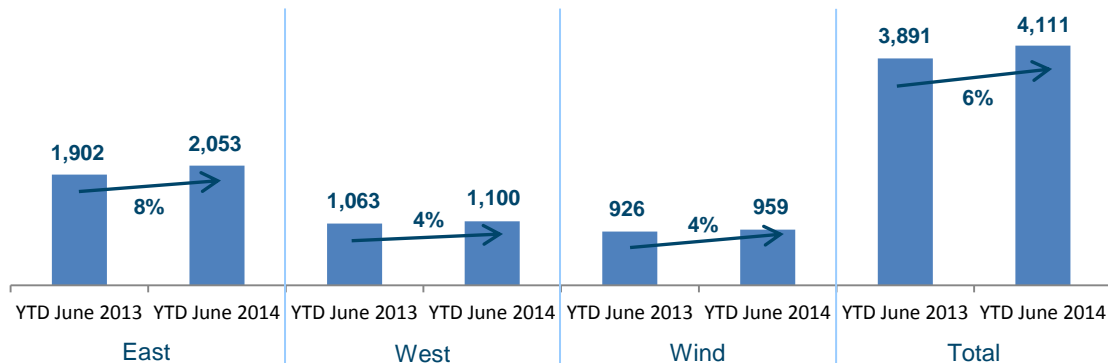


# YTD June 2014 Operational Highlights

## Weighted Average Availability

	YTD June 2014	YTD June 2013
East	92.1%	94.9%
West	90.2%	91.1%
Wind	95.8%	98.4%
<b>Total</b>	<b>91.9%</b>	<b>93.9%</b>

## Aggregate Power Generation YTD June 2014 vs. YTD June 2013 (thousands, Net MWh)



## Extreme weather and several forced outages in Q1 affected results

- Q1 forced outages at Kapuskasing, Tunis, Piedmont, Williams Lake and Canadian Hills; extended scheduled outages at North Island and Mamquam
- Q2 extended scheduled outages at Cadillac, Orlando and Naval Station
- + Fewer forced outages in Q2 2014

Piedmont forced outage in July, but better performance since then

## Generation increased 6%:

- + Piedmont added in April 2013
- + favorable performance of Idaho wind projects
- + higher water flows at Curtis Palmer
- + increased dispatch at Chambers
- + increased generation at Frederickson
- reduced dispatch at Manchief

## Business recap:

- Wind – Ahead of budget; strong Q2 more than offset Canadian Hills weather-related outage in Q1
- Hydro – Slightly ahead of budget; Curtis Palmer water volumes up 24% in Q2 and 9% YTD (vs Q2 and YTD June 2013); added 4 MW at Mamquam
- Thermal – Below budget due to Q1 outages and \$4.7 million capacity payment shortfall; Ontario waste heat levels up compared to Q2 2013

## Financial Results, Q2/YTD 2014 vs Q2/YTD 2013 (\$ millions)

Unaudited	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
<b>Excluding results from discontinued operations<sup>(1)</sup></b>				
Project revenue	\$143.2	\$136.1	\$288.5	\$273.6
Project income (loss)	(3.8)	20.3	16.4	51.8
Project Adjusted EBITDA	75.0	55.9	149.6	136.1
Cash Distributions from Projects	85.3	50.1	135.7	104.0
<b>Including results from discontinued operations <sup>(1)</sup></b>				
Cash flows from operating activities	\$34.0	\$7.2	\$5.5	\$96.9
Free Cash Flow	(15.1)	(7.5)	(61.0)	74.5

<sup>(1)</sup> The Path 15 transmission line ("Path 15"), Auburndale Power Partners, L.P. ("Auburndale"), Lake CoGen, Ltd. ("Lake") and Pasco Cogen, Ltd. ("Pasco") (collectively, the "Sold Projects") were sold in April 2013, the Company's interest in Rollcast Energy ("Rollcast") was sold in November 2013, and Thermo Power & Electric, LLC ("Greeley") was sold in March 2014. Accordingly, the revenues, project income (loss), Project Adjusted EBITDA and Cash Distributions from these assets are included in discontinued operations for the three and six month periods ended June 30, 2013 and June 30, 2014. The results of discontinued operations are excluded from Project revenue, Project income, Project Adjusted EBITDA and Cash Distributions from Projects. Under GAAP, the cash flows attributable to the Sold Projects, Rollcast 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 Sold Projects, Rollcast, and Greeley. The Gregory project, which was sold in August 2013, and the Delta-Person generating station, which was sold in July 2014, are both accounted for under the equity method of accounting and therefore are included in the Company's financial results from continuing operations.

Note: Project Adjusted EBITDA, Free Cash Flow and Cash Distributions from Projects 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 39 for reconciliations of these non-GAAP measures to GAAP measures.



