



America's premier wholesale energy partner



Today's Overview



- Who is Southern Power?
- Business Model
- Portfolio
- U.S. Renewable Outlook
- Southern Power Growth Strategy



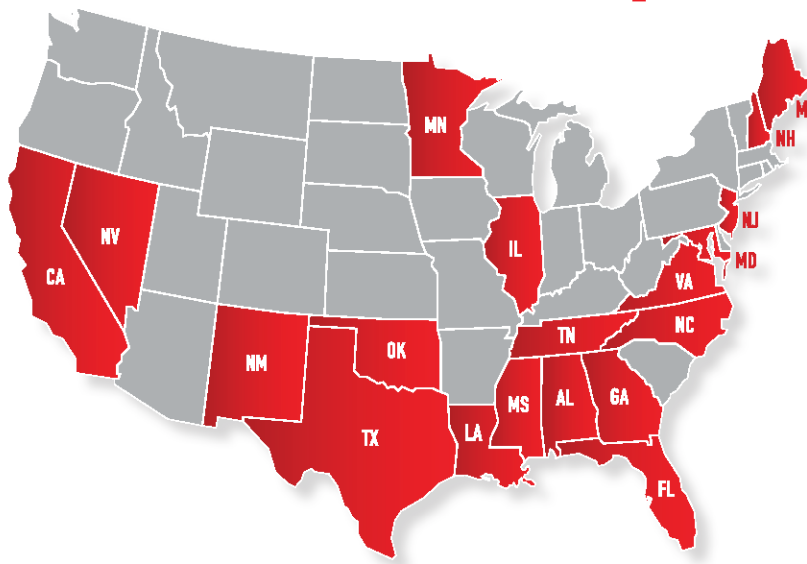
Approximately
44,000 mw
of Generating Capacity

Nearly
200,000 Miles
of Power Lines

More than
80,000
Miles of Natural Gas Pipelines

190 Bcf
of Natural Gas
Storage Capacity

Service Territory



Operations in
19 States

11
Electric & Natural Gas Utilities

32,500
Total Employees

9 Million
Utility Customers

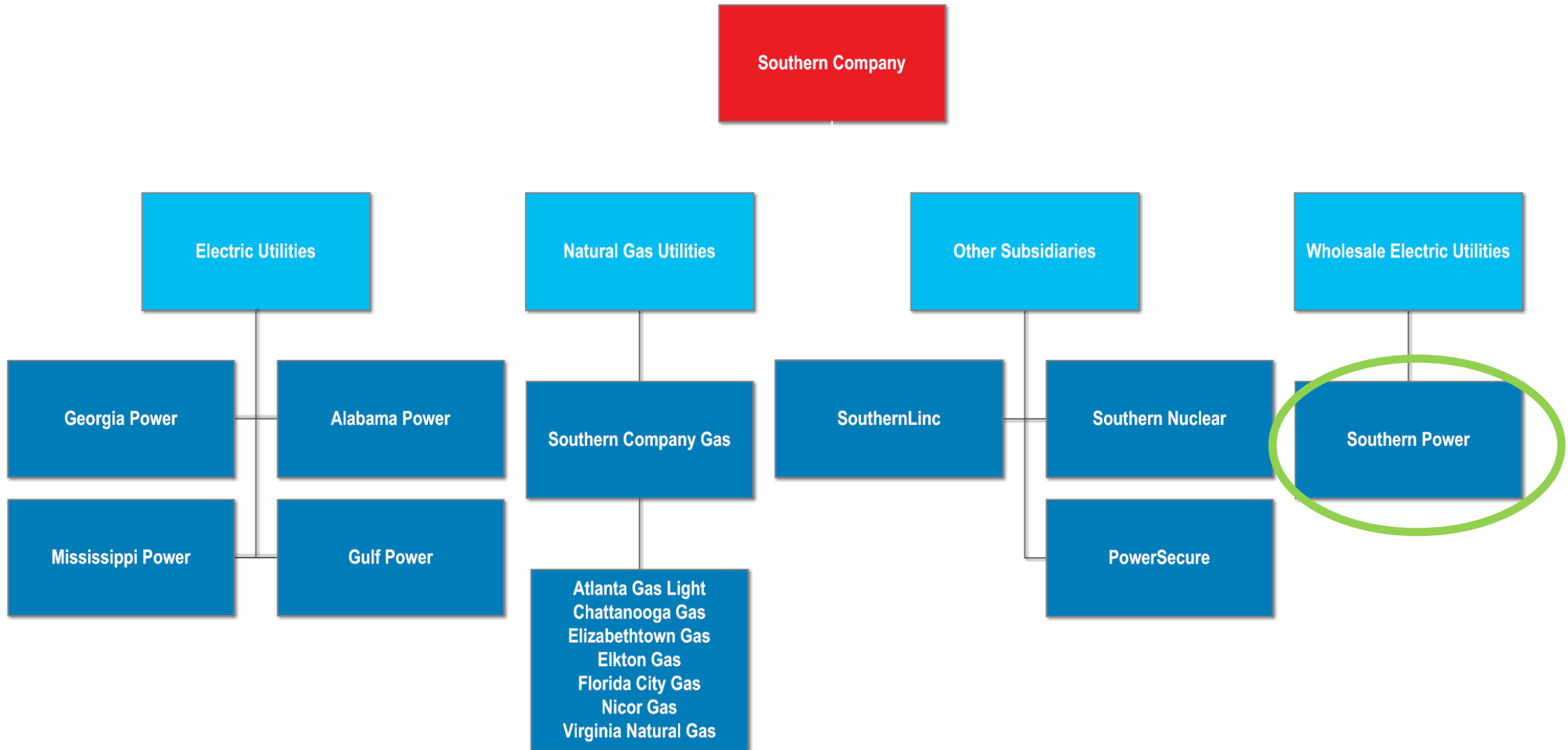
More than
1 Million
Retail Customers

Major Subsidiaries

Southern Company Gas	4.5 million natural gas distribution customers in 7 states, wholesale and retail energy businesses and gas storage facilities across the U.S.
Alabama Power	1.4 million electric utility customers
Georgia Power	2.4 million electric utility customers
Gulf Power	447,000 electric utility customers
Mississippi Power	186,000 electric utility customers
PowerSecure	A national leader in distributed infrastructure technologies
Southern Power	Over 12,000 MW of wholesale solar, wind, biomass and natural gas in 11 states
Southern Natural Gas	50% Ownership

Natural Gas Utilities
Atlanta Gas Light (GA)
Chattanooga Gas (TN)
Elizabethtown Gas (NJ)
Elkton Gas (MD)
Florida City Gas (FL)
Nicor Gas (IL)
Virginia Natural Gas (VA)

Southern Company Overview



Who is Southern Power?



