Contents

Agenda                      Page 2
Caution Regarding Forward-Looking Information     Page 3
Key Selected Financial Information     Page 7
Biographies                      Page 8
Presentation Slides     Page 13
Great Bay Solar Fact Sheet     Page 71
Press Release:
Algonquin Power & Utilities Corp. to Participate with Kinder Morgan
In Developing New Pipeline  Page 73
Agenda: Algonquin Power & Utilities Corp. Investor Morning
Tuesday, December 1, 2015

8:00 – 8:30 a.m.  Registration
                  Coffee and Continental Breakfast

8:30 – 8:35 a.m.  Welcome and Opening Remarks                  Chris Jarratt, Vice Chair

8:35 – 9:45 a.m.  Algonquin Power & Utilities Corp.
                  Executive Panel  Ian Robertson, CEO
                        Chris Jarratt, Vice Chair
                        David Bronicheski, CFO

9:45 – 10:35 a.m. Gas Vertical
                  Market Overview and Transmission
                        David Pasieka, President Distribution
                  Supply and Distribution
                        Peter Eichler, Vice President, Strategic Planning

10:35 – 10:50 a.m. Break

10:50 – 11:20 a.m. Water Vertical   Greg Sorensen, President, Distribution – California

11:20 – 12:30 p.m. Electric Vertical
                  Market Overview
                        Mike Snow, President Generation
                  Generation and Transmission
                        Jeff Norman, Vice President, Business Development
                  Distribution
                        Peter Eichler, Vice President, Strategic Planning

12:30 – 1:00 p.m. Lunch Session:
                  SREC Overview                  Tracy Stoddard, Director, Origination
Caution concerning forward-looking statements and non-GAAP Measures

Forward-looking statements

Certain statements included herein contain forward-looking information within the meaning of certain securities laws. These statements reflect the views of APUC with respect to future events, based upon assumptions relating to, among others, the performance of APUC’s assets and the business, interest and exchange rates, commodity market prices, and the financial and regulatory climate in which it operates. These forward-looking statements include, among others, statements with respect to the expected performance of APUC, its future plans and its dividends to shareholders. Statements containing expressions such as “anticipates”, “believes”, “continues”, “could”, “expect”, “estimates”, “intends”, “may”, “outlook”, “plans”, “project”, “strives”, “will”, and similar expressions generally constitute forward-looking statements.

Since forward-looking statements relate to future events and conditions, by their very nature they require APUC to make assumptions and involve inherent risks and uncertainties. APUC cautions that although it believes its assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include the impact of movements in exchange rates and interest rates; the effects of changes in environmental and other laws and regulatory policy applicable to the energy and utilities sectors; decisions taken by regulators on monetary policy; and the state of the Canadian and the United States (“U.S.”) economies and accompanying business climate. APUC cautions that this list is not exhaustive, and other factors could adversely affect results. Given these risks, undue reliance should not be placed on these forward-looking statements. In addition, such statements are made based on information available and expectations as of the date of this MD&A and such expectations may change after this date. APUC reviews material forward-looking information it has presented, not less frequently than on a quarterly basis. APUC is not obligated to nor does it intend to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law.

Non-GAAP Financial Measures

The terms “adjusted net earnings”, “adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), “adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, “per share cash provided by operating activities”, “net energy sales”, “net energy/steam sales”, and “net utility sales”, are used throughout this MD&A. The terms “adjusted net earnings”, “per share cash provided by operating activities”, “adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, Adjusted EBITDA, “net energy sales”, “net energy/steam sales”, and “net utility sales” are not recognized measures under GAAP. There is no standardized measure of “adjusted net earnings”, Adjusted EBITDA,
“adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, 
“per share cash provided by operating activities”, "net energy sales", "net energy/steam sales", 
and "net utility sales" consequently APUC’s method of calculating these measures may differ from 
methods used by other companies and therefore may not be comparable to similar measures 
presented by other companies. A calculation and analysis of “adjusted net earnings”, Adjusted 
EBITDA, “adjusted funds from operations”, “per share cash provided by adjusted funds from 
operations”, "per share cash provided by operating activities”, "net energy sales", "net 
energy/steam sales", and "net utility sales" can be found throughout this MD&A. Per share cash 
provided by operating activities is not a substitute measure of performance for earnings per share. 
Amounts represented by per share cash provided by operating activities do not represent amounts 
available for distribution to shareholders and should be considered in light of various charges and 
claims against APUC.

Use of Non-GAAP Financial Measures

Adjusted EBITDA

EBITDA is a non-GAAP measure used by many investors to compare companies on the basis of 
ability to generate cash from operations. APUC uses these calculations to monitor the amount of 
cash generated by APUC as compared to the amount of dividends paid by APUC. APUC uses 
Adjusted EBITDA to assess the operating performance of APUC without the effects of (as 
applicable): depreciation and amortization expense, income tax expense or recoveries, acquisition 
costs, litigation expenses, interest expense, gain or loss on derivative financial instruments, write 
down of intangibles and property, plant and equipment, earnings attributable to non-controlling 
interests and gain or loss on foreign exchange, earnings or loss from discontinued operations and 
other typically non-recurring items. APUC adjusts for these factors as they may be non-cash, 
unusual in nature and are not factors used by management for evaluating the operating 
performance of the company. APUC believes that presentation of this measure will enhance an 
investor's understanding of APUC’s operating performance. Adjusted EBITDA is not intended to 
be representative of cash provided by operating activities or results of operations determined in 
accordance with GAAP.

Adjusted Net Earnings

Adjusted net earnings is a non-GAAP measure used by many investors to compare net earnings 
from operations without the effects of certain volatile primarily non-cash items that generally have 
no current economic impact or items such as acquisition expenses or litigation expenses and are 
viewed as not directly related to a company’s operating performance. Net earnings of APUC can 
be impacted positively or negatively by gains and losses on derivative financial instruments, 
including foreign exchange forward contracts, interest rate swaps and energy forward purchase 
contracts as well as to movements in foreign exchange rates on foreign currency denominated
debt and working capital balances. Adjusted weighted average shares outstanding represents weighted average shares outstanding adjusted to remove the dilution effect related to shares issued in advance of funding requirements. APUC uses adjusted net earnings to assess its performance without the effects of (as applicable): gains or losses on foreign exchange, foreign exchange forward contracts, interest rate swaps, acquisition costs, litigation expenses and write down of intangibles and property, plant and equipment, earnings or loss from discontinued operations and other typically non-recurring items as these are not reflective of the performance of the underlying business of APUC. APUC believes that analysis and presentation of net earnings or loss on this basis will enhance an investor’s understanding of the operating performance of its businesses. It is not intended to be representative of net earnings or loss determined in accordance with GAAP.

**Adjusted Funds from Operations**

Adjusted funds from operations is a non-GAAP measure used by investors to compare cash flows from operating activities without the effects of certain volatile items that generally have no current economic impact or items such as acquisition expenses and are viewed as not directly related to a company’s operating performance. Cash flows from operating activities of APUC can be impacted positively or negatively by changes in working capital balances, acquisition expenses, litigation expenses cash provided or used in discontinued operations. Adjusted weighted average shares outstanding represents weighted average shares outstanding adjusted to remove the dilution effect related to shares issued in advance of funding requirements. APUC uses adjusted funds from operations to assess its performance without the effects of (as applicable) changes in working capital balances, acquisition expenses, litigation expenses, cash provided or used in discontinued operations and other typically non-recurring items affecting cash from operations as these are not reflective of the long-term performance of the underlying businesses of APUC. APUC believes that analysis and presentation of funds from operations on this basis will enhance an investor’s understanding of the operating performance of its businesses. It is not intended to be representative of cash flows from operating activities as determined in accordance with GAAP.

**Net Energy Sales & Net Energy/Steam Sales**

Net energy sales and net energy/steam sales are a non-GAAP measure used by investors to identify revenue after commodity costs used to generate revenue where revenue generally is increased or decreased in response to increases or decreases in the cost of the commodity to produce that revenue. APUC uses net energy sales and net energy/steam sales to assess its revenues without the effects of fluctuating commodity costs as such costs are predominantly passed through either directly or indirectly in the revenue that is charged. APUC believes that analysis and presentation of net energy sales and net energy/steam sales on this basis will
enhance an investor’s understanding of the revenue generation of its businesses. It is not intended to be representative of revenue as determined in accordance with GAAP.