## Segment Results, Q2/YTD June 2014 vs Q2/YTD June 2013 (\$ millions)

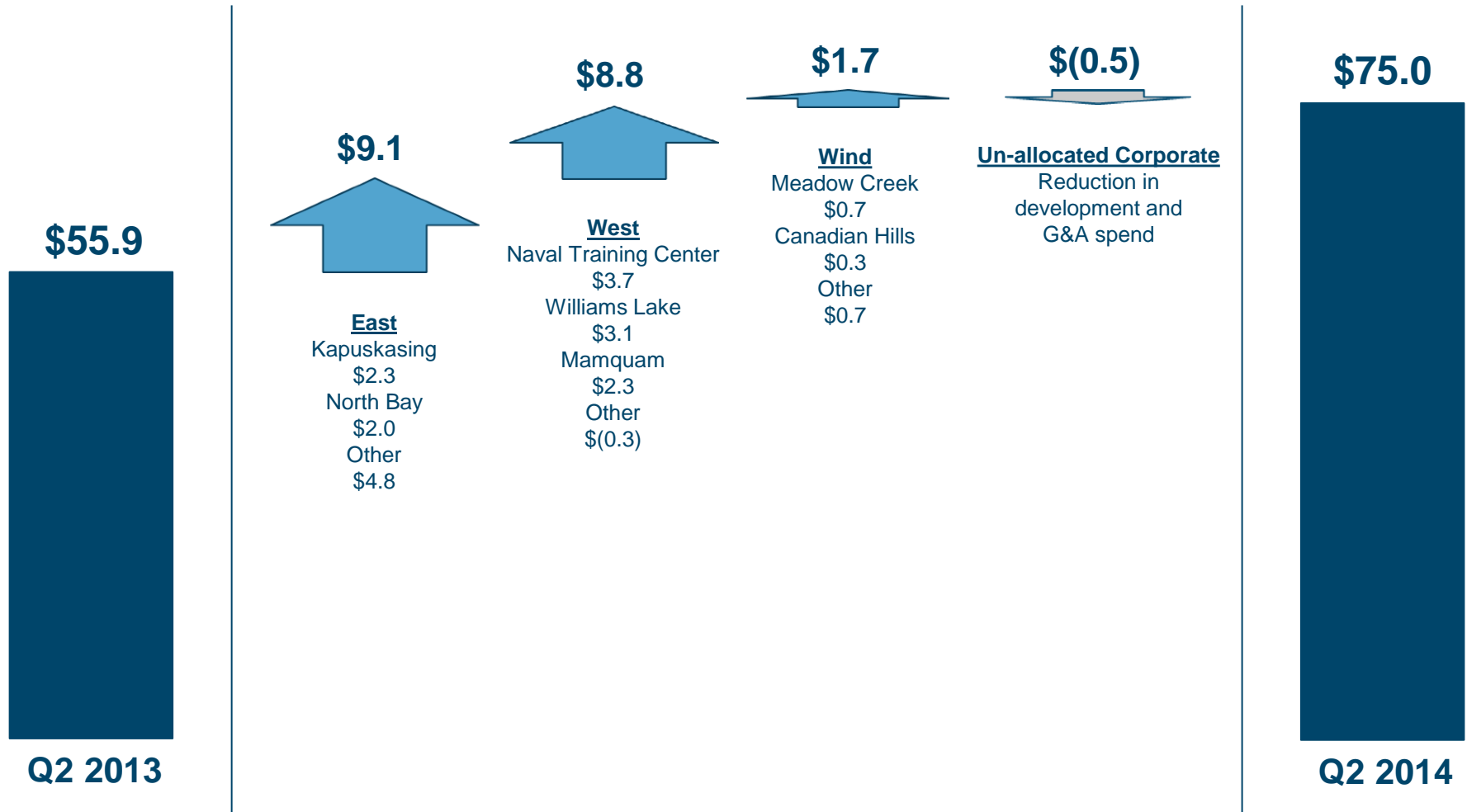
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
<b>Project income (loss)</b>				
East	\$(3.6)	\$12.2	\$27.7	\$43.4
West	6.7	(3.1)	1.5	0.4
Wind	(1.9)	14.5	(7.5)	15.3
Un-allocated Corporate	(5.0)	(3.3)	(5.3)	(7.3)
<b>Total</b>	<b>(3.8)</b>	<b>20.3</b>	<b>16.4</b>	<b>51.8</b>
<b>Project Adjusted EBITDA</b>				
East	\$38.5	\$29.4	\$84.0	\$78.5
West	22.9	14.1	34.1	34.7
Wind	17.2	15.5	35.1	30.5
Un-allocated Corporate	(3.6)	(3.1)	(3.6)	(7.6)
<b>Total</b>	<b>75.0</b>	<b>55.9</b>	<b>149.6</b>	<b>136.1</b>

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 39 for a reconciliation of this non-GAAP measure to a GAAP measure.

