

Southern Company subsidiary to acquire natural gas-fired power facility in Minnesota

ATLANTA, Sept. 1, 2016 /PRNewswire/ -- Southern Company subsidiary Southern Power today announced its agreement to acquire the Mankato Energy Center from Calpine Corporation, subject to customary closing conditions. Located in Mankato, Minnesota, the center will include two natural gas units – the existing 375-megawatt (MW) Mankato Energy Center I and the 345-MW Mankato Energy Center II expansion, which is under development. When complete, the Mankato Energy Center will represent 720 MW of generating capacity.

"Southern Power remains committed to the strategic development of a diverse generation mix, and the Mankato Energy Center is an excellent fit for Southern Power's business model," said Southern Power President and CEO Buzz Miller. "We are proud to serve this region and look forward to expanding the output of the facility to meet the needs of our customers."

Mankato Energy Center I is a natural gas-fired, combined-cycle facility contracted with Northern States Power, a subsidiary of Xcel Energy Inc., through 2026. The Mankato Energy Center II expansion is expected to be operational by June 2019 to serve an additional 20-year power purchase agreement with Northern States Power.

With the addition of the Mankato Energy Center, Southern Power will own 10 combined-cycle and combustion-turbine natural gas-fueled power plants across five states, representing 9,300 MW of generating capacity operating or under development. The project represents Southern Power's first generating asset within the Midcontinent ISO (MISO).

About Southern Power

Southern Power, a subsidiary of Southern Company, is a leading U.S. wholesale energy provider meeting the electricity needs of municipalities, electric cooperatives, investor-owned utilities and other energy customers. Southern Power and its subsidiaries own or have the rights to 41 facilities operating or under construction in 11 states with more than 11,700 MW of generating capacity in Alabama, California, Florida, Georgia, Maine, Minnesota, Nevada, New Mexico, North Carolina, Oklahoma and Texas.

About Southern Company

Southern Company (NYSE: [SO](#)) is America's premier energy company, with 44,000

megawatts of generating capacity and 1,500 billion cubic feet of combined natural gas consumption and throughput volume serving 9 million electric and gas utility customers through its subsidiaries. The company provides clean, safe, reliable and affordable energy through electric utilities in four states, natural gas distribution utilities in seven states, a competitive generation company serving wholesale customers across America and a nationally recognized provider of customized energy solutions, as well as fiber optics and wireless communications. Southern Company brands are known for excellent customer service, high reliability and affordable prices that are below the national average. Through an industry-leading commitment to innovation, Southern Company and its subsidiaries are inventing America's energy future by developing the full portfolio of energy resources, including carbon-free nuclear, 21st century coal, natural gas, renewables and energy efficiency, and creating new products and services for the benefit of customers. Southern Company has been named by the U.S. Department of Defense and G.I. Jobs magazine as a top military employer, recognized among the Top 50 Companies for Diversity by DiversityInc, listed by Black Enterprise magazine as one of the 40 Best Companies for Diversity and designated a Top Employer for Hispanics by Hispanic Network. The company has earned a National Award of Nuclear Science and History from the National Atomic Museum Foundation for its leadership and commitment to nuclear development and is continually ranked among the top utilities in Fortune's annual *World's Most Admired Electric and Gas Utility* rankings. Visit our website at www.southerncompany.com.

Cautionary Notes Regarding Forward-Looking Statements:

Certain information contained in this release is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning the construction and subsequent operation of the Mankato Energy Center. Southern Company and Southern Power caution that there are certain factors that can cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Southern Company and Southern Power; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in each of Southern Company's and Southern Power's Annual Reports on Form 10-K for the year ended December 31, 2015, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the ability to control costs and avoid cost overruns during the development and construction of generating facilities, to construct facilities in accordance with the requirements of permits and licenses, and to satisfy any operational and environmental performance standards, including the requirements of tax credits and other incentives; the failure to receive, on a timely basis or otherwise,

the required approvals by government or regulatory agencies (including the terms of such approvals); the risk that a condition to closing of the transaction may not be satisfied; the possibility that the anticipated benefits from the transaction cannot be fully realized or may take longer to realize than expected; and potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or beneficial to Southern Company or Southern Power. Southern Company and Southern Power expressly disclaim any obligation to update any forward-looking information.

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