Net Utility Sales

Net utility sales is a non-GAAP measure used by investors to identify utility revenue after commodity costs, either natural gas or electricity, where these commodities are generally included as a pass through in rates to its utility customers. APUC uses net utility sales to assess its utility revenues without the effects of fluctuating commodity costs as such costs are predominantly passed through and paid for by the utility customer. APUC believes that analysis and presentation of net utility sales on this basis will enhance an investor’s understanding of the revenue generation of its utility businesses. It is not intended to be representative of revenue as determined in accordance with GAAP. Capitalized terms used herein and not otherwise defined will have the meanings assigned to them in the Corporation’s 2014 Annual Information Form.
# Financial Summary

<table>
<thead>
<tr>
<th>Financial metric</th>
<th>Nine months ended September 30</th>
<th>Year ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>Revenue</td>
<td>$767.6</td>
<td>$682.3</td>
</tr>
<tr>
<td>Adjusted EBITDA¹</td>
<td>266.0</td>
<td>206.1</td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>167.5</td>
<td>96.3</td>
</tr>
<tr>
<td>Adjusted funds from operations¹</td>
<td>210.3</td>
<td>140.6</td>
</tr>
<tr>
<td>Net earnings attributable to shareholders from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>continuing operations</td>
<td>80.5</td>
<td>44.7</td>
</tr>
<tr>
<td>Net earnings attributable to Shareholders</td>
<td>79.5</td>
<td>44.1</td>
</tr>
<tr>
<td>Adjusted net earnings¹</td>
<td>82.0</td>
<td>53.0</td>
</tr>
<tr>
<td>Dividends declared to Common Shareholders</td>
<td>90.8</td>
<td>57.5</td>
</tr>
</tbody>
</table>

**Per share**

- Basic net earnings from continuing operations       | $0.29  | $0.18  | $0.32  | $0.28  |
- Basic net earnings                                   | $0.29  | $0.18  | $0.31  | $0.07  |
- Adjusted net earnings¹,²                               | $0.31  | $0.22  | $0.37  | $0.26  |
- Diluted net earnings                                  | $0.28  | $0.18  | $0.31  | $0.07  |
- Cash provided by Operating Activities²               | $0.70  | $0.47  | $0.90  | $0.48  |
- Adjusted funds from operations¹,²                     | $0.85  | $0.65  | $0.92  | $0.73  |
- Dividends declared to Shareholders                    | $0.36  | $0.27  | $0.37  | $0.33  |

Total Assets                                          | $4,759.0 | $3,799.3 | $4,113.7 | $3,476.5 |
Total Liabilities³ (includes current portion)          | 1,613.3  | 1,404.3  | 1,280.0  | 1,255.6  |

1 APUC uses adjusted EBITDA, adjusted net earnings and adjusted funds from operations to enhance assessment and understanding of the operating performance of APUC without the effects of certain accounting adjustments which are derived from a number of non-operating factors, accounting methods and assumptions. (*Non-GAAP Financial Measures*)

2 APUC uses per share adjusted net earnings, cash provided by operating activities and adjusted funds from operations to enhance assessment and understanding of the performance of APUC.

3 Long term debt includes current and long term portion of debt and convertible debentures.
Ian Robertson, Chief Executive Officer

Ian Robertson serves as Chief Executive Officer of Algonquin Power & Utilities Corp. (APUC). He is a founder and principal of Algonquin Power Corporation Inc., an independent power developer, which was formed in 1988 and is the predecessor organization to APUC.

Ian has over 25 years of experience in the development, financing, acquisition and operation of electric power generating projects both in North America and internationally. He is an electrical engineer and holds a Professional Engineering designation through his Bachelor of Applied Science awarded by the University of Waterloo and a Master of Business Administration from York University’s Schulich School of Business. In addition, Ian was awarded a Chartered Financial Analyst designation in 2001. Ian received a Chartered Director designation from McMaster University in 2008. Consistent with his commitment to continuing education, Ian is currently pursuing a Master of Laws at the University of Toronto, Law School.

In addition to his principal occupation as Chief Executive Officer of Algonquin Power & Utilities Corp., Ian has served as a director on a number of Boards of Directors for public companies in the electrical generation and oil and gas sectors, and is a member of the Board of Directors of the American Gas Association.
Chris Jarratt, Vice Chair
Chris was appointed Vice Chair of Algonquin in December, 2009. Chris is a founder and principal of Algonquin Power Corporation Inc., a private independent power developer formed in 1988, which was a predecessor organization to Algonquin. Chris has 30 years of experience in the development, financing, acquisition and operation of power generating and utility projects in North America. Chris is a water resources engineer who holds a Professional Engineer designation in Ontario and an Honours Bachelor of Science degree from the University of Guelph. Chris also holds a Chartered Director designation, which was awarded by McMaster University in 2009.

David Bronicheski, Chief Financial Officer
David joined Algonquin Power & Utilities Corp. in 2007 and is responsible for all aspects of planning, directing, implementing, evaluating, and reporting on the company’s financial performance. David has over 27 years of senior management experience including 14 years in the cable television & telecommunications industries. He has held various senior management and finance positions within the telecommunications industry including Executive Vice President and Chief Financial Officer of a publicly traded telephone, cable television and internet service provider. David holds a Bachelor of Arts in economics (cum laude), a Bachelor of Commerce degree, and an MBA. He is also a Chartered Professional Accountant (CPA, CA).
Mike Snow, President, Generation

Mike joined Algonquin Power & Utilities Corp. in 2011 as President of Algonquin Power Co. and is responsible for all aspects of strategy, business development, operations, asset management, human resources, and evaluating and reporting on growth and operational activities. Mike has led both industrial and consumer organizations focused on growth and international operations in Mexico, South America, and Asia, while driving culture change and building strong leadership teams. Mike holds a Bachelor of Science Degree in Math from Dalhousie University, a Bachelor of Engineering Degree (Mechanical) from the Technical University of Nova Scotia, and a Masters of Business Administration from the Richard Ivey School of Business – University of Western Ontario. Mike received his Chartered Director designation from McMaster University in 2014.

Jeff Norman, Vice President, Business Development

Jeff co-founded the Algonquin Power Venture Fund in 2003 and served as President until it was acquired by Algonquin Power Co. (APCo) in 2008. Jeff joined APCo in 2008 to form the business development team and was appointed to the Algonquin Power & Utilities Corp. executive team in 2015. Since 2008 the business development team has secured over 1GW of commercially secure renewable energy projects. Jeff has over 23 years of experience and has reviewed the economic merits of hundreds of renewable energy projects located throughout North America. Jeff holds an Honours Bachelor of Arts degree from the University of Waterloo, a Masters of Accounting degree from the University of Waterloo, and is a Certified Professional Accountant / Chartered Accountant.
David Pasieka, President, Distribution

David joined Algonquin Power & Utilities Corp. in 2010 as President of Liberty Utilities. As its President, David is focused on acquiring and managing a portfolio of regulated Water, Natural Gas and Electrical distribution companies throughout the United States. David has global experience in sales, marketing, integration, P&L, operations and customer service. He has led many organizations while integrating people, policies, and processes to encourage the steady growth of the organization. David holds a Bachelor of Science Degree from the University of Waterloo, Masters of Business Administration from the Schulich School of Business – York University, and a Chartered Director designation from McMaster University.

Peter Eichler, Vice President, Strategic Planning

Peter joined Liberty Utilities in 2009. His roles have focused on the development of rate case strategy, and fostering and strengthening regulatory relationships throughout the United States. Peter has provided testimony in rate cases, acquisition dockets, and other strategic dockets before seven regulatory jurisdictions. In his current role, Peter focuses on the development of alternative fuel strategies, including the development of a virtual pipeline platform, customer experience strategy, and service delivery strategy. Prior to joining Liberty Utilities, Peter developed significant financial, operational, and regulatory expertise in the utility industry working for some of the largest electric distribution companies in Ontario. Peter holds a Bachelor of Commerce Degree, a Masters of Business Administration, and is a Certified Management Accountant.
Greg Sorensen, President – California, Distribution

Greg joined Liberty Utilities in 2005 and is the President of California for Liberty Utilities. Greg is responsible for operations, customer service, human resources, engineering, construction and financial results. Greg previously was the President of our Arizona and Texas water utilities until moving to California earlier this year. He has held senior positions in customer service organizations and worked as a senior auditor for an international accounting firm, working with clients in the manufacturing, technology, distribution, and utility fields. Greg is a Certified Public Accountant and holds a B.S. in Accounting from Wake Forest University. Greg sits on the Board of Directors of the Western Energy Institute and served 5 years on the Board for the Water Utility Association of Arizona.