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

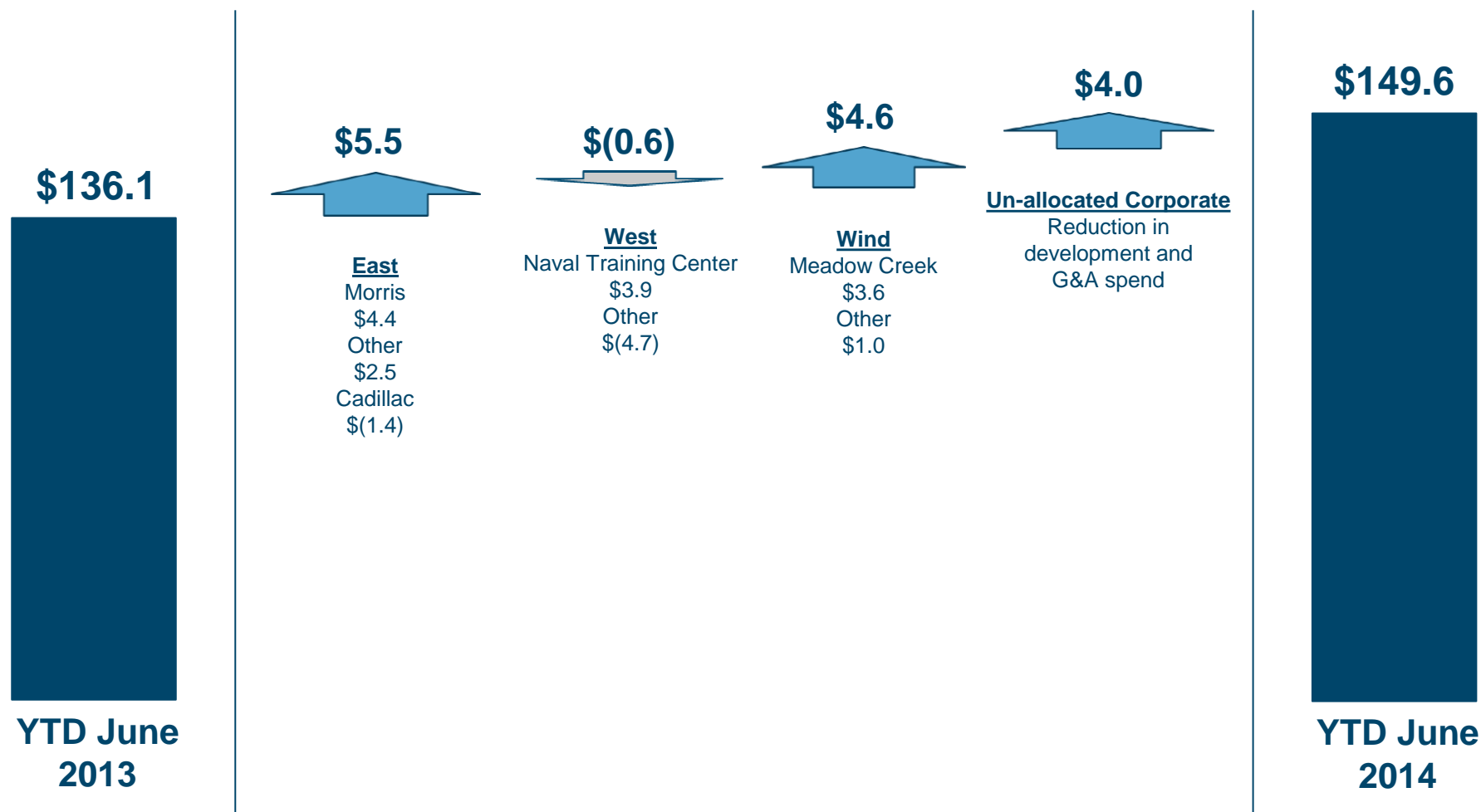
# Project Adjusted EBITDA

Bridge of Q2 2013 to Q2 2014, by Segment (\$ millions)



## Project Adjusted EBITDA

Bridge of YTD June 2013 to YTD June 2014, by Segment (\$ millions)



## Capitalization (\$ millions)

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

	December 31, 2013		March 31, 2013		June 30, 2014		Projected Year End <sup>(1)</sup>	
Long-term debt (incl. current portion)								
APC revolving credit facility	\$0		-		-		-	
APC High-yield Notes	460		\$320		\$320		\$320	
Curtis Palmer notes	190		-		-		-	
US GP Notes	225		-		-		-	
APLP Medium-Term Notes <sup>(2)</sup>	197		190		197		197	
APLP revolving credit facility	-		0		0		0	
APLP Term Loan	-		600		562		546	
Project-level debt (non-recourse)	399		388		383		373	
Convertible debentures <sup>(2)</sup>	405		395		408		367	
<b>Total long-term debt</b>	<b>\$1,876</b>	<b>69%</b>	<b>\$1,893</b>	<b>71%</b>	<b>\$1,870</b>	<b>72%</b>	<b>\$1,803</b>	<b>71%</b>
Preferred shares	221	8%	221	8%	221	8%	221	9%
Common equity <sup>(3)</sup>	609	23%	560	21%	509	20%	509	20%
<b>Total shareholders equity</b>	<b>830</b>	<b>31%</b>	<b>781</b>	<b>29%</b>	<b>730</b>	<b>28%</b>	<b>730</b>	<b>29%</b>
<b>Total capitalization</b>	<b>2,706</b>	<b>100%</b>	<b>\$2,674</b>	<b>100%</b>	<b>\$2,600</b>	<b>100%</b>	<b>\$2,533</b>	<b>100%</b>

(1) Accounts for: repayment at maturity of \$41 (Cdn\$44.8) million convertible debentures (October 2014); 1% mandatory amortization and 50% cash sweep on APLP's term loan (expected to be approximately \$16 million in the second half of 2014); and project-level debt repayments of \$10.6 million in the second half of 2014.

(2) Quarter-over-quarter change due to F/X impacts, except change from June 30 to projected year end convertible debentures which accounts for \$41 million repayment of October 2014 convertible debentures.