Southern Power is a leading U.S. wholesale energy provider meeting the electricity needs of municipalities, electric cooperatives, investor-owned utilities and other energy customers.

We help build the future of energy as **America's premier wholesale energy partner** by investing in clean energy solutions for the customers we serve.

Surpassing **12,600 MW*** of generation capacity, we represent the largest renewable and gas-fired fleet in the Southern Company system.

Southern Power is the third largest electric operating company by generation capacity, net income and total assets.

**Includes all announced projects through Bethel*

By the Numbers

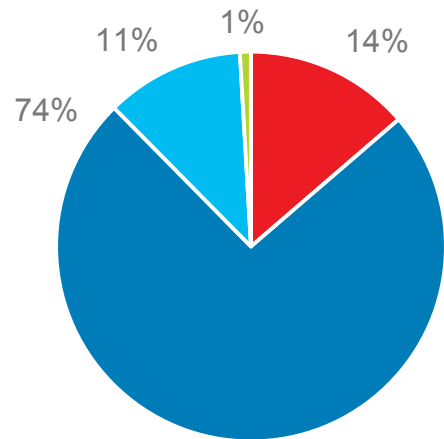


12,610 total MW*

3,290 MW renewable energy*

Operations in 11 states

Over 460 employees

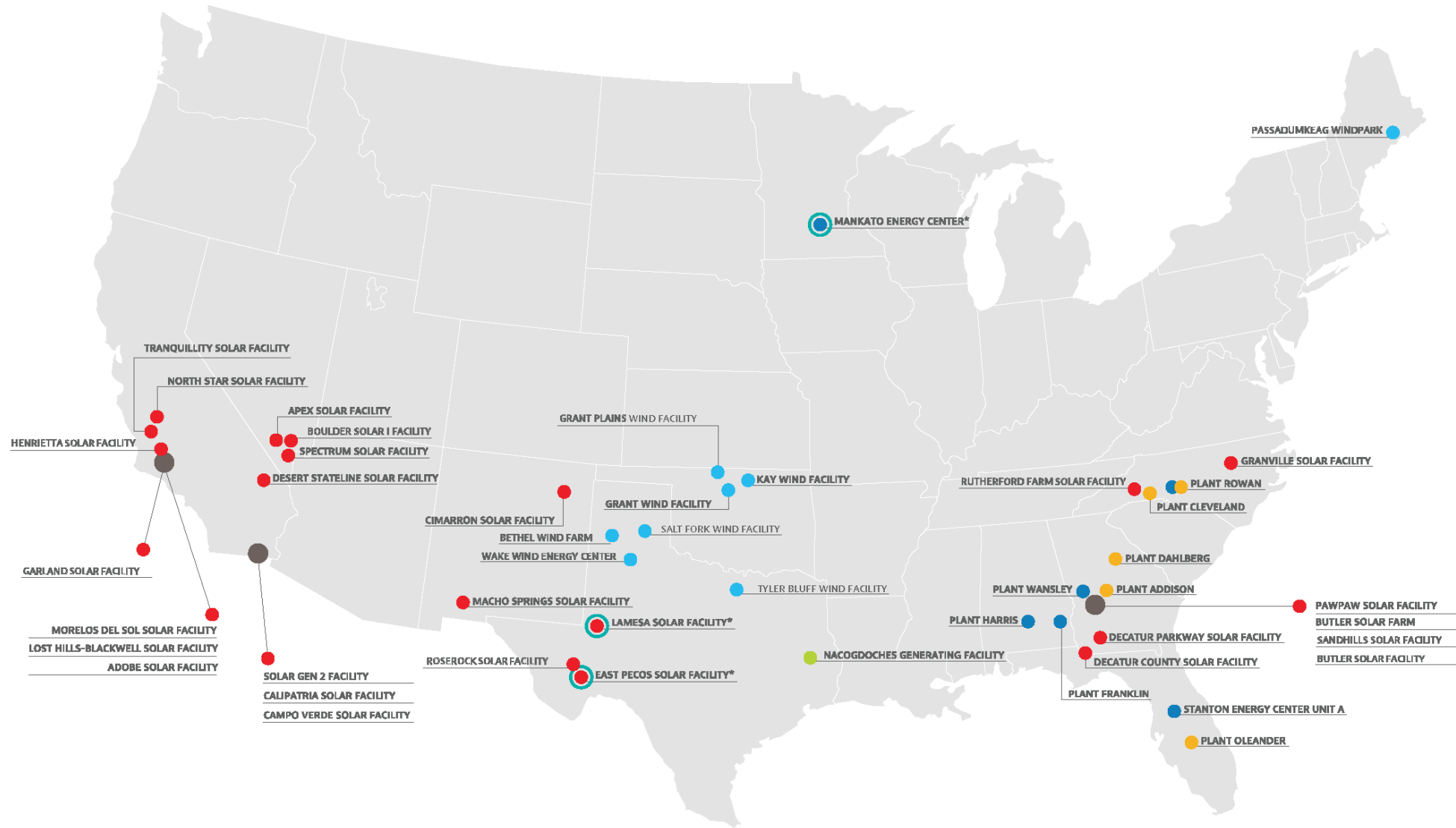


■ Solar ■ Natural gas ■ Wind ■ Biomass



*Includes all announced projects through Bethel

Southern Power Generating Facilities



- Combined Cycle Plant
- Peaking Plant
- Biomass Plant
- Solar Plant
- Wind Plant
- Under Development*

Business Model





Southern Company's unregulated wholesale provider of electricity

- Build or buy assets covered by long-term contracts with creditworthy counterparties
- Minimize fuel and transmission risks using pass-through contract provisions
- Target long term partnerships that leverage our superior performance
- Maintain BBB+ credit rating

Contract Coverage Profile¹

Investment-weighted² Contract Metrics

AAA to A- counterparty credit profile for
74% of contract coverage

5-year coverage: 91%

10-year coverage: 90%

Average contract length: 16 years

2016 Financials

Operating Revenue: \$1.6 billion

Net Income: \$338 million

Total Assets: \$15.2 billion

(1) As of December 31, 2016

(2) Investment based on the respective generation facilities' net book value (or expected in-service value for facilities under construction or being acquired) as the investment amount