Tracy Stoddard, Director Origination

Tracy Stoddard joined Algonquin Power in 2014 as Director, Origination and is responsible for the development of Algonquin’s portfolio of renewable energy generation projects, through both Greenfield development and strategic partnerships. Tracy has over 25 years of experience in energy project development and commercial transactions relating to conventional and renewable generation projects. He gained his experience in the telecommunications, oil & gas, and renewable energy industries in Canada, the United States and Australia. Tracy holds a Bachelor of Science in Engineering (Electrical) from the University of Alberta and a Masters of Business Administration from the University of Calgary.
Algonquin Power & Utilities Corp. brings…

- A robust and conservative business model which is attractive in all market conditions
- A coveted C$ 4B pipeline of commercially secured investment opportunities across modalities
- An expanding opportunity set which extends and diversifies growth
- Flexible financing structures to support its growth

Highly transparent growth outlook through 2020

- >15% adjusted EPS CAGR
- >10% FFOPS CAGR
- Supports targeted 10% DPS CAGR

“A SHARED VISION ACROSS A DIVERSIFIED UTILITY

*The utility company most admired by customers, communities and investors for our people, passion and performance*
THINKING “VERTICALLY” BUILDS COMPREHENSIVE STRATEGY

Electricity

“Leveraging the Value of Renewable Energy”
- Leverage expertise as a renewable IPP
- Grow EDC rate base through generation and smart grid investments
- Leverage footprint for transmission investment

Natural Gas

“Capitalizing on the Northeast Opportunity”
- Build presence in New England CNG/LNG market
- Expand LDC footprint and rate base
- Leverage footprint for pipeline investment

Water

“Meeting the Water Needs of the West”
- Grow utility rate base through replacement of aging water infrastructure
- Leverage footprint in context of water requirements of western U.S.

STRONG CORPORATE GOVERNANCE

- A strong, diverse board delivers sound corporate governance and better decisions
- Well defined corporate governance practices including risk management, internal audit and compensation alignment
- Ongoing relationship with Emera
- Management and employees have kept pace with growth
- Enhanced business services including internal audit, risk management and HR
- Improved alignment with strategy through updated scorecards and enhanced pay for performance work culture

**DIVIDEND YIELDS**

- Algonquin’s trading is very competitive on a yield basis
- Trading yield is not a company’s cost of capital
COST OF CAPITAL

- Algonquin's weighted cost of capital remains competitive with its peers in both Canada and the United States

GROWTH OPPORTUNITY SET EXPANDED SINCE 2014 INVESTOR DAY

**Electricity - Renewable Generation**
- Deerfield Wind Facility – 150MW in MI, US$ 300M
- Calpeco Solar Facility – 50MW in CA (rate base), US$ 90M
- Great Bay Solar Facility – 75MW in MD, US$ 175M

**Natural Gas - Pipelines**
- Northern Supply Path pipeline – 1 Bcf pipeline, US$ 140M

**Natural Gas - LNG**
- Northeast Energy Center – 16Mcf/day, contracted output, US$ 60M
- MA Power Hub – Projects supplying Tennessee Gas Pipeline

Business development teams have expanded commercially secured opportunity set with C$ 1B in new initiatives
### Key Highlights
- 15% CAGR in assets and EBITDA through near-term
- Relatively evenly divided between regulated and non-regulated businesses
- Diversified growth in pipelines, LNG and solar

### Opportunity Set Breakdown
(Millions of Canadian Dollars, Rounded to $10M)

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
<th>Water</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation/Supply</td>
<td>1,760</td>
<td>80</td>
<td>-</td>
<td>1,840</td>
</tr>
<tr>
<td>Transmission</td>
<td>50</td>
<td>610</td>
<td>-</td>
<td>660</td>
</tr>
<tr>
<td>Distribution</td>
<td>280</td>
<td>550</td>
<td>810</td>
<td>1,640</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,090</strong></td>
<td><strong>1,240</strong></td>
<td><strong>810</strong></td>
<td><strong>4,140</strong></td>
</tr>
</tbody>
</table>

- 50% Electric
- 30% Gas
- 20% Water

### Capital Flexibility to Execute Our Plans
- Modest common equity needs over the next five years to execute on our plan
- Low dividend payout ratio means significant free cash flow for reinvestment
- Two investment grade debt platforms provide deep access to debt capital markets

### Graphs
- Chart showing the opportunity set breakdown for growth across modalities.
- Line graph showing capital flexibility over 2016-2020.
MAINTAINING A SOLID CAPITAL STRUCTURE AS WE GROW

- Long-term debt
- Preferred shares
- Equity

2015 Total capitalization
2020 Total capitalization

60% growth

ROBUST FIVE YEAR OUTLOOK FROM CURRENT OPPORTUNITY SET

Value accretive growth
- EBITDA growth consistent with asset growth
- Per share accretion based on maintaining capital structure

Robust and transparent EBITDA, EPS and FFOPS growth will support targeted 10% DPS growth
DIVIDEND HISTORY AND EXPECTED GROWTH

- 5 years of steady dividend growth
- Average historic dividend growth rate of 15%
- Dividend paid in US$ (or C$ at investors choice)
- Low payout ratio increases certainty of a growing dividend and allows for significant flexibility to finance our growth

DIVIDEND STRATEGY

- **What are we targeting?**
  - Dividend growth of 10%
  - Payout ratio of 100% GAAP earnings
- **Strategies for achieving targets:**
  - Disciplined growth
    - Alignment with strategy
    - Growth through: organic, development, acquisition
    - Accretive transactions
    - Attractive risk-adjusted returns
  - Disciplined execution
    - Project management expertise
    - Disciplined process
    - Proven track record of on-time on-budget projects
    - Intelligent risk mitigation
RISK MANAGEMENT

- Proactive risk management is a core discipline
- Mature risk management processes
- Long-term focus

FOREIGN CURRENCY

- Algonquin generates 80% of its EBITDA in US$

Primary hedging strategy:
- match US$ debt to US$ assets
- Algonquin’s balance sheet is appropriately hedged
LONG-TERM DEBT AND INTEREST

- Average tenor of debt is approaching average PPA life
- Interest on 100% of long-term debt is fixed
  - Average rate is 4.75%

No near term debt maturities

POST 2020 OUTLOOK

Focus on long-term cash flows

- 5-year growth outlook ~11% CAGR FFOPS
- 2020-2025 outlook
  - No new investment: ~3%
  - Return capital: ~5%
  - Continued investment: ~10%
- Current growth initiatives accretive to long-term cash flows

Characteristics of current and future assets will deliver growing cash flows
STRATEGIC PRESENCE IN THE NATURAL GAS VERTICAL

Natural Gas Strategy Drivers

- Natural gas continues to be “foundation fuel” with abundant domestic supply
- Supply and low price have continued to encourage investments in pipelines and infrastructure
- Distribution utilities are continuing to invest in replacement programs and mechanism recovery investments
SIGNIFICANT NORTH AMERICAN PROFILE

**Investment**
- Five year investment US$ 1B in regulated utilities
- New investments in LNG and pipelines
- Additional US$ 400M potential opportunities

**Commercial**
- US$ 200M in gas revenue
- 6 operating states; 280,000 customers

**People**
- 731 employees across North America
- 26 office sites delivering safe and reliable service

COMPETITIVE AND GROWING GAS FOOTPRINT

- **Customers**
  - 2010: 280,000
  - 2015: 330,000

- **Total Investment (US $B)**
  - 2010: 0.8
  - 2020: 1.7

- Locations: EnergyNorth, NH; New England Gas, MA; Peach State, GA; Missouri; Iowa; Illinois
SHALE REVOLUTION – A SUSTAINABLE OPPORTUNITY

- U.S. is now one of the largest producers of natural gas in the world
- Shale gas production levels are increasing
- Marcellus / Utica have become significant in the mix