(3) Common equity includes other comprehensive income and retained deficit. Year-end projection does not reflect changes to retained deficit.

# 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%	40	12/2019
Oxnard	California	Nat. Gas	100%	49	5/2020
Tunis	Ontario	Nat. Gas	100%	43	12/2014
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
Canadian Hills	Oklahoma	Wind	99%	295	12/2032
Chambers	New Jersey	Coal	40%	105	12/2024
Goshen North	Idaho	Wind	12.5%	16	11/2030
Idaho Wind	Idaho	Wind	27.56%	50	12/2030
Koma Kulshan	Washington	Hydro	49.8%	6	12/2037
Meadow Creek	Idaho	Wind	100%	120	12/2032
Orlando	Florida	Nat. Gas	50%	65	12/2023
Piedmont	Georgia	Biomass	100%	54	12/2032
Rockland Wind	Idaho	Wind	50%	40	12/2036
Selkirk	New York	Nat. Gas	18.5%	64	8/2014

## Capital Summary at June 30, 2014 (\$ millions)

### Atlantic Power Corporation

	Maturity	Amount	Interest Rate
High-yield Notes	11/2018	\$319.9	9.0%
Convertible Debentures (ATP.DB)	10/2014	\$42.0 (C\$44.8)	6.5%
Convertible Debentures (ATP.DB.A)	3/2017	\$63.2 (C\$67.4)	6.25%
Convertible Debentures (ATP.DB.B)	6/2017	\$75.4 (C\$80.5)	5.6%
Convertible Debentures (ATP.DB.U)	6/2019	\$130	5.75%
Convertible Debentures (ATP.DB.D)	12/2019	\$93.7 (C\$100)	6.0%

### Atlantic Power Limited Partnership

Revolving Credit Facility	2/2018	\$0	3.75%
Term Loan	2/2021	\$562.5	5.05% <sup>(1)</sup>
Medium-term Notes	6/2036	\$196.8 (C\$210)	5.95%
Preferred shares (AZP.PR.A)	N/A	\$123 (C\$125)	4.85%
Preferred shares (AZP.PR.B)	N/A	\$98 (C\$100)	7.0%

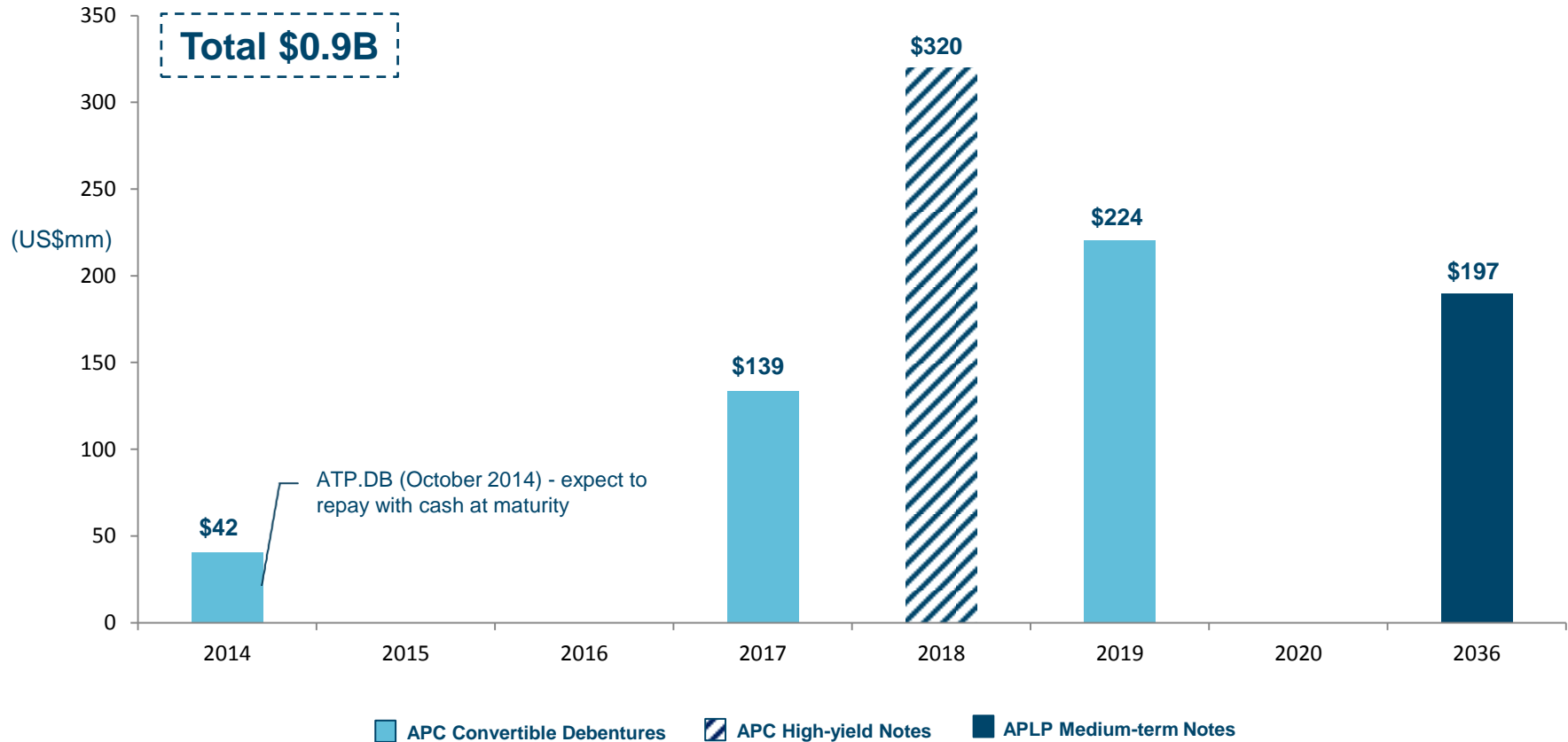
### Atlantic Power Transmission & Atlantic Power Generation