SPC Hurdle Rates

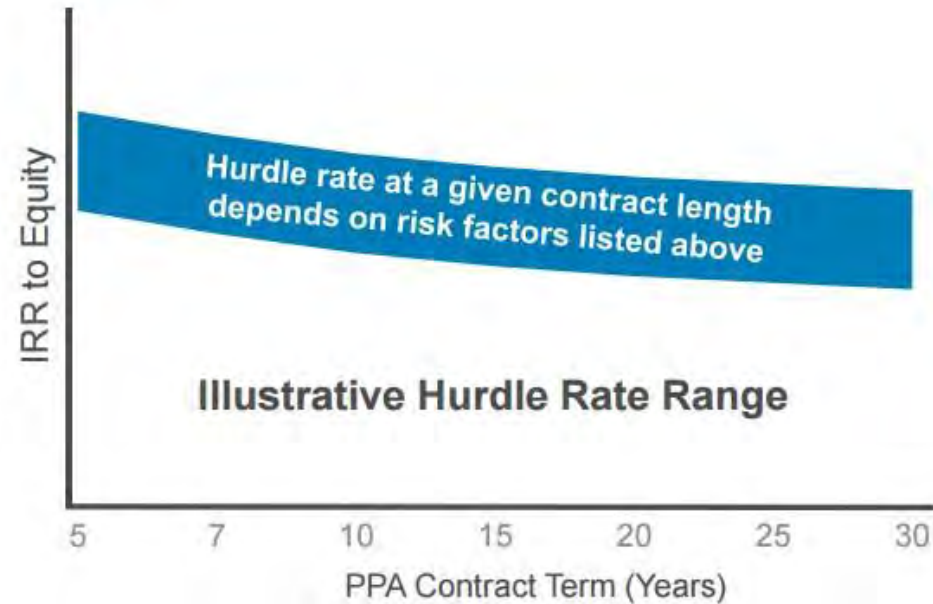


Primary Risk Factors Considered

- Technology: Gas (CT, CC), Solar, Wind
- PPA Contract Length
- PPA Counter Party Credit Risk
- New build vs. Acquisition

Potential Project Specific Risk Factors

- Fuels / Resource
- Reliability / Design
- EPC
- Environmental
- O & M
- Transmission
- External affairs
- Change in law
- PPA Provisions

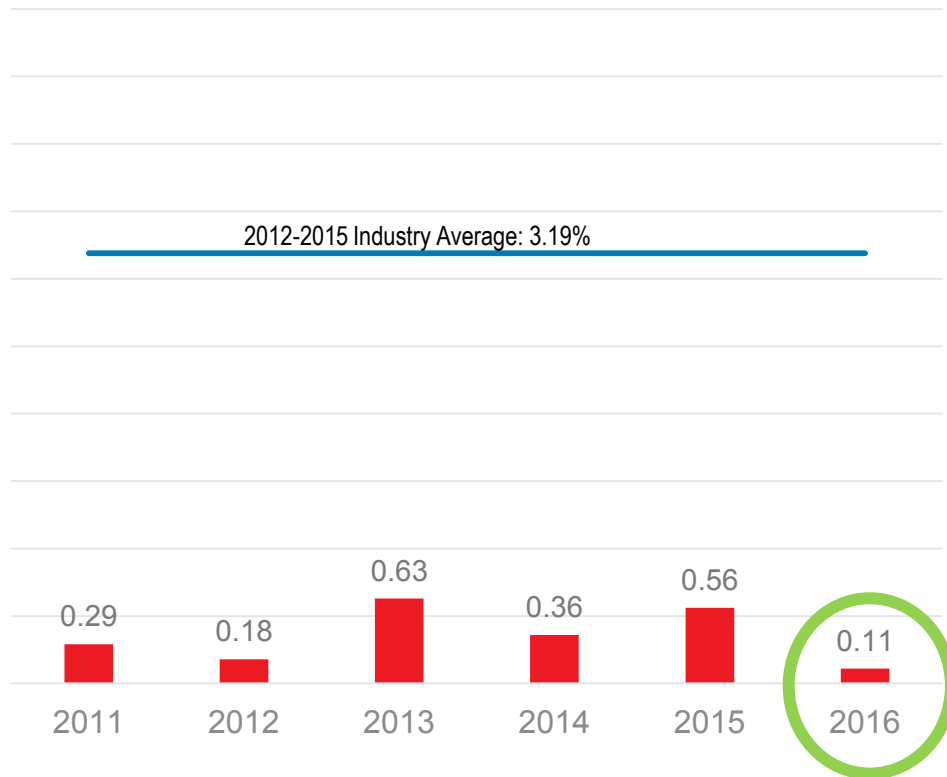


Superior Operational Performance

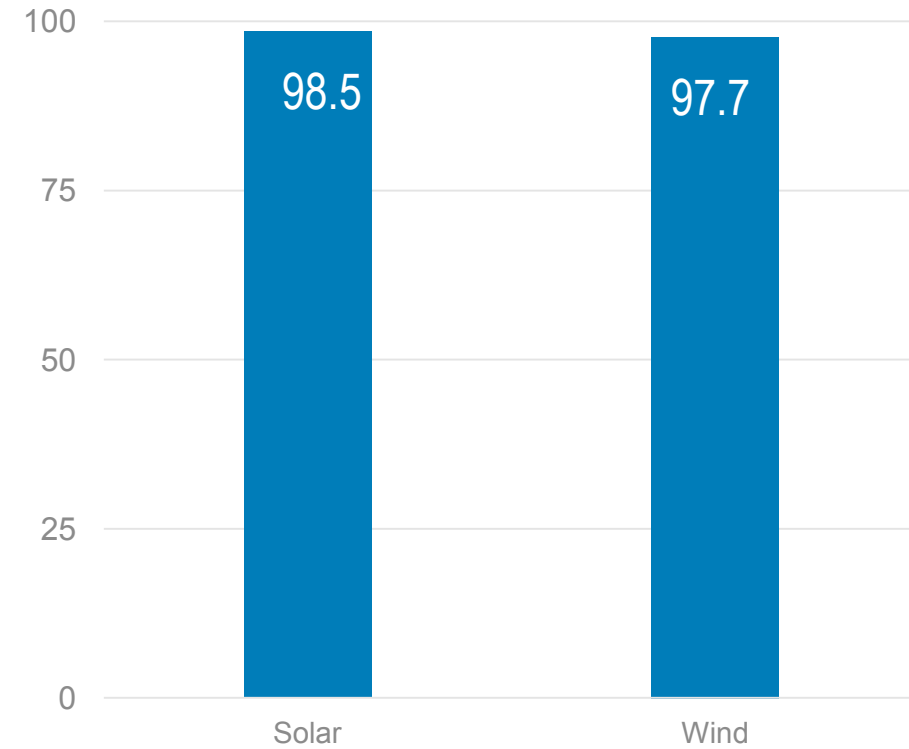


Delivering on key operating performance metrics illustrates our commitment to operational excellence and helps to ensure contractual commitments to customers are met

Gas CC Peak Season EFOR (%)