Natural Gas Production Sets Record

Marcellus
Utica
Other sources
Conventional

35% of the U.S. natural gas supply by 2020

Source EIA

MARCELLUS/UTICA PRODUCTION OUTPACES EXPECTATIONS

- Production forecast continues to exceed prior estimates
- Efficiency gains in drilling techniques has also improved production

EIA Marcellus/Utica
Annual Energy Outlook Forecast (2010-2040)

Source EIA
Three largest drivers of growth
- Electric generation and customer demand
- Environmental Protection Agency (EPA) Clean Power Plan
- Liquefied Natural Gas (LNG) exports

**U.S. Natural Gas Demand**

Demand without federal CO2 price:
- Residential
- Commercial
- Industrial
- Electric
- Transportation
- LNG Exports

Demand with CPP

**GAS TO MARKET OUTPACED BY PRODUCTION**

- Current production level is outpacing transmission capacity - result:
  - New England market prices skyrocket in winter
  - Marcellus price decoupled from benchmark Henry Hub price
- Production increasing on efficiency gains – result:
  - Henry Hub futures prices remain low. Marcellus even lower

**Marcellus Projected Discount to Henry Hub - SNL**

Historical comparison: supply area vs. market area prices in New England
Natural gas continues to be advantageous against heating oil and propane
Price disparity is driving demand for residential and commercial customers
Low price and EPA rules are driving demand from electric generators

![Industrial Energy Prices (per million Btu)](image)

**PRICE DISPARITY BETWEEN OIL AND NATURAL GAS**

- 87% of all the heating oil is consumed in the northeast
- Oil furnaces / burners typically inefficient versus natural gas at 98.5%
- 33% more CO2 / MMBTU with oil
- Economic cleaner burning natural gas supports fuel switching

**NATURAL GAS – THE CLEANER ECONOMIC CHOICE**

![Sales of residential heating oil by region, 2013](image)

- Sales of residential heating oil by region, 2013
- Oil heating penetration by State

Source: US Energy Admin 2014
**INFRASTRUCTURE CONSTRAINTS – NEW ENGLAND**

- Significant disparity in summer versus winter electric prices
- Low summer prices reflect sufficient capacity for gas-fired generators when not competing with thermal market
- New England states are amongst most expensive to do business
- Increased natural gas through new pipelines will help lower high winter prices and reduce price volatility

![Graph showing summer and winter electric prices from 2011 to 2016](source:EIA)

**Forbes 2015**
Ranking of states by cost to do business

<table>
<thead>
<tr>
<th>State</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>#49</td>
</tr>
<tr>
<td>Connecticut</td>
<td>#47</td>
</tr>
<tr>
<td>Vermont</td>
<td>#44</td>
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<tr>
<td>New Hampshire</td>
<td>#43</td>
</tr>
<tr>
<td>Maine</td>
<td>#40</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>#36</td>
</tr>
</tbody>
</table>

**VERTICAL STRATEGY – NEW ENGLAND IMPLICATIONS**

- Well positioned in the northeast to capitalize on natural gas trends
- Investment opportunities
  - Pipeline
  - LNG peak shaving
  - LDC infrastructure
Strategic pipeline partnership

11,900 miles of pipeline throughout North America

2 partnership projects with Kinder Morgan:
- Northeast Energy Direct pipeline (NED)
- New – Northern Supply Path pipeline (NSP)

FERC application for Certificate of Convenience and Necessity filed for both projects

Source: Kinder Morgan
NORTHEAST ENERGY DIRECT (NED)

- Up to 10% interest in a 127 mile greenfield from Wright, NY to Dracut, MA bringing 1.3 BCF/day of natural gas to the region
- Since announcement last year:
  - Route change through New Hampshire
  - Substantial outreach program, favourable reception from NH Governor
  - NH commission is supportive
  - Opens up new franchise opportunities
- Right of Way / environmental permitting underway
- CapEx and EBITDA ranges dependent on pipeline size and technology assumptions

*Represents Algonquin's proportional interest

<table>
<thead>
<tr>
<th></th>
<th>CapEx</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US $341 - $361 M</td>
<td>US $32.9 - $44.3M*</td>
</tr>
<tr>
<td>In-service date</td>
<td>Q4 2018</td>
<td></td>
</tr>
</tbody>
</table>

NEW PROJECT: NED SUPPLY PATH PIPELINE (NSP)

- Up to 10% interest in a 132 mile pipeline bringing 1.2 BCF/day from shale sources in Pennsylvania to New York
- Connects with 20 shale producers in the region to increase the reliability and sourcing of the NG network
- Subject to all environmental and regulatory approvals
- Construction to begin in 2017
- Opens up new franchise opportunities – “Plant the Flag”

*Represents Algonquin’s proportional interest

<table>
<thead>
<tr>
<th></th>
<th>CapEx</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US $148 - $207 M</td>
<td>US $16.9 - $26.5M*</td>
</tr>
<tr>
<td>In-service date</td>
<td>Q4 2018</td>
<td></td>
</tr>
</tbody>
</table>
ICF predicts considerably lower natural gas prices with pipeline

NED and NSP could reduce wholesale energy prices by US$ 2.1 - $ 2.8B

Enhanced reliability connecting shale to other pipelines in the northeast

Improved environmental footprint

NED / NSP are the most cost-effective infrastructure alternatives

**New England Natural Gas Price Forecast – Monthly Average**

**SOURCE:** ICF/ SNL

---

**Algonquin Power & Utilities Corp.**

**SUPPLY**
LNG: A KEY COMPONENT OF THE NATURAL GAS SOLUTION

- Leverage distribution footprint to develop LNG infrastructure in the northeast
- LNG peak shaving in New England
  - North East Energy Center
  - More production appears to be entering peak shaving market
- Virtual pipeline
  - Satellite Local Distribution Company (LDCs)
  - Commercial and industrial customers

LNG utilization northeast U.S.

<table>
<thead>
<tr>
<th></th>
<th>Peak day</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25% – 40%</td>
<td>6%</td>
</tr>
</tbody>
</table>

LNG DEVELOPMENT PROJECT – NORTHEAST ENERGY CENTER

- Base case design
  - 16,000 Mcf/day of liquefaction capacity
  - 0.12 Bcf of storage (7 days of output)
  - National Grid Precedent Agreements for 14,000 mcf/day
    15-year contract
- Major site parcels under project control
  - 200 acres allows for significant expansion
- Massachusetts Department of Public Utilities (PDU); approval expected Q1 2016

<table>
<thead>
<tr>
<th></th>
<th>CapEx</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ 60M*</td>
<td>US$ 7.6M*</td>
</tr>
<tr>
<td>In-service date</td>
<td>Q2/Q3 2019</td>
<td></td>
</tr>
</tbody>
</table>

*Represents Algonquin’s 50% proportional interest
NORTHEAST ENERGY CENTER VALUE PROPOSITION

- Within 100 miles of LDC storage sites
- Provides summer and winter service
  - Summer service: liquefy and ship immediately
  - Winter service: liquefy and store and ship later
- Expansion possibilities include additional liquefaction, storage, regasification and CNG compression capability

ELECTRIC RELIABILITY DRIVES NEED FOR GAS

- EDCs considering using firm pipeline capacity to keep winter electric costs in check
- Three states (New Hampshire, Massachusetts and Rhode Island) are now considering EDCs ability to take firm capacity subject to PUC approval
- In combination with RPS, could have positive impacts on renewables by encouraging GHG reductions

Source: PJM learning center
Opportunity to serve power generation customers on Tennessee Gas Pipeline (TGP)

Service would provide LNG storage and regasification to customers off of TGP as well as NED and NSP

Project potential
- Over 3 BCF storage
- 30,000 dth/d + liquefaction
- 230,000 dth/d regasification
STRONG ROE A CONTINUING TREND

- Investment in replacement infrastructure
- Growing customer base
- Improved regulatory mechanisms

REGULATORY MECHANISMS STRATEGICALLY IMPORTANT

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>AR</th>
<th>AZ</th>
<th>CA</th>
<th>GA</th>
<th>IL</th>
<th>MA</th>
<th>MO</th>
<th>MT</th>
<th>NH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decoupling Mechanism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memorandum Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity Pass Through</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated Recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mechanisms increase the opportunity to achieve authorized ROEs