Project-level Debt (consolidated)	Various	\$382.4	Various
Project-level Debt (equity method) <sup>(2)</sup>	Various	\$112.0	Various

(1) Includes impact of interest rate swap; (2) Excludes \$6.2 million equity method project-level debt at Delta-Person as it was sold in July 2014.  
 Note: C\$ denominated debt was converted to US\$ using F/X rate of \$1.07.

## Bullet Debt Maturity Profile at June 30, 2014 (\$ millions)

**Total Debt: \$2.0B** (Amortizing \$1.1B <sup>(1)</sup>) and Bullet Maturities \$0.9B

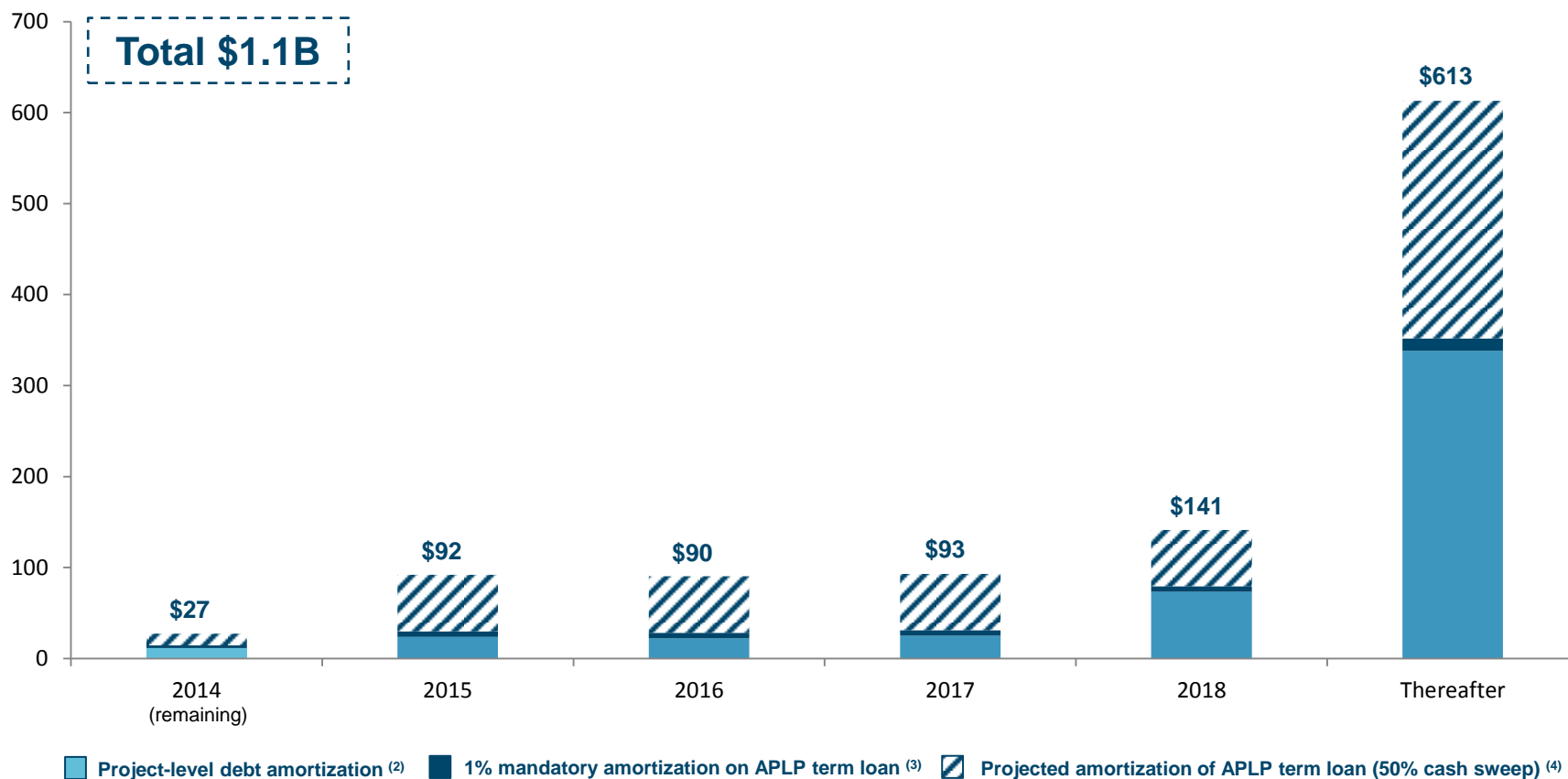


(1) See slide 33 for Debt Amortization Schedule

# Amortizing Debt Schedule at June 30, 2014 (\$ millions)

**Total Debt: \$2.0B** (Amortizing \$1.1B and Bullet Maturities \$0.9B <sup>(1)</sup>)

- Project-level non-recourse debt totaling \$500 million that amortizes over the life of the project PPAs
- \$563 million 7-year amortizing term loan at APLP, which has 1% fixed mandatory amortization and a 50% sweep of APLP's free cash flow