Renewable Availability



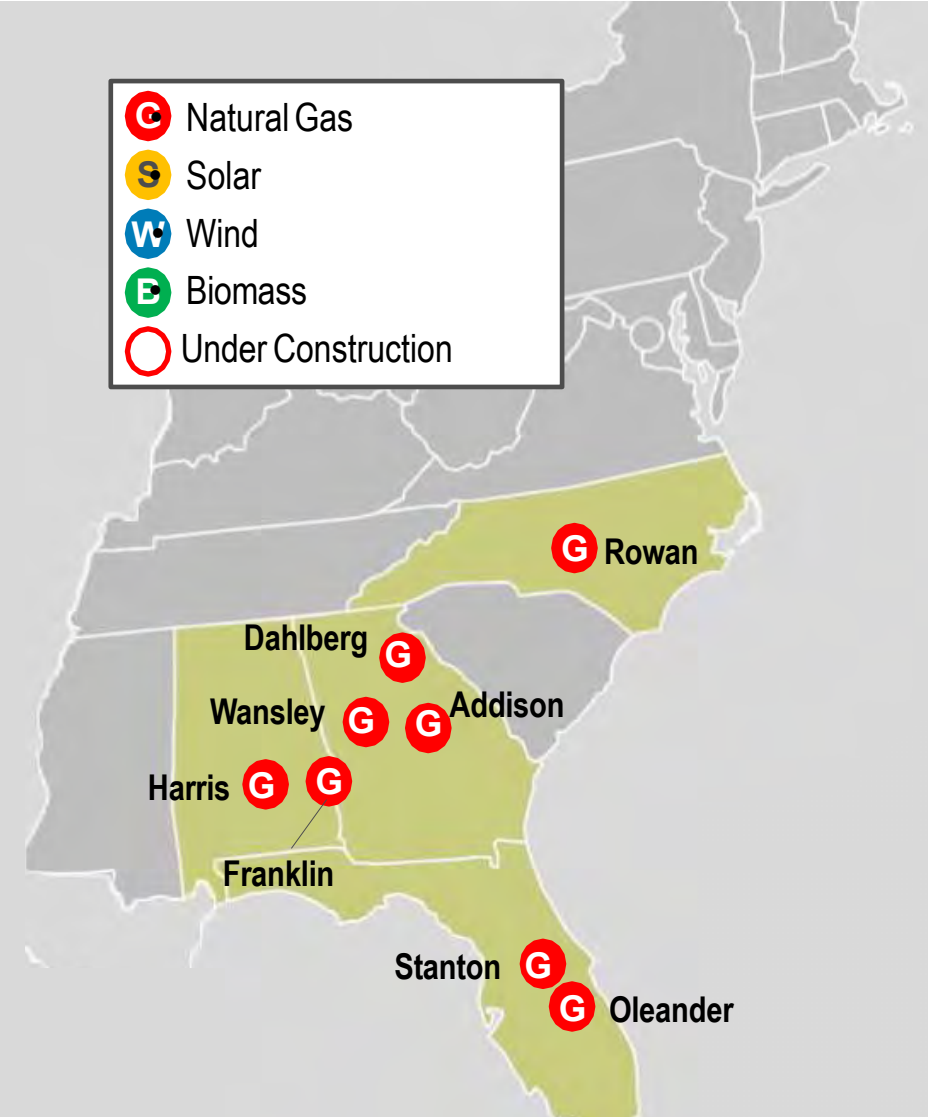
Southern Power Portfolio



Southern Power Growth: 2001 to 2009

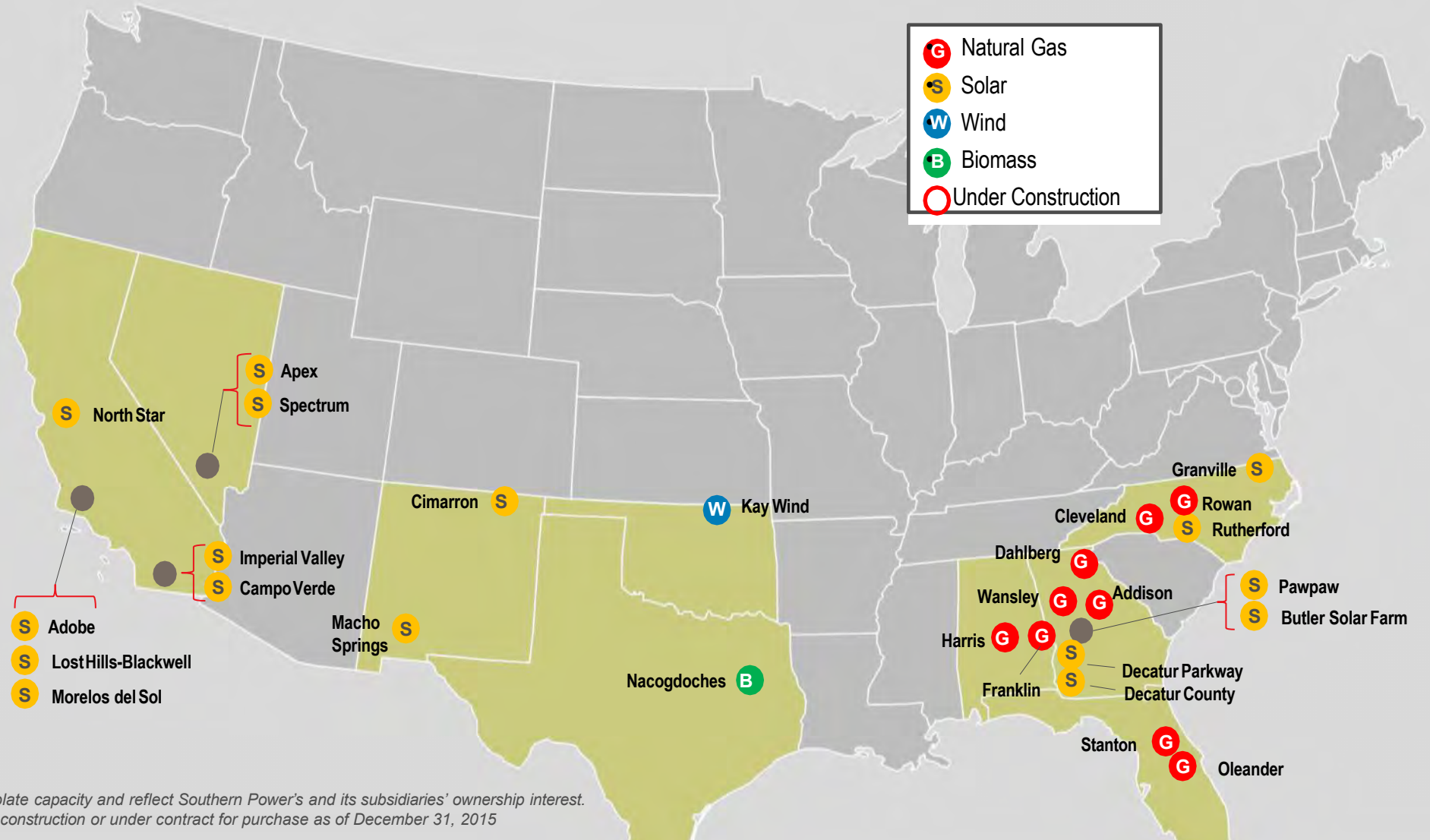
Southern Power's contracts-based business model