- Electric utility
- Water utility
- Gas utility
- Under consideration
“PLANT THE FLAG” STRATEGY

- Opportunity to capture up to 36,000 customers
- Growth without a premium; no acquisition costs
- Leverages LNG strategy; pipeline expansion
  - Pipeline expansion
  - Off pipe
  - Bridge the gap to pipeline

SAMPLE “PLANT THE FLAG” VALUE PROPOSITION

- Satellite LDCs can provide LNG that is price competitive against substitute fuels
- Price gap expected to grow as oil prices increase

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Price/Unit</th>
<th>Heat Content Per Unit (BTU)</th>
<th>Price Per Million BTU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Oil (#2)</td>
<td>$2.23/Gallon</td>
<td>138,690</td>
<td>$16.05</td>
</tr>
<tr>
<td>Propane</td>
<td>$2.54/Gallon</td>
<td>91,333</td>
<td>$27.79</td>
</tr>
<tr>
<td>Kerosene</td>
<td>$3.07/Gallon</td>
<td>135,000</td>
<td>$22.75</td>
</tr>
<tr>
<td>Pipeline Natural Gas</td>
<td>$0.75/Therm</td>
<td>100,000</td>
<td>$7.50</td>
</tr>
<tr>
<td>Electricity</td>
<td>$0.14/kwh</td>
<td>3,412</td>
<td>$41.55</td>
</tr>
<tr>
<td>Liquefied Natural Gas</td>
<td>$0.1509/Therm</td>
<td>100,000</td>
<td>$15.09</td>
</tr>
</tbody>
</table>
**DISTRIBUTION – RATE BASE GROWTH OF US$ 230M**

- Invest in projects supported by reduced regulatory lag
- Growth of natural gas distribution infrastructure
  - Replacement infrastructure investments over US$ 85M
- New customer additions and service territories
  - “Plant the Flag” strategy
  - Customer expansion

![Graph showing rate base growth from 2016 to 2020](image)

*Increase in Operating Profit of US$ 32.2 million by 2020*

**CAPITALIZING ON THE NORTHEAST OPPORTUNITY**

- Shale revolution will continue to increase opportunities to invest
- Pipeline and LNG investments to serve power generation as well as commercial markets especially in the northeast
- Low cost natural gas will continue to drive growth in distribution facilities including replacing aging infrastructure and plant new franchise flags
- Well positioned both vertically and laterally
STRATEGIC PRESENCE IN THE WATER VERTICAL

Meeting the Water Needs of the West

Water Strategy Drivers

- Building presence to become a dominant player in the southwest U.S.
- Water issues create investment opportunity
- Aging infrastructure requires ongoing investment
COMPETITIVE AND GROWING WATER FOOTPRINT

Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>70,000</td>
</tr>
<tr>
<td>2015</td>
<td>99,100</td>
</tr>
<tr>
<td>2020</td>
<td>188,100</td>
</tr>
</tbody>
</table>

Total Investment (US $M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Investment (US $M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>195</td>
</tr>
<tr>
<td>2015</td>
<td>332</td>
</tr>
<tr>
<td>2020</td>
<td>785</td>
</tr>
</tbody>
</table>

WATER SUPPLY RELIABILITY: AN INVESTMENT OPPORTUNITY

- Water supply reliability brings challenges in southwest U.S.
- Drought highlights opportunity for investment and providing solutions
- Infrastructure investments will be required
- Drought issues require alternate sources of supply
- Conservation is mitigated by decoupling
EXISTING STATE INFRASTRUCTURE NEEDS

Southwestern states in which we operate:
- Have population and economic growth potential
- Require infrastructure replacement
- Are drought-challenged

Water and Wastewater Investment by State (US $)

- CA: $91B
- AZ: $9.7B
- TX: $45.4B
DIVERSE WATER SOURCES – INVESTMENT OPPORTUNITY

- Broad and diverse multiple investment opportunities
- Park central basin over-reliance on import water
  - Shift over time to 50/50 import/well sourcing
- Converts operating expense to investment opportunity

PROGRESSIVE REGULATION ENABLES CONSERVATION

- Conservation drives investment opportunities such as water reclamation
- Constructive regulatory environment supports investment
SUSTAINABLE SOURCES - EFFlUENT RECHARGE FACILITY

- Replenishing a community resource
- Distribution Group created first of its kind public/private partnership for recharge facility
- Promotes Algonquin as an industry leader and champion of sustainability

SOLAR GENERATION AT WATER FACILITIES

- Water – Energy nexus
- Installation of 580 KW solar panels at two reservoir sites
- Reduces the utility’s overall carbon footprint
- Converts operating expense to investment opportunity
DISTRIBUTION

WATER INFRASTRUCTURE – US$ 300M OVER 5 YEARS

- Continued investment in replacement and upgrade projects
- Underground collection and distribution pipeline replacement
- Wastewater treatment and effluent recharge facilities in Arizona and Texas
- Focused investment in California for Park Water capital needs

Increase in Operating Profit of US$ 28 million by 2020
PARK WATER TRANSACTION

- Park Water – three separate water utilities, 2 in California, 1 in Montana
- Approximately 74,000 customers
- 8th regulated utility acquisition in U.S. since 2010
- Expands Distribution Group’s presence in California
- Purchase price of US$ 327M including US$ 77M of debt
- 2016 expected EV/EBITDA ratio of 9.6x
- 160 water professionals
- Infrastructure replacement needs

---

PARK WATER – STRATEGIC INVESTMENT IN THE WEST

- Strategic investment in drought-challenged states
- Infrastructure re-investment needed
- Heightened awareness of value of water

**Park Water Infrastructure Investment Requirements (US$M)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Investment</th>
<th>Depreciation</th>
<th>Rate Base 10% CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>30</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>2017</td>
<td>38</td>
<td>0</td>
<td>68</td>
</tr>
<tr>
<td>2018</td>
<td>42</td>
<td>0</td>
<td>110</td>
</tr>
<tr>
<td>2019</td>
<td>42</td>
<td>0</td>
<td>152</td>
</tr>
<tr>
<td>2020</td>
<td>41</td>
<td>0</td>
<td>194</td>
</tr>
</tbody>
</table>

*Increase in Operating Profit of US$ 18 million by 2020*
MEETING THE WATER NEEDS OF THE WEST

- Building a critical mass in the water utility space
- Experience and expertise to be an industry leader
- Investment to mitigate the impacts of drought
- Continued investment in critical water infrastructure is a necessity

QUESTIONS
Electricity Strategy Drivers

- Long-term outlook for renewable energy in North America is very positive
- Substantial electric vertical investment opportunity of C$ 2.1B
- C$ 1.8B of commercially secure generation projects. Development efforts are focused on on-shore wind and utility scale solar
- Over US$ 250M of electric transmission and electric distribution investment opportunities

Significant North American Profile

**Investment**
- C$ 2.2B in operational assets, regulated utilities
- 1,100 MW diversified clean energy generation

**Commercial**
- C$ 480M in electric vertical revenue
- 92,000 regulated utility customers

**People**
- 355 employees across North America
- 37 sites across 10 states and 6 provinces
COMPETITIVE AND GROWING ELECTRIC FOOTPRINT

Generation Capacity (MWs)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>465</td>
<td>1,100</td>
<td>1,861</td>
</tr>
</tbody>
</table>

Total Investment (C$ B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.75</td>
<td>2.2</td>
<td>4.3</td>
</tr>
</tbody>
</table>

- 38 renewable and clean energy facilities with more than 1,100 MW of net capacity.
- Granite State, NH Calpeco Solar, CA
- 761 MW of contracted wind and solar development projects.