(1) See slide 32 for Bullet Debt Maturities Profile; (2) Includes Rockland consolidated at 100% (\$84.4 million) and proportional interest in debt at the Company's equity method projects of \$112.0 million, which excludes debt at Delta-Person (\$5.8 million) sold July 2014; (3) Fixed 1%; assumes \$4.5 million in 2014 (with \$3 million remaining to in 2014); assumes \$6 million payment annually thereafter; (4) Assumes \$13 million additional cash sweep in 2014 (based on \$53 million assumption for total cash sweep for the TLB in 2014, and straight-line amortization (\$62 million/year) in the remaining years with the assumption that the Company will pay the original \$600 million term loan down to approximately \$140 million at the end of its 7-year term.



## Calculation of APLP Cash Sweep (\$ millions)

### 2014 APLP Project Adjusted EBITDA (\$165 - \$175)

*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*

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= 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>

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

## 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 Financing Cash Flow) <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.

# Major Maintenance and Capex (\$ millions)

Unaudited	2014 Guidance
<b>Total major maintenance and capex</b>	<b>\$35 - \$40</b>
<i>Expensed (included in EBITDA)</i>	19
<i>Capitalized</i>	16

## Optimization investments (\$16 million of which is included above)

**\$17**

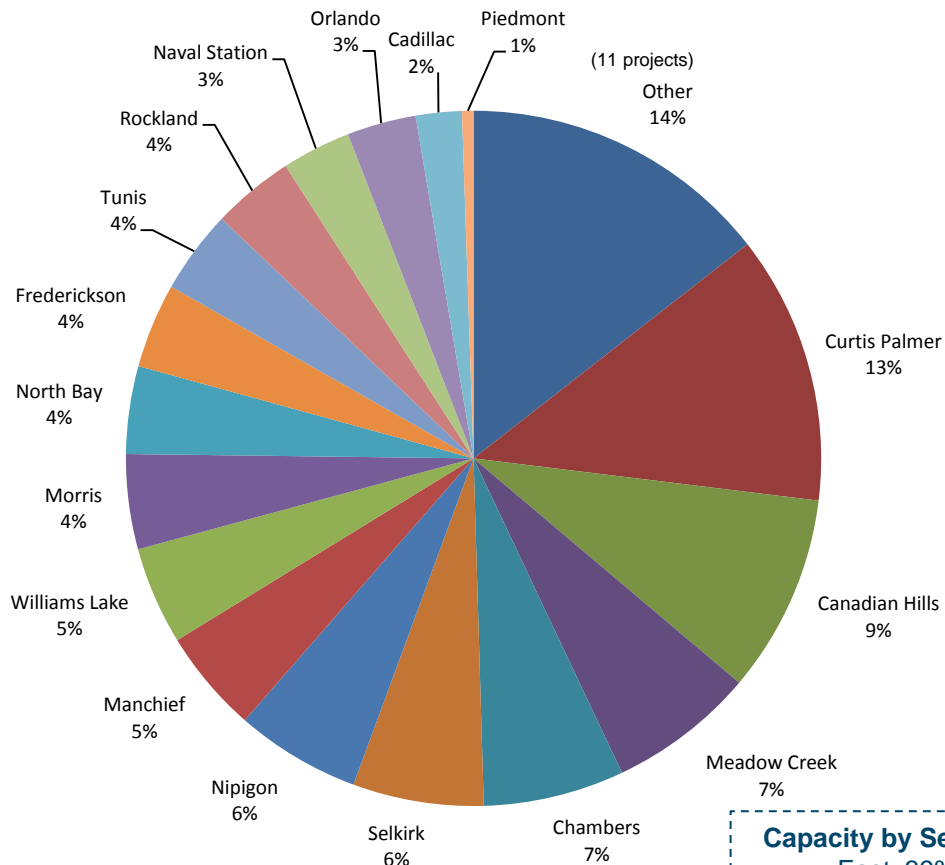
Curtis Palmer 5	\$2
Nipigon	\$8
North Island	\$1
Morris	\$2
Other	\$4

- On track to invest approximately \$27 million in optimization initiatives in 2013 - 2014
- Expected cash flow run rate contribution of at least \$8 million annually starting in 2015
- Expected recurring major maintenance expense ~ \$25 million/year
- In addition, targeting \$5 to \$10 million/year of ongoing optimization investments, on average