- Sell capacity and energy covered by long-term contracts
 - Contracted revenues are not linked to market power prices
- Minimize fuel and transmission risks using pass-through contract provisions
- Execute contracts with strong credit support



Invested \$3.2B in almost 8,000 MW of natural gas assets across four states in the Southeast

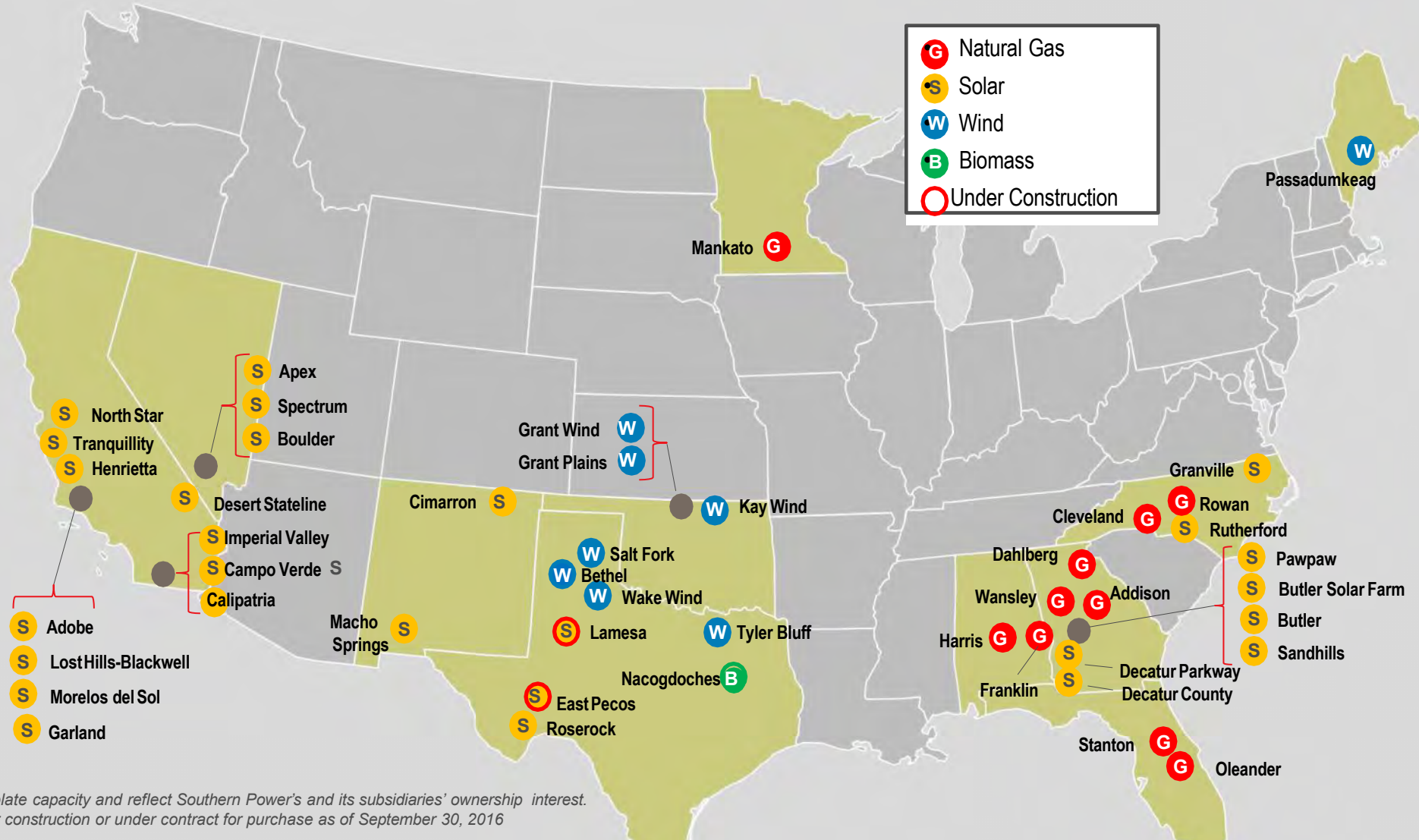
Southern Power Growth: 2010 to 2015



(1) MW numbers represent nameplate capacity and reflect Southern Power's and its subsidiaries' ownership interest.
 (2) Reflects facilities owned, under construction or under contract for purchase as of December 31, 2015

Invested \$4.5B in 18 projects totaling over 1,700MW; assets span across nine states

Southern Power Growth: 2016



(1) MW numbers represent nameplate capacity and reflect Southern Power's and its subsidiaries' ownership interest.
 (2) Reflects facilities owned, under construction or under contract for purchase as of September 30, 2016

Invested \$4.4B in 19 projects totaling over 2,700MW; pivot towards wind

A Nationwide Clean Energy Fleet



Current Portfolio

Type	MW ^{1,2}	%	Net Book Value ²	%
Natural Gas	9,320	76%	\$2.8B	23%
Solar	1,727	14%	\$6.8B	57%
Wind	1,172	9%	\$2.1B	17%
Biomass	115	1%	\$0.4B	3%
Total	12,335	100%	\$12.1B	100%

Southern Power has a diverse portfolio with strong contract coverage and high credit quality counterparties

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(2) Reflects facilities owned, under construction or under contract for purchase as of September 30, 2016