ROBUST VERTICAL MODEL IN CHANGING ENVIRONMENT

94% Revenue Contracted

- 94%
- 6%

Diversified portfolio

- 70% U.S. / 30% Canada
- Wind / hydro / solar / thermal
- 11 electrical jurisdictions
- 90% offtake with utility / ISO

Proven operational competency

- Generation availability: 98%
- Utility system investments ensure reliability
2015 Market Conditions

Policy drivers

United States:
- Renewable portfolio standards (RPS)
- U.S. Clean Power Plan
- FERC 1000 – transmission

Canada:
- Growing focus on GHG reduction

Economic drivers

- Record low gas prices
- Declining wind and solar costs
- Fossil fuel independence with renewable energy
- Coal impaired by pollution control investments

2015 Results

United States
- 10 GW wind added; 2.2 GW of solar
- Gas generation > 30% of total
- California – 50% renewables by 2030
- 13 GW coal closures

Canada
- Saskatchewan – 50% renewables by 2030
- Ontario closed 7.5 GW coal (2014)
- Alberta committed to phase out coal – 30% renewables by 2030
Three global drivers for renewable growth:
- Carbon reduction, pollution mitigation, energy diversification

U.S. regulations / incentives – RPS, Clean Power Plan most impactful
- RPS – California will surpass 33% goal in 2020
- Clean Power Plan – 32% carbon emissions reduction by 2030
- MATs and CSAPR forcing coal closures – replace with gas / renewables

- Renewables replace fossil fuel generation in high emission states
- Many high emission states have strong wind resource – midwest
- Strong solar resource in other regions – southeast and southwest
- Transmission investment to move renewable power to load
**Renewables Significant Part of CPP Compliance**

- EPA proposed 3 building blocks to CPP compliance – varies by state
- Renewables represent a third of the required emission reductions
- In-state drivers: amended RPS targets, renewable procurement, RECs
- CPP offers early investment incentive: renewables online by 2020

**EPA’s Proposed Path to Emission Compliance**

- 54% Carbon capture and storage (CCS) dispatch
- 32% Renewable generation
- 14% Coal heat rate betterment

*Source: EPA*

---

**LCOE at or near Grid Parity for Wind and Solar**

- Wind OEMs focused on rotor diameters and tower cost reductions
- Direct drive machines increase availability
- Panel efficiencies continue to climb
- Solar balance of plant costs will drop 60% by 2025

*Source: Lazard*
**ROBUST WIND AND SOLAR GROWTH FORECAST BEYOND 2020**

- 195 GW of new wind and solar to 2030
- Solar investment surpasses wind long-term – 50 GW higher 2021 - 2030
- Wind, solar 33% of U.S. generation capacity by 2030

Wind/Solar Growth to 2030: 195 GW

<table>
<thead>
<tr>
<th>Year</th>
<th>Wind</th>
<th>Solar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-2020</td>
<td>39</td>
<td>46</td>
</tr>
<tr>
<td>2021-2030</td>
<td>30</td>
<td>80</td>
</tr>
</tbody>
</table>

Wind/Solar in 2030: 33% of Capacity

<table>
<thead>
<tr>
<th>Year</th>
<th>Wind</th>
<th>Solar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>2030</td>
<td>16%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: UBS

**ELECTRIC VERTICAL INVESTMENT OF C$ 2.1B**

- 2016 Generation group CapEx
  - C$ 20M to C$ 25M sustaining
  - Non-recurring C$ 20M for Quebec dam safety compliance
- C$ 1.8B is commercially secured as our contracted development pipeline
- Pipeline has 8 projects
  - Wind: Odell, Deerfield, Val Éo, Amherst Island and Chaplin
  - Solar: Bakersfield II, Great Bay and Calpeco
- Wind expands to 1,300 MW; solar to 165 MW
- Electric distribution investment of US$ 211M; transmission projects - US$ 34M

CS 1.8B Commercially Secured Generation Development Pipeline

- U.S. wind
- Canadian wind
- U.S. solar
GENERATION

Development Strategy

SIGNIFICANT INVESTMENT OPPORTUNITY

Wind project pipeline
- 98 GW announced
- Texas supported by Competitive Renewable Energy Zones (CREZ) buildout and a strong wind resource

Solar project pipeline
- 25 GW announced
- California strong solar resource, state level RPS
- North Carolina due to strong state tax incentives

<table>
<thead>
<tr>
<th>Wind Pipeline – Top 5 States</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TX</td>
<td>20,812</td>
</tr>
<tr>
<td>KS</td>
<td>6,063</td>
</tr>
<tr>
<td>WY</td>
<td>5,645</td>
</tr>
<tr>
<td>IL</td>
<td>5,219</td>
</tr>
<tr>
<td>NM</td>
<td>5,198</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Solar Pipeline – Top 5 States</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>14,103</td>
</tr>
<tr>
<td>NC</td>
<td>3,381</td>
</tr>
<tr>
<td>AZ</td>
<td>1,814</td>
</tr>
<tr>
<td>NV</td>
<td>2,232</td>
</tr>
<tr>
<td>FL</td>
<td>1,026</td>
</tr>
</tbody>
</table>

*Texas and California are the most active U.S. development states*
ROBUST DEVELOPMENT TEAM

Focused growth by leveraging expertise:
- Origination, development and construction capabilities
- Deep knowledge of wind and solar markets in the U.S. and Canada

Advantages:
- Recognized name in Canadian/U.S. renewable market:
  - 1,300 MW of contracted wind
  - 165 MW of contracted solar
- Cost of capital advantage
  - Canadian tax advantages
  - Tax equity expertise
- Entrepreneurial DNA and persistence

Focus on North American on-shore wind and utility solar

22 GW WIND RPS REQUIREMENT

North American wind development focused in the U.S.
North American solar development focused in the U.S. and Ontario

RECENTLY COMPLETED PROJECTS

- Morse Wind COD: Apr. 22, 2015
- St. Damase Wind COD: Dec. 2, 2014
COMMERCIALLY SECURED PROJECTS

**Wind projects:**
- Chaplin, Saskatchewan 177 MW
- Amherst Island, Ontario 75 MW
- Odell, Minnesota 200 MW
- Deerfield, Michigan 150 MW
- Val Éo, Quebec 24 MW

**Solar projects:**
- Bakersfield II, California 10 MW
- Great Bay Solar, California 75 MW
- Calpeco Solar, California 50 MW

*Significant contracted pipeline in the U.S. and Canada*

---

**UPDATE ON CONSTRUCTION STATUS – BAKERSFIELD II**

**Bakersfield II Solar: 10 MW AC**

**Offtake agreement**
- 20-year Power Purchase Agreement (PPA) with South California Edison (SCE)
- Expected annual EBITDA US$ 1.5M
- 10.7 EV/EBITDA (net of Tax Equity)

**Resource analysis**
- 28.5% P50
- 24.2 GWh/year

**Construction**
- US$ 27M CapEx (US$ 16M net of Tax Equity)
- COD 2016

**Energy production seasonality**

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19%</td>
<td>34%</td>
<td>31%</td>
<td>16%</td>
</tr>
</tbody>
</table>

**CALIFORNIA, UNITED STATES**
**UPDATE ON CONSTRUCTION STATUS – ODELL**

**Odell Wind: 200 MW**

**Offtake Agreement**
- 20-year PPA with Northern States Power
- Expected annual EBITDA US$ 29M (includes HLBV)
- 11 EV/EBITDA (inclusive of Tax Equity)

**Resource Analysis**
- 46.5% P50
- 815 GWh/year

**Construction**
- US$ 323M CapEx
- COD Q2 2016

**UPDATE ON DEVELOPMENT STATUS – DEERFIELD**

**Deerfield Wind: 149 MW**

**Offtake agreement**
- 20-year PPA with Wolverine Power
- Expected annual EBITDA US$ 15.3M
- 9.9 EV/EBITDA (net of Tax Equity)

**Resource analysis**
- 42.5% P50
- 555 GWh/year

**U.S. Production Tax Credit (PTC)**
- Safe harboured Vestas turbines in 2014

**Construction**
- US$ 303M CapEx (US$ 152 net of tax equity)
- COD Q4 2016

**Energy production seasonality**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEERFIELD</td>
<td>31%</td>
<td>25%</td>
<td>13%</td>
<td>31%</td>
</tr>
<tr>
<td>DEERFIELD</td>
<td>29%</td>
<td>23%</td>
<td>19%</td>
<td>29%</td>
</tr>
</tbody>
</table>
**UPDATE ON DEVELOPMENT STATUS – AMHERST**