# Earnings and Cash Flow Well Diversified by Project

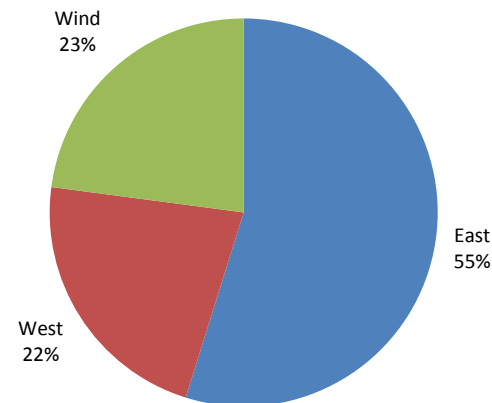
East segment most significant contributor

## No single project contributed more than 13% to Project Adjusted EBITDA for the six months ended June 30, 2014 (1)

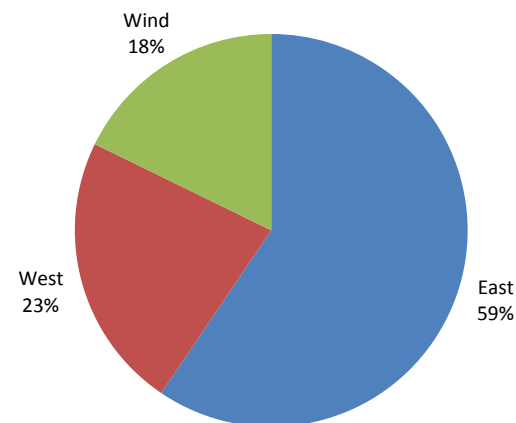


**Capacity by Segment**  
 East: 39%  
 West: 35%  
 Wind: 26%

## YTD June 2014 Project Adjusted EBITDA by Segment (1)



## YTD June 2014 Cash Distributions from Projects by Segment (2)



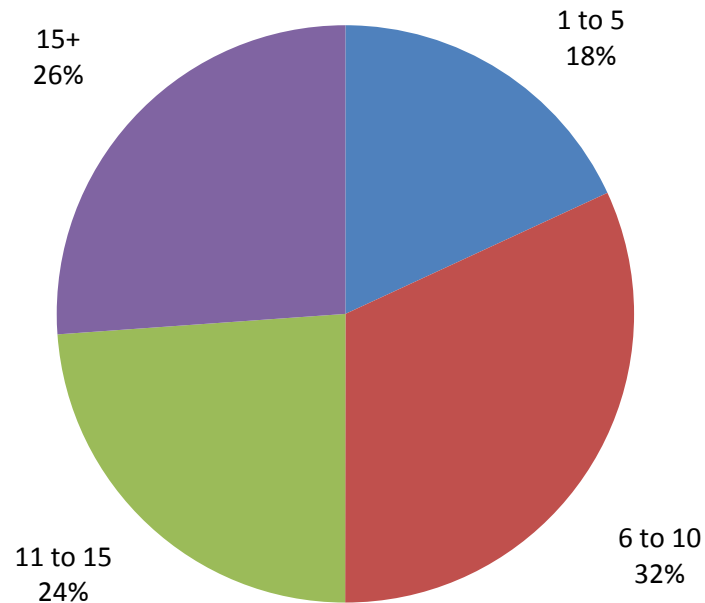
(1) Based on \$149.6 million in Project Adjusted EBITDA for the six months ended June 30, 2014; does not include Project Adjusted EBITDA from discontinued operations from divestitures YTD June 2014. Unallocated corporate expenses are excluded from project percentage allocation. Selected projects were projected to be top contributors and to comprise approximately 80% of the Company's 2014 budget. (2) Based on \$135.7 million in Cash Distributions from Projects for the six months ended June 30, 2013.

Note: Calculations include Delta-Person which was sold in July 2014.

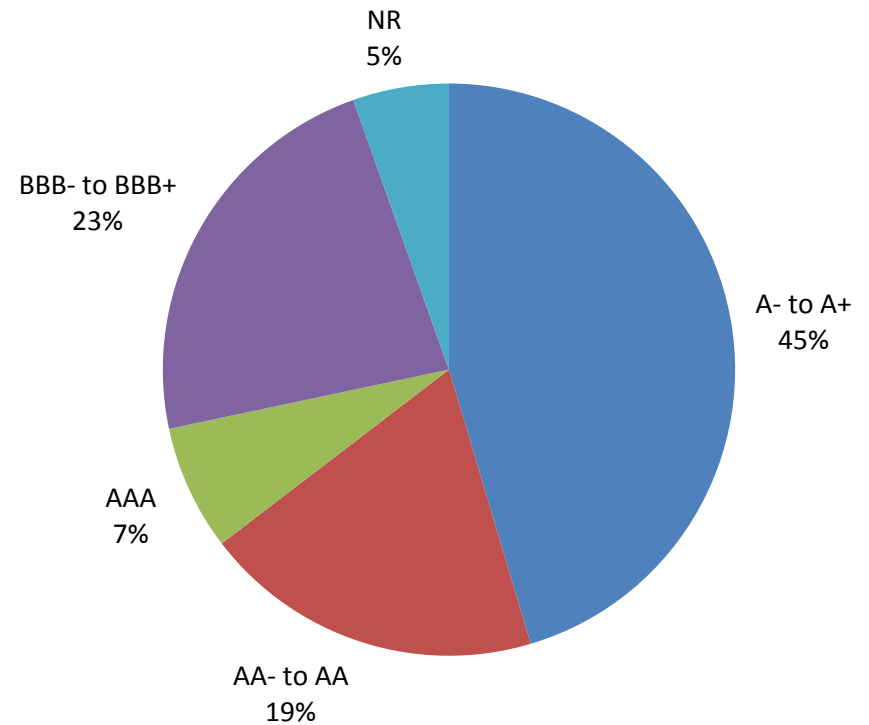
# Cash Flows Supported by Contracts with Creditworthy Offtakers

AT's portfolio has an average remaining PPA life of 10.1 years <sup>(1)</sup>

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



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



<sup>(1)</sup> Weighted by 2013 Project Adjusted EBITDA and excluding Gregory, Delta-Person and Greeley (the Company completed the sale of Gregory in August 2013, Greeley in March 2014, and Delta-Person in July 2014).