U.S Renewables Market

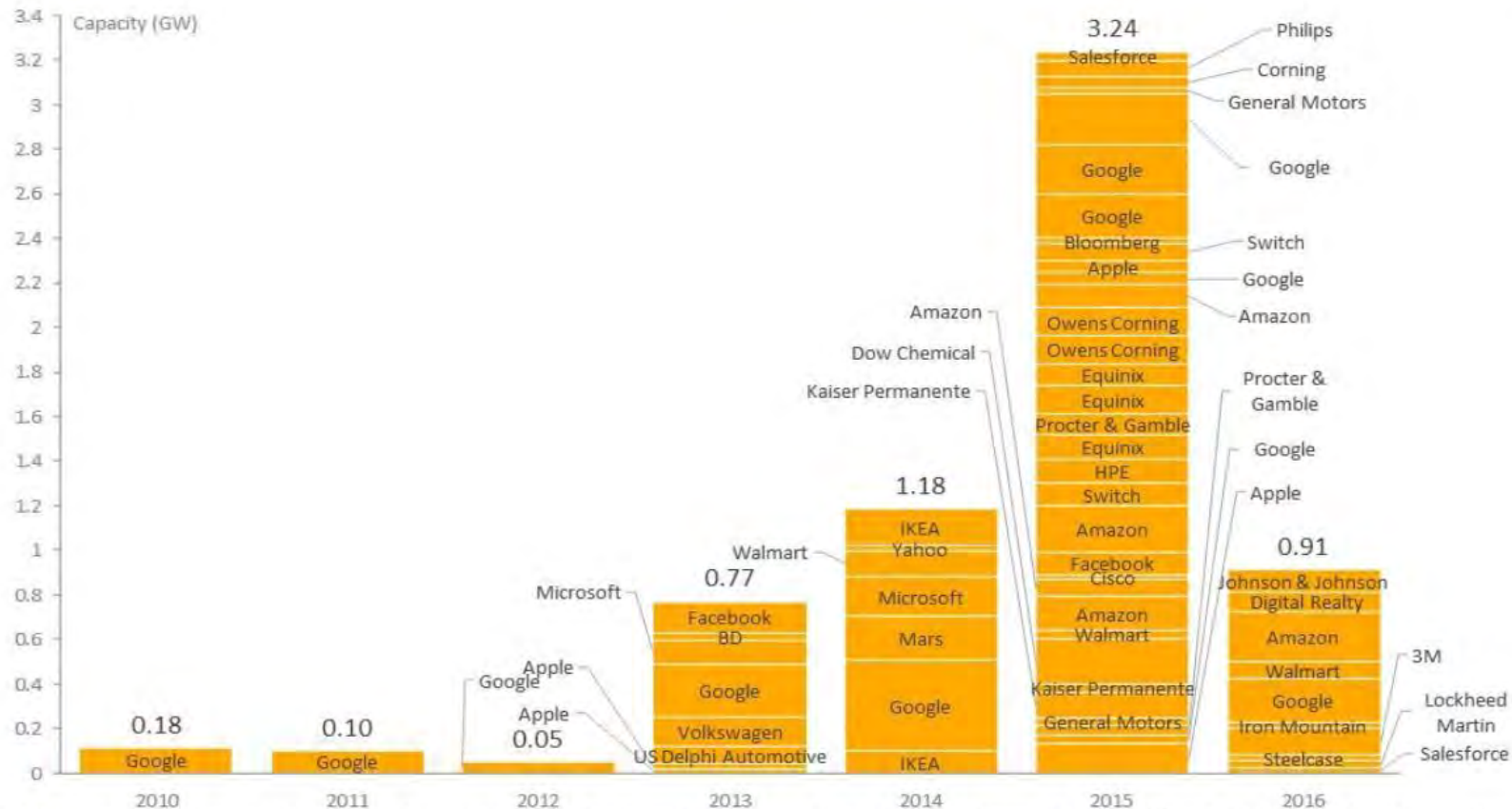
A view into C&I offtakers and declining PPA prices



Commercial and Industrial Offtakers



Corporate Renewable Deals 2012 – 2016



Publicly announced contracted capacity of corporate Power Purchase Agreements, Green Power Purchases, Green Tariffs, and Outright Project Ownership in the US and Mexico, 2012 – 2016. Excludes on-site generation (e.g., rooftop solar PV) and deals with operating plants. Last updated: September 26, 2016.