**Amherst Island Wind: 75 MW**

**Offtake agreement**
- 20-year PPA with the IESO
- Expected annual EBITDA C$ 28M
- 9.8 EV/EBITDA (net of Tax Equity)

**Resource analysis**
- 35.8% P50
- 235 GWh/year

**Permitting**
- REA received; ERT process underway

**Construction**
- C$ 273M CapEx
- COD 2016/2017

---

**UPDATE ON DEVELOPMENT STATUS – CHAPLIN**

**Chaplin Wind: 177 MW**

**Offtake agreement**
- 25-year PPA with SaskPower
- Expected annual EBITDA C$ 36.5M
- 9.3 EV/EBITDA (net of Tax Equity)

**Resource analysis**
- 46.4% P50
- 720 GWh/year

**Construction**
- C$ 340M CapEx
- COD 2017/2018

**Energy production seasonality**

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>27%</td>
<td>24%</td>
<td>21%</td>
<td>28%</td>
</tr>
</tbody>
</table>
Great Bay Solar: 75 MW

Offtake agreement
- 10-year PPA with the U.S. GSA
- SRECs sold into strong Maryland market
- Expected annual EBITDA US$ 15M
- 8 EV/EBITDA (net of Tax Equity)

Resource Analysis
- 23.1% P50
- 152 GWh/year

Construction
- US$ 178M CapEx (US$ 116M net of Tax Equity)
- COD Q4 2016

Energy production seasonality
<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>29%</td>
<td>28%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Val Éo Wind: 24 MW

Offtake agreement
- 20-year PPA with Hydro Quebec
- Expected annual EBITDA C$ 6.5M
- 8.1 EV/EBITDA (net of CRCE)

Resource analysis
- 31.3% P50
- 66 GWh/year
- 5 MET towers, SODAR

Construction
- C$ 52M CapEx (prior to CRCE)
- COD 2016

Energy production seasonality
<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>23%</td>
<td>22%</td>
<td>29%</td>
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</tbody>
</table>
TRANSMISSION

TRANSMISSION DEVELOPMENT – MARKET DRIVERS

- Projected US$ 19B annual investment
  - Shift to renewables
- FERC Order 1000 introduced competition but barriers remain
- SB350 in part directs the CAISO to expand to be a regional entity
- Emerging opportunity for municipal strategy acquisitions

**Historical and Projected Transmission Investment**

*(Nominal Dollars)*

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<th></th>
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</thead>
<tbody>
<tr>
<td>Actual</td>
<td>9.1</td>
<td>9.3</td>
<td>10.2</td>
<td>11.9</td>
<td>14.8</td>
<td>16.9</td>
<td>20.2</td>
<td>19.2</td>
<td>19.0</td>
<td>19.8</td>
</tr>
<tr>
<td>Projected</td>
<td>9.3</td>
<td>10.2</td>
<td>11.9</td>
<td>14.8</td>
<td>16.9</td>
<td>20.2</td>
<td>19.2</td>
<td>19.0</td>
<td>19.8</td>
<td></td>
</tr>
</tbody>
</table>
CURRENT DEVELOPMENT PROJECT – US$ 34M OPPORTUNITY

Calpeco 625-650 – US$ 34M

- Multi-year, multi-phase project
  - US$ 6.4M completed to-date
  - US$ 14M in 2016 and the remainder in 2017
- On-schedule and under budget
- Will be included in Calpeco rate base

POTENTIAL DEVELOPMENT PROJECTS

Municipal strategy – US$ 30M

- Purchase of municipal assets
- 619 Line – 120kv upgrade

NVE / CAISO – US$ 100M

- Ft Sage Herlong interconnection
RPS standards are driving investments
- Distributed generation and embedded renewables continuing to drive investment opportunities

Energy efficiency trends are continuing to have an impact on consumption
- Driving increased emphasis on decoupling for utility owners

ROEs for electric utilities remain higher than gas
- Historic spreads to 10 year treasury remain consistent

EDCs becoming interested in firm pipeline capacity
REGULATORY MECHANISMS STRATEGICALLY IMPORTANT

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>AR</th>
<th>AZ</th>
<th>CA</th>
<th>GA</th>
<th>IL</th>
<th>MA</th>
<th>MO</th>
<th>MT</th>
<th>NH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decoupling Mechanism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Memorandum Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Commodity Pass Through</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated Recovery</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Mechanisms increase the opportunity to achieve authorized ROE’s

- Electric utility
- Water utility
- Gas utility
- Under consideration

RPS CREATES OPPORTUNITY FOR RENEWABLE INVESTMENT

- Approval to construct 50 MW rate based solar facility in California
- Exploits benefits of the vertical model
  - Development driven by Generation group
  - Regulatory approval completed by the Distribution Group
  - Jointly driving tax equity opportunity
- The strategy has resulted in a US$ 90M investment opportunity
  - Follow on US$ 20M solar opportunity
- The LCOE is lower than the cost of renewable resources available from NV Energy

California RPS Requirements

- Calpeco Solar production
RATE BASE GROWTH OF US$ 148M

- Continuing to invest in distribution system expansion that capitalizes on distribution utility trends
- California provides significant opportunities to capitalize on RPS requirements
- New Hampshire RPS requirements are continually developing with market continuing move toward increasing targets
- Developing opportunity for Granite State to consider firm pipeline capacity

Increase in Operating Profit of US$ 26.2 million through 2020

LEVERAGING THE VALUE OF RENEWABLE ENERGY

- Long-term outlook for renewable energy in North America is very positive
- Substantial electric vertical investment opportunity of C$ 2.1B
- C$ 1.8B of commercially secure generation projects. Development efforts are focused on on-shore wind and utility scale solar
- Over US$ 250M of electric transmission and electric distribution investment opportunities
WHY INVEST IN ALGONQUIN POWER & UTILITIES CORP.

- **Earnings & Cash Flows**
  - Long-term contracted cash flows and regulated utility earnings
  - Significant forecast growth from commercially secured pipeline

- **Dividend Growth**
  - Annual dividend increases for 5 consecutive years
  - Targeting 10% increase annually

- **Development Program**
  - C$4B of commercially secured growth over coming 3-5 years
  - Maintaining business and technology mix

- **Risk Management**
  - Investment grade capital structure
  - Dedicated risk and internal audit functions

- **Management Team**
  - Over 25 years of experience in power generation development and utility expertise
  - Entrepreneurial roots
### DETAILS ON PIPELINE GROWTH

#### Uses of Capital - Opportunity Set as at December 2015

*Amounts in Millions of C$. Rounded to $10M*

<table>
<thead>
<tr>
<th>Generation/Supply</th>
<th>Construction</th>
<th>Development</th>
<th>total Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odell Wind facility</td>
<td>420</td>
<td></td>
<td>1,840</td>
</tr>
<tr>
<td>Deerfield Wind facility</td>
<td>390</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bakersfield II Solar facility</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amherst Wind facility</td>
<td>270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Val Eo Wind facility</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chaplin Wind facility</td>
<td>340</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Bay Solar facility</td>
<td>230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast Energy Center LNG *</td>
<td>80</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Generation</strong></td>
<td><strong>1,840</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Distribution</th>
<th>General</th>
<th>Acquisition</th>
<th>Total Distribution</th>
<th>1,640</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic utility rate base CAPEX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park Water acquisition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Distribution</strong></td>
<td><strong>1,640</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Transmission</th>
<th>Construction</th>
<th>Development</th>
<th>Development</th>
<th>Development</th>
<th>Total Transmission</th>
<th>660</th>
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</thead>
<tbody>
<tr>
<td>625/650 California Transmission Line</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast Energy Direct pipeline *</td>
<td>430</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Supply Path pipeline *</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total Transmission</strong></td>
<td><strong>660</strong></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Algonquin consolidated 4,140

* * Represents Algonquin proportional investment
APUC expected 2015 EBITDA
+ 2016 expected growth %
= APUC expected 2016 EBITDA
+ APUC Administration costs
= Total Operating Profit

Generation Group operating profit 42.2%
Distribution Group operating profit 57.1%
Transmission Group operating profit 0.7%
Total Operating Profit 100.0%

<table>
<thead>
<tr>
<th>EPS</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>44%</td>
</tr>
<tr>
<td>Q2</td>
<td>22%</td>
</tr>
<tr>
<td>Q3</td>
<td>12%</td>
</tr>
<tr>
<td>Q4</td>
<td>22%</td>
</tr>
</tbody>
</table>

- APUC expects depreciation expense in 2016 of approximately $173 million
- APUC expects a marginal tax rate in 2016 of approximately 21%