# Presentation of Discontinued Operations

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Projects included in Discontinued Operations: Auburndale, Lake and Pasco (Florida projects); Path 15 (California transmission line); Greeley; and Rollcast (biomass development affiliate).

## YTD June 2014 Results of Discontinued Operations:

- Project Adjusted EBITDA: \$0.0 million (excluded from calculation)
- Cash Distributions from Projects: \$0.0 million (included in calculation)

## YTD June 2013 Results of Discontinued Operations:

- Project Adjusted EBITDA: \$38.3 million (excluded from calculation)
- Cash Distributions from Projects: \$22.6 million (included in calculation)

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- Income statement impacts

- Included in “Income from discontinued operations”
- Excluded from Revenues, Project Income and our calculation of Project Adjusted EBITDA

- Cash flow statement impacts

- Cash flows received until closing
  - Included in “Cash flows from operating activities”
  - Included in our calculation of Free Cash Flow
- For Florida asset sales, cash received from 1/1/13 through closing is deducted from purchase price
- Adjusted asset sale proceeds included in “Cash flows from investing activities”



## Regulation G Disclosures

Project Adjusted EBITDA, Cash Distributions from Projects and Free Cash Flow are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. Management believes that Free Cash Flow and Cash Distributions from Projects are relevant supplemental measures of the Company's ability to earn and distribute cash returns to investors. Reconciliations of Free Cash Flow to cash flows from operating activities and of Cash Distributions from Projects to Project income (loss) are provided below. Investors are cautioned that the Company may calculate these measures in a manner that is different from other companies.

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 non-controlling interests, including preferred share dividends.

Project Adjusted EBITDA is defined as project income (loss) plus interest, taxes, depreciation and amortization (including non-cash impairment charges) and changes in fair value of derivative instruments. Project Adjusted EBITDA is not a measure recognized under GAAP and is therefore unlikely to be comparable to similar measures presented by other companies and does not have a standardized meaning prescribed by GAAP. 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) and a bridge to Cash Distributions from Projects are provided below. Investors are cautioned that the Company may calculate this measure in a manner that is different from other companies.

(Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
<b>Cash Distributions from Projects</b>	\$85.3	\$50.1	\$135.7	\$104.0
Repayment of long-term debt	(8.4)	(11.7)	(20.1)	(17.3)
Interest expense, net	(8.5)	(11.1)	(24.7)	(20.5)
Capital expenditures	(2.0)	(2.7)	(3.7)	(4.9)
Other, including changes in working capital	29.1	19.7	34.6	10.6
<b>Project Adjusted EBITDA</b>	\$75.0	\$55.9	\$149.6	\$136.1
Depreciation and amortization	52.3	50.5	104.7	102.3
Interest expense, net	8.6	9.5	24.7	19.0
Change in the fair value of derivative instruments	3.1	(26.8)	(11.0)	(38.3)
Other (income) expense	14.8	2.4	14.8	1.3
<b>Project (loss) income</b>	\$(3.8)	\$20.3	\$16.4	\$51.8
Administrative and other expenses (income)	53.2	13.1	108.0	39.8
Income tax (benefit) expense	(1.1)	0.6	(13.4)	(1.9)
Net loss from discontinued operations, net of tax	-	(5.4)	(0.1)	(4.9)
<b>Net (loss) income</b>	\$(55.9)	\$1.2	\$(78.3)	\$9.0
Adjustments to reconcile to net cash provided by operating activities	95.1	18.1	91.7	66.5
Change in other operating balances	(5.2)	(12.1)	(7.9)	21.4
<b>Cash flows from operating activities</b>	\$34.0	\$7.2	\$5.5	\$96.9
Term loan facility repayments <sup>(1)</sup>	(37.5)	-	(37.5)	-
Project-level debt repayments	(5.5)	(7.9)	(15.4)	(10.5)
Purchases of property, plant and equipment <sup>(2)</sup>	0.1	(1.7)	(2.5)	(2.7)
Distributions to noncontrolling interests <sup>(3)</sup>	(3.1)	(3.1)	(5.2)	(2.9)
Dividends on preferred shares of a subsidiary company	(3.1)	(3.1)	(5.9)	(6.3)
<b>Free Cash Flow</b>	\$(15.1)	\$(7.5)	\$(61.0)	\$74.5

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

<sup>(2)</sup> Excludes construction costs related to our Canadian Hills project in 2014 and 2013 and our Piedmont and Meadow Creek projects in 2013.

<sup>(3)</sup> 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: 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.