Utility Scale Solar PPA Prices

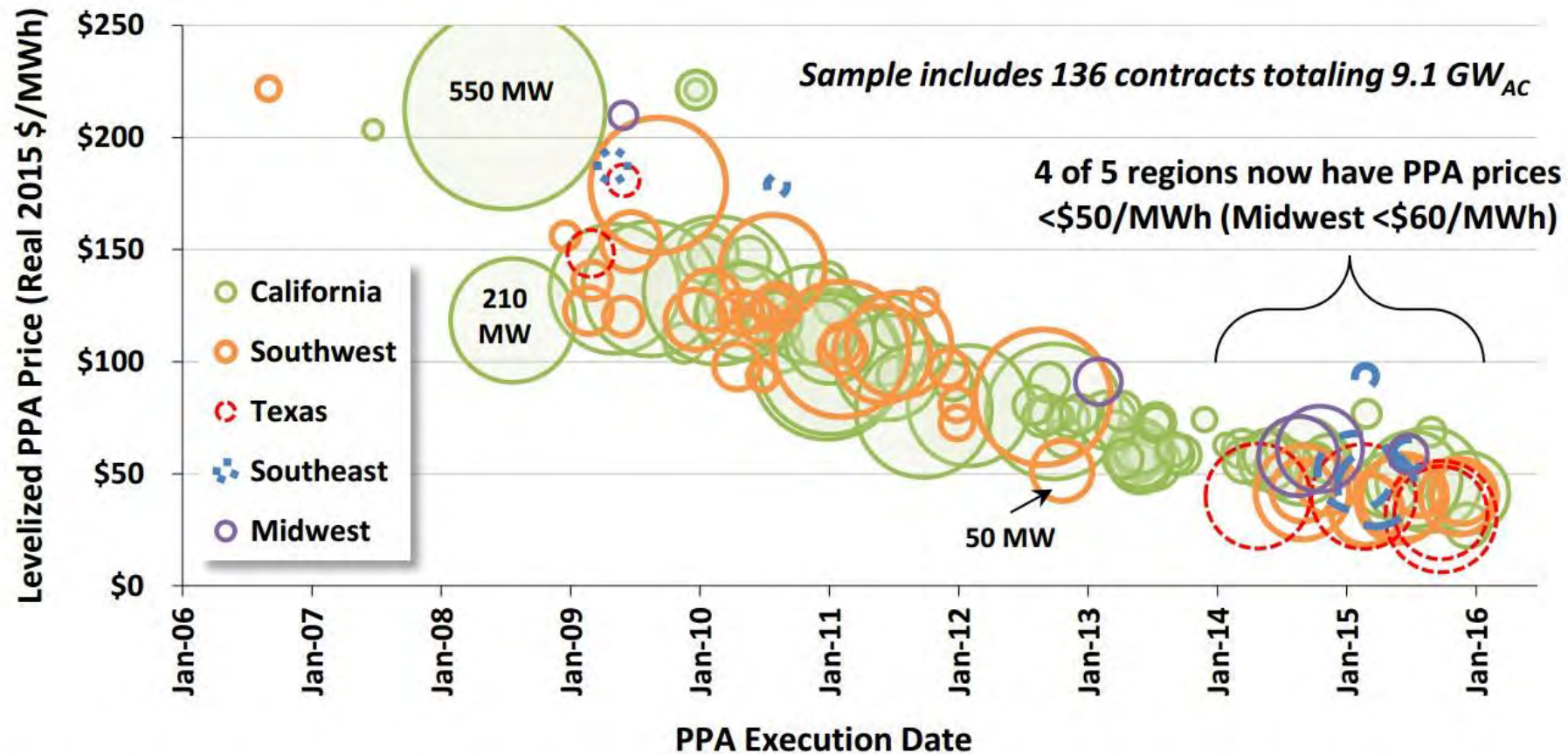


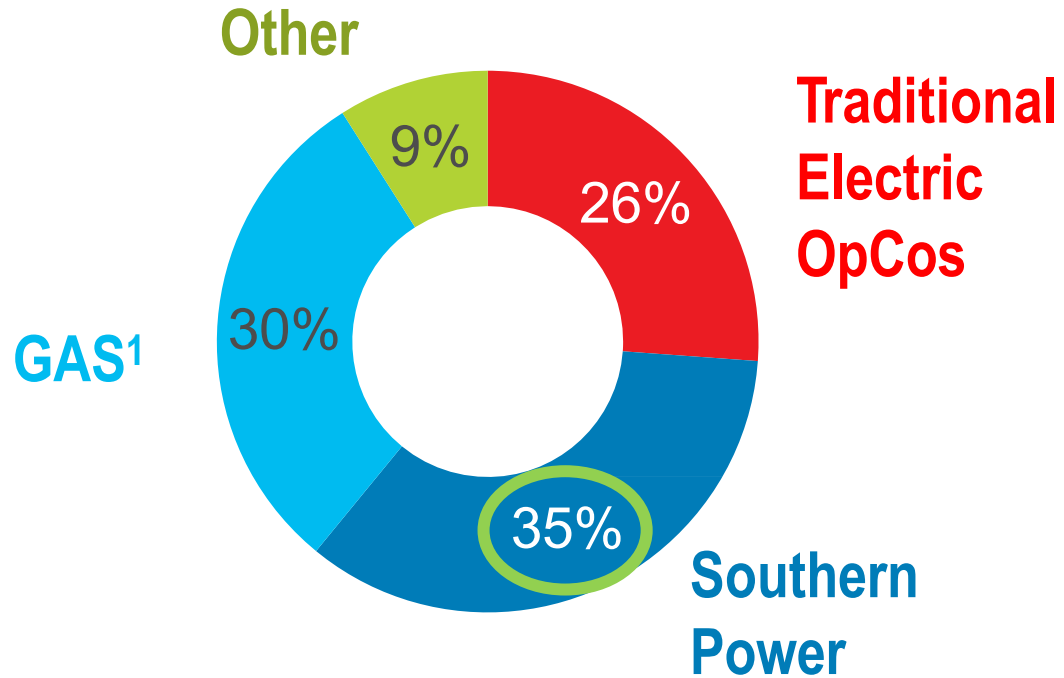
Figure 18. Levelized PPA Prices by Region, Contract Size, and PPA Execution Date: Full Sample