2016 SEASONALITY - DISTRIBUTION

% Annual Operating Profit

Q1: 23% Gas, 5% Electric, 4% Water
Q2: 8% Gas, 4% Electric, 5% Water
Q3: 10% Gas, 4% Electric, 5% Water
Q4: 7% Gas, 6% Electric, 13% Water
2016 SEASONALITY - GENERATION

% of Annual Operating Profit

- Q1: 22% (Solar: 12%, Natural Gas: 3%, Hydro: 1%, Wind: 6%)
- Q2: 18% (Solar: 10%, Natural Gas: 2%, Hydro: 3%, Wind: 4%)
- Q3: 11% (Solar: 7%, Natural Gas: 2%, Hydro: 2%, Wind: 3%)
- Q4: 23% (Solar: 16%, Natural Gas: 3%, Hydro: 3%, Wind: 1%)

ALGONQUIN AT A GLANCE

<table>
<thead>
<tr>
<th>Ticker Symbol</th>
<th>AQN (TSX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-year annualized total shareholder return (November 1, 2010 – October 31, 2015)</td>
<td>20.6%</td>
</tr>
<tr>
<td>Total shareholder return (LTM November 25, 2015)</td>
<td>14.7%</td>
</tr>
<tr>
<td>Dividend yield (November 25, 2015)</td>
<td>4.96%</td>
</tr>
<tr>
<td>Total assets (September 30, 2015)</td>
<td>$4,759.0M</td>
</tr>
<tr>
<td>Market capitalization (November 25, 2015)</td>
<td>$2,500.0M</td>
</tr>
<tr>
<td>Revenue (Ended September 30, 2015)</td>
<td>$767.6M</td>
</tr>
<tr>
<td>Adjusted net income (Ended September 30, 2015)</td>
<td>$82.0M</td>
</tr>
<tr>
<td>Shares outstanding (November 25, 2015)</td>
<td>241,502,027</td>
</tr>
<tr>
<td>Total customers (November 25, 2015)</td>
<td>488,000</td>
</tr>
<tr>
<td>Employees (November 25, 2015)</td>
<td>1,300</td>
</tr>
<tr>
<td>S&amp;P/DBRS rating</td>
<td>BBB flat</td>
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</table>
Great Bay Solar: 75 MW Solar Development Project in Maryland

Acquisition Overview

- Development-stage solar project located in Somerset County, Maryland
- Expected annual energy generation of 150.0 GWh
- Commercial operations date target Q4 2016
- Executed 10 year power purchase agreement (including additional 10 year renewal option) with U.S. Government Agency for the energy output from the facility
- Substantial addition to Algonquin’s existing solar portfolio
- Operations easily integrated into APCo’s U.S. renewable platform
- Accretive to APUC EPS and FFO/debt credit metrics
- Sufficient land and interconnection capacity for additional 75 MW expansion

Expected Financial Metrics

- Total expected construction costs of ~U.S. $180 M
- Expected contribution from tax equity investors of ~U.S. $60 M
- Expected annual EBITDA of ~U.S. $16 M (excluding HLBV income)
- Expected annual energy production of 150.0 GWh per year
- Solar Renewable Energy Credits (SREC) sold into robust, growing MD SREC market

“We are pleased to continue growing our presence in the U.S. solar power sector with our Great Bay Solar project. The facility provides additional diversification and scale to our growing renewable energy portfolio.”

- Ian Robertson, CEO of Algonquin Power & Utilities

Algonquin Power Co., our electric generation subsidiary, owns or has interests in renewable energy and thermal energy facilities representing more than 1,100 MW of installed capacity.

Liberty Utilities Co., our regulated utility business, provides water, electricity, and natural gas utility services to more than 485,000 customers through a portfolio of regulated generation, transmission, and distribution utility systems.
CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain written and oral statements contained in this document are forward-looking within the meaning of certain securities laws and reflect the views of Algonquin Power & Utilities Corp. (the “Company”) with respect to future events, based upon assumptions relating to, among others, the performance of the Company's assets and the business, financial and regulatory climates in which it operates. These forward looking statements include, among others, statements with respect to the expected performance of the Company, its future plans and its dividends to shareholders.

Since forward-looking statements relate to future events and conditions, by their very nature they require us to make assumptions and involve inherent risks and uncertainties. We caution that although we believe our assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that our actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those presented in the Company’s annual financial results, the annual information form and most recent quarterly management’s discussion and analysis. Given these risks, undue reliance should not be placed on forward-looking statements, which apply only as of their dates. Except as required by law, the Company does not intend to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

NON-GAAP FINANCIAL MEASURES

The terms “adjusted net earnings”, “adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), “adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, “per share cash provided by operating activities”, “net energy sales”, and “net utility sales”, (together the “Financial Measures”) may be used in this presentation. The Financial Measures are not recognized measures under GAAP. There is no standardized measure of the Financial Measures, consequently APUC’s method of calculating these measures may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies. A calculation and analysis of the Financial Measures can be found in APUC’s most recent Management Discussion & Analysis. Per share cash provided by operating activities is not a substitute measure of performance for earnings per share. Amounts represented by per share cash provided by operating activities do not represent amounts available for distribution to shareholders and should be considered in light of various charges and claims against APUC.
For Immediate Release

Algonquin Power & Utilities Corp. to Participate with Kinder Morgan

In Developing New Pipeline

OAKVILLE, Ontario – November 30, 2015 – Algonquin Power & Utilities Corp. (“APUC”) (TSX: AQN) today announced that it plans to participate in the development of the Supply Path component of Kinder Morgan’s proposed Northeast Energy Direct Project (“NSP Project”).

Liberty Utilities (Pipeline & Transmission) Corp., a wholly owned subsidiary of APUC, and Kinder Morgan Operating L.P. “A” plan to enter into a joint venture that has been formed by a Kinder Morgan subsidiary, known as Northeast Supply Pipeline LLC. Northeast Supply Pipeline LLC will undertake the development, construction and ownership of the NSP Project, which is comprised of a 30-inch and 36-inch natural gas transmission pipeline to be located between northeast Pennsylvania and Wright, NY. The NSP Project is scalable up to 1.2 billion cubic feet per day (Bcf/d), and the pipeline capacity will be contracted with local distribution utilities, producers and other customers to help ease constraints on natural gas supply in New York and the northeast U.S. The NSP Project will deliver sufficient, incremental, domestic natural gas supplies to bolster the much needed reliability to New York and the Northeast power-generation grid. It is anticipated that the NSP Project will receive a FERC certificate in Q4 2016, with commercial operations occurring by late 2018.

Under the agreement, which remains subject to board approval of both APUC and Kinder Morgan, APUC will initially purchase a 4.0% interest in Northeast Supply Pipeline LLC, with an opportunity to increase its participation up to 10%. The total capital investment opportunity for APUC could be up to U.S. $207 million, depending on the final pipeline configuration, design capacity and related factors.

“I am pleased to announce this additional natural gas transmission pipeline investment that complements our northeast infrastructure development strategy” said Ian Robertson, Chief Executive Officer of APUC. “This joint project investment with Kinder Morgan, represents another strategic initiative connecting our generation, transmission and distribution businesses across the utility value continuum. It also provides APUC with the opportunity for additional investment in project expansions offering further diversification to our dynamic organization.”

The NSP Project and associated project agreements are subject to customary regulatory and Kinder Morgan board approvals.

About Algonquin Power & Utilities Corp.

Algonquin Power & Utilities Corp. is a $4.5 billion North American diversified generation, transmission and distribution utility. The Distribution Group operates in the United States and provides rate regulated water, electricity and natural gas utility services to over 489,000 customers. The non-regulated Generation Group owns or has interests in a portfolio of North American based contracted wind, solar, hydroelectric and natural gas powered generating facilities representing more than 1,050 MW of installed capacity. The Transmission Group invests in rate regulated electric transmission and natural gas pipeline systems in the United States and Canada. Algonquin Power & Utilities delivers continuing growth through an expanding pipeline of renewable energy development projects, organic growth within its regulated distribution and transmission businesses, and the pursuit of accretive acquisitions. Common shares and preferred shares are traded on the Toronto Stock Exchange under the symbols AQN, AQN.PR.A and AQN.PR.D. Visit Algonquin Power & Utilities at www.AlgonquinPowerandUtilities.com and follow us on Twitter @AQN_Utilities
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Website: www.AlgonquinPowerandUtilities.com
Twitter: AQNUtilities