Growth Strategy

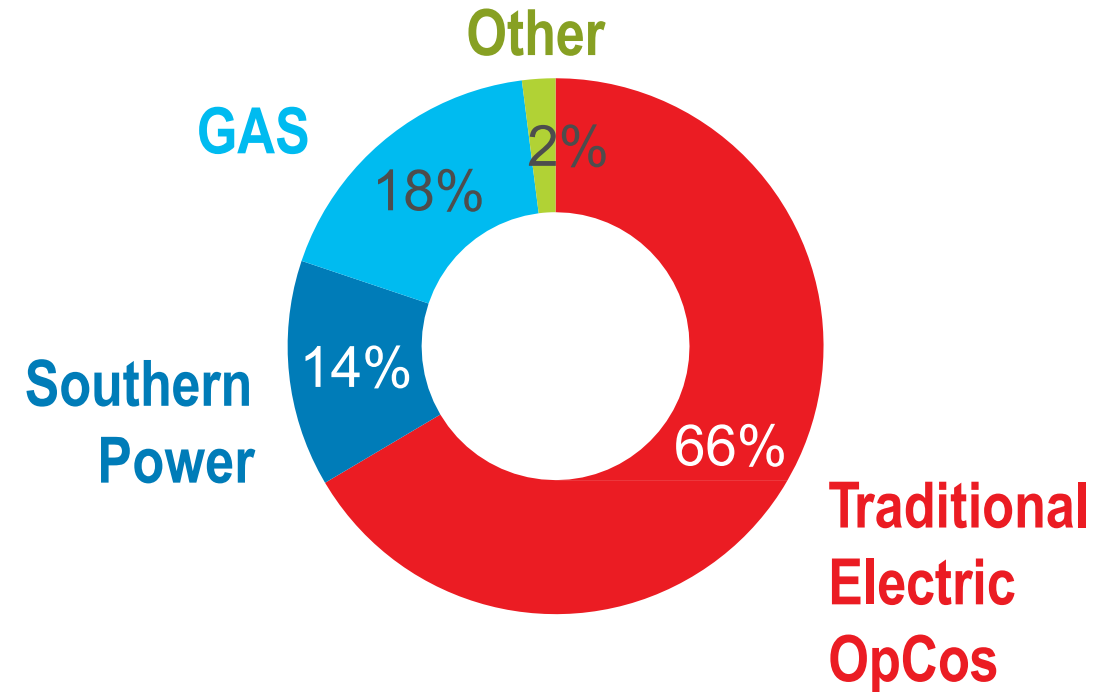


Growth is spread across our major businesses

Projected contribution to earnings growth¹ through 2021



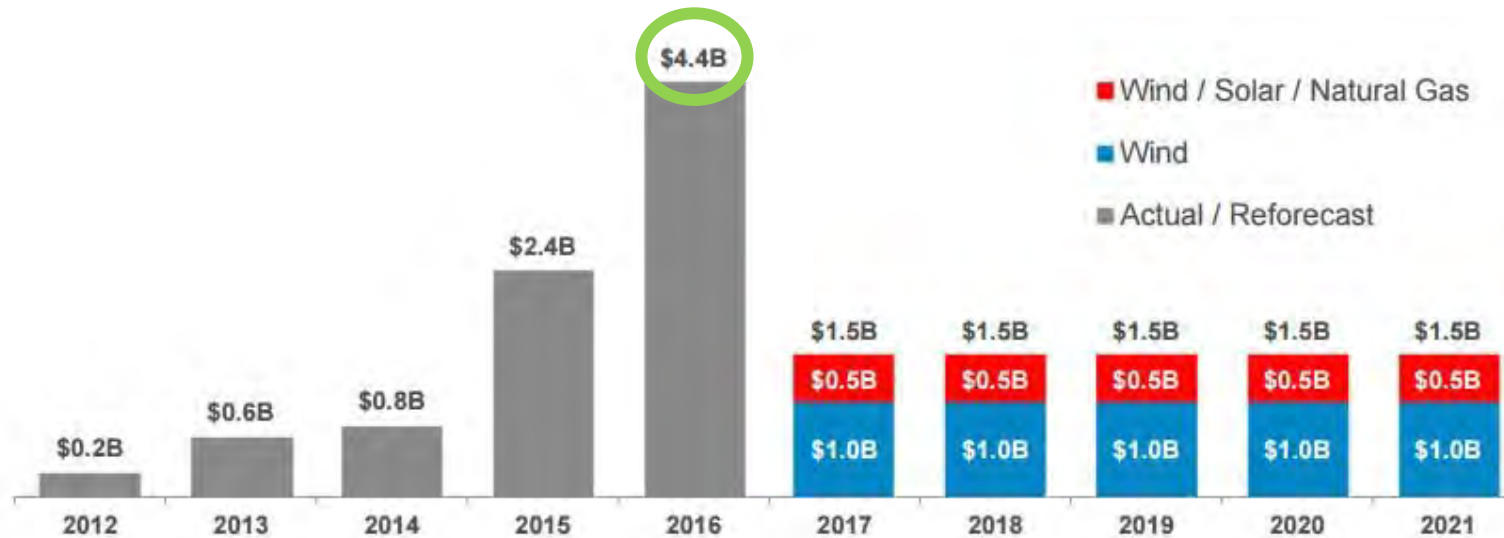
Projected contribution to the dividend in 2021



~95% of the dividend supported by state regulated and long-term contracted business

¹Excludes projected merger-related expenses and earnings from Wholesale Gas Services

Southern Power Growth Capital¹



- **2016 growth investments currently projected to be \$4.4B**
 - Fully committed
 - Expected to be the high-water mark for renewable investment
- **Targeting approximately \$1.5B for growth capex annually and continuing pivot towards wind**
 - Approximately \$1B annually for wind (~650MW per year)
 - Approximately \$500M for wind, solar, or natural gas based on opportunities

All growth capex will be subject to our rigorous investment criteria and disciplined approach to project investment

¹Excludes maintenance capex of ~\$100M per year

Southern Power Growth Outlook



We are positioned to grow as a clean energy provider in the near and long term



- Declining PPA prices, combined with corporate tax position, are making solar financial profiles less attractive
- Continuing to pursue select solar projects on a more limited basis



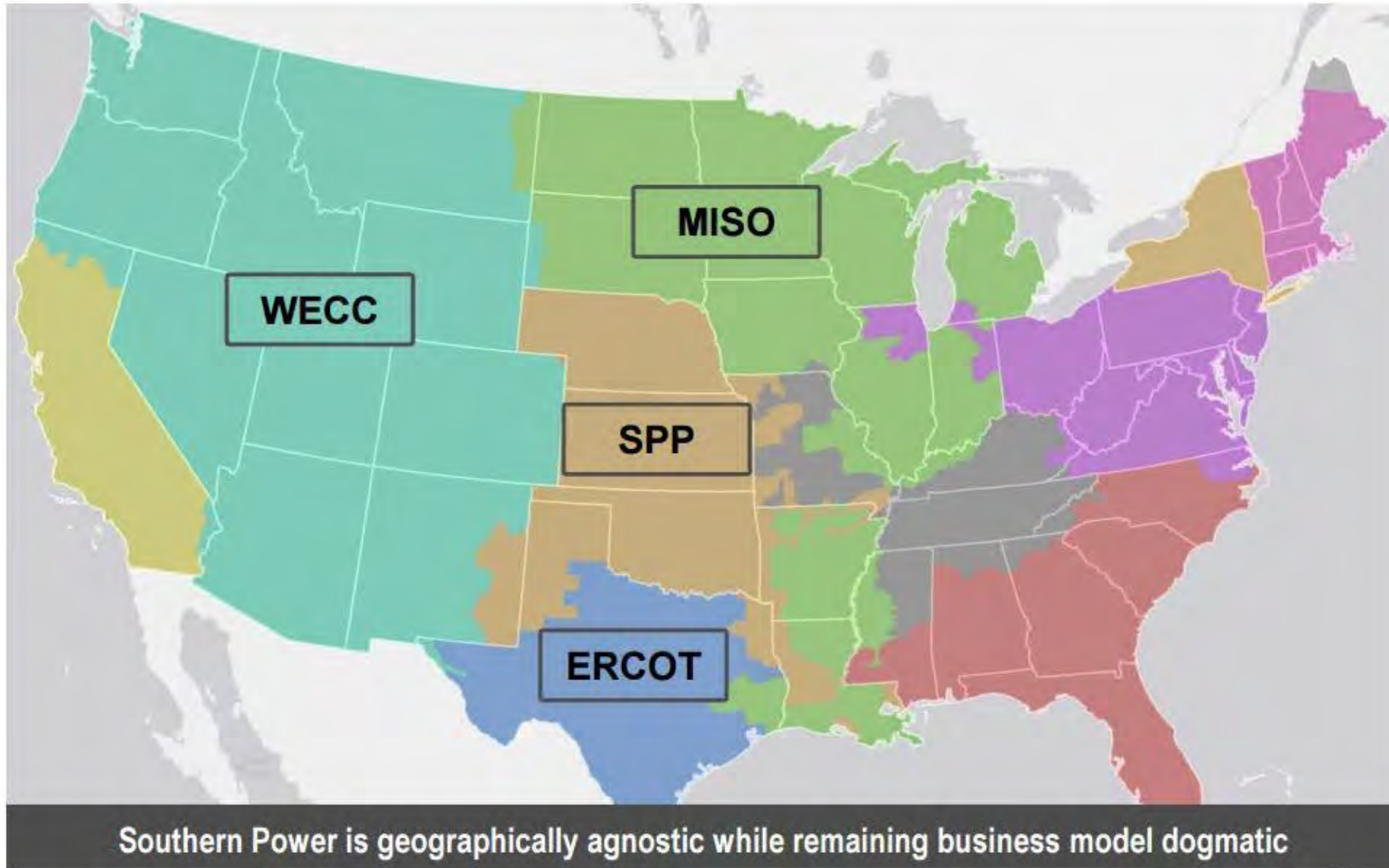
- Wind expected to be primary growth vehicle in the near term
- Wind projects offer a more attractive financial profile given corporate tax position
- Exploring partnerships with both turbine suppliers and project developers



- Gas acquisition opportunities may exist in the near term
- New build gas projects forecasted in medium / long term
- Environmental regulations and operational constraints will drive timing of new build opportunities

**We are committed to maintaining a low-risk business model
as we continue to grow and diversify the business**

Market Focus



Safe Harbor Strategy





Southern Power